

Second Session – Forty-First Legislature  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

**Official Report  
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any comments that be made at the committee level and any input that we have from the public on this bill. Thank you.

**Mr. Andrew Swan (Minto):** I move, seconded by the member for Concordia (Mr. Wiebe), that debate on this bill now be adjourned.

*Motion agreed to.*

#### **Bill 19—The Efficiency Manitoba Act**

**Mr. Deputy Speaker:** So now we'll go on to Bill 19, The Efficiency Manitoba Act.

**Hon. Ron Schuler (Minister of Crown Services):** I move, seconded by the Minister for Sports, Culture and Heritage, that Bill 19, The Efficiency Manitoba Act, be now read a second time and referred to a committee of this House.

Her Honour the Lieutenant Governor has been advised of the bill, and I table the message.

**Mr. Deputy Speaker:** It has been moved by Minister for Crown Services, seconded by the Minister for Sports, Culture and Heritage, that Bill 19, The Efficiency Manitoba Act, be now read for the second time and be referred to the committee of this House.

Her Honour the Lieutenant Governor has been advised of the bill, and the Minister of Crown Services tables the message.

**Mr. Schuler:** Again, it's a pleasure to put some comments on the record in regards to the second reading of Bill 19, The Efficiency Manitoba Act.

Bill 19, The Efficiency Manitoba Act, fulfills our government's commitment made in 2016 Speech from the Throne, to, and I quote, "introduce legislation creating a stand-alone energy efficiency agency to help households and businesses reduce their energy needs saving Manitobans money now and into the future." Unquote.

Bill 19 will provide the authority to establish a stand-alone demand-side management or DSM Crown corporation to deliver energy efficiency initiatives. The creation of a new DSM framework for our province is consistent with the Public Utility Board's recommendations to strengthen demand-side management efforts. These recommendations emerged from the needs for and alternatives to, or NFAT, review of Manitoba Hydro's preferred development plan.

The purpose of the corporation is to aggressively pursue energy savings that will reduce the impact of future rate increases on Manitoba ratepayers, defer costly new generation, contribute to the reduction of greenhouse gases within Manitoba and foster private sector involvement in the delivery of programs and services.

The creation of a new mission-driven corporation with the sole purpose of delivering energy savings cost effectively will reduce the need for investment in costly new generation and transmission and distribution systems. With legislated, long-term savings targets and an independent evaluation and reporting framework, the corporation will be performance-orientated and will deliver more value to Manitobans as we invest in clean growth opportunities.

Mr. Deputy Speaker, through Bill 19, Efficiency Manitoba will deliver better value for Manitobans as we work to become Canada's clean, green leader.

And before I conclude my remarks, I would like to thank the drafter of this legislation, Jim Crone, who is actually with the Department of Growth, Enterprise and Trade and was seconded to our department. He did an amazing job on this legislation, and I would like to, in front of this legislator and members of the Legislature, to thank him for the effort and work that he put into it. I would like to thank Deputy Minister Jim Hrichishen, Deputy Minister Fred Meier, Rob Marrese from my department, Ilana Dadds, who did just amazing job. I'd like to thank the legal department and Translation Services, who did a really good job. I'd like to thank all the organizations who consulted with my department on this legislation. There was a lot of consultation that went on. There were a lot of ideas given and robust discussion.

I'd like to conclude by also thanking the four-star general of Crown Services, the General MacArthur of my office, one Cameron Bell, who helped myself and the entire process. And we thank Cameron Bell for not just his service in the Department of Crown Services, but also his service in serving in the military. We just talked about the services that we had on the weekend and here today, and Cameron Bell is one of our current war heroes, and we thank him, not just for the service in the department but also the service that he gave to our country.

And with that I would recommend this legislation to the Legislature and look forward to seeing it go to committee and having some

reflections on the legislation from the public in general.

Thank you very much.

### Questions

**Mr. Deputy Speaker:** A question period up to 15 minutes will be held. Questions may be addressed to the minister by any member of the following sequence: first question by the official opposition critic or designate, subsequent questions asked by each independent member, remaining questions asked by the opposition members. And no question or answer shall exceed 45 seconds. It's question period.

**Mr. Rob Altemeyer (Wolseley):** I want to thank the minister for arranging a briefing for myself and my honourable colleague from Tyndall Park.

And just to confirm that we have some information accurate, can he please explain to us the percentage targets and confirm that those are not starting from a cap on electricity use or natural gas use, that so long as that percentage amount is reduced, that the overall amount of consumption could increase from year to year?

