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Speaker: Honourable Perry Trimper, MHA

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The House met at 1:30 p.m.

MR. SPEAKER (Trimper): Order, please!

Admit strangers.

I would like to welcome to the public gallery today several guests that I'd like to identify. First of all, I have Kim Paddon, Dave Paddon and Deborah Collingwood. They are members of the Board of Directors of the English Harbour Arts Centre, and they will be mentioned in a Member's statement this afternoon.

A big welcome to you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I would also like to welcome Ms. Sarah Murphy, Community Information Officer, and Gail Dempsey, Executive Director of Epilepsy Newfoundland and Labrador, visiting today for a Ministerial Statement. And I would like to thank the Members for a lot of purple that I see here today.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: And finally, to our municipal colleagues, I would like to welcome Mr. Leo Gaulton, former Mayor of Baine Harbour, his daughter Janice and granddaughter Nadine.

Welcome to all of you.

SOME HON. MEMBERS: Hear, hear!

Statements by Members

MR. SPEAKER: For Members' statements today we will hear from the hon. Members for the Districts of Placentia West - Bellevue - surprise, surprise - Terra Nova, Ferryland, Bonavista and Mount Pearl - Southlands.

The hon. the Member for Placentia West - Bellevue.

SOME HON. MEMBERS: Hear, hear!

MR. BROWNE: Mr. Speaker, at the risk of sounding repetitive: She's done it again!

From silver in Sochi, to gold and bronze in Pyeongchang, determined to outdo herself once again, leaving it all on the ice, Marystown's own Kaetlyn Osmond walked away - or shall I say, skated away - from the World Figure Skating Championships in Italy as the first Canadian woman in 45 years to become the reigning World Champion.

SOME HON. MEMBERS: Hear, hear!

MR. BROWNE: Mr. Speaker, we are proud of her, of her medals, of her tenacious perseverance, of her family's deep abiding support, of her rise as a young girl in Marystown to now a World Champion. But we are also deeply proud of the joie de vivre that is evident in her every performance - her smile and grace is just as widely known as her accomplishments. We anxiously await her April homecoming.

Mr. Speaker, I ask all hon. Members to join me in celebrating Marystown's greatest pride, Newfoundland and Labrador's most decorated and accomplished athlete, Canada's most iconic Figure Skating Olympic Gold Medallist, and now the World Figure Skating Champion, Kaetlyn Osmond.

SOME HON. MEMBERS: Hear, hear!

MR. BROWNE: Mr. Speaker, I am convinced to say: The best is yet to come!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Terra Nova has to top that.

MR. HOLLOWAY: Hard to follow that act, Mr. Speaker.

Mr. Speaker, the Terra Nova District is filled with enthusiastic leaders, entrepreneurs and long-standing community-based organizations. Today, I rise in this hon. House to celebrate the 50th anniversary of the Clarendville Area Consumers Co-operative Society Limited.

The history of the co-op dates back to 1967 when local area resident, Frank Collins, returned from an inspirational 4-H camp in Pasadena. A year later, Frank's vision led to the

establishment of the co-op's first provisional board.

Today, the co-op, its board and staff, are known as leaders in the community, giving generously to support community infrastructure, projects and programs; thus, adding to the abundance of socially responsible businesses and organizations in the area.

In partnership with the Lion's Club, the co-op provides financial support to schools, playgrounds, hospitals, sporting groups and other important initiatives within Clarenville, and throughout the Bonavista and Southwest Arm region.

Mr. Speaker, Mr. Collin's foresight was spot-on. Frank saw the possibilities that a co-operative business venture could have on the people of this district.

I ask all Members to join me in congratulating the Clarenville Area Consumers Co-operative Society Limited for 50 years of dedication to the people and places in the Terra Nova District.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, I stand in this hon. House today to recognize John and Carol Ann Devereaux, owners and operators of Edge of the Avalon Inn, on their CBDC Tourism Business Award of Excellence, presented at the annual Tourism Excellence Awards Gala held on February 22, 2018.

John and Carol Ann operate Edge of Avalon in Trepassey, which was previously operated as Trepassey Motel. The CBDC Tourism Business Award of Excellence recognizes businesses that have built a reputation in excelling and continuously improving upon all areas of operation – customer services, human resources and business results.

Not only does the business excel in its operations, but they are committed to and playing an important role in improving the

tourism of the Southern Shore in Newfoundland and Labrador. The Devereauxs, as entrepreneurs, have done incredible work in building their business by incorporating new rooms to their facility, introducing a new chef, arranging tours to notable attractions around town and providing tours at the UNESCO site in Portugal Cove South.

Mr. Speaker, I ask all Members in this House to join me in congratulating the Edge of the Avalon Inn on CBDC Tourism Business Award of Excellence and making a significant contribution to the tourism and business industry on the Southern Avalon.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Bonavista.

MR. KING: Mr. Speaker, preserving history, culture and heritage is nothing new on the Bonavista Peninsula. Our region is the place to be with visitors flocking here to experience what we have to offer.

That is certainly true with the English Harbour Arts Centre. In 2004, All Saints Anglican Church was deconsecrated and almost demolished. Being the last prominent piece of built heritage in English Harbour, Kim and Dave Paddon, and a group of like-minded individuals, decided they were going to save the structure. The association's hard work saw the building refurbished and designated as a heritage site, reopening in 2007.

The mandate of the centre is the promotion of artistic and cultural education and the preservation of historic and cultural spaces. It hosts artist residencies, craft workshops, gallery exhibitions, musical performances, film screenings, poetry readings and other events.

The impact that the Arts Centre has on our region hasn't gone unnoticed. Recently, the English Harbour Arts Association received a 2018 Manning Award in the community category, for their work in preserving the church and using it as a venue to foster arts and culture in the Trinity Bight.

Please join me in congratulating the association's board, their volunteers and the community of English Harbour.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Mr. Speaker, it is my privilege to rise in this hon. House to offer congratulations to a group of individuals who have made a significant contribution to sport in my community.

Once again, this year's Mount Pearl Athletic Awards was a tremendous success which highlighted the achievements and emphasized the important role that sport has played and continues to play in the development of youth and adults alike within our great city.

There were a number of very worthy nominees again this year nominated in five categories. Congratulations to this year's winners: Coach of the Year, Gerard Power of Pearlgate Track and Field; Peter Halliday Executive of the Year award winner, Shane Chafe of the Mount Pearl-Paradise Youth Bowling and the 5-Pin Bowlers' Association of Newfoundland and Labrador; Female Athlete of the Year, Erica Hayward and Male Athlete of the Year, Daniel Kelloway, both representing Pearlgate Track and Field; and Team of the Year, the Dogs Rugby club Senior 'A' Men's team Goodyear Cup winners.

Mr. Speaker, I would ask all Members of this hon. House to join me in congratulating these individuals on this significant accomplishment and wish them all the very best in their future sporting endeavours.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Statements by Ministers.

Statements by Ministers

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER BALL: Thank you, Mr. Speaker.

After a week of exciting competition, the 2018 Newfoundland and Labrador Winter Games concluded on March 18 in Deer Lake. I was fortunate to have an opportunity to attend some of the events, and it was such a pleasure to watch our province's young athletes as they strived for the podium.

By all accounts, this year's Winter Games was a resounding success for the 1,300 athletes, coaches and managers who participated. Their dedication, enthusiasm and sportsmanship were on full display throughout.

While it would be impossible to mention all the medal winners here today, I would like to acknowledge a few special team awards that were presented.

Central region won the Premier's Cup, which recognizes the region accumulating the highest number of points, followed with the St. John's North region who won the highest number of medals. Athletes from the Labrador region received the Sport Newfoundland and Labrador trophy, for the team showing the most improvement from one Games to the next. Finally the Lieutenant-Governor's Award, which celebrates the overall spirit of friendly competition and fair play, went to Team Indigenous – a great achievement considering this was the first time that indigenous athletes have competed as a single team at the Newfoundland and Labrador Games.

Mr. Speaker, the Newfoundland and Labrador Games is the highest and the largest multi-sport event for youth in the province, and it has been encouraging participation in sport and the pursuit of athletic excellence for more than 40 years. Events like these that promote sport, recreation and healthy living are critical as we work to increase the activity levels of residents of all ages.

At this time, I would also like to congratulate the Town of Bay Roberts as the host community for the 2020 Newfoundland and Labrador Summer Games. I know the area is up to the task.

Mr. Speaker, I encourage all of our young athletes to set a goal of participating in the

upcoming Newfoundland and Labrador Games. The memories gained and the friendships made could last a lifetime.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. P. DAVIS: Thank you very much, Mr. Speaker.

I thank the Premier for the advance copy of his statement today. We join with government in congratulating all 1,300 athletes, coaches and managers who participated in these most recent Games.

I'd also like to take a moment to express our sincere thanks and appreciation to the event organizers in Deer Lake. I know from my own experience in 2016 when the Summer Games were held in Conception Bay South and I volunteered there and had first-hand – we were able to see how much work has to go into coordinating and planning and delivering on successful Games, and by all accounts these Games were successful.

Mr. Speaker, for some of these athletes, this is the top level they'll compete in. Just this weekend, I spent some time with Liam Hickey when he had a homecoming at his home rink in my district, in Paradise, and I could see first-hand how these athletes are an inspiration to so many other athletes and young people in our province.

For all of those who participated in Deer Lake, we wish them congratulations and hope that the memories will last a lifetime.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's Centre.

MS. ROGERS: Thank you, Mr. Speaker.

I thank the Premier. Congratulations to all athletes and organizers who came together for the 2018 Winter Games in Deer Lake. As a

hockey player myself, I appreciate the benefits of this event and other initiatives in promoting sport, recreation and healthy living.

How exciting to see the creation and success of Team Indigenous, especially given that supporting indigenous athletes is among the calls to action of the Truth and Reconciliation Commission. Congratulations to them on winning the Lieutenant-Governor's award.

I look forward to the Town of Bay Roberts hosting the 2020 Summer Games and thank all organizers in advance for all their hard work in making this possible.

Bravo!

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Further statements by ministers?

The hon. the Minister Responsible for the Public Procurement Agency.

MS. GAMBIN-WALSH: Mr. Speaker, recognizing the important role that business and industry play in driving our province's economy, our government introduced a new *Public Procurement Act* in November 2016. As of March 24, most of the act is now in effect, while provisions on supplier debriefs, complaints and supplier performance come into effect on September 24.

The Procurement Act modernizes the purchasing process, and gives public bodies more flexibility in choosing the procurement method that will achieve the greatest value by removing barriers to requests for proposals and other alternatives to public tenders. It includes measures that will help local companies play a larger role in the growth and development of all regions of the province.

Local suppliers will also realize benefits through increased opportunities to bid on government services that were once excluded from procurement legislation. The new framework increases transparency and allows public bodies more opportunity to hold suppliers accountable

for their performance. An increase in thresholds provides greater opportunity for acquisitions to be sourced locally within Newfoundland and Labrador.

Mr. Speaker, some key elements of the former *Public Tender Act* have been moved to the new regulations, which are online, so government can be creative and flexible in its procurement approach. The new act and regulations promote consistency and coordination across the public sector and will help reduce regulatory burden.

The Procurement Act is an example of how our government is listening and responding to the needs of business, industry and social enterprise in our province. We will continue to work with stakeholders to develop policy within the current framework.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Cape St. Francis.

MR. K. PARSONS: Thank you very much, Mr. Speaker.

I want to thank the minister for an advance copy of her statement. Mr. Speaker, we are also pleased to see the Procurement Act and most of it has finally come into effect. As those in this House know, this legislation was actually passed in December 2016.

Public tendering and the procurement process is an important one. It's important to government by means of achieving best values. It's also very important to many local businesses across the province who participate in the process.

I know many of these people in particular have been waiting anxiously for this act to finally take effect. I understand the regulations are now finally online, but it will be interesting to see exactly what government means when it says they'll be creative and flexible.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS. MICHAEL: Thank you very much, Mr. Speaker.

I, too, thank the minister for the advance copy of her statement. I am pleased, of course, that the new *Public Procurement Act* will give more opportunities to local businesses, but I am disappointed that the new act doesn't have provisions for crediting gender equity, diversity and social impact, which other jurisdictions are incorporating into their acts and which have become best practices. We have a missed opportunity.

Thank you, Mr. Speaker.

MR. SPEAKER: Further statements by ministers?

The hon. the Minister of Health and Community Services.

SOME HON. MEMBERS: Hear, hear!

MR. HAGGIE: Thank you very much, Mr. Speaker.

Epilepsy affects over 10,000 people in this province, more than 300,000 Canadians, and approximately 50 million people around the world.

The provincial government gladly joins with schools, businesses and individuals in communities throughout the province today, as well as across Canada and in other countries, to recognize Purple Day in Newfoundland and Labrador.

Cassidy Megan was the driving force behind this event. She organized the first Purple Day at her elementary school in Nova Scotia in 2008.

Since then, it has grown into an international initiative dedicated to increasing awareness and understanding about epilepsy worldwide. Last year, people from dozens of countries on all continents participated, even folk in Antarctica.

Mr. Speaker, I encourage all Members of the House of Assembly to check out activities

happening in your communities and to support those living with epilepsy today and every day.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

I thank the minister for an advance copy of his statement. The Official Opposition joins with government, schools and communities across the province and the country to recognize Purple Day. As the minister outlined, epilepsy affects over 10,000 people in our province alone. It's very likely we all know a family member or friend who copes with epilepsy, so it's important that we use every opportunity, like today, to recognize its impact.

Purple Day wouldn't exist if it were not for the actions of a young lady from Nova Scotia. That really shows all of us how one single person, young or old, can make an impact. Let this be a lesson to us all.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS. MICHAEL: Thank you very much, Mr. Speaker.

I too thank the minister for the advance copy of his statement. I'm delighted to stand with my colleagues today and offer congratulations to all those organizing Purple Day events, and I too encourage everyone to attend activities in their communities.

We must stand in support and act in support with those who live with this disease.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Oral Questions.

Oral Questions

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. P. DAVIS: Thank you very much, Mr. Speaker.

