

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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Standing Committee on Infrastructure and Energy

DATE OF HEARING: 30 MARCH 2017

MEETING STATUS: PUBLIC

LOCATION: COMMITTEE ROOM, J. ANGUS MACLEAN BUILDING, CHARLOTTETOWN

SUBJECT: BRIEFING ON THE ENERGY STRATEGY

COMMITTEE:

Bush Dumville, MLA West Royalty-Springvale [Chair]
Dr. Peter Bevan-Baker, Leader of the Third Party
Richard Brown, MLA Charlottetown-Victoria Park
Hon. Doug Currie, Minister of Education, Early Learning and Culture
Hon. Jamie Fox, Leader of the Opposition
Sidney MacEwen, MLA Morell-Mermaid
Hon. Alan McIsaac, Minister of Agriculture and Fisheries
Hal Perry, MLA Tignish-Palmer Road

COMMITTEE MEMBERS ABSENT:

none

MEMBERS IN ATTENDANCE:

Darlene Compton, MLA Belfast-Murray River
Bradley Trivers, MLA Rustico-Emerald

GUESTS:

Department of Transportation, Infrastructure and Energy (Hon. Paula Biggar); PEI Energy Corporation
(Kim Horrelt, Heather MacLeod)

STAFF:

Emily Doiron, Clerk Assistant (Journals, Committees and House Operations)

The Committee met at 1:30 p.m.

Chair (Dumville): We'll call the committee to order. Great to see everybody here, a little windy outside. I guess not too much snow blowing around, so everybody was able to get here today. It's good to see a crowd here today, and so I welcome everybody around the table today.

We'll start off; I'll ask for adoption of the agenda.

Mr. R. Brown: So moved.

Chair: Richard, all right.

Welcome, minister and Kim, and Heather, is it?

Unidentified Voice: (Indistinct)

Chair: Yes. Welcome. You've been here before, you know the routine. Would you prefer to go through your presentation and have questions asked after, or would you prefer to –

Kim Horrelt: Whenever you have questions, feel free to ask them, it will be very informative.

Chair: All right, We'll ask you before you begin just to speak, your name, so Hansard can record it, and thank you for being here today.

The floor is all yours.

Ms. Biggar: Thank you, Mr. Chair.

Minister Paula Biggar. We're pleased to be here with you again. When I was last here, I made a commitment to come back and have a discussion when the energy strategy document was complete, and we're happy to be here on that regard today.

There is a presentation. I have with me Kim Horrelt, and she will introduce herself and her role, and Heather MacLeod, as well. They have been intricately involved in the development of this strategy, and in the consultations that have taken place to develop the strategy.

The initial strategy had 70 recommendations, and we took some of those and implemented them into our strategy. They were recommendations, and we are – this is a 10-year energy strategy, and we have taken those pieces and implemented them into our strategy, and we can certainly discuss those as part of our – there is a slide show that is presented, and again, Kim said she will take questions during that.

So, I'll turn it over to Kim and she can introduce herself and Heather.

Kim Horrelt: Thank you.

Kim Horrelt, the CEO of the PEI Energy Corporation.

Thank you for having us here today. We're really pleased to see the strategy released a couple of weeks ago, and we're happy to be here to give an update on the strategy.

I have Heather MacLeod who's with me. She's also with the PEI Energy Corporation. And, Mike Proud, I think you all met him last week.

Unidentified Voice: We did.

Kim Horrelt: He's here as well, and he was active in the whole development of the strategy, as well. So, if you have any tough questions, you can ask him.

Ms. Biggar: We might call up reinforcements if you get into too many technical questions, but I can tell you these two ladies sitting beside me are certainly well versed and well in authority to answer your questions on technicalities.

Mr. Dumville: If you wish him to come to the table, we'll call –

Ms. Biggar: We will call him up if we need to.

Kim Horrelt: I just didn't want to have him sit over there unrecognized, that's all.

Ms. Biggar: Yes.

Chair: Okay.

Kim Horreht: As everybody knows, we started this process in early 2016. We went out for an RFP looking for a consultant to engage – to do our energy strategy, and that was awarded to Dunsky Energy Consulting. We had been working with them right from about, February of 2016, right through.

In the beginning of our relationship with Dunsky, we sat down and we developed three guiding principles that the strategy was to be developed on, and those were: Low greenhouse gas emissions; any actions that we took and decisions should be cost-effective; and, we also wanted to look at creating local opportunities, economic opportunities, where possible.

That's how the strategy was developed, following those three guiding principles. But, on top of those guiding principles and keeping those in mind, we had six goals that the implementation of the strategy needed to meet. We developed these six goals, and they're up there now, and the first one is reliability.

First of all, our energy systems need to be reliable, not only now, but in the future. So, we had to consider that.

The second one, we wanted to have influence over our future. For instance – and we have an example up there – one of the examples is we recently, in legislation, passed that the government would have the option to own any future generation, so that's just one example. But, we wanted to be able to have more control over the prices we pay for energy and less exposure to market fluctuations beyond our control.

The third was leadership. We wanted to be leaders – any decisions we made to consider those leadership, and demonstrate our ability to be a leader within Canada, and one example right now is our wind. We are a leader in wind and other decisions, we need to consider that.

We want to capitalize on our ability to be innovative and flexible. We've heard in the public meetings time and time again: Prince Edward Island is small; we need to make that an opportunity. We need to be able to take our size and be flexible, be able to make decisions quickly and turn things around. When we use, maybe, PEI as a

testing ground, things that we can do can be very impactful, like 30 megawatts of wind can be impactful on PEI. It might not have that same impact in other jurisdictions. There are things that we can do based on our size and we want to be able to capitalize on that.

We need to consider our context and all jurisdictions have to consider that, but we, being an Island, we're unique so we have to consider our Island status. We have to consider things like our rural demographic. We have to consider aging building stock, all those types of things, and more, need to be considered when making decisions going forward.

The final one was to align with federal policies and regional opportunities. As you know, the federal government is forming policies on climate change and there's a lot going on there, so we want to be able to put ourselves in a situation where we can leverage any time of federal funding or capitalize on some of the policies that are going out there. We also are committed to working regionally with our Atlantic Provinces as partners on a number of issues so that we can, together, capitalize on some of those things.

This is the process that we went through. We did initial research. We had subject matter and experts and public input. We did a draft policy. We went out to public meetings. We had meetings right across the province. We came back; we took the input from those public meetings. We made these revisions and changes. We did another draft. We went back out, final public meeting. We did changes and revisions and then we took the final draft to government for approval, and now that's been done and we have our provincial energy strategy.

Chair: We have one question. Do you want to hold or just –

Mr. MacEwen: Just after this slide, yeah.

Chair: Okay, Sid?

Mr. MacEwen: Thank you, Kim.

Just before we get into the (Indistinct) overviews and stuff, what was the cost of the strategy to the consultant?

Kim Horrealt: \$172,000.

Mr. MacEwen: \$172,000?

Kim Horrealt: 50% of that was covered through ACOA –

Mr. MacEwen: Yes.

Kim Horrealt: – by ACOA.

Mr. MacEwen: That's fine. Was the original agreement changed? Because I was at a number of the meetings and I know they had to do some additional information and come back and I think they held an additional meeting as well, too. Was the original price different from the final price? Or was that still all included (Indistinct)

Kim Horrealt: It was still all included in that price, but there was an addendum to that contract which was the climate change strategy so there was a new strategy, but they responded to that strategy, too. But it was added on afterwards, but, it was a new document. But as far as public consultation there was no extra charge –

Mr. MacEwen: Yes, there was a separate –

Kim Horrealt: – (Indistinct) keep that cost.

Mr. MacEwen: – RFP for the climate mitigation strategy too, and they applied for that, but then when they were awarded that just –

Kim Horrealt: It was an addendum to their contract. I'm not sure they went out for an RFP, but they were – maybe they did. Climate change, yeah.

Ms. Biggar: I can't – I don't know what the – I think they went out to RFP.

Kim Horrealt: Yeah.

Mr. MacEwen: Was the \$172,000 included in the climate (Indistinct) –

Kim Horrealt: No.

Mr. MacEwen: Okay.

Kim Horrealt: That was an additional cost, but they were able to take advantage of the work they were doing with the energy

strategy to lessen the cost of the climate change strategy.

Ms. Biggar: We can get you some more detail.

Mr. MacEwen: No, just before we get into the (Indistinct) –

Ms. Biggar: Sure.

Mr. MacEwen: Thank you.

Chair: The Chair recognizes Jamie Fox.

Leader of the Opposition: With Sid's questions, what was the extra cost?

Kim Horrealt: There were no extra costs.

Leader of the Opposition: Oh. I thought you (Indistinct) –

Kim Horrealt: No, the only extra cost was a new contract for the climate change strategy.

Leader of the Opposition: What was the cost of that?

Ms. Biggar: As I said, we'll – I think in regard to that, we'll have to bring that back.

Kim Horrealt: Yeah, I'm not sure what the climate – that was done through the climate change secretariat so –

Ms. Biggar: Yeah, we'll have to bring that –

Kim Horrealt: – (Indistinct)

Ms. Biggar: – get that through Todd and find that out for you.

Kim Horrealt: But, it was also covered 50% by ACOA, as well.

Ms. Biggar: We can get that information, but what we incurred as part of our RFP –

Leader of the Opposition: I think it's very important we do that.

Ms. Biggar: Yes.

Leader of the Opposition: Was that a budgeted item? Did you already have that pre-planned or was that just an extra that came up?

Ms. Biggar: You had that in your –

Kim Horreht: We had that in the budget.

Ms. Biggar: Yes.

Leader of the Opposition: Yeah.

Ms. Biggar: We had that in the budget.

Chair: Continue.

Kim Horreht: Just a little bit about the background, the current state. You can see the pink area is really our electricity; the rest is other energy. Electricity really constitutes about 21% of our energy. A lot of our energy use is in transportation; 43% of our energy use is in transportation and 35% in buildings. We are still very heavily relying on fossil fuels and in order to combat a lot of climate change, we're hoping electrification of our system will continue.

Chair: The Chair recognizes Jamie Fox.

Leader of the Opposition: Kim, how do they differentiate between NB Power system 12% and nuclear three? Because my understanding Point Lepreau is owned by NB Power, so why would that be separate?

Kim Horreht: We have an agreement with Point Lepreau so it's financing. We get a certain – I'll go to our electric power next here just a second. If I can do that, if I can find my – we have 15% of the nuclear at NB Power so that's guaranteed to us. We finance that at the energy cooperation, so we get 15% of that; 26% is wind and 58% is the rest of the NB Power system.

That NB Power system makes up 45% purchases. Those purchases come from – also come from nuclear, from hydro from Quebec purchases that they make out-of-province from wind that they produce or from wind from the Island, Those purchases are made up of a vast (Indistinct)

Leader of the Opposition: Why would we not get 15% from nuclear instead of 3%? I'm trying to –

Kim Horreht: We get 15% in our electricity mix. This is our electricity mix. That 3% is in our energy mix.

Leader of the Opposition: Okay.

Kim Horreht: That's just a little bit of background on our state right now.

The other thing we did, we did a bit of a (Indistinct) analysis just to try to understand what our strengths, our weaknesses, where are our opportunities and challenges.

As I've already mentioned, our small size is a strength. We can be innovative and engage – we have engaged citizens. We're already a leader in renewable and we have things here on the Island that can really help us: The university, Holland College. We have WEICan here. We can really look at some of those things as our strengths and move forward.

Our small size can also be a weakness. We have very limited natural resources on PEI. We have no natural gas. We don't have any hydro or fossil fuels. Everything has to be imported, so that can be a weakness. We have disbursed communities and we have limited financial resources, both government and citizens. Those are some of the weaknesses we had to consider, but there are lots of opportunities. The federal government has made climate and clean energy a priority and we can own our own generation. It's an opportunity for us to go forward with, and there's an increased interest in renewable export out there right now. I don't know what's going to happen in the States now, but certainly there's been a lot of activity leading up to now so we'll see what happens. But, there does seem to be increased interest in renewable and green technology.