**Hon. Ron Schuler (Minister of Crown Services):** Well, I thank the member for the question. And I thank him and his colleague for coming to my office, and we had a very good discussion. I'd also like to thank the Liberal members for coming, and also the independent member from The Maples.

And the targets are a legislated target, laid out in legislation and they are not a cap. They are a target that we would like Efficiency Manitoba to meet.

More importantly, we would like to see those exceeded, and they are not just restricted to Manitoba Hydro or Crown corporations that we would normally think of, but also they can go outside of that into water conservation and other green initiatives as well.

But what—as the member said—

**Mr. Deputy Speaker:** The honourable minister's time is up.

**Mr. Altemeyer:** Well, I thank the minister for that answer.

And a follow-up to that, Manitoba's current target for greenhouse gas emission reductions is 33 per cent by the year 2030, using 2005 as the base year.

\*(16:10)

I'm wondering how the minister plans to meet that target as it relates to greenhouse gas emissions coming from heating buildings from natural gas, if there is no cap on the overall amount that emissions could increase.

**Mr. Schuler:** Well, I thank the member for that question.

And one of the things that we want to do is make sure that we ensure a very dynamic and progressive corporation. We—not just ourselves and not just members opposite when they were in government—felt that there was an inherent conflict at Manitoba Hydro where it was an energy producer and provider and then also was the venue by which you would save energy, but it also did come out of the Public Utilities Board and the NFAT.

And I think we now see a federal government that's fairly aggressive in establishing different benchmarks insofar as the environment goes. We see this as an opportunity for setting—

**Mr. Deputy Speaker:** The honourable minister's time is up.

**Mr. Altemeyer:** Well, just for the minister's information, it doesn't sound like he's aware of this: Manitoba's target's actually tougher than the federal target at the moment.

Is his government looking at weakening their commitment to reducing greenhouse gas emissions in the face of global climate change based on his comments just now?

**Mr. Schuler:** Well, I want to thank the member for Wolseley for those questions. This is one of my first opportunities to have one of these sessions, and this is new to me—this whole question on legislation. It's new to this Chamber, so I apologize that I'm not getting to my answers in the 40 seconds provided.

If the member goes to a side-by-side, page 9 lays out electrical energy. We'd like to see over that term a 22.5; a natural gas reduction of 11.25. We believe that's a very achievable 15-year target which will certainly help us to be one of the most green and energy-efficient provinces in Canada.

**Mr. Altemeyer:** The minister should go back perhaps tomorrow and read his own comments in Hansard, because I think he's just contradicted himself.



With his first answer, he confirmed that there is no cap as a result of this legislation on the climate emissions that are going to come from heating our buildings in Manitoba. And now he's claiming that because of this legislation, Manitoba will somehow miraculously become one of the greenest provinces in the country.

The current target is three times higher than what his target is under legislation even if there was a cap.

**Mr. Schuler:** I did not clearly understand the member's question. I was under the impression he was asking if the cap set that Manitoba Hydro had to meet or the percentage that they had to meet every year—was that a cap? And my indication was that no, they could actually find further savings than the 1.5 per cent set out, and I was not reflecting on the growth of carbon. And that would probably be much better if you went to the minister of environment. I understood that he was asking that if the 1.5 per cent was a cap that Manitoba Hydro had to achieve, and no, that wasn't a cap. They could actually exceed that and—

**Mr. Deputy Speaker:** The honourable minister's time is up.

**Mr. Altemeyer:** I appreciate what the minister's trying to explain. I am sure I am not the only one who is confused.

To be clear, the legislation calls for a 1.5 per cent reduction in electricity growth. It calls for a 0.75 per cent reduction in natural gas consumption. So 0.75 per cent over the years between now and 2030 gets you to 11 per cent ballpark reduction. That is only one third of what Manitoba's current climate-change goal is for climate reductions.

How does he square that circle?

**Mr. Schuler:** Well, quite clearly the member's absolutely right. It's 1.5 per cent for 15 years, and that's savings on electricity and it is 0.75 per cent for 15 years, net savings on natural gas. And what that does is it ensures that our Crown corporations are part of the greater green initiative that our government is rolling out. We think that everybody's going to have to be part of this.

We know that the federal government is also going to be bringing in a strategy. We haven't seen yet completely what it's going to be, but we've heard the Prime Minister talk about it. And we believe that

we'll be part of that green initiative as a—as legislation and as a corporation.