Well, Mr. Speaker, it's been almost two weeks since we learned the devastating tariffs were hitting Corner Brook mill and also the forest industry in our province.

So I ask the Premier for an update: Can you tell us what's transpired over the last 10 days?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

No doubt, as the Leader of the Opposition mentioned, they were devastating tariffs. The highest imposed on any newsprint company in Canada.

Mr. Speaker, there's been a considerable amount of work that's been done in the last two weeks. As a matter of fact, just a few days ago we had a meeting with Minister Carr, the federal minister, who's made a commitment to stand by Newfoundland and Labrador and to fight with us every step along the way. We've had many meetings with Kruger, almost on a daily basis right now. And at 3:30 this afternoon again we'll be speaking with the ambassador in looking at exploring what options we have as a province as we continue to push back on these unwarranted tariffs.

Mr. Speaker, there's a lot of work to be done. We have our own staff, Kruger, the federal government. All hands are on deck on this particular file.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

MR. P. DAVIS: Thank you, Mr. Speaker.

Mr. Speaker, 500 jobs directly at the mill; 5,000 jobs, direct and indirect jobs, in our forestry in our province.

I ask the Premier: Premier, have you spoken directly yet with the prime minister about what actions the federal government will take? This is a very serious matter. Have you had a direct conversation with the prime minister?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I just remind the Member opposite again, it seems to me that he's either deliberately ignoring or forgetting the conversation the times I've stood in this House. As a matter of fact, it was just a few Fridays ago I was on a conference call with the prime minister when this issue was raised.

I just remind the Leader of the Opposition, that conversation has been had. Since that, we spoke to the federal Minister of Natural Resources, Minister Carr, the ambassador is now involved, Kruger is involved. Mr. Speaker, I will tell you that this group today have asked more questions about Kruger, as Kruger as an entity in this province, than they have in the last two years.

Mr. Speaker, let's remind the people in this province, this is the same group that watched closures of the mill in Stephenville, closures of the mill in Grand Falls-Windsor.

Mr. Speaker, I will guarantee you that this government is doing everything it can to protect the forestry industry in this province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Leader of the Official Opposition.

MR. P. DAVIS: Thank you, Mr. Speaker.

So the answer to that is the Premier has not spoken to the prime minister since these tariffs were (inaudible).

SOME HON. MEMBERS: Hear, hear!

MR. P. DAVIS: That's the bottom line there, Mr. Speaker.

Mr. Speaker, I ask the Premier, last time he talked about having discussions – he talked

about it today, having discussions with the Canadian ambassador. What about the United States ambassador to Canada or about officials with the United States Department of Commerce?

Having discussions with Kruger is a good thing to do and local people, I get all that, but they're not the ones who made the decision. It's the US government who's done that. Have you spoken to people in the US government representing Newfoundlanders and Labradorians?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, like a lot of people in our province, sometimes we get a tendency to talk a bit fast but, then again, some people are a little slow in listening. I'm not saying who is responsible for what.

I will repeat this again, Mr. Speaker – repeat this once again.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

PREMIER BALL: I've said it many, many times: Yes, I have spoken to the prime minister of Canada who happens to be Justin Trudeau.

SOME HON. MEMBERS: Hear, hear!

PREMIER BALL: Just as a reminder, yes, I have spoken to the prime minister on this issue. I've also spoken to the federal Minister Jim Carr. I'm also speaking with the ambassador to see what options we would have south of the border on a decision that was made by the Department of Commerce, Mr. Speaker, unwarranted.

Let's keep in mind that Kruger themselves were never part of this review. It was imposed on them by an administration south of the border.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Leader of the Official Opposition.

MR. P. DAVIS: Thank you, Mr. Speaker.

This is a pretty serious issue and the Premier sometimes likes to make some personal comments. Premier, this is a very important issue. It's a very important issue for Newfoundlanders and Labradorians. You're right. You just reinforced my very comment that it's the government south of the border that's made the decision.

I'll ask the Premier again, he hasn't spoken to the prime minister since the announcement; he's already made that clear. Has he been talking to anyone from the United States government? Has he talked to the United States ambassador to Canada? Has he talked to the Department of Commerce? Is there anyone in the United States representing the United States government that he's spoken to on behalf of Newfoundlanders and Labradorians?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Keep in mind that this is the individual, the Leader of the Opposition that refused to actually come and meet. I have to give the Leader of the Third Party – at least when we talked about bringing each other up to speed, it was the Leader of the Third Party that agreed to do this. The Leader of the Opposition didn't really feel like that would be meaningful. I will continue, Mr. Speaker, the work for the forestry industry and do everything we can.

As we reach out into the US to see what options we have available to us, even with other provinces, I would say, Mr. Speaker, with our federal government, it's important that we have the discussion with the ambassador. That discussion will begin today at 3:30.

Kruger and the officials are very much engaged. And I will say this, Mr. Speaker, the information that's coming from me is that Kruger says they are seeing unprecedented engagement from a provincial government than they've seen with the past administration.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Official Opposition.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. P. DAVIS: Thank you very much, Mr. Speaker.

Having this important action by the US government deserves a lot of face time with Kruger and the government – it absolutely does. Mr. Speaker, it deserves it because it's such an important issue, not only to Kruger itself but to thousands of Newfoundlanders and Labradorians.

Mr. Speaker, we have seven MPs in our province representing Newfoundlanders and Labradorians. I know last week when it was raised in the House of Commons and the question was asked about Corner Brook, the federal minister in her answer never even mentioned Corner Brook or Newfoundland and Labrador. She never even mentioned them, but we do have seven MPs. I know that the Premier spent some time with MP Hutchings last week.

Have you had discussions or created a plan with the MPs on how we're going to do this, or what they're going to do, moving forward, to fight for Newfoundlanders and Labradorians?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

Well, for the first time in a long time it's really nice to have MPs in Ottawa that are taking our calls. We are engaged with those MPs constantly. They are very much in tune with the situation related to the tariffs at Kruger, as they are on all issues impacting Newfoundlanders and Labradorians.

This particular issue, it is an important issue for us. It is the basis of the forestry industry in our province. I will say to the Leader of the Opposition, this is a government that is directly involved in these discussions. I will tell you that I have heard from Joe Kruger himself who says he will be fighting. As a premier, he said, I like the way you're fighting on our behalf.

SOME HON. MEMBERS: Hear, hear!

PREMIER BALL: Mr. Speaker, there's full engagement here. I can assure the people of Newfoundland and Labrador and those connected to the forestry industry, they have our commitment to put our best efforts on this.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, the *Electrical Power Control Act*, Bill 14, we'll be debating today, does not specify if tariffs charged as noted in the *Electrical Power Control Act* will be used to reduce future power rates.

Could the Minister of Natural Resources please update us on that?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

Today, this afternoon, we will be debating this important act that gives open access, Mr. Speaker, to Newfoundland and Labrador and interconnects with the North American grid. It's the first time that we'll be able to do that.

With regard to the tariffs, of course they are administered and under the review of the Public Utilities Board. These tariffs will be applied when and if anyone would like to use the transmission system in the Province of Newfoundland and Labrador, and the Public Utilities Board will utilize those tariffs, as they would require any use of any tariffs that are paid to the province.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Under the new entity that would be set up, it would be administered – and the tariffs, for

those who want to flow electricity through the transmission, as I said, will be charged a tariff. But I'm just asking the minister: Because the transmission would already be paid for by ratepayers, is it her intent to have, or her desire to have those tariffs be directed to reduce or mitigate rates in Newfoundland and Labrador?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

The Member opposite is raising an incredibility important question to the people of this province. As the people of this province know, Mr. Speaker, because of the project that we inherited, Muskrat Falls will soon be coming on stream and we are very concerned about rates. That's why this government has worked very diligently to manage rates, and will continue to do so, and to mitigate the costs associated with Muskrat Falls.

The Public Utilities Board, obviously, has a role to play in the tariffs that are applied to the transmission lines, Mr. Speaker. I'm sure that as the Public Utilities Board takes into account the monies that are paid into the system, they will look at what we can do to help offset those horrendous costs of Muskrat Falls.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, the media has reported that tomorrow's budget will include an announcement on the splitting of Nalcor assets.

I ask the Minister of Natural Resources: Are the board of directors being engaged in the decision to break apart the Nalcor corporation?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

As the Member opposite knows, and indeed the people of the province know, the Department of Natural Resources, along with the industry council, has worked very diligently over the last year to develop a plan to really promote responsible development in our offshore oil and gas industry, Mr. Speaker.

We have laid out a very, very good plan that over 150 people have been involved with, including Nalcor has been involved. Nalcor Oil and Gas has been involved in the development of the plan.

Mr. Speaker, Advance 2030 really sets out good targets. We want to have 100 different exploration wells over the next dozen years. We want to double production. We're looking to have 7,500 people involved directly with the industry. It's a very aggressive plan, and we're looking forward to making sure the implementation bears those results.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, the minister mentioned the industry advisory council. So I ask the minister: Has that council recommended the breaking up of assets of Nalcor?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Mr. Speaker, the industry advisory council has provided incredible advice to me as minister and to government, and, indeed, to the entire industry. They've worked very diligently over the last year to develop what I consider an incredible plan for growth. Indeed, the industry, all the different stakeholders, labour, education, supply and services, the operators themselves have all embraced the plan for growth in our offshore oil and gas industry. And if the Member opposite has not had a chance to review the ambitious goals that we have and the way we're going to make this

happen, I'll be happy to table a copy of that incredibly important plan.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, a very straightforward question was whether the industrial advisory council had recommended the breakup of assets at Nalcor.

Mr. Speaker, I ask the Minister of Natural Resources: The Muskrat Falls generation and transmissions assets are they being split for a quick sale? As we've talking now for the past two years with very little details here in the House of Assembly?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Mr. Speaker, there have been, I don't know, somewhere in the vicinity of 70 questions by the Member opposite about what role Quebec has, what secret meetings we may have.

Let me tell the House again. We have been very upfront in our discussions with Quebec. We've had great discussions with them about mining. We have had national discussions about the Canadian Free Trade Agreement, Mr. Speaker. Those are the things that we have been speaking to Quebec about.

With regard to Muskrat Falls, as the Premier has said, I don't know of anyone who would want to buy it at the exorbitant cost it's taken us because of the mismanagement by the Members opposite.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

No answers again.

Mr. Speaker, I'll ask the minister this: Are there any plans to sell equity stakes of White Rose, Hebron or Hibernia's Southern Extension as part of this report today to break up for the assets of Nalcor?

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Mr. Speaker, I'm a pretty forthright person. I lay out good answers to my questions. Because they don't fit the narrative that the Member opposite wants to hear, doesn't mean I'm not giving good responses to his questions.

Mr. Speaker, I am going to table this document, it's Advance 2030. It clearly lays out the direction that we're taking oil and gas into the future. We want to drive exploration; we want to expand the opportunity that we have in our offshore very responsibly. It has the endorsement of operators, offshore supply and service industry, labour, education. Everyone has come together to build on the opportunity that we have in offshore Newfoundland and Labrador. I invite the Member opposite to join us in this.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Opposition House Leader.

MR. HUTCHINGS: Thank you, Mr. Speaker.

Mr. Speaker, we're on the cusp of owning a piece of Upper Churchill and whether 50 years of a terrible Liberal Upper Churchill deal that Quebec has gotten –

AN HON. MEMBER: It's better than Muskrat Falls.

MR. HUTCHINGS: No, actually, it's not. Quebec has gotten –

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HUTCHINGS: Quebec has gotten \$25 billion since it was signed.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HUTCHINGS: In addition, \$92 billion has been paid to Quebec in equalization over and above that.

I ask the minister: Do you really think this is the time to sell public assets to Quebec?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Thank you, Mr. Speaker.

I love the comparison between Muskrat Falls and the Upper Churchill deal.

Mr. Speaker, I ask the Members, I ask all Newfoundlanders and Labradorians: How often have they had to dip into their own pockets to pay for the Upper Churchill deal? How often have they had to?

Yes, there were missed opportunities, Mr. Speaker, but I will guarantee you this, it hasn't cost Newfoundlanders and Labradorians nearly \$5 billion.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for the District of Mount Pearl North.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. LESTER: Mr. Speaker, just a few months ago news broke that the planned \$185 million biofuel facility in Botwood, with the promise of hundreds of jobs, was dead after the company complained of this government's unorganized, chaotic processes. Now, just days ago, we learned that the most recent proposal has met a similar failed fate.

I ask the minister: Why can't you close a deal?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. BYRNE: Well, Mr. Speaker, I think the phantom ghost – the ghost opportunity of the Fisheries Fund that this Opposition here keep on wanting to talk about, we can close a deal.

SOME HON. MEMBERS: Hear, hear!

MR. BYRNE: We can close a \$100 million deal.

Now, Mr. Speaker, what I would like to ask the hon. Member, since he is very much aware and he's so passionate about this – I'd like to know why we want to close a deal when Newgreen voluntarily removed their request for fibre from Central Newfoundland. What I'd also like to know is why would we close a deal when Bulk Logistics did not accept, themselves, an offer to generate a memorandum of understanding for 60,000 cubic metres of fibre.

Yes, we can close a deal; we just need a willing participant to be able to do so, Mr. Speaker.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Mount Pearl North.

MR. LESTER: So deal number one, gone; deal number two, gone. Why was the government only willing to offer the 60,000 cubic metres of timber rights, about 20 per cent of the total resource to this company, when they claimed they needed much more to be viable?

What is the government's plan with the remaining 80 per cent of the timber stand?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. BYRNE: Fisheries fund: gone; Roddickton pellet plant: gone. Where did that go, Mr. Speaker? I'd like to know. Eleven million dollars: gone.

Now, Mr. Speaker, what we did – I'm delighted the hon. Member stood on his feet and asked this question because what it does is it provides me a

wonderful opportunity to highlight something our forest industry is so, so pleased about. On Friday, the Premier and I were able to announce that we are unlocking opportunities by unlocking fibre.

In Newfoundland and Labrador, we have tremendous fibre resources which have been locked up, which have not been able to be utilized because they have been under the control of permit holders who have not been using them. We unlocked those opportunities, Mr. Speaker, and what a great day it was for the forest industry of Newfoundland and Labrador.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Mount Pearl North.