But, there's going to be challenges and accessing some of that external funding is going to be a challenge and we are dependent on our neighbouring provinces for our energy supply. We're in constant communication with them and we're talking, and we're trying to see how we can work the best deal for PEI.

When the energy strategy was completed, we found there were key focus areas that we needed to look at. It identifies five key areas in which we need to take action in order to direct our energy future. That includes; energy efficiency and conservation, power generation and management, energy storage,

biomass and heating and transportation. Energy efficiency and conservation is number one; is listed first there and that's not by accident. We really feel that it should be the biggest focus. It's going to provide the biggest benefit and we need to conserve energy. It's the way to go forward to save costs. That's the key focus areas.

Ms. Biggar: Part of that, as well, is – part of our strategy is engagement and more information, so that is a key part of getting our information out, as well.

Kim Horrealt: Right.

Ms. Biggar: Yeah.

Chair: Excuse me. Chair recognizes Alan McIsaac.

Mr. McIsaac: Can you just go back there for a sec. The middle in there, in energy storage, where are we on that? Is there really quality storage now, and what are we looking at? Is it on a – can we get to the individual household if –

Kim Horrealt: Yeah, well there are a lot of things we're looking at, and we're just starting to go down in that direction, the strategy was just released.

But, battery storage is coming. It's not really there, yet, and so we're looking at possible demonstration projects and so on in that. But, I think the real area to go down is, perhaps, thermal storage in homes, and whether it's similar to your Heat for Less Now program in Summerside; rather than ceramic blocks, you can store energy in your hot water heaters.

There's all kinds of different things you can do, but we really have to look at that, and we're just at that stage. We're just getting out the door and examining that kind of thing, as far as storage, but it's the Holy Grail, and we'd love to find – we'd love to be leaders in that area, too.

Mr. McIsaac: The technology's getting better and better all the time.

Kim Horrealt: Technology's getting better all the time, and the price is coming down all the time, but it's not quite there yet.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

I first want to say that I'm really impressed with the energy strategy, and I think it's incredibly comprehensive and progressive document, and I think it is going to serve the Island well if fully implemented over the next 10 years.

But, on the issue of energy storage and electricity – and we have to remember that electricity, although it's expanded dramatically over the last decade, it still represents only a fairly small percentage of our energy use, but when it comes to energy storage we tend to focus on the large scale. In Summerside, there was recently an announcement about a large-scale project there –

Heather MacLeod: Sixteen megawatts.

Dr. Bevan-Baker: Yeah.

But, I have to take issue with your assessment that we're not there yet with battery storage, because in Europe households are doing this very effectively and very – both in terms of energy – but more importantly, in terms of costs.

I'm wondering, one thing that seems to be missing for me in the energy strategy is the ability of individual house owners to generate their own electricity; the lack of incentives there and the lack of a will to move to a distributed generation grid.

Can you explain to me why we are holding back on incentivizing individual home owners to generate their own electricity?

Ms. Biggar: Kim can certainly go into details, but part of this whole strategy is to modernize our grid and to be able to do those kind of things, but that is entwined in this strategy, certainly, but Kim can certainly go into more detail.

Kim Horrealt: You're right, having distributed it and having home owners do it, but there are lots of things we need to learn about that, and feed-in tariffs, the impacts on the grid.

We are actually out right now for a request for proposal for a grid modernization study just to see what those impacts would be on our grid going forward and how would be the best way to move forward. What kind of decisions and policies do we have to put in place to make it work? Do we need a feed-in tariff? Do we need net billing? Do we need – how can we integrate all these things into our system, along with smart metering and all those things?

We're just getting started on that stage, but you're right, that needs to come forward, but, we need to educate ourselves, I guess, a bit on the impacts of those. We don't want to end up in a situation like Ontario, for instance, where they got into a high feed-in tariff, they couldn't (Indistinct)

We don't want to negatively impact rates at a drastic rate because of the policy we've implemented.

Chair: Go ahead.

Dr. Bevan-Baker: Thank you, Chair.

Yeah, and we certainly don't want to replicate what happened in Ontario; a real disaster there in many respects, but, there are other ways of doing this.

I'm wondering whether – I didn't see it anywhere mentioned in the strategy – but whether there is a will to review the *Electric Power Act*. We've done that before when we were tied to the rates in New Brunswick plus 10%. We changed that, because that wasn't working for the utilities.

I'm wondering whether – with the guaranteed rate of return that we have now, there is that disincentive to provide home owners with the opportunity to create their own power. Is part of your strategy a will to look, to review the *Electric Power Act*?

Kim Horrealt: I think yes. I think we have – that would be part of it, if some of the recommendations came back, then we would definitely have to open up the *Electric Power Act*. If we're going to make changes, that's where they would have to be.

Dr. Bevan-Baker: Glad to hear that.

Thank you, Chair.

Chair: Continue.

Leader of the Opposition: He asked the question I was going to ask.

Kim Horrealt: I'm going to pass it over to Heather. She's going to talk about some of our action items.

Heather MacLeod: Kim mentioned it – and I'm sorry, Heather MacLeod, Manager of Energy Assets with the PEI Energy Corporation.

Kim mentioned we had over 70 action items that were recommended by the consultants, and we wanted to let you know that these weren't the only possible action items that we could have taken, but these particular ones were chosen because they provided the most benefit to Islanders and they matched our guiding principles.

Mr. Dumville: Before you continue, Jamie Fox?

Leader of the Opposition: So, with that, if you're the manager of the assets, what do we own for assets?

Heather MacLeod: What do we own for assets? What I manage are the three provincially-owned wind farms: So, North Cape; Norway is a small one; East Point; Hermanville, the wind farms. We also own some transmission infrastructure, and of course the connection infrastructure between us and Maritime Electric's grid.

Leader of the Opposition: We own the cables.

Heather MacLeod: The cables, yes.

Leader of the Opposition: So, what would be the percentage of infrastructure that Maritime Electric manages that we would own?

Heather MacLeod: Of their – that Maritime Electric manages –

Leader of the Opposition: So, all the transmission lines that go across the Island –

Heather MacLeod: Yes.

Leader of the Opposition: – what would be the percentage of that infrastructure that we would own?

Heather MacLeod: The vast majority are owned by Maritime Electric.

Kim Horreht: We have a small transmission up west at Borden; very, very small amount.

Ms. Biggar: They own the lines.

Leader of the Opposition: Did we ever own that infrastructure? We never did.

Heather MacLeod: Not in my time, no.

Leader of the Opposition: Thank you.

Chair: Peter?

Dr. Bevan-Baker: I'd just like to follow up on that line of questioning, to ask whether that's also something that's being considered for review, whether public ownership of the infrastructure is something that you're considering.

Ms. Biggar: Of the utility itself?

Dr. Bevan-Baker: No, of the infrastructure that carries the –

Ms. Biggar: Well, if you're going to take the infrastructure, you have to take the utility, so that's a larger discussion.

Dr. Bevan-Baker: Is that something that you're considering?

Ms. Biggar: We haven't had that discussion.

Dr. Bevan-Baker: Okay, thanks.

Leader of the Opposition: (Indistinct) so with that –

Ms. Biggar: I'll go back to say, it was a recommendation at one time in the previous commission's report, and I don't believe it came out in this report in any of the recommendations, but it's certainly something that was recommended in the previous commission's report.

Leader of the Opposition: With that, minister, where we own the cables that are

coming across Seacow Head, and we're going to own the other two cables that come across, does Maritime Electric pay any type of tariff or usage fee to us for owning them cables and using our cables?

And I have to wonder why not?

Mr. R. Brown: Lower rates for Islanders. If you charge Maritime Electric, they'll just charge Islanders, so we give it to them for free – for a cost, capital.

Kim Horreht: There's no tariff on the use of the cables.

Mr. R. Brown: We're not going to charge the ratepayers.

Ms. Biggar: Yeah.

Mr. R. Brown: Free.

Ms. Biggar: It comes back to the ratepayers.

Chair: Continue.

Ms. Biggar: Thanks, Heather.

Heather MacLeod: So, just before I get into any specific action items, I wanted to point out that many of them do require concrete government action over the next five years, and we're just at the early stages of doing cost-benefit analysis and an implementation plan, so this is a long-term strategy. We can't do it all in the first two weeks. I wish we could.

Some of the action items as recommended, they do present some implementation challenges. Our job in the future as we go forward with this is to make sure that we keep in mind those key guiding principles, to be cost effective and benefit all Islanders, and, of course, consider Islanders at risk. We don't want to put anyone in a situation that energy becomes too onerous.

Also, it's not a PEI Energy Corporation responsibility. Multiple departments, the recommendations have actions for those, finance and procurement within finance. The department of environment, transportation, forestry – the action items (Indistinct) all across government. Some of the action items, there's a lot, but about 30 of those are

monitor, consider, evaluate. They don't call for us to take any immediate concrete action. I just wanted to go through some of the key ones, and I know you heard from Mike speaking about energy efficiency a couple of weeks ago. As Kim said, efficiency conservation does need to be our number one priority to reduce our energy use on PEI. Action items called to formalize energy efficiency targets and expand program activities so that we can meet those targets.

Some examples: We'll be managing a comprehensive suite of programs, including low-income, fuel switching, encourage fuel switching and transportation. Also, another action item; to develop demand response framework and programs, because the demand (Indistinct) allows us to spread out the energy we do use and make it more uniform so we don't have those high peaks and that's important. It's the peak that you pay for, so if we can level that out a little bit, reduce peaks, it will be great assistance.

As we mentioned earlier, a rate restructuring review. We're actually moving forward on this now. We need new – rate restructure comes in 2019, the next rate review, but we've gone out to RFP for a good modernization and stabilization study so that we can begin looking at some of the more innovative ways – innovative things we can do with the grid.

Chair: Mr. Fox has a question, and then Peter Bevan-Baker.

Leader of the Opposition: Going back to what you said – something about peak rate usage. Have we ever looked at any programs that might be in place in other jurisdictions to encourage people to not – less electricity during the peak things?

Ms. Biggar: Time of day use.

Leader of the Opposition: Yeah, have we ever looked at any programs like that for Islanders?

Heather MacLeod: One of the things that we're looking at in this, and in addition on the Island – we could have time of wind pricing, would be an interesting twist on it. When a day like today, throw your laundry in the dryer and turn on your washing machine because it's all coming from wind.

Ms. Biggar: Wind energy, free wind.

Chair: Peter.

Dr. Bevan-Baker: Thank you.

I'm wondering, Heather, on the rate restructuring review whether you're going to look at the block rates that currently exist, which are a disincentive to conserve electricity and reversing that. Is that part of the review?

Heather MacLeod: That as well, the (Indistinct) block structure is a part of it, yes.

Dr. Bevan-Baker: One further question on this slide. You talk about formalizing energy efficiency targets. I know that we have no current greenhouse gas emissions targets specifically for Prince Edward Island, but does that mean that we're going to develop them? Is that what you're saying there?

Heather MacLeod: I think so. The climate change mitigation recommendations document that came out at the same time as the energy strategy, that's the document that went into more detail about the greenhouse gas emission reductions that could be attained with the action items. You'll notice that a number of action items in the two documents match, as they should.

Dr. Bevan-Baker: Just to be clear, there will be greenhouse gas – specific greenhouse gas emission targets coming out of this strategy for PEI?

Heather MacLeod: Not specifically out of the energy strategy, but I would expect to see those numbers in the upcoming climate change mitigation strategy.

Dr. Bevan-Baker: Great, thank you.

Thanks, Chair.

Chair: Continue.

Heather MacLeod: Thank you.

I guess it's no surprise to anyone that we'd like to grow renewable energy, and two specific action items that were in the strategy were to, by 2019, pending research, develop an additional 30 megawatt of wind

on PEI and then in 2025, a further 40 megawatt. We're expecting those would be enabled through the increasing use of electricity on the Island, the peak will be growing.

We briefly mentioned we'd be monitoring advances in storage technology and looking at cost reductions in utility scale solar to begin test projects as they become cost effective and we have our peak capacity concerns addressed.

Again, not all storage is utility scale storage. It could be your electric car parked in your garage. It could be a storage device, batteries or thermal storage as Kim mentioned. It could be either utility scale or distributed. I don't –

Sorry?

Chair: I just have a question from Richard Brown.