**Hon. Jon Gerrard (River Heights):** Yes, Mr. Speaker. I'm sure that there's many other jurisdictions which have corporations which are—have similarities to Efficiency Manitoba to decrease—to act to—on demand-size management and decrease the electricity bill.

I wonder if the minister can share with us which other jurisdictions he's looked at for their legislation and what he's learnt from that, that he's incorporated here.

**Mr. Schuler:** Well, we have looked at other jurisdictions across North America, and one of the things that we had the ability was, when this issue went to the NFAT, through the Public Utilities Board, they looked at the successes and failures in other jurisdictions.

Again, not everyone is exactly the same, because some of them do have private-owned energy providers. So we wanted to make sure that this would work for a publicly owned energy provider, and we believe that this is a hybrid that comes out of what other jurisdictions are doing. This is similar to what others are doing, but it is not exactly the same. We did not take another jurisdiction's DSM program and apply it here, because there were some things out of the NFAT that the Public Utilities Board recommended—

**Mr. Deputy Speaker:** The honourable minister's time is up.

**Mr. Altemeyer:** Let's take a hypothetical example. Let's say this coming year, natural gas consumption in Manitoba goes up by 2 per cent. If it only goes up by 2 per cent rather than 2.75 per cent, can the minister confirm in that scenario that that result would have met the threshold set out in his legislation?

**Mr. Schuler:** Well, Mr. Deputy Speaker, this legislation also puts into contemplation that we have a growing city and we have a growing economy. So there will be a growth in energy consumption. However, this is built on what the consumption was in the previous year.

I would suggest to the member that there are still going to be more homes built; there are going to be more uses for energy. We accept that. However, our growth has to be within a proper framework that when a baseline is set, that we're not seeing

excessive growth in the use of electricity and we're not looking at any kind of a conservation. And we know that we see downtown, a lot of buildings doing retrofits. Right now, at Portage and Main, one of those is a—what would be a Power Smart program ensuring that our buildings are being run efficiently. The outside skin of that particular building was old and outdated and, through the Power Smart program, they got a grant which they can retrofit the building and save energy. So there is a baseline; however—

**Mr. Deputy Speaker:** The honourable member's time is up.

**Mr. Altemeyer:** I think we've found, perhaps, a large piece of the puzzle as to why this legislation is as weak as it is. The minister just stood up and basically said, well, we're going to have increase in energy consumption; therefore, there's going to be an increase in emissions—not necessarily, Mr. Speaker. Why on earth wouldn't this minister take the proper action and make sure that new buildings, when they're under construction, actually don't end up being heated with natural gas but use any one of a myriad of clean options that we have available here in Manitoba: demonstrated, cost-effective technologies ready to go?

**Mr. Schuler:** Well—and I thank the member for that question. During his term, 17 years in office, they never met one target that they set.

I would point out to the member that options are being provided and have been provided through Manitoba Hydro to property managers and to businesses coming and business that exist right now, and they have a choice. They have a choice to make. We understand there are some businesses that need natural gas to operate their business. That's how their business is run. We would like to see that run as efficiently as possible, and, if there are alternatives, that they look at the alternatives besides the use of natural gas. And I—

**Mr. Deputy Speaker:** The honourable minister's time is up.

**Mr. Altemeyer:** Is the minister going to be advocating for the expansion of the natural gas service system in Manitoba, or is he going to be pursuing green alternatives?

\* (16:20)

**Mr. Schuler:** Well, I would like to point out to the member that it will be Efficiency Manitoba that will be the one that's going to be doing that; it won't be

the minister dealing directly with these corporations. And we would like to see corporations look at new and innovative ways to be clean and green. And I think industry is looking at that. They understand that the costs of energy keep going up, and if there are alternatives that they can get into that are actually, in a lot of cases, cheaper than currently what's provided, then I can see them going for that. But that is something we would like to see: a very dynamic and progressive Efficiency Manitoba go to corporations and have those discussions with them.

**Mr. Altemeyer:** So, just to be clear, then, Mr. Speaker, on the one hand, the minister and this government is bringing forward legislation to create a new Crown corporation which will try to reduce natural gas consumption while at the same time they are going to be facilitating or, at the very least, permitting the expansion of natural gas consumption elsewhere. How does that make sense?