MR. LESTER: Mr. Speaker, a forest is a maturing resource that will diminish if it is not harvested. It's not like oil beneath our ocean; we need to make use of this resource now for jobs and the economy.

SOME HON. MEMBERS: Hear, hear!

MR. LESTER: Mr. Speaker, the current government promised to increase forestry production by 20 per cent from 2015 to 2020. We're into year three of their process.

To date, how much of that production has been achieved? Can the minister give a number?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. BYRNE: Mr. Speaker, I can give a number of 244 commercial permit holders in Newfoundland and Labrador that were extremely excited, that were very, very pleased to hear that we are unlocking opportunities by unlocking fibre.

Now, Mr. Speaker, what I'm also very, very pleased to note – the hon. Member has stood on his feet and said we need to do more. We need to ensure that fibre gets utilized. I thank you, Mr. Speaker, for the hon. Member's endorsement for forestry activities, not only in

area 11 and 12 but in area 6 as well, and in all the areas.

I heard responses and voices this morning – there was a Member who is very close to the Opposition by the name of Sandy Collins who questioned the practices of 244 commercial permit holders in Newfoundland and Labrador.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Mount Pearl North.

MR. LESTER: Mr. Speaker, I ask the minister: Does the current government's plan to increase forestry production include opening up the Abitibi timber stand to local harvesters, or will it be reserved to attract new business to the area?

MR. SPEAKER: The hon. the Minister of Fisheries and Land Resources.

MR. BYRNE: Mr. Speaker, the Abitibi reserves are definitely open for business. In fact, the Premier and I took Friday and we announced a new allocation policy. Not only will we be reviewing commercial cutting permits that were issued on an annual basis, but we'd have timber sale agreements. And, to provide increased security, we'd offer five-year commercial forestry permits.

Now, Mr. Speaker, this was very, very well received by our forest industry, but one thing I will say to you, we are open for business, we encourage new participants, new entrants, but we also respect incumbent participants, incumbent commercial permit holders.

Now, Mr. Speaker, what I'd like to say is that we offered 60,000 cubic metres to Bulk Logistics. They said it wasn't enough. Does he agree?

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

We recently learned the only cardiologist in Western Newfoundland had quit. While the department will say another resignation is completely coincidentally, most believe something else.

Can the minister tell us why this doctor chose to quit all of a sudden? Was it simply a case of the doctor being overworked and under resourced?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: Thank you very much for the question, Mr. Speaker.

This gentleman was on a planned vacation and locum coverage had been arranged for the early part of the summer while he was still away. He simply wrote in and said he would not be returning, except to close his practice, because of family reasons. That's the only comment I can make about that, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

Considering this doctor was the only cardiologist in Western Newfoundland, how can the minister suggest there will be no or limited impact on patients on the West Coast?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: Thank you very much, Mr. Speaker.

I would take issue with some of the preamble to the Member's question opposite. There are other resources, clinical and non-clinical, that are willing and able to fill the gap until a newly recruited physician will take up post later on in the year, Mr. Speaker. So there will be no impact to clinical services.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

We're hearing a whole different story from people who have to avail of the cardiology services on the West Coast and we'll see how that, unfortunately, unwinds over the next number of weeks.

On Thursday morning, a picture of an unidentified, elderly woman stretched across three chairs in the waiting room of the Health Sciences Complex surfaced on social media. I ask the minister: How can this happen?

MR. SPEAKER: The hon. the Minister of Health and Community Services.

MR. HAGGIE: Thank you very much, Mr. Speaker.

Indeed, that was a rather distressing picture. Eastern Health management have reached out to the family of that individual and also to others who were in the waiting room at the time to explain the situation and to apologize, and they will manage that on a go-forward basis.

As a background to that, Mr. Speaker, I have to point out that over the last two weeks the emergency rooms across this province have been swamped with an issue around the flu season, essentially. It is simply the worst peak of flu cases. Despite our best vaccination year, it is the worst year for five years. This is due to a problem with one of the elements in the vaccine as much as anything else. We're working to do what we can to resource them better.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

I ask the minister: Can he reassure us that there will be mechanisms put in play to ensure that situations like this do not occur again and that elderly people are not left for hours lying on chairs when they need critical health care?

MR. SPEAKER: The Minister of Health and Community Services.

MR. HAGGIE: Thank you very much, Mr. Speaker.

I've spoken with both staff in the department and the CEO of Eastern Health quite recently. Measures have been taken to look at what resources are necessary for emergency departments. We have been at overcapacity as high as 25 per cent in some areas of the province. We're working to put in place further measures above our existing overcapacity measures.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for Conception Bay East - Bell Island for a very quick question, please.

MR. BRAZIL: I ask the minister responsible for seniors: Has the Seniors' Advocate reached out to the family in this situation?

MR. SPEAKER: The hon. the Minister of Children, Seniors and Social Development.

MS. DEMPSTER: Thank you, Mr. Speaker.

I thank the Member for the question. The Member knows, before he asked, that I can't get into specific situations.

The Seniors' Advocate, first of all, Mr. Speaker, the first one in our province – I'm happy to say we followed through on our platform there – is independent of this government and is a Statutory Office of the House. She doesn't report to us on her day-to-day operations, but I have no doubt that my colleague is dealing with this and making improvements where we can.

It's unfortunate what happened, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS. MICHAEL: Thank you very much, Mr. Speaker.

A pre-budget leak says government plans to break up Nalcor Energy in order to separate the Muskrat Falls Project from the oil and gas line of business.

I ask the Premier: Does he plan to make Muskrat Falls Project a stand-alone Crown corporation as well?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, where this all began is really around the budget, which we announced a few weeks ago would be on March 27, which is tomorrow. It goes back much further than that.

When you look at the work that's been done with the mandate letter, the minister setting up an oil and gas council, Advance 2030, public consultations – Mr. Speaker, we even gave for the first time, I believe, an opportunity for both official parties to actually participate in budget consultations in this House right here and no one showed up I would say. Consultations continued after that with a lot of work that's been done with staff.

Tomorrow morning at 10 a.m., both Opposition Parties will be given copies of our budget and the Budget Speech, and at 2 p.m. tomorrow, the Minister of Finance will rise and deliver the budget, Mr. Speaker. So we'll be speaking more on this tomorrow.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS. MICHAEL: Thank you very much, Mr. Speaker.

I remind the Premier, that every time we stand here in this House we are showing our concern for the budget and everything else this government does.

Mr. Speaker, the separating of the financially disastrous Muskrat Falls Project from the lucrative oil and gas line of business is probably not just for optics.

I ask the Premier: Is this the first step in preparing to sell and privatize the Muskrat Falls Project?

MR. SPEAKER: The hon. the Premier.

PREMIER BALL: Mr. Speaker, whatever decisions we make tomorrow will be about – and which will be released tomorrow – building for the future of our province, investing in Newfoundlanders and Labradorians and taking on, which we did back in 2015, I would say that as you would say, as many others, it was a ship that was sinking, and we have put this province on a stable course. We have made a significant amount of decisions based on the advice that we've been given.

Mr. Speaker, tomorrow is budget day at 2 p.m. The Members opposite will have a copy of the budget at 10 a.m. tomorrow. They will then be prepared to answer as many questions as they want once that opportunity comes within Question Period and through all the other avenues that they would have coming after tomorrow.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for St. John's Centre.

MS. ROGERS: Mr. Speaker, the Labour Relations Board twice found DJ Composites in Gander guilty of violating our province's *Labour Relations Act* and bargaining in bad faith. This American union-busting aerospace company has locked out local workers for 15 months. They are trying to break the back of our workers and bust their union. Our labour laws are not protecting our workers from multinational companies who violate their rights. The workers and their families are suffering.

I ask the minister: Will he bring the *Labour Relations Act* before this House to implement recommendation 5 of the 2010 Industrial Inquiry Commission that calls for imposing a binding arbitration process when a prolonged strike or lockout has been ineffective in bringing about a resolution?

MR. SPEAKER: The hon. the Minister of Advanced Education, Skills and Labour.

MR. HAWKINS: I hope I have an opportunity to use as much time in the preamble for the answer.

Mr. Speaker, we are very, very concerned about any dispute. As you know, Mr. Speaker, from government's perspective, we do have a Labour Relations Board in place to handle. We provided conciliation.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. HAWKINS: As a matter of fact, Mr. Speaker, in addition to the conciliation that we used, we also put in place an independent mediator to try and solve the situation.

Mr. Speaker, as I've said many times before, a negotiated settlement is the best settlement, and we will certainly make our services available and will continue to provide services until a settlement is reached.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The Member for St. John's Centre for a very quick question, please.

MS. ROGERS: Thank you, Mr. Speaker.

We know that the Commission has recommended number 5.

Mr. Speaker, February 9, regional director for Unifor wrote the Premier asking him to stand up for the rights of these locked out workers who are currently in the middle of a second winter on the picket line.

I ask the Premier: Will he intervene and stand up to this company who is violating our workers' rights and will he meet with their union as they requested in their letter?

MR. SPEAKER: The hon. the Minister of Advanced Education, Skills and Labour for a quick response, please.

MR. HAWKINS: Thank you, Mr. Speaker.

Certainly, we, as a government, have met with both the union and the employer on an occasion back last year to try and come to some settlement.

Mr. Speaker, it's easy for the Members opposite to get up and make comments like that, realizing, as a government, the Labour Relation Board is a quasi-judicial board. They make the decisions. Government is there to represent a balance between employers and employees, and that's what we continue to do.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The time for Oral Questions has ended.

Presenting Reports by Standing and Select Committees.

Tabling of Documents.

Tabling of Documents

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Mr. Speaker, clearly we had a lot of questions today about *Advance 2030*. I would like to table the report so the Opposition could review it and understand how we're going to drive exploration and development of our offshore oil and gas industry.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Further tabling of documents?

The hon. the Minister of Service NL.

MS. GAMBIN-WALSH: Mr. Speaker, in accordance with the requirements of section 10 of the *Architects Act*, I am pleased to table the eighth annual report of the Architects Licensing Board of Newfoundland and Labrador.

MR. SPEAKER: Further tabling of documents?

In accordance with section 19(5)(a) of the *House of Assembly Accountability, Integrity and Administration Act*, I hereby table the minutes of the House of Assembly Management Commission that was held on February 1, 2018.

Notices of Motion.

Notices of Motion

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

I appreciate the opportunity to rise today.

I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Status Of Women Advisory Council Act, Bill 4.

Thank you.

MR. SPEAKER: Further notices of motion?

The hon. the Minister of Finance and President of Treasury Board.

MR. OSBORNE: Thank you, Mr. Speaker.

I give notice that I will move the following motion, that this House approve in general the budgetary policy of government, or the Budget Speech.

Further, I give notice that I will move that this House resolve itself into a Committee of the Whole on Supply to consider a resolution for the granting of Supply to Her Majesty, Bill 3.

Further, I give notice that I will move that this House resolve itself into a Committee of the Whole to consider a resolution relating to the advancing or guaranteeing of certain loans made under the *Loan and Guarantee Act, 1957*, Bill 6.

MR. SPEAKER: Further notices of motion?

The hon. the Minister of Service NL.

MS. GAMBIN-WALSH: Mr. Speaker, I give notice that I will ask leave to introduce a bill entitled, An Act To Amend The Pension Benefits Act, 1997. (Bill 5)

MR. SPEAKER: Further notices of motion?

The hon. the Member for Windsor Lake.

MS. C. BENNETT: Mr. Speaker, I move, seconded by the Member for Harbour Grace - Port de Grave, that:

WHEREAS sexual harassment is a common occurrence in the workplace throughout Newfoundland and Labrador; and

WHEREAS women of the province and all people deserve to work in a safe environment free of harassment and sexual harassment; and

WHEREAS three pieces of legislation governing safety in the workplace in Newfoundland and Labrador, *the Labour Relations Act, the Labour Standards Act, and the Occupational Health and Safety Act* govern safety in the workplace; and

WHEREAS Newfoundland and Labrador legislation currently does not reflect societal expectations of harassment free workplaces.

THEREFORE BE IT RESOLVED that this hon. House supports the newly strengthened and modernized workplace harassment policy introduced by the Government of Newfoundland and Labrador and urges the government to show continued leadership by making legislative changes to these or other pieces of legislation to ensure women and others are protected in all workplaces in Newfoundland and Labrador from harassment and sexual harassment.

Thank you.

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Thank you, Mr. Speaker.

Pursuant to Standing Order 63(3), the private Member's resolution entered by the Member is the one that shall be debated on Wednesday.

Further, I give notice pursuant to Standing Order 8(8) that this House adjourn at 5 p.m. Wednesday, March 28, 2018, until Monday, April 16, 2018.

MR. SPEAKER: Further notices of motion?

Answers to Questions for which Notice has been Given.

Petitions.

Petitions

MR. SPEAKER: The hon. the Member for Cape St. Francis.

MR. K. PARSONS: Thank you very much, Mr. Speaker.

The Indian Meal Line and the Bauline Line are maintained by the Department of Transportation and Works. These roads are very narrow shouldered, particularly for pedestrian traffic. Excessive speed is an issue on these roads.

We, the undersigned, call upon the House of Assembly to urge the Government of Newfoundland and Labrador to implement traffic-calming measures, such as speed bumps and electronic signage to reduce speeds and ensure the safety of the residents.

Mr. Speaker, I had over 300 names on petitions that were presented to me about these two roads in my district. I do have to thank the Minister of Transportation; we did have a meeting with him, with the mayor of Torbay and a couple of residents that were on that petition.

This happens on a lot of roads in the province, especially on the Northeast Avalon, it seems like, with most of the development. One time the Indian Meal Line was fairly a road that went between Torbay and Portugal Cove Road. Right now, there are probably about 1,000 to 1,500 people living on that particular road.

It's a very serious thing when you look at the traffic that's on that road. There are dump trucks; there are all kinds of different equipment. I'd say in the last 10, 15 years there is probably an increase of 300 or 400 per cent in the traffic volume on that road.