Mr. R. Brown: Thank you, Mr. Chairman.

How much wind energy can we produce on Prince Edward Island? Do we have a megawatt –

Ms. Biggar: Two hundred and forty.

Mr. R. Brown: No, but – is that total capacity?

Heather MacLeod: Our capacity right now, on the Island for wind is 204 –

Ms. Biggar: Oh, sorry.

Mr. R. Brown: No, but I mean have we determined how much we can produce –

Ms. Biggar: How much regime?

Mr. R. Brown: – what is the potential?

Ms. Biggar: (Indistinct) regime –

Kim Horreli: We're at 25 – we integrate about 25% and we think we can go to – I mean, right now it's with New Brunswick –

Mr. R. Brown: No, I mean have we ever determined how many windmills can we put on Prince Edward Island efficiently, and how many megawatts will we get out of it?

Kim Horreli: It all depends on if we can get somebody to buy the wind and we have to have some – and at what cost?

For instance, for us to put – we're working with NB Power. They balance our wind right now. They're saying: Right now, we can't take much more wind; it's going to cost you. We're saying: Right, well, what is it going to cost us? So, we're working through that right now. I don't – I can't really answer your question the way you –

Mr. R. Brown: Okay.

Kim Horreli: – want it answered, I think.

Mr. R. Brown: Okay. When I was negotiating the 14% reduction power rates on Prince Edward Island in 2011, I had the opportunity to go around and meet with the utilities throughout Atlantic Canada; Emera, Nova Scotia Power and NB Power.

As you know, Newfoundland through Muskrat Falls is going in the – Muskrat Falls is producing a tonne of power. They're having the cables connected to Nova Scotia. That tender has gone out. I think, according to documentation, it's going to be done in 2017.

I see it as a regional thing. If you're talking storage, the best storage is water behind a dam with wind. If we can connect our wind to a dam when wind is blowing, we'll use wind, when it's not blowing we'll use the water to do it. I think Atlantic Canada has a phenomenal opportunity in this.

I noticed that Emera has gone out. They are working now on a \$2 billion Atlantic link to the United States, which will see them either going from Yarmouth or from St. John down to New Hampshire. New Hampshire has a 1,200 megawatt tender out, or coming out with a 1,200 megawatt green tender. Emera has a call for proposals out now for people supplying that 1,200 megawatts of wind power. That tender closes on April 12th.

Is the PEI Energy Corporation submitting a proposal into that proposal in order to have more wind on Prince Edward Island?

Because we have the power lines, we have the wind. We have the new links coming through. I'm just wondering: Will we be

presenting an agreement to that proposal on 1,200 megawatts in to the US?

Kim Horrell: We've certainly put ourselves in a position where we have the ability to put a tender in. We've had discussions with Emera and Power Advisory, who's working as their consultant. But, I'm not sure we can put a proposal in for that has to be – it has to be new wind. I'm not sure we have the ability to meet what they're looking for in a short period of time.

What we've been doing is working with NB Power and be a part of their proposal going forward. We have been in discussions with New Brunswick power saying: We want to be a part of it. Can we be part of your proposal?

Mr. R. Brown: So, New Brunswick's proposal or Nova Scotia's proposal?

Kim Horrell: New Brunswick –

Mr. R. Brown: Oh, they have a proposal, too?

Kim Horrell: Well, they'll be putting a proposal in. They'll be submitting to – a notice to Emera.

Mr. R. Brown: So, we're going to go through New Brunswick for our proposal, not ourselves? Like, why wouldn't the PEI Energy Corporation be putting forward a proposal to say: Look, we have a tonne of wind on Prince Edward Island?

Kim Horrell: They won't take any of our existing wind. It has to be new wind.

Mr. R. Brown: Yeah, that's what I'm saying.

Ms. Biggar: (Indistinct) developed yet.

Mr. R. Brown: Yeah, that's what I'm saying. We develop it.

Ms. Biggar: Yes, which we are.

Mr. MacEwen: (Indistinct) Richard.

Chair: We'll keep going.

Jamie Fox.

Kim Horrell: I see what you're saying, and we have been – we've gone through the process to be able to put an RFP in and we're there and we can. We just don't think we have the ability to bid on that RFP at this time.

Mr. R. Brown: But they're out to proposal calls, asking anybody that has any energy to put in a proposal. Am I correct there to say: If you've got excess capacity, give us what you got so we can bid on this 1200 megawatt green energy into the US?

Kim Horrell: Well, it's not excess. And they want high-capacity back-stopped power. In order to get it back-stopped, we really have to work with somebody because we don't have any way to back-stop our wind to get the high-capacity.

Mr. R. Brown: But Emera –

Ms. Biggar: We're using all our wind –

Mr. R. Brown: –is working with Muskrat Falls for its backup. They're getting 500 gigs through there.

Ms. Biggar: We aren't exporting wind.

Mr. R. Brown: I see the pieces coming together. I think it's an opportunity for PEI to be a part of that.

Kim Horrell: As did I, and we're trying to see how we can best fit into that. We've been talking to them and we've been working with them, I just don't think we are at this time – have the ability to put a proposal in – that they're looking for, on our own.

Chair: Jamie Fox then Brad Trivers.

Leader of the Opposition: Along with Richard, I would have to say: This could be a lost opportunity. We should be putting in a proposal to them instead of going through New Brunswick, who is going to – they're going to look out for the best proposal to them with us being second. If there's an opportunity where we could possibly say: Within five years or 10 years, we could provide you with X amount of megawatts through new wind that we could bring on stream; why we wouldn't try and put that forward and be a leader in it?

Kim Horrealt: Right.

Ms. Biggar: The wind that we're using now, that we're producing now, we use it all on PEI.

Leader of the Opposition: We're talking (Indistinct).

Ms. Biggar: So, in order to meet the demands that we expect in the future, we are also developing more wind. Now, whether or not there will be excess wind to export is the question, first of all and how much of that could we export? But, what we're developing now – and you can correct me, please – it's for on-Island use. New development.

Kim Horrealt: Yes. The 30 megawatts is for on-Island use, no question. But, I hear what you're saying about this proposal –

Ms. Biggar: It makes sense.

Kim Horrealt: – and it does sound, on the surface, like a tremendous opportunity and that's why were very anxious to make sure we had our foot in the door. We had every opportunity to bid, but it's a very comprehensive proposal that you have to put together and –

Mr. R. Brown: And I know how hard it is because –

Ms. Biggar: We're just not ready there.

Mr. R. Brown: – (Indistinct) in Canada, and this is the worst part of it, in Canada, is that in the United States utilities are forced to work together to share the national energy grid in the US. We're not here. You know, Quebec can cut us off at any time going through their transmission lines. It's a provincial jurisdiction, so there's no national energy program.

I know how hard it is because we've gone several times in our history – and I know this fall backwards because there have been many reports on owning our own utility and buying our power from Quebec and wheeling it through. Jim Lee did it, Joe Ghiz did it. We all got deals out of Quebec. But when they went to wheel it through, you just couldn't get it to because there was no cooperation. I know how hard your job is in

that area. It's going to require some federal initiative here. We're going to talk green credits and everything. I think the federal government has to become involved here and break down some of these –

Leader of the Opposition: Barriers.

Mr. R. Brown: – some of these barriers of getting transmission across provincial lines, because it is bad and I know the trouble you're into there, and that's all I was thinking, was –

Ms. Biggar: It looks like a great opportunity, yes. It certainly is for certain areas. But, the wind that we are developing in the next – between 17 and 25, and those 70 megawatts that we are developing is going to be for on-Island use, because there is a misconception that the wind that we are producing now was off-Island.

The wind that is owned by Islanders does not go off-Island. There is other companies on PEI that do export wind, but they have the agreement to do that. That is not through us. But, all the wind that is produced on PEI that is owned by Islanders is used by Islanders and this future development that's in this strategy is for Islanders.

Mr. R. Brown: Well, I guess all I'm saying is if we developed and got a tender –

Ms. Biggar: Yes.

Mr. R. Brown: – for more wind –

Ms. Biggar: – absolutely.

Mr. Brown: – that we could sell off PEI, that would reduce – that would go into the grid and reduce power rates for Prince Edward Islanders. Like, if we can sell into the US, get green credits for it, I think, if we had enough wind on Prince Edward Island, we could meet our carbon targets.

Ms. Biggar: That's all part of – like, we don't know if that is exactly what would happen; if we did this it would create that, because there's such a complexity to dealing with those agreements.

That is, certainly, all part of the discussion that's happening.

Kim Horrealt: Yeah, and I do see where you're saying, you're thinking we have a missed opportunity with export, and we're hoping we're not going to miss that opportunity. We're trying to maximize what kind of benefit we could get from a contract like that through the States.

Ms. Biggar: Yeah.

Kim Horrealt: Really, with the short period of time to bid on that project, it has to be new wind, extremely well-developed projects, and we just don't think we can get there at this time that way.

Mr. R. Brown: I guess my comments are just that I know how hard your job is, working with other jurisdictions in this area, that's –

Ms. Biggar: I know you're very passionate about it.

Mr. R. Brown: Yeah.

Ms. Biggar: We certainly appreciate the experience that you have in this, MLA Brown, and I know that you have had great experience in this, and respect your perspective and your position that it could be a great opportunity, and it is one that we will certainly continue to have discussions on.

Chair: Thank you.

I want to move to Brad Trivers, followed by Doug Currie.

Mr. Trivers: Thank you, Chair. Thank you for your presentation, of course.

I wanted to ask this question, it was one I had, it's along the lines of Mr. Brown's question, MLA Brown's question. Energy storage is, of course, one of the key things. We hear that time and time again, and you're going to look at pilot projects for energy storage.

I want to make sure that pumped hydro is considered in there, and if it's not going to be considered, I'm interested as to why.

Kim Horrealt: We love pumped hydro –

Heather MacLeod: It's funny. We were just looking at pumped hydro a couple of weeks ago.

Mr. Trivers: Okay.

Kim Horrealt: (Indistinct) elevation (Indistinct).

Ms. Biggar: We've done some exploration, too, on our tidal here, so I'll let them talk about that.

Heather MacLeod: We were thinking about pumped hydro a couple of weeks ago. I can't even remember how it came up. PEI's main problem is that we're flat. That's what makes us great for wind. It's not so good for pumped hydro, because elevation is –

We'll continue exploring it. Unless we built our elevation at this point, I don't see a lot of opportunity there. We might be able to get one, two megawatts, and that's just my guess. We could easily replicate that with a turbine or two and have at lower cost.

Mr. Trivers: Chair?

Chair: Go ahead.

Mr. Trivers: Just a follow up on that, and again, MLA Brown's comments: I think this is an area where you could coordinate with the other Atlantic Provinces, provinces that do have greater changes in elevations where a pumped hydro installation might be more appropriate. I'd urge you to extend your scope and think beyond PEI's borders for pumped hydro, especially.

Kim Horrealt: (Indistinct) communication with New Brunswick, Nova Scotia, Newfoundland, and I think New Brunswick's quite interested in pumped hydro right now, too, so we're definitely – it's a great storage mechanism.

Ms. Biggar: We are looking at this as a regional opportunity, as well. We have to focus, yes, on PEI strategy, but we are in communication with our Atlantic Provinces, as well, on what best could work for our larger projects, certainly.

Mr. Trivers: That's within this 10-year strategy, for sure? You'd be looking at pumped hydro with other provinces?

Heather MacLeod: It's not a specific action item.

Ms. Biggar: It's not in the strategy.

Mr. Trivers: I guess that's my concern is, it's not actually in the strategy. I know you're saying that to me, but –

Ms. Biggar: (Indistinct) the innovation, right? It does.

Chair: Quebec is doing it.

Heather MacLeod: It would fall under the monitor advances and storage technology because we mentioned that storage isn't just batteries, it can be thermal storage. It can be potential energy storage through elevation. It can be compression of gases. There's many.

Mr. Trivers: Okay.

Kim Horrealt: We're looking at them all, and we're dealing (Indistinct).

Chair: I want to keep giving everybody a fair chance.

Doug Currie; followed by Jamie Fox.

Mr. Currie: Well, thank you very much, Chair, and Minister Biggar, and Kim, and Heather.