**Mr. Schuler:** Well, the Efficiency Manitoba is all about offering options. We want to make sure that Manitobans understand that there is a better way to consume electricity and under the last—wouldn't just be the last 17 years—under a long time in Manitoba, we've always looked to building more 'hydroelectric'—hydroelectric dams and not taking a serious look at how we can conserve energy, how we can be friendly to the environment, and that's what we would like to see happening. We want to see individuals not just in their places of work but also in their homes—drive home any given evening and doesn't look like many people are home, but all the lights are on, the TVs are running. I mean, there—we have to become far more energy conscious than we are right now.

**Mr. Altemeyer:** Well, I do take issue with the minister's rather disparaging comments about the hard-working staff at Power Smart at Manitoba Hydro. It's the same workers who have been thrown for an incredible loop by this government. There have been no consultations, no direction from this government yet on what's going to happen for their staff. Why on earth is he disparaging Power Smart workers rather than working with them on what he's trying to do?

**Mr. Schuler:** Well, I would suggest the member get himself a copy of the NFAT and have a good read through it, and all the comments I've made come directly out of the NFAT. That's public information, and he can avail himself of that. And I would suggest that we would have a greater opportunity to deal with

the kinds of energy savings targets that we would like to see if the member would allow this legislation to proceed.

**Mr. Deputy Speaker:** Time for question period has expired.

### Debate

**Mr. Deputy Speaker:** The debate is open. Any speakers?

**Mr. Ted Marcelino (Tyndall Park):** Efficiency Manitoba is a name that has been put on this bill, which suggests that there will be a program that is separate from the generation of power. This is an attempt on the part of the current government to separate an otherwise very efficient Power Smart division within Manitoba Hydro.

I am very familiar with the Power Smart division of Manitoba Hydro because these are the same people who started out with the free insulation for older homes, which means that the encouragement that they give for those who will have their homes a little bit more energy efficient will be given free insulating materials, and I took advantage of that for our home on Dominion. And it was really a game changer because the consumption of our home at that time became about half of what we used to pay for.

*Madam Speaker in the Chair*

And Power Smart is a good program that employs a lot of very innovative people, and I was just wondering if there'll be some of those staff from Power Smart division who will be laid off because of this.

It is a concern, especially when the government has announced that there will be 900 who will be taken out of Manitoba Hydro, and it's starting today, April 10. There are some offers of severance packages for those who have been working with Manitoba Hydro for a number of years, and it is part of my concern in the sense that there'll be a loss on the part of Manitoba Hydro. The loss will be in the memory of those who have been in that particular position and they will lose part of the way things are working out meaning those who have been—those who will be laid off or will be given severance package or who will be offered severance packages, they will no longer provide the institutional memory that usually comes with experience and longevity in a position that administers a program or at least operates the way a corporation operates.

It is a difficult position on the part of Manitoba Hydro to be laying off people and at the same time not hiring anybody. This is 900 families that will be affected and, if this is part of the drive of the government to save money, this is wrongheaded.

Efficiency Manitoba is more of a cost-saving measure. But then during the questioning—during the briefing that was given, I was made to understand that there's money that will be taken from Manitoba Hydro to set up Efficiency Manitoba Inc., which means that this particular Crown corporation or Crown agency will be financed by Manitoba Hydro, and the money that's coming from Manitoba Hydro has been set aside. I was made to understand it's about \$75 million. It's not chicken feed. Seventy-five million of Manitoba Hydro's money will be funneled and diverted to Efficiency Manitoba.

And for what? Is it just in order that there will be a separate entity that could administer something that is already being administered quite efficiently by the Power Smart division?

\* (16:30)

And there are some questions that I have regarding this attempt on the part of the government to put mandatory considerations, in the sense that there is an efficiency plan that Efficiency Manitoba will have to submit, and it will be recommended to the minister for submission to the PUB.

As far as I could understand, the minister will submit this in order to allow the PUB to consider the net savings required to meet the savings targets and the plans to address any existing shortfall and the benefits and cost effectiveness of the initiatives proposed in the plan, which is the efficiency plan, and then the—whether Efficiency Manitoba is reasonably achieving the aim of providing initiatives that are accessible to all Manitobans and the—any additional factors prescribed by the regulations.

So what we have now is another bureaucracy. It's another bureaucracy that's made up by a government that says that we are—we have too many regulations, and we have too many people employed that we are cutting back. But then this one, Efficiency Manitoba, is a creation that's supposed to make the demand-side management a little bit more manageable.

So there will be a new corporation, and there will be a new chief financial officer, and there will be a new board. And I was told during the rollout of this for members of the Legislative Assembly that