It is a provincial road. I call on government to give the town permission, which we have discussed already, to be able to put these calming – if they're not going to do it, let the Town of Torbay or towns in this province to be able to go and be able to put the things in.

I notice myself sometimes when you see these new signs that you'll see along the shoulder of the roads where it actually lights up and tells your speed. I know myself and I'll always look down to see how fast I'm going to make sure that, okay, that sign is right, or to slow down or whatever. They're used now in school zones, I know in my district.

I really thank the minister for meeting with the group, but now we need a little bit of action to make sure that provincial roads, no matter where there are, if there are narrow shoulders and it's very dangerous for pedestrians that we put some things in effect so the calming can slow down speeds so nobody gets hurt or killed.

Thank you very much.

MR. SPEAKER: The hon. the Minister of Transportation and Works for a response, please.

MR. CROCKER: Thank you very much, Mr. Speaker.

I thank the hon. Member for the petition. Like the hon. Member did allude to, we did meet with the town back some time ago and had a very constructive conversation about options that may be available.

I can assure the Member opposite, we're more than willing to sit down and talk to municipalities throughout the province. If there's a way that we can work together with municipalities to implement things – it has to be within the Transportation Association of Canada guidelines but if there's something that the town is interested in doing that we can work with them on, that's something that we're more than willing to do, Mr. Speaker.

Again, I thank the hon. Member for the petition.

MR. SPEAKER: Further petitions?

The hon. the Member for Conception Bay South.

MR. PETTEN: Thank you, Mr. Speaker.

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned

residents of Newfoundland and Labrador humbly sheweth:

WHEREAS policing is vital to the protection of services of our province's communities;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon the House of Assembly to urge government to increase the presence of law enforcement in Conception Bay South area.

And as in duty bound, your petitioners will ever pray.

Mr. Speaker, this is a continuation of many petitions I presented. I present them on occasion; I'm trying to get them all on the record because they deserve to be put in there. It's a very important issue to the residents of my district that I represent, policing in general.

In fairness, I've spoken to the minister on this, I've spoken to the RNC police chief and the town has been involved. It's been great conversations but I still feel until something actually happens, it's important for me to keep this on the radar. It is of importance but in fairness it's not a matter of – it's more about presenting and keeping people's concerns alive because it is a big issue in the second largest municipality in the province where people don't feel safe.

I've spoken about this many times publicly and in here. Residents of CBS do have concerns about their safety. Like I said, I've written the minister and the police chief. We have had great discussions but I feel it's important for me, as Member representing that area, to keep this alive and well, present people's concerns as I have this petition here and I presented others.

I want to ask government and the minister to keep it on the radar. It's very important to the residents of Conception Bay South to have a police presence, both office and officers on the ground, because people don't feel safe. I think it's incumbent upon government and us as a House to urge that people's safety be first and foremost.

Thank you very much.

MR. SPEAKER: The hon. the Minister of Justice and Public Safety for a response.

SOME HON. MEMBERS: Hear, hear!

MR. A. PARSONS: Thank you, Mr. Speaker.

I just want to sort of stand here today to respond to the Member's petition and to reiterate much of what he said, that I agree with what the Member is saying, he has a duty to his community to put their concerns forward and to acknowledge the fact that we have had several discussions on this. The Member opposite has met with the RNC; I believe, in fact, been speaking to the chief who has been doing a fantastic job.

There's not a Member in this House that doesn't or hasn't had conversations with their community on policing presence. It's something that we all desire. I've always said that I haven't had a conversation with a community yet where they've said we have enough police; we have too many police. In fact, we would love to have an increased police presence everywhere.

The Member opposite represents a growing community, so at this point I would just state that again I welcome his petition. In fact, we need to continue these conversations. That's the main point. If there was no conversation going on, we may have an issue.

I encourage the Member to keep in contact with the RNC who are the best people to discuss this with. I'll certainly do everything I can to encourage that communication to make sure that we have meetings so that all citizens of this province and Conception Bay South feel safe in their homes.

Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Further petitions?

The hon. the Member for Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

To the hon. House of Assembly of the Province of Newfoundland and Labrador in Parliament assembled, the petition of the undersigned residents of Newfoundland and Labrador humbly sheweth:

WHEREAS opioid addiction is a very serious problem affecting many individuals and families in our province, and the Bell Island area is no exception; and

WHEREAS the effects of these problems have implications that negatively impact many people, old and young; and

WHEREAS support and treatment programs have been proven to break the cycle of addiction and have helped many into recovery;

WHEREUPON the undersigned, your petitioners, humbly pray and call upon government and the House of Assembly to urge government to establish a Suboxone-methadone treatment plan for Bell Island, which would include a drug addictions counsellor at the hospital and a drug awareness program in the local schools.

And as in duty bound, your petitioners will ever pray.

Well, Mr. Speaker, we know and we've debated and discussed it and we've supported from all sides around addressing the issues of opioids in this province. It's unfortunate that in a small community like Bell Island – and maybe it's its isolation, maybe it's going from a larger community to a smaller, maybe it's its geographic location to a bigger urban area, but for whatever reason the opioids addictions and the opioids crisis has exploded in that community.

But more importantly, and the positive part here, is that the community has come together to try to address this. The community has established organizations. We have one great organization called Unity in Our Community, which brings together all the professionals, the parents, concerned citizens, those who themselves are dealing with opioid addictions, those who've gone through it and can serve as the role models and support mechanism, have all come together to try to address how we deal with this, how do

we give people an opportunity to heal again and to get control of their lives, and obviously get control of their family's lives and their community's live. But to do that we need supports. While you might say we're close to St. John's and we all know issues around ferry services and we all know around Mother Nature and the seas itself, the issue is we need home-grown supports. And we have a process here in government and in Opposition that we all agreed we need to tackle this.

In a community such as Bell Island we have a mechanism in place, we have the law enforcement people who want to support it, we have the professionals who want to support it, but we need some additional supports. What's being asked here now is to come up with a plan that deals with how we would provide Suboxone and methadone treatment on Bell Island, have counsellors in play so that the supports are there for the families, they're there for those who have opioid dependencies, they're there for the community as a whole, but they're also there for preventative measures.

So, Mr. Speaker, I'll get to present this again, and I look forward to discussing this with the Minister of Health.

Thank you, Mr. Speaker.

MR. SPEAKER: Further petitions?

The hon. the Government House Leader.

MR. A. PARSONS: Yes, Mr. Speaker, I call Orders of the Day.

MR. SPEAKER: Orders of the Day.

Orders of the Day

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Mr. Speaker, I call from the Order Paper, Order 2, third reading of Bill 1.

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Thank you, Mr. Speaker.

I moved, seconded by the Minister Responsible for the Status of Women, that Bill 1, An Act To Amend The Family Violence Protection Act, be now read a third time.

MR. SPEAKER: It is moved and seconded that the said bill be now read a third time.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay.'

This motion is carried.

CLERK (Barnes): A bill, An Act To Amend The Family Violence Protection Act. (Bill 1)

MR. SPEAKER: This bill has now been read a third time and it is ordered that the bill do pass and its title be as on the Order Paper.

On motion, a bill, "An Act To Amend The Family Violence Protection Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill 1)

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Mr. Speaker, I call Order 3, second reading of Bill 2.

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Mr. Speaker, I move, seconded by the Member for Labrador West, that Bill 2, An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act, be now a second time.

MR. SPEAKER: It is moved and seconded that Bill 2, An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act, be now read a second time.

Motion, second reading of a bill, "An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act." (Bill 2)

MR. SPEAKER: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

I have a bit of a back issue today, so I'm going to be like Winston Churchill and lean forward on the desk. So forgive my posture. My mother would not be pleased, not to see me standing very tall today but my back, unfortunately, is causing some issues, but I will endeavour to get through the introduction of this bill and advise people in this House and in the province what this whole bill is concerning.

Mr. Speaker, today, we are giving second reading in the House of Assembly regarding a bill to amend the *Electrical Power Control Act, 1994* and the *Public Utilities Act*. These amendments are to adopt an open access transmission framework for the province's high-voltage electricity transmission system. Basically, it's to ensure that we have open access across our borders; across our border into Nova Scotia, across our border into Quebec, across our border into the United States to have open access for our transmission system.

Over the next several minutes I will explain why this legislation is required. In essence, it is to allow for interconnection with the North American grid. For the first time ever, Newfoundland and Labrador will have interconnection with the North American grid. It's to establish an independent system operator and Open Access Same-Time Information System, or OASIS, and establish PUB oversight process.

An open access transmission framework is necessary as the province becomes fully connected, fully interconnected with the North American grid. The Island portion of the province will be connected to Labrador via the Labrador-Island Link and in Nova Scotia via the Maritime Link. An open access transmission regime is an important component of broadening participation in both import and export electricity markets.

With these new transmission connections, Newfoundland and Labrador will have the ability to transmit power directly to the Maritimes and beyond, including northeast

United States. Access to these markets can provide additional options for rate management through export sales and off-Island purchases.

The Newfoundland and Labrador system operator division of Newfoundland and Labrador Hydro will be designated as a system operator and will be responsible for providing reliable operation of the province's high-voltage transmission system; an open, non-discriminatory and non-preferential access to service on the system. It will also be responsible for providing same-time information in respect to the system. Mr. Speaker, that really does speak to the principles of open access; non-discriminatory, non-preferential, open access and same time information.

There are also requirements to provide timely and open access to transmission information on the Open Access Same-Time Information System, or OASIS. The Public Utilities Board will have independent regulatory oversight. I will repeat that again for those listening. The Public Utilities Board will have independent regulatory oversight of the open access transmission regime and will have a process for resolving transmission system participant concerns.

The province's open access transmission framework is consistent with the principles of open transmission access adopted by the US Federal Energy Regulatory Commission, most often referred to as FERC, and enables Newfoundland and Labrador to satisfy requirements regarding transmission access and electricity market participation, including provisions of the Canadian Free Trade Agreement.

To date, Newfoundland and Labrador's electricity system has been largely isolated from the North American grid which has limited our participation in North American electricity markets. Completion of the Labrador Transmission Assets and the Labrador-Island Link will connect the Island to the Labrador electric system and the Maritime Link connects the Island to Nova Scotia. Collectively, this will create an electricity loop or circuit enabling the transfer of electricity from Nova Scotia to Quebec via Newfoundland and Labrador.

This interconnection is something we must capitalize on as another tool to help manage the effects of the Muskrat Falls Project on the ratepayers and taxpayers of Newfoundland and Labrador. This interconnection will present us with new opportunities as well as responsibilities for trading electricity. Fundamentally, we must be fully prepared to offer neighbouring jurisdictions access to our transmission system that reciprocates the access they provide to us.

Since Nalcor has negotiated transmission rights through Quebec and the Maritimes, we must ensure we can offer the reciprocal rights in this province. Without providing this sort of open access to our transmission system, we would risk our ability to trade electricity in the manner that gives us access to as many customers as possible. More customers mean a stronger negotiating position to maximize export revenue to the benefit of the people of Newfoundland and Labrador.

When our government inherited the Muskrat Falls Project, we understood that managing rate impacts on the people of the province would require, in addition to effective cost control, a diligent focus on creating new opportunities to trade electricity. Early in our mandate, we recognized that doing as much as possible to gain access to electricity markets would be vital.

This is why we leveraged the negotiations for the Canadian Free Trade Agreement to create, for the first time in the history of Canada, an intergovernmental mechanism to enable enhanced interprovincial electricity trade through creating rules on open access transmission. During that process, we also recognized that we do not only want to trade electricity with other Canadian jurisdictions, we want to ensure that when the time came we were positioned to undertake enhanced electricity trade with the United States jurisdictions as well.

This is why we proposed a model for the Canadian Free Trade Agreement that draws substantially from the model used in the United States where its Federal Energy Regulatory Commission, which is often referred to – and I said this before – FERC, imposes mandatory open access requirements on all US transmission owners. The legislation before the House offers

an open access regime that is CFTA and FERC compliant, and creates a regime that allows Newfoundland and Labrador to trade electricity with any jurisdiction on the North American grid.

Upon connecting to the North American grid, Newfoundland and Labrador will be expected to have in place an open access transition regime that provides for open, non-discriminatory and non-preferential access to service on the high-voltage transmission system in Newfoundland and Labrador. That is what this bill and these changes will accomplish.

Specifically, it will include provisions for establishing a Newfoundland and Labrador system operator and requirements to provide timely and open access to transmission information on the Open Access Same-Time Information System, or OASIS. This bill ensures that these elements will be regulated by the Board of Commissioners of Public Utilities which will also serve as the adjudicator for open access transmission-related complaints in Newfoundland and Labrador.

Capturing open access principles and requirements in legislations required a number of amendments to the *Electrical Power Control Act* and the *Public Utilities Act*, and new regulations under both acts. These amendments and regulations will ensure that transmission customers, transmission owners and the system operator are bound by these principles and requirements and provides the Public Utilities Board with regulatory oversight, as I've mentioned, of the open access transmission regime.

These two acts together, with the *Electrical Power Control Act* providing overarching, high-level rules and principles around the operation of the Newfoundland and Labrador electricity sector, and the *Public Utilities Act* prescribing an oversight mechanism for the operation and regulation of the utility sector generally and, in particular, the electricity sector.

In addition to those amendments strictly related to open access, this bill contains a number of amendments that will enhance the overall readability and clarity of both the *Electrical Power Control Act* and the *Public Utilities Act*.

I will now present the specifics of the bill, outlining how the proposed amendments relate to the requirement to establish an open access transmission regime in Newfoundland and Labrador. Sections 1 through 6 of the bill capture proposed amendments to the *Electrical Power Control Act* and section 7 through 27 of the bill capture proposed amendments to the *Public Utilities Act*.

Section 1 presents amendments to the definition section of the *Electrical Power Control Act*, adding key terms related to open access transmission, required for clear interpretation of the legislation. Accordingly, it is necessary to define these terms, as they are used throughout the act. Notably, this section of the *Electrical Power Control Act* defines the transmission tariff, which is the compilation of documents that outlines transmission rates and the methodology for developing those rates and the conditions of service, and the policies and rules related to high voltage transmission system services. It also provides definitions for transmission service, transmission customer, transmission owner, system operator and ancillary service.