I certainly had an opportunity to be at a number of tables to see this presentation, and I'm very pleased. I mean, it just falls way back to the Paris conference. I guess the thing that I really like about this, it's progressive and as a province we are working towards punching above our weight in respect to what we're going to do, not only as a province, but our role as Canada on the global stage. I'm very pleased.

As to MLA Bevan-Baker referred to, is that just follow up in making sure that we continue to do the work that we need to do, and this is such an important part of the work that we all do as elected officials.

But, I guess one of the things that – and I've never heard the conversation or maybe

we've touched upon it, but one discussion that I continue to pick up in the media, particularly – well, I have two questions, but the first one is around the harnessing of tidal power. I know that the Bay of Fundy – but in the discussions and the presentations that I've heard, we haven't really touched upon that. I guess, New Brunswick, they're moving in that direction and the opportunity through the Bay of Fundy and the power of the tides.

Maybe, could you speak to that a little bit and just maybe sort of elaborate, because I do have another question, as well.

Unidentified Voice: It's Nova Scotia.

Kim Horrealt: Nova Scotia is really working with the tidal. It's very expensive energy, and they do have the Bay of Fundy.

We had a tidal study done here on PEI, and really, it didn't look good. The opportunity was not great for getting any kind of significant generation out of our tide.

That's not to say that we aren't going to continue to keep it in the back of our minds if the technology came to us.

Mr. Currie: The Province of Nova Scotia, it is correct; they are, sort of, more of a leader from a regional perspective.

What is Nova Scotia doing? I mean, they had access to the Bay of Fundy and we don't, but I mean, what is Nova Scotia doing in respect to that area?

Ms. Biggar: Two new turbines.

Kim Horrealt: Yeah, they've got – they're doing a number of things. They do have some older turbines in, like, a river, whatever. You know, they've got a number of things that are (Indistinct).

It's expensive. It's about 70 cent electricity there, their tidal power right now over there.

Mr. Currie: Okay. And I wasn't aware of that.

Kim Horrealt: Yes.

Mr. Currie: Just getting back to another question, and I know that we, as a small

province, and you often hear Saskatchewan and Premier Wall standing out and talking about his sort of push back on the feds on sort of – because of their reliance from an economy perspective.

But, in respect to partnerships, as a region of two million people, are we really truly – are we taking advantage of the opportunities as a region to really work? We continue to talk about regional collaboration, and I spent years talking about health care, but it's all for one and everybody take care of themselves, basically.

Mr. R. Brown: Right.

Mr. Currie: Which is, to MLA Brown's comment, which I have a real difficult time with, because from a regional perspective we're under significant pressures from – whether it be our demographics, or whether it be from our economy. Is there not a way for us, as provinces, to continue to mandate or take advantage of our opportunities and work together?

It seems like it's an ongoing challenge, and we do a lot of great talking at the PT meetings, and we say we're going to work together and we're going to accomplish this, but we never really get anything done.

I think that – and I'm not being disrespectful, but it seems like we are collectively – we could be so much stronger for all our constituents in our provinces. This is just such an important area. We're under (Indistinct) –

If you look at New Brunswick in the last five years and the pressures that they're under in respect to electricity, just maybe your thoughts on that?

Kim Horrealt: I think right now, we're working regionally more than we ever have, and I think the stars are aligned for the region to work together, too.

It's not just us wanting to work; it's everybody really wants to work together, and there's a number of examples where we are working together, and efficiency is one. We've signed an MOU with EfficiencyOne in Nova Scotia, and we just met with all the deputies of energy over here this week.

Ms. Biggar: They came here.

Kim Horrealt: We had an excellent meeting, and they're all anxious to work together on a number of –

We talked about tide. They've got some interesting things happening in tidal energy research right now that we might be able to tap into.

Mr. Currie: The tidal research, it's interesting to me because I think, the investment that – I guess it was Nova Scotia – I mean their investment that they invested in; the tides were so powerful they had to remove the equipment because it was destroyed.

Ms. Biggar: They lost it.

Mr. Currie: They lost it.

Mr. R. Brown: (Indistinct) the Atlantic Ocean.

Mr. Currie: Yeah. I'm a big – I think that from where we're facing our challenges as a region, as far as – you could look deficits and provinces and what we're all trying to manage, I'm hopeful that we continue to move the regional corroboration discussion forward because there is so much opportunity.

There are a lot of similarities between, particularly, the three Maritime Provinces but there is so much opportunity when you look at the Province of Newfoundland and what they have –

Kim Horrealt: Newfoundland (Indistinct)

Mr. Currie: – and what we don't have. So, anyway –

Kim Horrealt: Newfoundland is not as exciting as –

Mr. Currie: No, well –

Kim Horrealt: – it may seem. Their electricity rates are going to double –

Mr. Currie: Yeah. Well they've –

Kim Horrealt: – and they won't –

Mr. Currie: – sold themselves –

Kim Horreht: – have electricity flowing until at least 2020 (Indistinct)

Mr. Currie: It's nice to hear that you're very optimistic from the chair that you sit in as the CEO that you're seeing progress. That is really good news.

Kim Horreht: (Indistinct)

Chair: Thank you, minister.

Jamie Fox and then, I'll have a quick – then I'll put myself on here for a second.

Leader of the Opposition: I want to go back because I missed over it, go back to the slide before. You talked about begin rate restructuring review. After reading that, "2019: release rate restructuring decisions." Has any decision been made on possible rates after next year when we're at the end of the 2.3% increase, which we've seen?

What's that? What are you talking about?

Kim Horreht: We need to get our RFP. We need to find out what the recommendations are and then see how we can implement those. There will be legislative changes that will have to come in, but we can't actually make any changes until early 2019, because that's when our agreement expires.

Leader of the Opposition: Are you working on formulating any decisions right now?

Kim Horreht: We're just out for an RFP. We haven't even – it's not closed yet. Then, once that study completes then we'll start to look at (Indistinct)

Ms. Biggar: Can you explain the process, maybe?

Heather MacLeod: The study is not about the dollar value of rates; the study is about some of the changes we could make to the rate structure. To enable some of the newer technologies; smart grid and distributed generation, so things like, that we would look at; feed-in tariffs; time-of-day billing; net billing; net metering; the different blocks; the different rate classes. That's what's going to be reviewed.

Leader of the Opposition: I'm very concerned –

Mr. R. Brown: That's good.

Leader of the Opposition: – because you say in your report – and I saw it – that rate has gone up from 14-21% over eight years.

Heather MacLeod: No, that wasn't rates –

Kim Horreht: No, that was electric use.

Heather MacLeod: Use.

Leader of the Opposition: Okay, use.

Heather MacLeod: That's use.

Leader of the Opposition: Okay –

Mr. R. Brown: (Indistinct) brought them down for me, not (Indistinct)

Ms. Biggar: Not the rates.

Leader of the Opposition: With that we saw – our rates are high. We saw a 2.3 last year, 2.3 this year, 2.3 next year and we didn't even think about when those rates were increased, HST applied; we had a 1% increase.

Then we go into IRAC and we basically let Maritime Electric and the province put a proposal forward to IRAC, which was never – I don't believe the actual general public had an opportunity to say: No, we can't afford these rates. But Maritime Electric, they rubber stamped it and we're seeing it.

I'm very concerned that this energy strategy never really talks about the power rates for the future that Islanders might have to pay.

Can you give us any thoughts on that? Where do we see power rates going? Are Islanders looking in the future of having significant more rates of 2.3% each year, or are Islanders looking at possibly having rate reductions?

Stumped you.

Ms. Biggar: We're not stumped, I can tell you that.

Mr. R. Brown: No (Indistinct)

Ms. Biggar: It's part of a process that we have to go through.

Kim Horreht: We've certainly looked at it.

Ms. Biggar: Yeah.

Kim Horreht: I don't think you're going to see rates decrease, electricity rates decrease anywhere.

Ms. Biggar: The objective of this is to how we can mitigate and make sure that we have pieces in place that will mitigate the need for pricing for electricity and to have minimal impact on Islanders. That is what this strategy and the RFP that we have out there, we have to do that research now because we can't wait until 2019. We have to look at all those pieces that will, and can, impact Islanders.

Leader of the Opposition: I can understand that, minister, I totally agree with conserving energy. I think we need to move towards that. I think we need to allow Islanders to put programs into place or have access to programs to reduce energy. Whether it be net metering or peak hours and all that kind of stuff.

I'm very concerned that we're almost at the – looking at a scenario of where Ontario is.

Ms. Biggar: No.

Mr. R. Brown: No.

Ms. Biggar: No. We are not going –

Kim Horreht: Where do you see that?

Mr. R. Brown: (Indistinct)

Ms. Biggar: How do you make that analogy?

Leader of the Opposition: Well, it's just that – because of the rate increases, minister.

Ms. Biggar: There is no way our rates are going to be like Ontario's –

Leader of the Opposition: No, but (Indistinct) –

Ms. Biggar: – because we're not going to let that –

Leader of the Opposition: – get a grip on it now before they do.

Ms. Biggar: Well, they won't be.

Mr. R. Brown: There you go. I trust her.

Chair: All right.

I'd like to suggest that we continue onto the presentation because we're only partway through it. I know it's passionate and the committee members have a lot of questions, but I'd ask you –

Ms. Biggar: Quick –

Chair: – let's go through the presentation and everybody that has a question, please jot down your questions and just hold them so we can move along just a little bit faster in the essence of time. I appreciate your cooperation –

Ms. Biggar: Great discussion, though.

Chair: Oh, it is a great discussion. I'd be the last one to stop it, but –

Mr. R. Brown: But you are.

Chair: But I am.

Ms. Biggar: (Indistinct)

Mr. MacEwen: There are only three pages.

Chair: All right. Let's get through the three pages and then –

Ms. Biggar: Oh, I think there are more than three pages.

Chair: I think there is a lot more that.

Kim Horreht: A lot of the end stuff is just information, so.

Chair: Anyway, to be fair to you people, let's go through the presentation. We'll get back to the questions soon enough.

Heather MacLeod: I'll try to move a little faster, as well.

The next sector that I'm going to talk about is the built environment and grid infrastructure. The Island infrastructure, as

Kim mentioned, our built environment is older than, perhaps, some places. I believe we are going to be implementing the National Building Code –

Mr. R. Brown: Great.

Heather MacLeod: – as soon as possible. That was a strong recommendation from our consultants. In the future, look at a provincial stretch building code and possibly mandatory building labeling in order to show the value of that investment to future building owners or building renters.

As well, smart metered – and I hate to call it smart meters. Smart meter and/or smart grid technology and some instillation research, and a part of that are the communication requirements of having smart meters in place or a smart grid. Again, to enable this distributed generation and the different pricing schemes that one might see. None of these are freestanding, they're all – not all, but a great number of them are interrelated; interdependencies and linkages between them.

As we saw earlier, 42% of our energy use is transportation. I believe, coincidentally, 42% of the GHG emissions on PEI are from transportation. One of the action items, it's already been implemented.

I'm the co-chair of the provincial transportation committee. Our job is to review the further recommendations and the recommendations from the climate change mitigation document, and come up with a sustainable transportation strategy for PEI, one that makes sense for us. We don't have light rail. We have rural communities, but encourage Islanders to move to electric vehicles; look at federal funding opportunities for infrastructure to make that possible.

We've actually got a Level 2 electric vehicle charger sitting back at the PAB and we're just trying to decide where we're going to install it. We're making strides, very small ones, but we're on our way.

Cycling lanes, of course, it's just not about moving from one car to another car, but it's making Islanders more active. That has some social co-benefits, as well; if people

are cycling more, walking more, where possible.

I should mention one of the recommendations is to make traffic more efficient and have it moving more efficiently. The province has been doing some of that through the roundabouts.

Mr. MacEwen: (Indistinct) question.

Chair: Oh, you're allowed to ask questions, I'm just trying to keep them to a minimum.

Mr. MacEwen: (Indistinct).

Chair: Peter, and then Sidney.

Dr. Bevan-Baker: Thank you.

I just want to go back to the transportation one, please, Heather. And, as you already pointed out, I mean that's where the low-hanging fruit is, if we're going to make differences here, at least in the short-term.