I should point out that what is generally referred to as the high voltage transmission system is termed the integrated electric system for the purposes of these acts, and generally refers to the system providing transmission service at 230 kilovolts or above – really, the bulk transmission lines.

This term is also defined in the *Public Utilities Act* and the reference to integrated electric system in the *Electrical Power Control Act* refers the reader to the *Public Utilities Act*. This makes the process for any further amendments or future amendments to this definition simpler and more streamlined.

The acts further outline that transmission service refers to a service for the reservation and transmission of capacity and energy from one or more points of receipt to one or more points of delivery. An ancillary service refers to a service that is necessary to support transmission service on the high voltage transmission system while maintaining reliable operations of the system.

Section 2 expands upon the power policy of the province, as currently outlined in the *Electrical Power Control Act*, to include open access transmission as a fundamental principle of that policy.

Section 3 of the *Electrical Power Control Act* sets out the principles upon which the Newfoundland and Labrador electricity system should operate referred to as the power policy of the province. When this section was drafted or last amended, there was no need for an open access transmission regime because the Island was not connected to the North American grid.

Now that both Newfoundland and Labrador will be connected to the North American grid, open access will be an important principle for the operation of the province's electricity system. This section of the *Electrical Power Control Act* was amended to capture open, non-discriminatory and non-preferential access to interconnection with and service on the integrated electric system as a principle of the power policy of the province.

Section 4 pertains to section 5.8 of the *Electrical Power Control Act* which excludes certain transmission assets in Labrador, including those covered by the *Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961*, and those which comprise part of the Muskrat Falls Project for the purposes of setting rates for electricity customers. This amendment maintains this exclusion but ensures – and that's critical, Mr. Speaker – that the open access requirements apply to these assets. If these assets were not brought into the new open access regime, there would be no open access path for transmission service through Labrador.

Section 5 captures key requirements for open access, including establishing the system operator to administer an open access transmission regime and requiring that the system operator provide transmission customers with open, non-discriminatory and non-preferential access to transmission information. None of these provisions were captured in the existing *Electrical Power Control Act* and needed to be added to establish an open access transmission regime in Newfoundland and Labrador – oh, they're coming with help.

SOME HON. MEMBERS: Hear, hear!

MS. COADY: Thank you, Mr. Speaker.

Thank you very much. Everyone is trying to help me out with my poor back. I really appreciate it. Thank you.

This section creates the requirement for transmission owners to provide the system operator with the authority to direct the operations of the high voltage transmission system for the purpose of establishing and operating the open access transmission regime.

Section 6 establishes the necessary regulation-making power under the *Electrical Power Control Act* related to open access. With the establishment of the system operator and the provision of roles, responsibilities and authorities pertinent to open access, there is a need to ensure that necessary regulation-making authority exists with respect to the system operator and delineation of roles, responsibilities and authorities of the various participants. Specifically, the regulation-making power added to the *Electrical Power Control Act* provide for designating a system operator and prescribing the duties and functions of the system operator in greater detail than is appropriate or useful to outline in legislation.

This will provide the ability, if necessary, to add or remove system operator duties and functions. Overall regulation made with regard to the system operator will provide certainty around requirements for open access.

The regulations will also provide for the ability to prescribe the duties and functions of the transmission owners, the transmission customers and will allow those duties and functions to evolve, as they will if ever necessary through amendments to regulations.

In addition, the regulations will provide the ability to prescribe the type and timing of transmission information to be publicly available in order to ensure compliance with open access transmission regime.

Section 7 is where amendments to the *Public Utilities Act* begin. It adds key terms related to open access transmission required for clear

interpretation of the legislation and clarifies some existing terms that already exist in the *Public Utilities Act*. The section also adds new, non-open access related terms such as person; deletes obsolete or unnecessary terms such as telecommunications, shareholder and extension.

Section 8 contains an amendment to ensure that transmission owners are subject to the *Public Utilities Act*. The existing section, 3.1 of the act, was drafted at a time when open access was not contemplated, Mr. Speaker. This amendment will provide all transmission owners who own or manage part of the high voltage integrated electricity system are not exempted by this section of the act.

Section 9 ensures that entities excluded from all or a portion of the *Public Utilities Act* by prior exemption orders are covered by the act for the purposes of the open access transmission regime. Exemptions granted prior to the advent of open access were not undertaken with the intention to exempt the subjects of those exemptions from open access requirements. Accordingly, this section will clarify that those exemptions under section 4.1 of the existing *Public Utilities Act* will remain in place for the purpose for which they were granted, but that open access provisions will apply.

If this amendment were not undertaken, any entities which are subject to the exemption order would not be subject to open access, and like those exemptions under the *Electrical Power Control Act*, could threaten Newfoundland and Labrador's ability to prove it has an open access transmission regime in place.

Section 10 is a very minor amendment, simply revising the existing section of the act to ensure that the use of the term person is consistent with the added definition of person in the act. This reflects that fact that the definition of person includes corporation.

Section 11 relates to a fundamental requirement of open access, ensuring the transmission owners are obligated to provide transmission customers with open, non-discriminatory and non-preferential access to interconnection with and use of the part of the high-voltage transmission system. The section also obligates the system operator to provide transmission customers with

open, non-discriminatory and non-preferential access to high-voltage transmission system services.

Sections 12 and 13 are similar to section 10, as these are also amendments revising the existing section of the act to ensure the use of the term person is consistent with the added definition of person in the act. Section 13 contains further revisions for clarity only and does not pertain specifically to open access.

Section 14 is also similar to sections 12 and 13, as it only removes a single word: lawful, to ensure clarity of interpretation. This removes an unnecessary adjective for rules and regulations. The header of the section was also updated to reflect the substance of the provision.

Section 15 returns to key amendments related to open access establishing the Public Utilities Board's authority to approve the transmission tariff for open access, the PUB's ability to enable the system operator to take certain measures to optimize transmission system usage. A key requirement for open access is independent, regulatory oversight. The PUB is the existing regulator in the Newfoundland and Labrador electricity system and it is the appropriate body to oversee compliance with the open access transmission regime.

With regard to the optimization rate, it is appropriate and very useful to make a provision which is subject to regulatory approval and oversight. For the system operator to grant discounts from the approved transmission rates to enable increased usage of the transmission rates and system when there is unscheduled capacity for a certain time period, this can increase revenue to ultimately benefit taxpayers – sorry, to benefit ratepayers, a critical difference. This can increase revenue to ultimately benefit ratepayers. Failure to provide for such a scenario could lead to a suboptimal usage of transmission assets and reduce revenue.

For example, Newfoundland Hydro is obligated to pay the full cost of the Labrador transmission assets and the Labrador-Island Link which are key inputs into the transmission tariff rate. So if it is forecast that tomorrow Newfoundland Hydro does not require the full capacity on the transmission system, it would benefit ratepayers

to sell some of the unused capacity at a lower price to encourage higher usage of the high-voltage transmission system and thus reduce Newfoundland and Labrador Hydro's revenue requirements from its ratepayers.

Section 16 is an amendment that simply allows the legislation to catch up with the current information disclosure practices requiring information related to electricity rates to be posted online as well as in other places. This amendment is not strictly related to posting information related to open access.

The changes to posting information regarding electricity rates were undertaken to update the provision to reflect the way the public generally seeks this sort of information. This was achieved by adding a requirement to post this information on the utilities website. The requirement to post the information in plain type where payments are made by consumers or users was maintained.

Section 17 extends an existing power of the Public Utilities Board to open access requirements specifically the PUB's ability to issue interim orders to make changes to the transmission tariff where the Public Utility Board deems it necessary. Interim orders enable PUB to order immediate adjustments that the PUB can subsequently review or alter. The PUB already has authority to unilaterally issue interim orders with regard to utilities issues that are already covered by the *Public Utilities Act*. As this act is being amended to include open access provisions, it is necessary to clarify the PUB's interim order authority on those provisions as well.

Section 18 repeals the section of the act related to unilateral PUB investigation of electricity rates and moves that authority to a new section, 86.2 of the act, for increased readability and better organization of the act. It maintains that issue, though.

Section 19 revises an existing provision of the *Public Utilities Act* related to complaints from municipalities or a group of persons for clarity and readability. This is purely a drafting improvement.

Section 20 adds a section to the *Public Utilities Act* related to the Public Utilities Board

procedure when it receives a complaint related to open access. This section relates to the establishment of the Public Utilities Board as the adjudicator of complaints related to open access which is a key requirement of open access.

A key component of an open access transmission regime is a complaints process to provide relevant recourse to all open access transmission regime participants, transmission customers, transmission owners or the system operator. As the Public Utilities Board will be given authority to approve the transmission tariff and ensure that open access participants are meeting their respective duties and functions under the legislation, and given that the Public Utilities Board is already the complaint adjudicator for issues contemplated in the existing legislation, it is appropriate for the PUB to assume the role of complaints adjudicator for matters related to the open access regime.

Section 21 is a minor amendment that ensures the procedure for providing notice, in the event of a complaint, also pertains to the complaints and hearings related to open access. It is necessary to ensure that complaints related to open access are subject to the same notification processes as other utility-related complaints.

Section 22 establishes the Public Utilities Board authority to investigate matters related to the tariff for open access and any other matter, and recaptures the provision of the act that was repealed in section 18 of the bill. Specifically, section 86.1 of the act ensures comprehensive access to the Public Utilities Board as the complaint adjudicator for any person for any issue related to the conduct of the system operator.

Section 86.2 of the act replaces the repealed section 82 of the existing *Public Utilities Act* providing the authority for the Public Utilities Board to unilaterally investigate matters relating to rates, charges, services or other matters.

Section 86.3 of the act adds language providing the Public Utilities Board with the ability to unilaterally investigate matters related to open access, as it is appropriate for the Public Utilities Board to be able to investigate matters related to the transmission tariff and other open access matters as it deems necessary.

Section 23 establishes the Public Utilities Board's authority to remedy any issue it identifies through the investigation into a matter related to open access. In order to regulate open access transmission effectively, the Public Utilities Board must be fully empowered to correct any issues it identifies with regard to this service. This mirrors the Public Utilities Board's authority with regard to electricity rates that already exist in the *Public Utilities Act*.

Section 24 simply ensures that transmission customers are included in the provisions of the act related to the providing notice for PUB hearings, and includes additional changes made for better readability.

Section 25 is a minor amendment, undertaken to improve clarity. Specifically, references to disobedience in this section have been amended to read contravention. This is purely a legal drafting improvement. A reference to transmission customer was also added where necessary and appropriate to reflect the fact that the *Public Utilities Act* is now intended to apply to open access.

Section 26 adds a penalty for failure to provide open access and ensures that all uses of the term person are consistent with added definition of person in the act. This section of the *Public Utilities Act* already outlines penalties for utilities where they violate the act. Given that the act will now apply to open access, it is necessary to ensure that there is also a penalty for failure to provide open access.

Finally, Mr. Speaker, section 27 establishes the necessary regulation-making power under the *Public Utilities Act* related to open access. The regulation section of the *Public Utilities Act* provides for exemptions and inclusions for certain types of electricity infrastructure. This regulation-making power also ensures that assets that relate only to electricity distribution to industrial and domestic customers are not included in open access.

In addition, this regulation-making power includes the ability to prescribe the information that is required to be submitted to the Public Utilities Board for the approval of the transmission tariff. This regulation-making power further clarifies the requirement already

captured in this legislation and enhances the government's ability to ensure compliance with open access provisions.

Collectively, these regulation-making powers are about ensuring thorough, appropriate and timely regulatory oversight of open access. Together, these amendments to the *Electrical Power Control Act* and the *Public Utilities Act* will achieve two fundamental outcomes. They establish the open access requirements relevant to all open access participants, and they establish the Public Utilities Board's regulatory authority over all of those open access requirements and participants.

Ultimately, these amendments will enable an open access transmission regime in Newfoundland and Labrador that will help us to maximize export revenue opportunities to ensure our citizens receive the maximum benefit possible from the province's ability to trade electricity.

Mr. Speaker, I think I've been very thorough in reviewing the act in detail, given every section of the bill. I thank you for your indulgence of allowing me to lean forward, and I thank the House for consideration of these amendments to allow for open access transmission.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Reid): The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Speaker.

I'm pleased to rise today to speak to Bill 2, *Electrical Power Control Act* and the *Public Utilities Act*. I want to recognize the minister for going through a detailed process in regard to the bill and the particular applications, and some of the detail in regard to the intent and specific changes related to the various sections of the bill.

I do want to acknowledge the staff of Natural Resources. We had a briefing. We had a large contingent from our caucus and from our staff that had a very good discussion in detail in regard to this particular bill, and had some very

good discussion and great feedback. So I just want to recognize the staff and the work they did in the briefing that we went to.

As the minister has mentioned, this bill is about amendments to the *Electrical Power Control Act* and the *Public Utilities Act* and looks to the province's overall electrical system. It's about access to electricity and the transmission system in general, and how now it's integrated as opposed to, in prior years, before the current construction of Muskrat and the inter-Island link to Nova Scotia, it was basically the Upper Churchill and the transmission of power west into Quebec. I think the minister alluded to it as well. This provides this loop or this interconnected system now from Labrador to the Island and then on to Atlantic Canada and access to the Eastern Seaboard, which provides options now for the sale of that electricity, no matter how it's generated, whether it's through our current hydro-electric development, whether it's through future wind, whatever that may be.

It's a necessity of the capital infrastructure and what's gone on over the past number of years. It now creates that link and the regulatory framework. This act would provide the basis for that regulatory framework for the oversight of it and how it would operate.

More importantly, it brings our system in line with what is called the Federal Energy Regulatory Commission in the US for the transfer of power through a transmission grid, and as well through the Canada Free Trade Agreement regulations that were brought up and discussed some time ago in regard to the provinces of Canada and how the free flow of electricity trade and services would be part of that and how it evolved into that and a need to take down those barriers and to make sure there is a free flow for economic benefits for all concerned in our country.