About 10 years – nine or 10 years ago – the PEI Transit Coalition had a study done, the Island Wide Transit Feasibility Study, which produced some really interesting recommendations. I'm wondering whether your new provincial transportation committee is going to be looking at that. You're aware of the study, I assume.

Heather MacLeod: I'm not aware of that study.

Dr. Bevan-Baker: It's really comprehensive. I don't know if there was another PEI-specific – PEI transit study done, but that one exists and it was full of good recommendations.

Ms. Biggar: Yeah, I am familiar with that, because I attended those meetings at that time. I think it's something that we can look at, and what are the statistics today. I mean, 10 years, a lot, but how can we use that and have some discussion around what was brought out of that one and for our committee to certainly have that as a guide and to look at it.

Dr. Bevan-Baker: Chair, just a comment, because that to me is the big missing part in the transportation strategy, is that public transportation isn't even mentioned in the

synopsis. I realize that's only one part of an integrated solution if we're able to do something, but I encourage you to look at it.

Heather MacLeod: Thank you.

Dr. Bevan-Baker: Thank you.

Chair: Thank you, Peter.

Sid?

Mr. MacEwen: Thank you, Chair.

I want to follow up on what Peter was talking about, and talk about the price on carbon that the Island has to look at in the next year or two, and we're talking about rural transportation, travelling in.

Is this strategy, or this provincial transportation committee, going to look at putting things in place first, to allow someone like myself to reduce my greenhouse gases by –, is there public transportation coming in from rural PEI or that type of thing – long before we start looking at a price on carbon.

Because, there's no way someone from my community or from the points of the Island can realistically start looking at reducing that impact until the option's out there.

One, is this going to be doing that? Two, you said you already have the co-chair; how long has this committee been in place?

Heather MacLeod: The committee hasn't been in place very long. We had our second meeting yesterday. We're at the early stages, and where we're at right now is reviewing action items from the two documents.

Ms. Biggar: As you know, as a government – the federal government has decreed that by 2018, the provinces have to address carbon emissions in one way or another. As a region, that's a discussion that's taking place, and what will the made-in-PEI version of that be to address the constraints that we are under to be able to meet that requirement of 2018.

Certainly, we are doing more on – as was directed to the transportation committee, but I don't think you can have – stall one while you're doing the other because of the other

constraints that we have with the federal government.

What our made-in-PEI or made-in-the-Maritime Provinces is going to be like to address our (Indistinct) alignment by the federal government is certainly part of the discussion that's happening now.

We have to work on – we've had discussions on how we can refit some of our own fleet. Those all address the transportation issue. It's not just –

Mr. MacEwen: Yeah, but –

Ms. Biggar: Like, there's that, the fleet – we have to address a number of transportation areas in addition to what is available for public transit, as well.

It's very multi-faceted, what the transportation committee is going to be looking at.

Chair: Another one?

Mr. MacEwen: Yes.

Chair: Go ahead.

Mr. MacEwen: Thank you, Chair, and thank you, minister.

I think that's one of the things we need to use to our advantage is to say: We've got this strategy now. I mean, I know Doug and Peter, you guys have said it's very progressive. I'm more hesitant to lean towards your energy critic to say it's not that progressive just yet, kind of thing.

Mr. R. Brown: Oh, they have a conflict.

Dr. Bevan-Baker: (Indistinct) difference of opinion.

Mr. MacEwen: Yeah, it's okay.

But, I think that's – we can use that to our advantage, to go to the federal government, to say: Do you know what? We are starting things. We've got this going.

Because, you're saying, well, we can't really wait on the price on carbon because we have to get this – but, why don't we say: No, we have a plan. We are going to implement it.

Give us some time. Or, go back to the federal government and say: Maybe this is our one offer or something like that.

Ms. Biggar: What we are going to have – and will have discussions with (Indistinct) the federal government, is how we can tie into that clean energy, that energy strategy that they (Indistinct) put out there, so that we can implement some of the pieces here that will impact on our transportation.

It all ties together. Yes, we are going to the federal government and say: Look, we do have this new energy strategy which we, I think, are out ahead of the rest of the provinces in. So how can we leverage federal dollars to implement a lot of the other pieces that we need to address that transportation piece?

Mr. MacEwen: Because, as Peter says, it's huge. It's the 42%, and we're not going to change driving patterns on PEI, because people have to get to work. So I mean –

Ms. Biggar: It's not just (Indistinct).

Mr. MacEwen: – just putting an extra six cents, 12 cents, 20 cents, whatever it's going to be, that's not going to affect – I mean, we have to –

Ms. Biggar: When you look at transportation, it's more than just the driving piece, right?

Mr. MacEwen: Yes, you're right.

Ms. Biggar: It's multi-faceted. When you use the word transportation, it encompasses a lot. We can't just narrow it down to one specific area; we have to address it in a lot of other areas. That's what the transportation committee, their mandate will be.

Mr. MacEwen: Okay, thank you.

Chair: Let me know when you're done.

Mr. MacEwen: All right, I'll keep going.

Thank you, Chair.

The action items – you mentioned there's, like, 70 of them, and I think you said 30 or 40; I'm not sure which –

Ms. Biggar: The recommendations, the 70.

Mr. MacEwen: Recommendations, sorry. I forget what you said the split was, 30 or 40, but 30 or 40 of them were just looking into research, and that was what stuck out to me first.

You read these reports, you want to say: Okay, where's our bang for the buck? And, you guys know that, Implement the National Building Code. Great, we're all like: Yeah, let's do it. But, we've been talking about that for years, right?

Dr. Bevan-Baker: Nineteen ninety-four.

Mr. MacEwen: Yeah

Mr. Currie: We were the last province in Canada (Indistinct).

Mr. MacEwen: I know, but – so, you know, “Explore federal funding opportunities for wind...” well, that's what you guys do for a living. You guys are always on top of that. “Monitor advances in storage technology...”

These are all the key ones that you guys have listed, not the other ones that didn't even make the cut for this presentation. You know, “Monitor advances in storage technology...” Well, you guys are doing that anyway.

I'm not – there's a whole lot. “Explore solar financing program options.” Of course you guys are doing it. That's the whole point of the department, of your corporation.

Get to the – you know, really, where is the bang for the buck? The grid, exploring the grid, going into an RFP; where is it that, minister, you're going to say: No, time to fish or cut bait. Where are we going to get to it? Where is the advantage here?

Cut out all this other stuff. Where are we going to see real progress?

Ms. Biggar: I think one of the important things is modernization of our grid to be able to incorporate the other pieces that we talked about. That is one of the key areas that we have been charged and challenged as part of our strategy, because that's going to make the long-term impact over the next 10 years on what we can do, and the long-term

impact over the next 10 – not just 10, probably 10-12 years – on how those decisions are going to impact Islanders.

From my perspective and I think from our department – the most time that we spend is talking about the grid, and that is going to be our key focus and how we can modernize that to take advantage of the small home owner who wants to do that, or the large farm that wants to do a solar piece, or other industries working together with the industries. I think our grid is a key piece.

Chair: Okay, I want to move along.

Ms. Biggar: If that answers your question.

Chair: I've got three or four more.

Mr. MacEwen: Just one more?

Chair: Yeah, go ahead.

Mr. MacEwen: Thank you, Chair. Thank you, minister.

I forget. It was a year ago, or – I think, Kim, you were here – this committee was presented to, and we talked about a working group across PEI that was made up of you guys, the department, Maritime Electric, Summerside Electric, that committee – and I think that's what they were going to start looking at. How –

Ms. Biggar: (Indistinct) different –

Mr. MacEwen: (Indistinct) so, where are we with that committee?

Kim Horrealt: That's the utilities. That's more of a communication between utilities and when they start to talk about their open access tariff. Just, you know, to make sure that that communication was there so they didn't feel like they were being left out and –

Mr. MacEwen: And how many times –

Kim Horrealt: So that's –

Mr. MacEwen: – have they met?

Kim Horrealt: Oh, we've met several times. That committee is working well and I think

there is some progress there. It's not to say that –

Ms. Biggar: That involves Summerside, they –

Mr. MacEwen: Yeah.

Ms. Biggar: – you know, Summerside and Maritime Electric and us. That's a totally different committee than what we're talking about here –

Mr. MacEwen: I'm not talking –

Ms. Biggar: – but the grid will be discussed –

Mr. MacEwen: Yeah, I'm not talking about transportation –

Kim Horrealt: What we're looking at for –

Mr. MacEwen: (Indistinct) key players –

Kim Horrealt: – grid modernization –

Mr. MacEwen: (Indistinct)

Kim Horrealt: – and so on, those will be the policy directions on how we want to go as a province. Then, like you said, then electric act will have to be –

Ms. Biggar: There's legislation –

Kim Horrealt: The power act will have to be looked at and then the utilities will have to –

Chair: You're still on here.

Kim Horrealt: – they won't come and say: We're going to offer a feed-in tariff.

Mr. MacEwen: Not necessarily.

Kim Horrealt: What?

Mr. MacEwen: That's why we have a good committee that's going over all of those players on board. Like, we have the players there.

Kim Horrealt: Yeah.

Mr. MacEwen: When they came, we had Summerside Electric here that day, we had Maritime Electric, we had you guys and it

seemed like everybody was talking the talk, but let's walk the walk with this grid. Those are the people we need to convince for the better of PEI.

Thank you for your answer.

Chair: Thank you, Sid.

Okay, here's the line-up; Darlene Compton, Richard Brown, Jamie Fox, Brad Trivers, Peter and then the schedule.

The back to you guys.

Ms. Biggar: Then back to the presentation.

Chair: Chair recognizes Darlene Compton.

Ms. Compton: Thank you, Chair. Thank you for coming in.

I just have a couple of comments and questions, maybe. First of all, about our new carbon tax that we're going to have to supposedly implement. We know cap-and-trade really is not a viable option for PEI.

With the wind power, we can't even use the credits from that towards any kind of carbon off-setting because it goes to New Brunswick.

Am I correct in that statement?

Kim Horrealt: No.

Ms. Biggar: No.

Kim Horrealt: We keep all of our –

Ms. Compton: No, but as far as – because like, we're generating the energy here, but it does go to New Brunswick so we –

Kim Horrealt: No, see, it's the other way. Any generation – we don't get charged with the GHGs that are generated in New Brunswick. We don't claim them here so we can't use them as a reduction if we reduce use in them, we can't.

Ms. Compton: Right. For all intents and purposes though, it's a wash as far as helping with our carbon tax.

Mr. Trivers: Reducing electricity doesn't help with (Indistinct)

Kim Horrealt: Oh, yeah.

Ms. Compton: It doesn't help with carbon tax –

Ms. Biggar: And coming back to carbon tax, we haven't decided what kind of a mitigation, as we said. We have to put a PEI model in place –

Ms. Compton: Well –

Ms. Biggar: – what that's going to be?

Ms. Compton: – it's going to have to be something.

Ms. Biggar: It'll have to be something, but we're not saying today: it's a carbon tax.

Ms. Compton: Okay. If it is a tax it will be on the amount –

Mr. R. Brown: She just said it's (Indistinct)

Ms. Compton: Yeah, it's not going to be – it's going to be something that we just plucked from wherever. It has to come from somewhere. If it's going to be on the fuel that we use, the formula, which is –

Ms. Biggar: Well, that hasn't been decided.

Ms. Compton: Okay, but if it is – in theory, if it is –

Ms. Biggar: In theory.

Ms. Compton: – someone brought up the fact that different power companies working together or provinces working together – maybe part of this needs to be that the feds mandate something so that we do have to work, as provinces together, because we are at a disadvantage we – in a lot of ways as far as – anyway, just that comment.

You talk about the new provincial transportation committee, which is interesting. I know in the federal budget there are dollars there for some green initiatives. Again, the concern for a rural MLA is that it's going to lead to more centralization because how do we make a difference in a rural community? And back to MLA MacEwen's comment about, how is it going to impact me? And you say: It's not just about transportation. But I think for

most rural communities, it is about transportation –

Ms. Biggar: No, it's not just about cars.

Ms. Compton: Okay.

Ms. Biggar: It is about transportation, but transportation is not just about cars.