That was something, I know in my time in government and dealing with trade, it was always the challenge in regard to getting a consensus and getting that to come about and we did some work. The current administration did sign off on the Canada Free Trade Agreement regulations in regard to the flow of goods and services and breaking down those barriers,

which would include transmission and electricity.

So the open access electricity transmission system is all about transmission lines are able to be used by any power customer who wishes to do so. So the infrastructure is built. What's currently built today is completed in Labrador, the Island and on to the Eastern Seaboard, eastern Canada. That would be used by Hydro-Québec, could be Emera, could be another entity that wanted to use that transmission power and capacity to move electricity.

This is about providing that statutory and regulatory framework of how to support that. The principles of that are it needs to be non-discriminatory and non-preferential access to transmission for electrical trade between – well, for us it would be notably eastern Canada, the Eastern Seaboard.

We really have to do this if we want to look at exporting of power and being a part of that loop, as I said. That was part of when the decision was made to sanction Muskrat Falls that with the transmission that would be built, this would need to be done at a point in time when we got to the point that we were connected and would use this to create that loop and to be part of the regulatory framework similar to FERC and the regulatory framework that is used in Quebec now through Hydro-Québec.

My understanding is that applied to our province high voltage transmission assets that are 230 kilovolt or above, the extra capacity which is available on transmission lines is what will be made available to various customers. So any transmission capacity would have a certain, I guess, level in regard to what that capacity would be and how much electricity could be moved on that transmission facility.

What this is looking at is, obviously, we would suffice our own needs. Nalcor, through Newfoundland and Labrador Hydro – we would use what's needed for our own use or for the export of our own power. My understanding is that would be the priority in terms of the use of that transmission.

First and foremost, we'd look after Newfoundland and Labrador's interests first.

Then when you look at that transmission capacity, what's left over in particular lines, that's what's been talked about here in regard to using that excess capacity for others that want to transmit electricity through that infrastructure.

The legislation, as we look at it now, with the completion of Muskrat Falls related to transmission assets of our province is now connected to the North American electricity grid, Quebec and the Maritime Link so energy can move through these various locations.

When you look at where we are geographically and how we're situated, we're certainly in the corner of the North American energy grid. So likely customers, as I said before, probably would be Emera, Hydro-Québec and, hopefully, maybe the New England area, New England States.

We've seen in the past number of months and couple of years in regard to them moving towards more use of hydroelectricity development. I know a number of years ago they would look at small hydro development. They've sort of moved away from that, the New England States, and now are looking at larger hydro development.

Some time ago I know Quebec Hydro and a consortium looked to provide significant electricity to – I think it was Massachusetts, maybe the New Hampshire area, somewhere in the range of eight or nine terawatts, I think, in terms of supplying that electricity. So there is a need for it.

I remember reading about the Eastern Seaboard in regard to electricity capacity and the infrastructure. They don't have a lot of the infrastructure for natural gas. So if we can be competitive on hydro and electricity of that form and wheel it in there, there are certainly opportunities as we look to the future. Other jurisdictions too, when you look at places like Ontario and the investments they made in nuclear energy, and whether they'll continue that investment or whether they'll look at other ways to provide that electricity.

In Atlantic Canada, Nova Scotia and New Brunswick, we know they have issues in regard to coal production and requirements by the

federal government for them to come off coal and to find an alternative to that. My understanding is now that's been pushed out to 2025 or 2030, but still the issue is they need to find an alternate source of clear energy to offset coal. So that's another opportunity for us.

This allows us, in terms of the regulatory changes and framework, for open and free accessibility – or not free – access electricity transmission is a component of that and helps with the excess energy that we have and we will develop. That takes into account, too, obviously over the past number of years and decades, that hydro capacity that we built on the Island are well in what we've done. All of that allows open access and transmission systems which this bill we're talking about today allows to move forward.

A province or state in the middle of the grid would have many more customers than we would because, as I said, we're sort of in the North American energy grid, but sort of off to the northeast, if you would. We need to look at and be ready to access what we can. Those other jurisdictions that are closer probably would have more opportunity when you look at where they border and what the opportunities would be. Nevertheless, we do have a capacity to wheel excess power and additional tariffs, as well, through other jurisdictions.

Coming for Newfoundland and Labrador will mean the power would also possibly go to Quebec, Nova Scotia and likely other jurisdictions in that vicinity and area. We look forward to that. This allows the opportunity to do that.

I know in the briefing we talked about Fortis, which noticed that there are potential customers of the open system in this province as well. And talked about there are transmission lines greater than 230 which could be included, as well, in the overall process as we move forward. The minister touched on, as well, some of the new requirements and entities that need to be struck, I guess, or created in regard to the legislation. The legislation allows that to occur.

We talked about establishing a Newfoundland and Labrador system operator. That's the entity that's going to be created, through this bill, to

oversee the operation of the transmission system in the province. That's the full transmission system that we spoke of and return in regard to the transport of electricity for those other providers or those that want to move power, and some of the ones I mentioned earlier. The system operator would oversee that.

My understanding, and what we were told, it would be a division of Newfoundland Hydro. To ensure, obviously, that Newfoundland Hydro would be part of the activity or the industry and not give an unfair advantage and preferential treatment, it would be a division which follows a strict code of conduct. This structure – I know we had some discussion in regard to, jurisdictionally, what other entities in the country do in regard to publicly held hydroelectricity entities.

This is somewhat comparable to other provinces, I think except Ontario and Alberta. These two have independent electrical systems. My understanding is they're not exactly Crown corporations, as we see here and would see with Quebec as well.

A tariff would be charged to transmission customers, those that flow electricity through the transmission lines held by us through the corporate entity. The tariff will be collected, whatever that would be, through the Newfoundland and Labrador system operator. The Newfoundland and Labrador system operator will then distribute the tariff to the transmission owners, being those that own the asset which would be, ultimately at the end of the day, the people of Newfoundland and Labrador who Newfoundland Hydro held through Nalcor is a Crown corporation ultimately owned by the people of Newfoundland and Labrador.

One of the issues that was brought up, and I'll speak to it a little later I guess. I brought it up today in Question Period with regard to that tariff. I think the act was silent too in regard to the amendment of what happens to those tariffs and if they would revert – well, they would revert once set by the PUB, revert to the entity of Hydro and Nalcor, and then what that revenue would be used to do.

I had asked today in Question Period about that being part of a mechanism to make sure rates are competitive and to reduce rates if necessary, and that would go through that rate mitigation process. Because when you think about it, those transmission facilities that were built have already been factored into rates, or would be factored into rates in the near future. So they would already be part of that. That would be a return back to and an insulator and a help to the people of the province in regard to those tariffs when they flow back to the system operator and then, subsequently, to the owners of the transmission facilities.

The tariff itself will be set by the Newfoundland and Labrador system operator. Various costs would be looked at in terms of transmission to establish what the tariff would be. My understanding is the tariff would have to be submitted to the PUB for approval. The process is the same process used for general rate applications today that you may see. As well, I understand there would be opportunity to have intervenor status and hearings held as well, very similar to what would happen today.

The PUB, through the legislation we're debating here today, is given the ability to receive complaints, undertake investigations and hearings; this mechanism to enforce the open system and what's been set up here as a regulatory framework in the bill today.

I mentioned earlier about FERC, the Federal Energy Regulatory Commission, in the US. That regulates the interstate transmission of electricity and includes not only oil but, as well, natural gas.

On the website dealing with the Federal Energy Regulatory Commission, it talks about: "On April 24, 1996 the Commission issued Order No. 888 which required public utilities to provide open access transmission service on a comparable basis to the transmission service they provide themselves. Specifically" – that order – "Required all public utilities that own, control or operate facilities for transmitting electric energy in interstate commerce to file open access non-discriminatory transmission tariffs that contain minimum terms and conditions of non-discriminatory service." In addition, it directed "public utilities and

transmitting utilities to seek recovery of legitimate, prudent and verifiable stranded costs associated with providing open access and the Federal Power Act, section 211 transmission services.”

So that would be tied to and mirroring what we’re doing today here with this bill from a Newfoundland and Labrador perspective from Nalcor and for Newfoundland and Labrador Hydro.

The commission, at the time for the Federal Energy Regulatory Commission, “was to remove impediments to competition in the wholesale bulk power marketplace and to bring obviously more efficient, lower cost power to the Nation’s electricity” customers through FERC. “In a companion order the Commission issued Order No. 889 at the same time which established rules governing Open Access Same-time Information System ... and prescribing standards of conduct.”

So that was sort of the evolution and certainly what we’re looking to mirror today in regard to Newfoundland and Labrador. The other reference was made to compliance and a necessity for this bill was related to the Canadian Free Trade Agreement, which came into effect, I mentioned earlier, July 1, 2017. That, in and of itself, includes a regulatory framework governing electricity transmission and it provides specific rules and builds on the principles of open access and non-discrimination that were outlined in the Canadian Energy Strategy.

In addition to development of these rules, the Government of Newfoundland and Labrador, the present government, at the request of other provinces, territories and the federal government, engaged with the Government of Quebec to discuss electricity transmission.

Now, at the time there was some reference in regard to this had meant or it was a jump to Newfoundland having the ability to wheel power west out of Quebec into Quebec unencumbered. That provision is in the Constitution of Canada – I’m not sure, I think section 91, which deals with apparent unencumbered, non-discriminatory transfer of electricity.

Eger since Upper Churchill, and probably before that and when it’s been talked about and that ability, whether it’s a Liberal government, a Progressive Conservative government, or a Conservative government in Ottawa, we’ve never had the opportunity where no one held the Province of Quebec to task for not allowing that to occur. Because I’ve known over the past number of years of being in government there was always an issue of wanting to flow power from Labrador at a greater extent, with building capacity, and allowing the development of hydro activity in Labrador. It was always (inaudible) at that level.

So the Canadian Free Trade Agreement did recognize, or direct a discussion – I think there’s a timeline; we talked about that in the discussion we had on the bill. There’s a two-year timeline and the clock is ticking on that. There would be consensus reached with Quebec and Newfoundland and Labrador to allow that freewheeling of power west into Labrador, and unrestricted, which we haven’t had to date in our history of joining Canada since 1949.

That’s the huge issue and we’ll have to see where that goes, but it doesn’t mean it’s automatic. It’s something that we hope will be achieved and should be achieved. As a member of the great country of Canada, we should have that ability.

We hear now about consensus about building pipelines across the country and being able to flow natural gas or oil inter-provincially across boundaries. Well, this was no different. This is just a different commodity, a different way through transmission infrastructure, so there should be no restriction and Newfoundland and Labrador should have the same right as anybody else, any other province or territory as a member of Canada.

The Canadian Free Trade Agreement creates an environment for Newfoundland and Labrador business to grow and diversify, as I talked about before, and ultimately creates more jobs, because that’s what it’s all about, to break down those barriers and allow the free flow. It also creates rules for electricity transmission. It certainly opens the door for maximizing different activities that we can be a part of as Newfoundlanders and Labradorians.

The technical briefing we had, we got much of a larger overview. We did not get into it specifically – there was a couple, as I mentioned before, the section I talked about, specific sections and some details in regard to some questions we had, but I'll probably leave those as we go through Committee and we'll have some discussion with the minister in regard to some of the particular sections. In some cases, I'm sure it's just clarity in regard to what we might ask.

But as I mentioned before, these amendments deal with providing open access on the Newfoundland transmission system, including Labrador and Churchill Falls, which certainly was planned from the outset. It's important that we ensure the implementation is handled properly and through that there are a couple of key points. I just want to make sure I make these before I conclude, if I haven't mentioned them along the way.

Regarding section 14.4 of Bill 2, I think we agree with the discussion we had, there needs to be an arm's-length relationship between the system operator and Newfoundland and Labrador Hydro. I think we had a good discussion with the officials on why that is and how it should be structured and those types of things.

Setting up a separate system operator entity outside Newfoundland and Labrador Hydro or Nalcor, possibly would be an inefficient, very expensive and totally not where we need to be, really unnecessary. As long as there's a code of conduct that's implemented, there's oversight and that's independent, for this side, I think we're happy to move forward with that component of the bill.

Quebec, Nova Scotia and New Brunswick have the system operator as well, is my understanding, within the company. New Brunswick had it out then moved it back. When you look at our transmission system to date, it's not extensive to manage at this stage. Request for service could possibly be low, initially, when you look at the fact of where we're situated, geographically, and that loop we have. To build a new entity would certainly be – what we have, it would probably be a low-staffing entity and staffed by people who are familiar with the

system at Newfoundland and Labrador Hydro and have grown with it and have that experience and background to fill the role that's identified.

We certainly think creating the arm's-length entity within Nalcor is sensible. Creating a larger outside organization, I'm not so sure this idea is a good idea. You look at high costs, less efficiency and knowledge factors to try and begin that from scratch now.

So as a general principle, the overhead associated with open access should be sufficient to meet the requirements; requirements which may be less than Quebec has to meet because we're not directly an adjacent jurisdiction to the US in terms of what they have. At the same time, we want to ensure we're not creating a huge entity to do a relatively, maybe simple job at this stage.

Nalcor and Newfoundland and Labrador Hydro, we believe, should continue to have the necessary transmission rights, booked properly to handle the excess power of Muskrat Falls and Churchill Falls. As we go forward, obviously, that becomes more of an issue. As well as develop new possible hydro-wind combinations as we move forward. Newfoundland has invested in these transmission rights.

Any transmission tariffs paid on the Labrador-Island Link and the Newfoundland and Labrador Hydro transmission lines, as I mentioned before, we believe should go back to the ratepayer, as they have paid for the transmission already.

In Quebec, Nova Scotia and New Brunswick, the first step in a complaint process – and that's one of the issues that's identified as well – goes to the transmission operator. In Quebec it would be Hydro-Québec, then the system operator, an entity within Quebec Hydro, then the Public Utilities Board, the Régie in Quebec, which is the regulatory framework which we would be similar to or parallel to here in the province with this new system we're setting up.

Section 19 of Bill 2 amends section 84.1 of the *Public Utilities Act*, but it's not clear if a complaint goes directly to the PUB as a first step. So maybe that could be clarified when we get to Committee as well.

We would think the steps should be similar to other jurisdictions and maybe they are, or maybe that's something to be clarified when we go through Committee, as that, we think, would be the most efficient and cost-effective method of resolution as we go through. There may be a process before complaints – there may be a process before the complaint lands at the PUB, but that's not clear in the particular bill or legislation. That's something we'll look for clarity as we go through.

So, Mr. Speaker, that's my commentary on the particular bill. We certainly look forward to having further discussion when we get in Committee on some issues we have in regard to particular sections that we can have further discussions on, but this is all part of the original – I know we had started an energy plan in regard to build hydro or build energy assets. This, for the first time in our history, links us to Atlantic Canada, access to the Eastern Seaboard, and for the first time ever it gives us – we're in the game and in the market. We need to do this to be non-discriminatory in our actions of what we're doing.

I look forward to further discussion on the bill as we move forward.

Thank you very much.

MR. SPEAKER: The hon. the Member for Labrador West.

SOME HON. MEMBERS: Hear, hear!

MR. LETTO: Thank you, Mr. Speaker.

Today, it's a pleasure for me to rise and to discuss a bill to amend the *Electrical Power Control Act, 1994* and the *Public Utilities Act*.

As the minister stated, this bill is about adopting an open access framework for transmitting electricity which is necessary as the province becomes fully interconnected with the North American grid. This is just yet another step this government has taken to ensure that this province is an attractive destination for investment. That's what this is all about, Mr. Speaker, is making ourselves accessible to the world, to North America, so that we can do business with whomever.

Beyond the benefits to the electricity sector, adopting an open access transmission regime is about improving the overall business environment in the province. It shows that we are open for business and that Newfoundland and Labrador is a great place to do business for anybody in North America.

Mr. Speaker, on Friday, I had the pleasure of joining the Premier and other ministers and my fellow MHAs in Grand Falls-Windsor to launch *The Way Forward* Phase 3, which is the next phase of economic initiatives our government will undertake to foster new business activity and support job creation in Newfoundland and Labrador. This is what we're doing here today. It's securing our future and it's securing the sustainability of our province.

Our government's approach to economic development and job creation in 2018 will build on the approach we established last year. One, we partner with people who are making things happen in the provincial economy – and I think we've proven that over and over again; two, we asked them what they need; and three, we take responsive actions that will help us all towards our goals. It's a process that works and we are already seeing the results.

There have been great strides taken through industry engagement processes in 2017. For example, as part of *The Way Forward*, the provincial government committed to positioning the province globally as the preferred location for oil and gas development, and to establishing and supporting an Oil and Gas Industry Development Council which is chaired by the Minister of Natural Resources.

The council discussed opportunities and actions required to grow the oil and gas industry, driven by a vision of innovative, sustainable, local industry that is globally competitive, environmentally responsible and maximizes the benefits to the people of this province.

Mr. Speaker, we know that what we're doing with our electricity we are globally competitive somewhat. We can't say we are globally competitive with Muskrat alone, but overall we are competitive and we do produce green electricity.

The government got feedback from approximately 150 stakeholders on the proposed vision and the work of the council. The stakeholders included the oil and gas operators, service and supply companies, industry associations, municipalities, labour groups, educational institutions, gender equity and diversity groups, the C-NLOPB, federal government representatives and others. In other words, Mr. Speaker, we consult with everybody that's involved; all stakeholders. They were very supportive of the vision and appreciated the opportunity to provide input.

Government has accepted the 17 focus areas recommended by the council, which include areas of immediate, mid-term and long-term actions.

By working collaboratively, by 2030 we envision over 100 new exploration wells drilled; production of over 650,000 barrels of oil equivalent per day, and direct employment of more than 7,500 people in operations.

Some may ask, what's the relevance to the bill we're discussing today? Mr. Speaker, it's just a demonstration of what we are doing, moving forward with all our resources, electricity being one of them.

With respect to mining, for instance, the timing for industry development work is ideal, given the renewed and growing interest in the province's mineral resources. We don't need to say any more than that because – as we've said so many times in this House – the mineral resource sector is doing very well.

We want to make the most of those positive conditions. So we are going to pursue a partnership with key community stakeholders and Mining NL, by the way, to develop a responsible, sustainable and competitive framework for mining growth.

We've also began collaboration with federal, provincial and territorial jurisdictions on the development of a framework for Canadian minerals and metals plan which focuses on unlocking Canada's resource potential. There's much opportunity in renewable energy, as well as oil, gas and mining.

This open access framework for electricity being discussed here today, Mr. Speaker, is part of our long-term sustainable approach for transmission of electricity to North American markets. The framework is consistent with the principles adopted by the US Federal Energy Regulatory Commission, otherwise known as FERC, and open access transmission is standard industry practice across North American. What we're doing today, Mr. Speaker, is we're coming into the real world, whether it's nationally as Canada or continental as with North America.

Newfoundland and Labrador has not been, historically, interconnected to the North American grid and has not required open access. Although Labrador, certainly portions of it, has been open to the North American market for some time when you look at the Upper Churchill power that's been exported into Quebec and on to the North American market. What we see here today with the Labrador-Island Link and the Maritime Link is that we've opened ourselves up to be totally accessible to North America, the Atlantic Provinces and the rest of Canada.

This legislation will bring Newfoundland and Labrador in line with the rest of Canada when it comes to electricity transmission access. All efforts that seek to improve trade between jurisdictions, adoption of an open access transmission regime will provide for a set of clear, non-discriminatory rules for doing business in the electricity sector in Newfoundland and Labrador. It is the approach that is used for this sector in Canada when it comes to high-voltage transmission system access and now will be the approach that is used here as well.

Importantly, ensuring that we are able to most efficiently trade electricity with other jurisdictions will provide us with an opportunity to manage the rate increases associated with the Muskrat Falls Project, and help our existing businesses remain competitive and provide an opportunity for new businesses to set up in Newfoundland and Labrador.

Mr. Speaker, I'll just take a couple minutes to expand a little further on that. We see by the other information that I have here and some of the stuff that the minister has explained in her comments and as I have already said, now we

will have the ability to offer transmission service to customers all across the North American grid. Any access, high voltage, which means to 230 kV power or greater that is generated in Newfoundland and Labrador will be available to customers at an optimization rate which will be regulated and set by the PUB. This will make the Newfoundland and Labrador market more open, transparent and available, as I said, to the North American market.

What is the overall effect of these legislative changes? What it does is it captures fundamental open access concepts and principles. We are now coming into the Canadian market, to the North American market, as I said, and we have to align ourselves with the principles that they put forward, especially in the transmission of electricity.

Other jurisdictions are not implementing the same legislation but are moving towards the same goal of an open and transparent market. This is the world we live in today. It's a global marketplace, whether you're selling electricity, selling iron ore, selling gold from the Baie Verte Peninsula, selling nickel from Voisey's Bay, we're into the real world and we have to align ourselves with the principles that the world deals with.

It establishes a Newfoundland and Labrador system operator. This will ensure the facilitation of open access. It sets out the duties and functions of transmission services to customers and enables the PUB oversight, which is very important. I think this is probably the most important part of this bill is that we are ensuring that the PUB does have oversight of what we're doing here. They will have complete authority to set the optimization rate and decide if and when these rates will be offered. Having the PUB have full oversight will ensure that our market is open and transparent.

As we know, Mr. Speaker, it's probably one of the biggest oversights of the Muskrat Falls Project was that the PUB did not have the oversight that was required to make that project sustainable.

Mr. Speaker, again in summary, this bill I think is very important for us in this world we live in. We do have abundant electricity resources that

we can market and we have great potential in any future development that may exist within our province.

In order to develop or to make electricity marketable we have to have customers. In order to have customers, we've got to have a transportation system to get it there. In this case, it's not transportation, it's transmission, but it's the same principle. You have to be able to get your product to market, I guess, is what I'm trying to say. Electricity is no different, as I said, than any other commodity that we produce in Newfoundland and Labrador.

Mr. Speaker, I applaud the minister, her officials and all the people at Newfoundland and Labrador Hydro who worked putting this bill together. There's been a lot of work put into it.

I think it's a great piece of work. It allows us to be competitive, it allows us to be transparent and it allows us to have complete access to a market that we hope is growing and that we'll be able to take advantage of.

Having said that, Mr. Speaker, I'll take my seat. Thank you for having the opportunity to speak on this bill today.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Leader of the Third Party.

MS. MICHAEL: Thank you very much, Mr. Speaker.

I'm pleased, once again, to have a chance to stand here in the House of Assembly and speak to a bill. A bill that won't be very understandable, I'm afraid, to the general public as we go through it, but a bill that is necessary in order for us to keep up in the world of energy that we are part of.

First of all, I want to thank the minister for the great briefing that we had from her officials. It was really excellent and we really appreciated it. I'm glad that she's the one who had to go through all of those clauses today and not me. Now, some of them, we've read them, of course, but they're all just changing language and making sure that the language we have in our

Electrical Power Control Act is language that conforms to the new reality of being part of a North American market because that's what it's all about.

I won't do what the minister did because I don't have to, which is explain every complicated clause or non-complicated clause, but there are issues that I do want to speak to and that I do want to raise. As has been said by the minister and by the House Leader for the Opposition, this bill is required because we have to give what is called open access transmission to North America because of us now having a system of energy transmission which completely connects us to that North American system.

We weren't completely connected before, but now that we have the Maritime Link with Nova Scotia that Emera owns, that link now makes us a complete circle. Starting with the Upper Churchill and coming down through over to the Maritimes and up to Quebec, we actually now are completely accessible and ourselves can totally access the rest of North America when it comes to energy transmissions. For that reason because we could at some point, because of that want access to the United States and to its electrical system, we come under their Federal Energy Regulatory Commission. There are an awful lot of acronyms in this bill, but that one I hope the public doesn't mind if I just say FERC because to say Federal Energy Regulatory Commission each time is a bit annoying to say it and to listen to it as well.

FERC is the key governing agency when it comes to wholesale electricity markets and we have to abide by their regulations. This is what this bill is all about. We don't have an agency like FERC in Canada, although work is being done through the new Canadian Free Trade Agreement to set the groundwork for one, but we don't have one. I think we need to have one ourselves as well.

One of the main things that FERC demands, if somebody is going to be able to access energy in the United States from Canada, if that's going to happen, then they want to be able to use our system as well in a totally non-discriminatory way. That means no holds barred.

FERC's strategic plan says that it supports such competition because – and this is what is in their plan – it “encourages new entry among supply-side and demand-side resources, spurs innovation and deployment of new technologies, improves operating performance, and exerts downward pressure on costs.”

Now, that all sounds wonderful and I'm sure if you're closer to that market than we are, it does make a lot of sense; but the bottom line is, no matter how close or how far away you are from that market, they have their general rule and that's why we are where we are today.

FERC has no authority in Canada. We don't have an agency ourselves, but they don't have authority here. They do impose this reciprocity rule. So if Canadian firms use the US tariffs to export to the US then, in return, they must make tariffs available to whomever wishes to use their transmission. There have been a lot of details that have had to be worked out and I know it has to sound boring to anybody who is listening, but it has to be done.

What I'd like to do is come to a point that is causing us – not concern, but it does raise questions. During the 2012 filibuster when we had the enabling legislation for the Muskrat Falls Project, some of us here will remember Bill 61 and Bill 62. The NDP raised concerns asking government whether the legislation, Bill 61 in particular, would contradict FERC regulations and prevent the province from selling electricity into the American market.

Now, we had a very real reason for asking that. There was a section in Bill 61 that caused us to ask that question. At the time when we raised our concerns, they weren't addressed and the minister of the day, Jerome Kennedy, said – with regard to FERC – there would be, or could be potential arguments on that, but we'll have to wait and see if they arise.

Well, today we are now here looking at FERC and there is an argument that I'm now going to bring up that I find is a problematic point. It has to do with section 14.1 of the *Electrical Power Control Act*, the exclusive right to supply, transmit, and distribute and sell.

I'm going to read some essential parts of that act because they are the heart of one of the main points I want to make here today. Section 14.1 of the *Electrical Power Control Act* says: "(1) Notwithstanding another provision of this Act or another Act, (a) Newfoundland and Labrador Hydro shall have the exclusive right to supply, distribute and sell electrical power or energy to a retailer or an industrial customer in respect of the business or operations of that retailer or industrial customer on the island portion of the province; and (b) a retailer or an industrial customer shall purchase electrical power or energy exclusively from Newfoundland and Labrador Hydro in respect of the business or operations of that retailer or industrial customer on the island portion of the province.

"(2) Notwithstanding another provision of this Act or another Act, a retailer or an industrial customer shall not develop, own, operate, manage or control a facility for the generation and supply of electrical power or energy either for its own use or for supply directly or indirectly to or for the public or an entity on the island portion of the province."

Now, I'm not going to go through – there's more to section 14.1. The bottom line is that even though we are making changes in the act that look like we have open access or there will be open access, this section of the act still remains, section 14.1. The question that we are asking, and we asked as well when we had the briefing, is: How can we say there's open access when this exclusive right of Nalcor is still going to be on the books? We were told: It doesn't stop the open access. But the thing is because of this act, Nalcor has the power to say: Well, we don't want you to be the retailer that we're dealing with. We don't want you to be who it is that we're dealing with. They actually have the right under the bill to do it.

I know that we got answers from the officials when we brought this up. They claim that there is no problem. Because of the changes that are being made to the bill the open access is there. Yes, it's true that companies in the United States, for example, or in the Maritimes, wherever, can make application, but the bill still gives Nalcor the right to refuse. They are the ones who are in total control.

I don't know how this is going to play out when it comes to what happens if somebody does come forward and want access to our energy and Nalcor decides no, you're not getting it. What's going to happen? We have talked to a lawyer who's quite familiar with the Muskrat Falls Project and he says industrial customers from inside the province are not allowed access to cheaper power, for example, from Hydro-Québec. He says the 2012 amendments to our *Electrical Power Control Act* – actually there were amendments made in 2012 and they contradict FERC regulations denying, as they do, open access to Newfoundland and Labrador, and section 14.1 is part of that.