Ms. Compton: Yeah.

Ms. Biggar: Is my comment.

Ms. Compton: Right, but from a rural community it is about, basically, how much we drive and where we drive.

Ms. Biggar: And our exports, you know –

Ms. Compton: Yeah.

Ms. Biggar: – we have to work together on (Indistinct).

Ms. Compton: Minister, you talk about retrofitting your fleet. Very timely, this morning, I got a call from a constituent that followed a school bus to Montague. There were 20 kids on the bus, all the way to Montague and it's a full-size bus.

Ms. Biggar: Oh, I won't touch that one.

Ms. Compton: Well, it's just, somebody has to touch it. I'm just saying –

Mr. R. Brown: (Indistinct)

Ms. Biggar: You can rezone and have (Indistinct) more kids on a bus.

Ms. Compton: Well –

Mr. R. Brown: (Indistinct)

Ms. Compton: – if that keeps Belfast school open –

Ms. Biggar: Let's not go (Indistinct) here.

Ms. Compton: But it is – you talk about retrofitting fleets, well, that's part of our fleet. It was a call that was made to me and the question was: Do we still – all our buses still burn diesel, which I am assuming they do?

Ms. Biggar: Yeah.

Ms. Compton: So, again, it ties into this whole – the transportation, the new transportation committee, and I'll talk about my ferry, because I met with –

Unidentified Voice: Lawrence MacAulay's, basically.

Ms. Compton: Yeah, well Lawrence can put his name on it if we get a new one.

Unidentified Voice: We will.

Ms. Compton: And the fact that we could have greener ferries, and that that could be a way of tying in transportation.

Ms. Biggar: That's not – as you know, the ferry does not come under provincial jurisdiction.

Ms. Compton: I know, but it could be a way –

Ms. Biggar: (Indistinct) cost.

Ms. Compton: It was brought to my attention from experts that there could be windmills in Wood Islands that could generate power to battery packs that could go right directly on the ferry, and every time you'd come in you could change the battery pack, and it would be a way of, you know. And, everyone can look at me and say: That's pie in the sky. But it is not, because they do it.

So, again, it's one piece of the pie, but if we talk about retrofitting our fleet and the way we burn fuel on PEI, it's definitely something that we need to consider. But, I would just reach out to you, Heather, as far as the transportation committee ensuring that there is definitely a focus there about rural communities and how anything that comes forward will focus on that aspect, as well as centralization.

Heather MacLeod: Yes, I'm from a rural community, and –

Ms. Compton: Most of us are, so –

Ms. Biggar: So am I.

Ms. Compton: But anyway, it's definitely a concern, and it's great to say that there are green initiatives out there, but how do they impact, and how do we get away from the centralization, because it's a huge problem. PEI is a rural community.

Chair: Thank you.

Heather MacLeod: Just about transportation, I wanted to say it's a cultural change, as well. The last time I bought a vehicle, I bought a smaller vehicle. I was able to do that because I don't have a long commute now. I still go for six-hour Sunday drives along the shore and to Morell, and maybe I don't need to do that. Maybe I could take a bike ride instead.

Chair: Got to straighten the head out.

Ms. Compton: I wouldn't have made it here today if I didn't have all-wheel drive, because my road wasn't plowed.

Unidentified Voice: Department of energy.

Ms. Compton: I'm just saying.

Chair: Are you okay, Darlene?

Ms. Compton: (Indistinct)

Chair: Chair recognizes Richard Brown, followed by Jamie Fox. I hate to be the bad guy.

Ms. Biggar: Could I follow up on something?

Chair: Yes, you may, minister.

Go ahead.

Ms. Biggar: Talking about cars and vehicles, we actually met recently with the car dealers association, and we did have a discussion about economy cars, electric vehicles; all those pieces they're not seeing and talking about.

We have to talk about whether you're in rural PEI or whether you're in the city. We have to talk about that shift in the culture of what kind of vehicle we drive. It can't all be government that takes that on, because when you talk to the car dealers association, their biggest sales are SUVs, large SUVs. You

look in any car lot in this province and see how many eight-cylinder and six-cylinder half-ton trucks there is, which is, we know, why we need them, and I'm not arguing that point.

But, it is a whole community cultural thing that we have to have a discussion on, as well.

Chair: Thank you.

Richard Brown.

Mr. R. Brown: Thank you, Mr. Chairman.

We're having a great discussion here, and it's important because it affects each and every Islander, and whatever we can do for each and every Islander to reduce their cost of energy is good for Prince Edward Island.

New Brunswick Power – and I stand to be corrected here – but they have on their website a carbon calculator for home owners. Wouldn't that be a good idea to use that same thing on PEI so Islanders can go on and see what their carbon footprint is and see what they could do to change their carbon footprint? Have we looked (Indistinct) –

Heather MacLeod: I've just recently heard, I think – I believe Newfoundland has a nice one, as well. Some people were discussing it, so it would be something that we could take away, and I think that Efficiency PEI – they have a wonderful new website. I think that might be the appropriate place for it.

Unidentified Voice: I think so.

Mr. R. Brown: Thank you.

Ms. Biggar: We'll certainly take that under advisement.

Mr. R. Brown: And just one other further comment, Mr. Chair.

We were talking about changes to the power act, and you know this minister here, Maritime Electric wanted to buy a \$70 million jet engine to run one hour a year. The minister did change the act, and I think within hours they pulled their application for that. They came up with a different alternative.

Leader of the Opposition: That was thanks to us.

Mr. R. Brown: No, no, that was thanks to this minister. She did it. She did it.

Ms. Biggar: (Indistinct) you have to be –

Mr. R. Brown: Richardbrown.com – you can look at that and see.

Mr. Trivers: Richardbrown.ca. (Indistinct)

Chair: All right, we're going to Mr. Fox's rebuttal, and then Brad Trivers after him.

Leader of the Opposition: I think we did raise that issue quite heavily.

I'm curious, on this committee, who's actually sitting on this committee?

Heather MacLeod: The committee is internal to government. We have members from department of transportation, department of environment, communities, lands, and environment. But, the municipal affairs portion –

Unidentified Voice: (Indistinct).

Heather MacLeod: Agriculture, yes.

Thank you.

Ms. Biggar: It was a recommendation of the report that we do an internal committee as opposed – that was the recommendation, which is why we're –

Kim Horrealt: But, there is an ability to have ad hoc when you need to bring in outside –

Heather MacLeod: I have a list of (Indistinct) –

Leader of the Opposition: (Indistinct) got to be very important to have –

Kim Horrealt: And that's why they left that open, so that they could bring in –

Ms. Biggar: Whether you're talking to the truckers association, for instance, they would be meeting with them, or –

Leader of the Opposition: Or the potato board.

Ms. Biggar: All those people that would be the outreach that this committee would certainly have discussions with.

Leader of the Opposition: Going back a little while ago and we were talking about the grid for a second. I'm curious. We've talked about the grid has to be made more efficient, or –

Ms. Biggar: Modernized.

Leader of the Opposition: Modernized. So, that raises the question: What is the condition of our grid? Is it not being taken care of? Does it need work?

Ms. Biggar: No, when we say modernized, we don't mean upgrade. We mean to make it more flexible, to take other sources of energy onto it. And so, don't mistake our term of modernizing the grid with any issue with the present grid's infrastructure.

Kim Horrealt: As a matter of fact, our grid's in very good shape.

Leader of the Opposition: With that, Kim, do we have a poll –

Kim Horrealt: Replacement program?

Leader of the Opposition: –replacement, how do they look at it, or – like, I know in New Brunswick, they do – they actually, every so many years, they – how do they do it; they do quality control of the poles.

Do we have that same type of system in place to make sure –

Kim Horrealt: Maritime Electric definitely has a pole replacement program. A fairly aggressive (Indistinct)

Leader of the Opposition: My final thing, Chair.

We were talking about the (Indistinct) for electric cars, or going to more efficient vehicles. Have we ever looked at maybe bringing in a highway safety registration program, where, instead of paying \$100 to register your vehicle, if you register a six-cylinder instead of an eight-cylinder, it's \$80. Or, if you register an electric car, it's \$40. Some kind of incentive program like that, maybe?

Heather MacLeod: I think that's the final –

Kim Horrealt: Recommendation.

Ms. Biggar: That's actually in our presentation, but we haven't gotten to the end, yet.

Chair: (Indistinct) get there.

Kim Horrealt: A good idea.

Ms. Biggar: It's right there.

Chair: Here's how we'll do it. Brad Trivers, followed by Peter Bevan-Baker, followed by the schedule.

Ms. Biggar: Right there, in that bottom line, by the way, under key action items: "Consider reflecting the cost of driving, as well as different types of vehicles, in registration fees and/or fuel taxes."

Chair: And no sales tax on electric vehicles.

Mr. R. Brown: You're always ahead of the game.

Chair: No sales tax on electric vehicles, right? We'll let that one go.

Brad Trivers.

Mr. Trivers: Well, thank you, Chair.

I just wanted to say that, when it comes to greenhouse gas reduction and how it links to the energy strategy, I think really the key thing is inexpensive electricity. It doesn't matter what we do with the stick, this whole carbon pricing idea, unless there's inexpensive electricity long-term. People, as soon as that stick goes away, they're not going to want to stay on the electricity-driven solutions.

I don't believe that's actually, really clearly stated in the energy strategy, that what we're talking about here is getting the cost of electricity down on the Island, as low as possible.

The other thing is making sure – it's alluded to and it's mentioned a little bit – but, generating the electricity locally is absolutely key and I'm not sure that's

emphasized enough in the PEI energy strategy.

You talk about that \$465 million of money that goes off PEI to buy energy and that's 36% of our \$1.3 billion trade deficit.

Ms. Biggar: (Indistinct) consumption comes in.

Mr. Trivers: So, if we keep that 465 million, or a large portion of that on PEI, it's going to drive our economy. It's going to be so good. Again, I think the energy strategy – that's the real goal here, is keep the price of electricity down for Islanders, and generate it locally.

I was wondering, realistically, do you guys have any estimates of how much you think, especially in the transportation sector, you think you can switch over to electricity-driven transportation – what percentage?

I mean, I was looking at the numbers for GHG emissions, and given the life cycle of vehicles, I think you'd be stretched at 25% in the next 10 years.

Ms. Biggar: There's a number of discussions we've had on different kinds of conversion, not just electric.

We did explore the bus, as you know, and the cost of one bus compared to the bus we have today is triple. An electric bus is three-hundred-and-some-thousand dollars; compared to the one we buy for 109. That's cost, but let me finish here.

Kim Horrealt: It doesn't go very far in the cold.

Ms. Biggar: It only – it doesn't go very far, either.

But, we have had discussions on: Is there other ways to convert to other kinds of, for instance, gas? We've had discussions.

Mr. Trivers: (Indistinct) natural gas.

Kim Horrealt: Natural gas, propane.

Ms. Biggar: Natural gas. We can convert our vehicles to that. It's all a discussion, and looking at our fleet as we buy more fleet vehicles, to make sure they are the most

efficient type of vehicle that we can get, and meeting the emission regulations.

Chair: Thank you, Brad.

Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

I'm going to go back to a point Sid made, which is: It's great that we're talking about this, and that we do the research and study, and that we're not impetuous, because you can make big mistakes, as Ontario did. We've already talked about that a couple of times.

Ms. Biggar: And Newfoundland.

Dr. Bevan-Baker: However, when Sid asked you what part of this are you going to – where is the rubber going to hit the road here, you zeroed in on the grid, on electric grid.

Ms. Biggar: Yeah.

Dr. Bevan-Baker: Now, in the same key action item slide – it's one just before that, Heather – we read that we are actually going to implement the National Building Code and we all sort of stood up and cheered, but you know what? The engineers on PEI have been calling for that since 1994.

Ms. Biggar: I know.

Dr. Bevan-Baker: So, like, it took 23 years to go from –

Ms. Biggar: It has.

Dr. Bevan-Baker: – somebody suggesting it to actually implementing it.

Ms. Biggar: I'm glad we're the government that's doing it.

Dr. Bevan-Baker: Sure, yes, correct –

An Hon. Member: Hear, hear!

Dr. Bevan-Baker: But, if we look at the grid, the bit that you zeroed in on, I read that we're going to: "Begin smart meter technology and installation research." We're going to begin research. How far away is

that from actual implementation and action? Is that going to be another 23 years?

My question is that: Since that's the bit that you zeroed in on, as being where the rubber hits the road, how long before we actually don't just begin research, but institute a smart grid on PEI?

Chair: Is that a question?

Mr. R. Brown: Yeah, he said: How long?

Dr. Bevan-Baker: I did.

Chair: Is that a question, or a statement?

Dr. Bevan-Baker: It is a question. How long before we have a smart grid on PEI?

Ms. Biggar: That's the objective, I guess, is what you're saying. Time (Indistinct).

Kim Horreht: Obviously, we need to decide what we want to accomplish with the smart grid, and therefore what we need with it, and how. And, Maritime Electric has just finished going around, putting in these meters that are not –

Heather MacLeod: Overly smart.

Kim Horreht: Overly smart. And, it costs money. All of this costs money –

Ms. Biggar: Pass the legislation (Indistinct).

Kim Horreht: – and gets paid back to the ratepayer. We really need to know: What is the information we want, and what do we need to get it, and so what kind of changes do we need to instigate, to put into place, and then how long that will take.

Heather MacLeod: And, we can look at a phased-in approach. For instance, as meters are replaced around new builds, should we be installing smart meters now?

Dr. Bevan-Baker: Yes, we should.

Ms. Biggar: Yes. Well, that would be part of it (Indistinct).

Heather MacLeod: Well, in order to do so, we'd have to ensure that the technology is the appropriate technology, and the

communication is in place, and that the backend system is there to support that.

Dr. Bevan-Baker: Sure.

Mr. Trivers: Good high-speed Internet.

Dr. Bevan-Baker: Exactly, yeah.

Ms. Biggar: You'll have that by the end of next year.

Mr. MacEwen: Twenty years (Indistinct).

Dr. Bevan-Baker: Thank you, Chair.

Chair: Heather, you're next on my list.

Heather MacLeod: Thank you. I don't remember what I wanted to say.

Unidentified Voice: You had to wait.

Some Hon. Members: (Indistinct).

Unidentified Voice: (Indistinct).

Ms. Biggar: We didn't talk about our additional wood heating systems and stuff.

Heather MacLeod: I believe I am on the last set of key action items in the last sector, and it was: "Showcase Government as an Energy Leader," and it's not my last slide.

But, some of these are things we're doing already. We have wood heating systems at, I believe, 40 of our public facilities; looking at expanding that. We've had some discussions about projects for highly efficient buildings, and also financially-renewable energy on new buildings, so we're beginning to do a couple of these.

Some of them are bigger than others. A government life-cycle costing approach – that's a new way of thinking in a new build or vehicle purchase. It'll take more work, and it'll be the work of multiple departments.

But, we do want to be able to implement pilot projects and show that we are taking this seriously so that all Islanders can do so as well. Mike is hopefully getting an electric vehicle very soon for efficiency PEI. He'll be a leader. I don't know if he drove it here today; I don't think so.

Ms. Biggar: Our department will be a leader.

Mr. MacEwen: Yes. I'll wait for it.

Heather MacLeod: I have a slide here on policy actions and it was mentioned earlier: What's the number one – there was one action item and I truly wish there were. I wish the consultant had come back and said: Do this one thing and you're going to make energy cheaper and green, and PEI's problems will be solved. Unfortunately, they didn't do that.

I'd say the big one we can do, and we're starting to do already, is increase our energy efficiency and conservation outreach and our programs because that truly is where we can make a difference and it's saving every Islander money.

There are some other policy actions. The National Building Code of Canada we have talked about, the provincial transportation committee – those are both coming along. Grid modernization and innovation policies – the first step in that is getting this RFP out for the initial study. As I mentioned a few minutes ago, life cycle costing approach within government and that includes increased use of biomass, fleet of electrification. We need to look at those, not just at the initial cost, but operating cost, maintenance costs, fuel costs and so on.

Ms. Biggar: At the present time, we brought the biomass unit on-side for Prince County Hospital –

Mr. R. Brown: Great.

Ms. Biggar: – and Prince County Hospital is being heated 100% by biomass, and over the course of the summer that will be extended, that biomass unit, over to the senior's manor that is on the adjacent property. That's been a big step forward.

Chair: Doug Currie.

Mr. Currie: Just a question. Just a quick – I know you're wrapping up.

I know there's been a significant push and all kinds of – I know talking to my constituents around heat pump installation. I've heard the total investment of heat

pumps in the province was in around, over the last year or two, was like 30,000 plus. Do we have an idea the impact that has had on the reduction of the burning of oil in the province as far as consumption? And do we have an idea what impact that has had on the grid, because with the use of heat pumps, there would be more pressure on the usage?

To the point that MLA Fox makes, it was a good point, because if we're promoting heat pumps to reduce our dependency on fossil fuels that is going to put more expectations on the monthly electricity bill of Islanders. I have these conversations with my constituents, so just some thoughts around that.

On one hand we're saying we're reducing our dependency on fossil fuel with the smaller oil bills, but our electric bills are going up and if there's an increase or progress increase in our electricity rates, is the use of heat pumps going to be really truly effective? But, it does have an impact on our footprint. Do you know what I mean? I'm talking from out-of-the-pocket cost of living perspective. I think that was a good point that was made because your electricity bill will go up, but your oil bill will go down, which is a good thing because you're not consuming oil to heat your home.

Ms. Biggar: I'll talk a little bit about our heat pump program. The applications that we receive at efficiencyPEI, about 80% of them were for heat pump installations. But, when you talk about converting to a different heat source you also – and this is where our new engagement with Islanders is coming in – if you put a heat pump in and you aren't addressing the other factors of energy conservation in your home, we have that HELP program for people where we will install weatherization around their windows and doors, and those pieces.

But, if you're putting a new heat pump in expecting you to save costs when that's going right back out the windows, that's not going to be effective. We're trying to get in combination with conversion to other heat sources, for people to also install or work on other conservation measures. We can do that for homeowners and we can that do for renters in order to save. If a renter is paying their own heat in their rental property, we'll come in and weatherize that unit for them,

which will save them heat costs in their rental property. But, when we're looking at the heat pumps and converting them, you have to look at the other factors there.

I'll give you an example. I'll use my own home for an example. I have a bungalow about, I don't know, 1,100 square feet. I put two units in there a couple of years ago, one in the basement and one on the main level of the home. We have not burned a drop of oil since, or we barely hardly ever burn wood. Our average light bill during the winter is about \$325 a month for every piece of electricity and heat in my home.

Now, we did, though, prior to doing that, we did install new windows and doors in our home, so it is in combination. The heat pumps are not going to be the fix, which is why we are trying to get out there and work with people on other ways that we can prepare them for that conversion off of oil by having their homes more energy efficient before we do convert them off of oil.

Mr. Currie: I would agree with you, but the reality of it is, there is a significant volume of heat pumps that have been sold and introduced into homes across Prince Edward Island.

Ms. Biggar: That's why we –

Mr. Currie: Tens and tens of thousands.

Ms. Biggar: That's why we have more pressure on the electrical grid –

Mr. Currie: Of course, naturally.

Ms. Biggar: Absolutely.

Mr. Currie: But that's to the point I'm trying to make, that's why the conversation around rate increases is going to be so important. At the end of the day, we can sit here and talk about long-term planning, but at the end of the day a lot of Islanders are living cheque to cheque, month by month and that's part of the reality.

The other thing I just want to talk about is, just quickly, is that we need to – I think it's important and I know we continue to talk about low-income Islanders, but the reality of it is that a lot of these low-income Islanders don't have the disposable cash to

make investments in their properties. A lot of them aren't homeowners. If we're looking at a big picture impression on our footprint, I think that income – regardless of your income, I think that if our objective is to reduce our footprint there has to be incentives for all Islanders. I think that's –

Ms. Biggar: We are going to be raising the limit that –

Mr. Currie: Yeah, I think if it wasn't –

Ms. Biggar: It's down to 35 right now –

Mr. Currie: Yeah.

Ms. Biggar: – but we're putting it up to 50 to access some of our programs.

Mr. Currie: I think that's –

Ms. Biggar: Things like that.

Mr. Trivers: Take the HST off electricity.

Ms. Biggar: So (Indistinct) my department –

Mr. Currie: Anyway, thank you. That was great.

Chair: Alan McIsaac.

Mr. McIsaac: I like the piece about the building code and your comments about the loss of heat, offset that for sure, but the technology is there right now for solar heat pumps. Are we looking at that?

Ms. Biggar: Yeah.

Mr. McIsaac: Solar heat pumps, yeah. It's in Europe now and things like that, but they are a little bit expensive, but are we looking at going that direction? Maybe that would be the better plan than the electrical-generated ones.

Ms. Biggar: I think those are all things that we have to look at as part of our energy efficiency, and are they cost effective here on PEI? Those are things that we need to look at as well.

Mr. McIsaac: Got to look a little long-term sometimes too.

Ms. Biggar: Yes.

Chair: Back to you, Heather.

Mr. Currie: Good stuff (Indistinct) doing some great work. Good. We're getting there.

Chair: Back to you, Heather.

Heather MacLeod: My last slide –

Ms. Biggar: You have the last set.

Heather MacLeod: – it's my final slide, which is just a summary of just about everything we spoke about today, I believe. I guess we're open for questions.

Chair: You think?

I have Jamie Fox here.

Leader of the Opposition: Thank you, Chair.

Thanks for coming in today and this is a subject that I really enjoy, is energy, and I actually took the time to read the report twice in the last 12 days or so.

We've answered a lot of questions that I had in there. There are two things that I'm actually quite concerned that are not addressed in the report. The first one is: Last week in the standing committee we talked about there are 810 provincial buildings –

An Hon. Member: Oh, good point.

Leader of the Opposition: – of the government that we have in the province. Nowhere in the report does it talk about possibly the need of reviewing the government buildings and the carbon footprint that they hold in ways that we can make them buildings more efficient across the Island. You didn't touch that at all and I'm wondering why.

Kim Horreht: I think when we said government is a leader, not just leading in one area in particular, but in all areas. I think looking at – and we need to go around and make our buildings more efficient and be leaders in that way.

Ms. Biggar: A lot of them are on the district heat system within the cities and some of that. We are working –

Leader of the Opposition: Minister, it's a big province. Like I say, we have 810 buildings across the whole province –

Ms. Biggar: Absolutely.

Kim Horreht: And there's definitely things we can do in every one of them and I think government needs to be a leader if we're going to be efficient. We're going to –

Ms. Biggar: It all ties in.

Kim Horreht: – talk about it. We need to lead in that area and I think that's what you're talking about.

Leader of the Opposition: The second thing that I have been saying for the last two years, and we go to page 43 of the strategy, is on heating fuels and woodchips. We talk about it a little bit, 3% of the (Indistinct), but I do not believe we're really looking at managing our forest on the Island –

Ms. Biggar: We are.

Leader of the Opposition: I don't think we are, minister, because we're not doing enough reforestation.

Mr. R. Brown: Oh, Arsenault's Sawmill is doing a great job.

Ms. Biggar: I will tell you that any work that we do with a provider for the woodchips, there is a sustainable forest plan that is required before we do any work with them. They have to reforest – it's a sustainable forest plan that they have to have in place.

Leader of the Opposition: In the House last year I asked the minister: Have our numbers increased in reforestation? And no, they have not, according to the minister. We're continuing to plant the same amount of trees in the provincial nursery. The same amount of trees are going out the door; we're not increasing it. I think we need to look at the future, that if we're taking this much wood off the Island a year –

Ms. Biggar: It's not going off the Island.

Leader of the Opposition: There is. There is, minister. I –

Ms. Biggar: What we're using – I will say though: What we're using in our biomass products, we're talking two separate things here.

Leader of the Opposition: Yes.

Ms. Biggar: I know you're talking about the Arsenault Sawmill guys.

Leader of the Opposition: I'm talking about –

Ms. Biggar: Just exporting wood off of PEI; that's a different – it ties in with our greenhouse gases, yes. But, you're talking the department of forestry and what their programming –

Leader of the Opposition: I think it's part of it.

Ms. Biggar: It does tie together, certainly.

Leader of the Opposition: It's part of it, right?

Ms. Biggar: But, in terms of the wood – like you mentioned the woodchips that we use in the biomass. Our biomass plants that we work with, with the industry that provides that to us, they have to have that sustainability piece in place before we do anything in our department with them.

Now, I understand and I agree: We should be doing more tree planting through department of forestry. That's not my –

Leader of the Opposition: I would like to see that recommendation implemented.

Ms. Biggar: Yeah, well that's up to your committee.

Chair: We have three more. We have Hal Perry, Brad Trivers and Darlene Compton. Is there anybody else that wanted to go on the list before I close off the list?

Mr. R. Brown: Bradtrivers.com?

Chair: Bradtrivers.com.
Hal Perry then followed by Brad Trivers.

Mr. Perry: Thank you, Chair.

I want to thank each of you for coming in today and enlightening us, to give us more insight and expansion on the strategy.

I don't have any questions; I just have a comment. That's on reducing the emissions from transportation. Just a suggestion that: Perhaps instead of the possibility of bussing students longer we could keep the schools open. That's it.

Some Hon. Members: Hear, hear!

Chair: Brad Trivers.

Ms. Biggar: You have it on record; it's not my department though.

Chair: Brad Trivers.

Mr. Trivers: Thank you, Chair.

Mr. R. Brown: You sound like one of those guys in the United States: I don't know what's going on.

Some Hon. Members: (Indistinct)

Mr. Trivers: I just wanted to comment that, I mean MLA Brown, richardbrown.ca, had said earlier on that calculators would be really good to help people figure out what their savings would be. This is something that I brought up at a standing committee meeting last year on general things.

One of the things that – it was an incentive that was taken away was, of course, for hybrid vehicles and I know that in the energy strategy they said: We're not going to incentivize hybrid vehicles. We're not going to recommend that because we don't want to go with an interim strategy; we want to go right to electric vehicles.

I think, personally, that that's not a good way to go. I think you should incentive hybrid vehicles. I think if you put a calculator on the site and did an incentive people would switch. You would see your emissions go down faster. I would urge you to do that, and I'd urge you to increase the efficiency PEI incentives. I believe the main one right now, unless you're on the HELP program which is for low-income Islanders, is \$300 is what you pay for your home energy audit and you get \$150 back –

Ms. Biggar: You get 100% of it back, actually.

Mr. Trivers: Based on the – is it 100% now? Because the last time I checked the website it was only half of it you get back.

Ms. Biggar: If you implement the recommendations, then you can get the 100% back if you're low-income.

Mr. Trivers: For sure? Well, if you're low-income? No. I'm talking about not your low-income Islander. It costs \$300. You get \$150 back.

Ms. Biggar: Yes.

Mr. Trivers: I personally think if you're really serious about this and you want to get people to be energy efficient, let's increase the incentive a little bit. I just wanted to give that to you.

Ms. Biggar: There's certainly other ways we can do it as well.

Mr. Trivers: Thank you.

Ms. Biggar: Thank you for your suggestion.

Chair: Minister, do you want to bring Mike to the table on that one?

Ms. Biggar: No, that's okay.

Mr. R. Brown: She knows (Indistinct)

Chair: Darlene, can you bring us home?

Ms. Compton: I will.

It's one question: Have you looked at using straw versus wood as a form of (Indistinct)

Mr. R. Brown: The Amish is using straw.

Ms. Biggar: In the wood –

Ms. Compton: Well, I just know –

Ms. Biggar: In our biomass, you mean?

Ms. Compton: Well, there is some type of model that –

Ms. Biggar: There are.

Ms. Compton: – does work.

Ms. Biggar: Yes, I know.

Ms. Compton: If you talk about renewable resources, much more renewable than trees –

Ms. Biggar: We have looked at that.

Ms. Compton: Yeah, there is –

Ms. Biggar: There have been those units installed across PEI and I think you have to be able to have a dry –

Ms. Compton: There obviously is new technology and if you watch on Netflix, there is a whole series on that and there is an Island that is using straw.

Ms. Biggar: Yes.

Ms. Compton: There obviously is technology there.

Ms. Biggar: Yeah, it would be something else we can look at.

Ms. Compton: Which would be much more renewable than –

Ms. Biggar: Do you know John Terra?

Ms. Compton: Sorry?

Ms. Biggar: Mr. John Terra is with us today.

Unidentified Voice: Ask him.

Ms. Compton: Anyway –

Ms. Biggar: I think he might have some –

Ms. Compton: It's just a question. It's not my expertise at all. I'm asking the question to (Indistinct)

Ms. Biggar: But it is –

Kim Horrealt: We haven't looked at it?

Ms. Biggar: It hasn't been looked at.

Kim Horrealt: (Indistinct) should be continued (Indistinct) as the technology changes –

Ms. Compton: (Indistinct) always –

Ms. Biggar: I will say that the systems that have been used previous were not proven to be effective. However, if there is new technology, it's worth looking at.

Ms. Compton: I think we can look at solar, that wasn't efficient before, it didn't work and there is new technology there, so I think it's always ongoing.

Ms. Biggar: It all goes together.

Ms. Compton: Thank you.

Ms. Biggar: Thank you.

Chair: Thank you, Darlene.

On behalf of the committee –

Mr. R. Brown: Great job.

Chair: – I'd like to thank you, minister, and Heather and Kim. It's great to have you with us today. I don't know how we did it, but we had five presenters yesterday and I think there was more discussion here today possibly with one presenter. Anyway, I thank you very –

Kim Horrealt: It's good to hear.

Chair: On behalf of the committee and all the members around the table, thank you very much and we'll give you a few minutes to exit the building.

Ms. Biggar: Okay.

Kim Horrealt: Here's your hat, what's your hurry?

Chair: Thank you.

Kim Horrealt: Thank you.

Chair: Committee members, I want to thank you also. We have a little bit more business to do. There's a letter here from MLA hon. Jamie Fox and I'll have the clerk read it.

Clerk Assistant (Doiron): All right, as the committee knows, there is still an outstanding item on our agenda to have representatives from IRAC come in to brief the committee. They were unable to make it

in today, but they are more than willing to come in to the committee to have that discussion.

Then there was a request for information from Jamie Fox that was sent to me by email, but I circulated to the committee and it was that: The policy or procedure for petroleum calculation and decisions for petroleum pricing for the last six months, and also the procedure or policy when written decisions are to be released to the public. Mr. Fox is looking for that information.

When they come in to present to the committee?

Leader of the Opposition: Yeah, I'd like to have that information available to us when they bring it in.

Mr. R. Brown: Great idea.

Mr. Currie: I'll follow up on that and make sure (Indistinct). Do we have an idea when they will be coming to committee?

Chair: They were supposed to be here today, but they couldn't come.

Mr. Currie: Why?

Clerk Assistant: It was just a scheduling conflict on their end.

An Hon. Member: Okay, well that's good.

Clerk Assistant: They said they are willing to (Indistinct)

Mr. Currie: When we do we meet again?

Chair: What will happen is the clerk – if it's okay (Indistinct) –

If it's okay with the committee, myself, as Chair and the clerk, we'll arrange a time to get them in.

Mr. Currie: Great, good idea.

Clerk Assistant: I could probably, well at the direction of the committee, it would be, maybe following the sitting or –

Mr. R. Brown: Oh, definitely. You don't want to sit while we're sitting (Indistinct)

Chair: What are the wishes of the committee? Why don't we look at –

Mr. R. Brown: After.

Chair: Either or?

Mr. R. Brown: After.

Chair: After? How about when they're available?

Leader of the Opposition: In all fairness, it's going to take them a little bit of time to put that information together for six months.

Mr. Currie: Yes, exactly.

An Hon. Member: (Indistinct)

Leader of the Opposition: No.

Chair: To the call of the Chair after the Legislature closes?

Any other new business? We have –

Mr. R. Brown: Is he presenting (Indistinct)

Mr. Trivers: I always have something to present.

Mr. R. Brown: Is he?

Chair: I don't know. I'm only Chair.

Mr. R. Brown: (Indistinct)

Chair: Don't go anywhere.

We have one other item on the business, like the discussion of a committee's report to the Legislature. We'll have to go in-camera for that.

Leader of the Opposition: Just one question.

Chair: Is there a motion to go in-camera?

Leader of the Opposition: Just one question I have: Who is actually on the committee now for government members?

Mr. McIsaac: Right here

Leader of the Opposition: The three of us, so you're just –

Mr. McIsaac: Four.

Mr. R. Brown: (Indistinct) permanent member (Indistinct)

Clerk Assistant: You're a permanent member.

Mr. R. Brown: I'm a permanent member.

Mr. MacEwen: Are you not the minister responsible for IRAC?

Mr. R. Brown: Yes.

Mr. MacEwen: And this committee deals with IRAC?

Mr. R. Brown: (Indistinct) good down there.

Mr. MacEwen: I agree, but I'd like to have the minister of energy sitting on this committee too, but I was told that he can't because it was the minister's –

Mr. Currie: I don't know –

Mr. MacEwen: I'm not –

Mr. Currie: – I may –

Mr. MacEwen: – trying to kick you off –

Mr. Currie: – I haven't even (Indistinct)

Mr. R. Brown: No, don't kick him off –

Mr. MacEwen: – the committee –

Mr. R. Brown: – no committee (Indistinct)

Mr. Currie: – (Indistinct) but their budget comes from –

An Hon. Member: (Indistinct)

Mr. Currie: Anyways, I'll follow-up to see if there's a conflict. If there is, then I'll have to – unfortunately, I'll sit in the gallery and watch the presentation.

Mr. McIsaac: It was deemed that education was the furthest away (Indistinct) from IRAC.

Mr. Currie: That's right.

An Hon. Member: You can just recuse yourself (Indistinct)

Clerk Assistant: Do you want to deal with the report today?

Chair: Is it the committee's wish that we deal with the report to the Legislature today? We have to go in camera, or–

Mr. MacEwen: The in camera, why do we have to go in camera? Is that an actual –

Chair: We always do that.

Mr. MacEwen: I know we always do –

Chair: Yeah.

Mr. MacEwen: We've done a lot of things the last 10 years, we obviously (Indistinct)

Chair: No.

Mr. MacEwen: But do we have to do it?

Chair: I'll let the clerk speak to that, but that was the agreement, I believe –

Mr. MacEwen: I can agree with it –

Chair: – that was made.

Mr. MacEwen: – but I'm just wondering what are the actual rules?

Chair: She's got it right here.

Clerk Assistant: Yes, it is in the Rules of the Legislative Assembly.

It's 104 (1): "In camera meetings are always held when a committee is drafting its report and, less frequently, by motion, when a committee may feel it appropriate to hear evidence in private."

Mr. MacEwen: Would a motion of the committee to stay in public, would that supersede –

Mr. R. Brown: No –

Mr. MacEwen: – the rules?

Mr. R. Brown: – you'd have to get the rule changed.

Mr. MacEwen: But if the committee agreed to a motion to meet –

Chair: Can't do it, it's not our authority. It wouldn't be in our authority.

Clerk Assistant: Technically, a motion like that would be out of order as –

Mr. R. Brown: Yes.

Clerk Assistant: – relating to the Rules of the Legislative Assembly.

Mr. R. Brown: *The Guardian*, the report would be in *The Guardian* the next day; wouldn't have anything to report to the Legislature.

Mr. MacEwen: (Indistinct) right away, wouldn't it (Indistinct)

Chair: If the committee wished, what we could do is we could convene over in the Legislature for the summation of the report. We have done that before.

Leader of the Opposition: Yeah.

Chair: Rather than do it today. So, we'll meet in camera over –

Mr. Perry: It's not that unusual (Indistinct)

Chair: That's nothing unusual. We've done that before.

All right, if everybody's in agreement.

An Hon. Member: Yeah.

Chair: We'll put that off until then.

Mr. R. Brown: Great job.

Chair: A motion for adjournment.

Dr. Bevan-Baker: (Indistinct)

Mr. R. Brown: Great discussion today.

Chair: Peter.

The Committee adjourned