He is adamant in his opinion that to achieve true reciprocity, as required by FERC, then section 14.1 has to be repealed. The question is – it looks like it's smoke and mirrors; you have a process set up with the changes to the bill that says there's open access, but we have section 14.1 which says Nalcor has – pun not intended – all the power when it comes to the decision making.

It's rather strange. Is government allowing itself to be in a situation where if, for example, somebody did come forward and want access to our power and Nalcor said no, setting themselves up for legal actions, court actions. So it's a real issue for me. I will be asking questions about that when we get into Committee, some specific questions, because I don't think that we really have answers.

We talked about access during the briefing and I have to say the officials were pretty forthcoming. They honestly talked about the whole situation. As they said – it was interesting some of the things that they did say – that in actual fact, Newfoundland and Labrador, our grid has a very small participant pool. And what was meant by that was very few will be looking for open transmission through our grid. We're not centrally located on the North American grid. Our situation is unique in the fact that we have both DC and AC currents which makes actually wanting to come into our system not attractive.

For example, anybody wanting to wheel power through our grid would have to convert their AC current to DC for the Labrador-Island Link and

then they would have to convert back to DC at the other end of the Labrador-Island Link. Again, that's very, very technical but it is something that would make us not really that attractive for somebody wanting to come in and access our energy.

Another obstacle is something that the industry refers to as pancaking. What that is, it refers to the fact that an American wholesaler looking to access our grid would have to go first through at least two other Canadian jurisdictions. They would have to pay those tariffs and their costs then stack up like pancakes. That's why it's called pancaking.

We're not going to be very attractive, actually, as a source of energy. That's a fact. While we're doing this today and the government is making the changes that on the surface look like changes that create open access on the surface, really what the bottom line is if somebody did come looking and Nalcor decided it had the power to say no, setting ourselves up for legal action. Now, it may never happen and that's what – it wasn't said never when we were in the briefing, but it was it's highly unlikely they're going to come looking at something unless something changes. Our electricity is not going to be cheap – definitely not going to be cheap. And they will have extra costs on top of it.

In some ways it's much ado about nothing.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MS. MICHAEL: We have to have the language that looks like we have open access; yet, it could turn out that Nalcor could say no. But because it's highly likely it might never get tested, in that sense we're doing this bill, this energy has to be put into this bill – again, no pun intended. Energy has to go into putting it together simply because we now are linked in completely to the North American grid. That's the reason. Not because we're doing anything, but simply because we are part of the grid. On paper, it has to appear we have open access.

That's the bottom line really. I do have some specific questions and when we go into

Committee I will be asking those specific questions.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the Member for Baie Verte - Green Bay.

SOME HON. MEMBERS: Hear, hear!

MR. WARR: Thank you, Mr. Speaker.

It's a pleasure to rise today to speak to Bill 2, An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act.

I, too, want to echo some of the comments of my colleagues here today with regard to the briefings we received from the staff of Natural Resources. I certainly appreciate, I guess, the technicalities around the briefing. I went to those briefings as a form of getting an education on the bill, and an education I got, Mr. Speaker.

As we discussed, a connection to the North American grid will change how Newfoundland and Labrador can participate in the North American electrical markets. To do this, we need to establish an open access transmission regime. Open access ensures transmission systems owners do not discriminate between their competitors and their affiliates.

Adopting an open access transmission regime that provides transmission customers with clear information, for instance, total and available transfer capabilities and clear rules for gaining access to high-voltage transmission systems will also assist proponents of new generation projects, Mr. Speaker, who need transmission access to deliver energy to transmission customers.

This approach, Mr. Speaker, will ensure that Nalcor is able to use its negotiated transmission reservations through Quebec, Nova Scotia and New Brunswick to buy and sell directly to parties and jurisdictions such as New York, New England, Ontario and maximizing the value we receive from electricity exports. Mr. Speaker, direct access to these markets may provide, and I say will provide, additional options for rate

management through the export sales of off-Island purchases.

The bill will include provisions for establishing the Newfoundland and Labrador systems operator, a division of Newfoundland and Labrador Hydro, which will be responsible for providing reliable operation of the province's high-voltage transmission system and open, non-discriminatory and non-preferential access to service on the system. They will also be responsible for providing the same time information in respect to the system.

The bill will also include requirements to provide timely and open access to transmission information to the Open Access Same-Time Information System, or OASIS. Mr. Speaker, the Open Access Same-Time Information System is an Internet-based system for obtaining services related to electrical power transmission in North America. It is the primary means by which high-voltage transmission lines are reserved for moving wholesale quantities of electricity.

The new open access transmission regime is foundational to developing and exporting the province's energy resources. The provincial government recognizes the importance of expanding into the more diverse sources of energy generation in Newfoundland and Labrador.

Reducing our reliance on diesel fuel for power generation in our coastal communities is a priority for our government. And certainly that bodes in my own district, Mr. Speaker. I have two or three communities in my own district that are dependent on diesel fuel for generation, and it's something that we need to rid ourselves of sooner than later.

That commitment is clearly spelled out in Premier Ball's mandate letter to Minister Coady. The letter asks the Minister of Natural Resources to lead clean energy development by encouraging a more diverse generation by seeking opportunities to develop wind farms and small-scale hydro and prioritizing communities isolated from the primary power grid, such as coastal regions of Labrador.

Currently, Mr. Speaker, renewable energy is already being used to offset diesel consumption

in some of the province's diesel systems. In Ramea, there is a wind with hydrogen storage system, and last year Newfoundland and Labrador Hydro signed a power purchase agreement to use hydro power to offset diesel in the Mary's Harbour diesel system.

Since assuming her role with Natural Resources, the Minister of Natural Resources has released two key studies with valuable data on wind and small hydro resources in areas of Coastal Labrador: the *Feasibility Study of the Hydraulic Potential of Coastal Labrador*; and the *Final Report - Coastal Labrador Wind Monitoring Program*, are now posted on the Natural Resources website for individuals, government and industry. The data is valuable for anyone interested in developing these resources.

We know that while data is important, it is not all that's required to reduce diesel reliance. Officials in the department have also been collaborating with other provincial and territorial governments to obtain lessons learned on reducing diesel in Northern communities.

As well, Mr. Speaker, the department is working with a broad range of groups including the federal government, the Nunatsiavut government and the Innu Nation to advance their respective priorities. The federal government has launched numerous programs to fund projects that can reduce greenhouse gas emissions as part of Canada's commitment to fighting climate change.

Natural Resources have been working to support numerous proposals by indigenous organizations to access this funding, but we are keen to do more, Mr. Speaker. This includes exploring opportunities related to high-efficiency woodstoves, fire wood supply, micro-smart grids, tidal energy and hydrogen. It's all on our list of key project areas with high potential.

Our government is committed to working with communities, governments and Newfoundland and Labrador Hydro to find more sustainable community-based energy solutions that do not compromise the reliable service we all expect and deserve.

Mr. Speaker, sort of in summary, this bill gives Newfoundland and Labrador the opportunity to

sell any excess power that may be generated at Muskrat Falls to export markets in order to generate revenue to capitalize on the opportunity to manage increases in electricity rates. The optimization rate will give our electricity a competitive edge in terms of price when there is an excess supply of power that our own market isn't demanding.

By offering discounted rates, we will be able to use and profit off the excess power that is being generated in this province. By establishing the PUB as an oversight body, we are able to ensure that our market remains open, non-discriminatory and non-preferential to external markets which will facilitate electrical trade.

The provincial government will continue to explore ways of expanding into more diverse sources of energy generation in Newfoundland and Labrador. As always, Mr. Speaker, the protection of ratepayers is of the utmost importance and we will continue to explore opportunities that are the right fit for our province.

I look forward to hearing further comments of my colleagues here in the House of Assembly. I certainly stand in support of the changes that are highlighted in Bill 2.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Trimper): The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Mr. Speaker.

I'm just going to take a moment. I'll be supporting Bill 2, as well. I'm not going to get into all the details that everyone has already gotten into because I think that's been explained quite well by the minister and by some of the other speakers.

I have a couple of questions and concerns. They've already been raised by my colleagues in the other Opposition Parties here. So I guess I'll wait until Committee to hear what the minister has to say about a couple of those issues around tariffs and so on.

Basically, as has been said, really we're now – by virtue of both the Maritime Link and the Labrador-Island Link – sort of connected to the grid and the North American grid. In order to be part of that it requires some changes to legislation. Of course, also as part of that, it has to fall in line with a number of the regulations of the United States that's been referred to as FERC regulations as well.

Basically, this legislation here is making the amendments to two acts, two pieces of legislation here provincially, that will allow that to happen. That will allow us to be fully part of the North American grid to have reciprocal power agreements, to be in compliance with the US legislation, to be in compliance with the Canadian Free Trade regulations and so on. That's really what's being proposed.

It's something we need to do, obviously, if we want to be able to sell any power that we may have and we may be able to do through the Maritime Link and so on. I would suggest it's perhaps going to be potentially of more benefit to us as a province at some point in time when we renegotiate the Upper Churchill agreement. It certainly will be perhaps of more benefit if at any point in time we should develop the real Lower Churchill, as opposed to just Muskrat Falls; that being Gull Island of course.

We know with Muskrat Falls we're only getting pennies for the power we're exporting in any rate. That's why at the time when Muskrat Falls was brought forward and sanctioned in the House, the whole concept was never really about selling power per se. The whole concept was that we needed power. Muskrat was deemed to have been, at the time, the lowest cost option.

If there was any additional power – I say that was the premise of the day. We all know how it turned out. We can get into a discussion on that, but the premise at the time was we needed the power. It was the cheapest option. There would have been additional power, 40 per cent for Labrador if at some point in time we needed it for development of mines, and 20 per cent was going to go through the Maritime Island Link. But this 40 per cent, so to speak, set aside for Labrador, we could sell that excess power and get some revenue for it to help offset our electricity rates. That concept was always there.

All we're doing is following through with the concept that was always there anyway.

The problem, of course, is we're getting very, very little for the power we're selling through Muskrat Falls in comparison to what it costs to generate it. Now, as we know, part of the concept was we were going to have this cost to develop Muskrat Falls anyway. So rather than let the water flow over the dam and get nothing for it, at least we could sell it and get something for it. That was how it was set up and that's exactly what's happening.

This legislation is just allowing us to let that happen, basically, now that we're interconnected and part of the North American grid. It's really nothing more and nothing less than that. It's going to allow that to happen.

I'm not expecting any great revenues to come from this to make any big difference in our electricity rates as it relates to Muskrat Falls. Every little bit is a help but it's really not going to go nearly close to where we would need it to go to have any true meaningful impact.

As I said, at some point in time in the future, if we were ever to develop Gull Island or there was a renegotiation on the Upper Churchill, perhaps then it could be more beneficial and we would see more benefits from it down the road, but right now it's something that we just need to do to be part of that system and to at least get something for the excess power out of Muskrat, albeit very, very little.

Thank you, Mr. Speaker.

MR. SPEAKER: If the hon. the Minister of Natural Resources speaks now she will close debate.

The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Speaker.

Again, for those just tuning in, we're in the second reading of the House of Assembly regarding a bill, To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act, amendments to adopt an open access system. And it's really important to allow for that interconnection with the North American grid to

establish an independent system operator and open access same-time information system, which is nicknamed OASIS, and to establish the PUB oversight.

I want to thank Members of the House of Assembly for speaking to this bill, Bill 2. The Member for Ferryland raised some very good points, the Member from Labrador West, St. John's East - Quidi Vidi, Baie Verte - Green Bay and Mount Pearl - Southlands, whom we've just heard. I thank them for their interventions and for their remarks. I think everyone recognizes this is an important requirement to allow us to be interconnected. It's the first time Newfoundland and Labrador - Newfoundland in particular - is interconnected with the North American grid and following the established rules of so doing.

There has been raised this afternoon, in particular, from the Member for St. John's East - Quidi Vidi around the filibuster around, I think it was Bill 61 and 62. I wasn't in the House of Assembly at the time. I remember following the information at the time, but I wasn't here for the filibuster. I think it was the longer filibuster, I believe, in our House of Assembly's history and I know the Liberals were a very key part of that, as was the NDP.

Mr. Speaker, this government inherited the Muskrat Falls Project and inherited the constructs around the Muskrat Falls Project. We'll get into this in Committee, as well, around some of the sections that the Member raised and why they are where they are and how they interact with the open transmission system; but I will say this, what this government has been able to do over the last two years is really - I'm going to call - rightly manage the system that we inherited, the Muskrat Falls Project.

It's in a much better place today than it was when we took office. We're continuing to work through a lot of the challenges of the Muskrat Falls Project and, of course, the people of the province are concerned, and rightly so, about rate management and that will be something I know this House will be speaking about over time.

Mr. Speaker, on that note, I will take my seat and close debate on the second reading of this

bill and anxiously await the opportunity to speak to Committee to some of the specific issues that have been raised.

Thank you.

MR. SPEAKER: Is the House ready for the question?

The motion is that Bill 2 be now read a second time.

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay.'

This motion is carried.

CLERK: A bill, An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act. (Bill 2)

MR. SPEAKER: This bill has now been read a second time.

When shall this bill be referred to a Committee of the Whole House? Now?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

On motion, a bill, "An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill 2)

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Mr. Speaker, I moved, seconded by the Minister of Natural Resources, that the House resolve itself into a Committee of the Whole to consider Bill 2.

MR. SPEAKER: It is moved and seconded that I do now leave the Chair for the House to

resolve itself into a Committee of the Whole to consider the said bill.

Is it the pleasure of the House to adopt the motion?

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

The motion is carried.

On motion, that the House resolve itself into a Committee of the Whole, the Speaker left the Chair.

Committee of the Whole

CHAIR (Warr): Order, please!

We are now considering Bill 2, An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act.

A bill, "An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act. (Bill 2)

CLERK: Clause 1.

CHAIR: Shall clause 1 carry?

The Chair recognizes the hon. the Member for Topsail - Paradise.

MR. P. DAVIS: Thank you very much, Mr. Chair.

I'd just like to acknowledge as well, debate that just happened in second reading. I listened to debate. It's an interesting bill.

While it serves a purpose which has been discussed in second reading, there is just a clarification I want to obtain from the minister. I'd ask the minister, I draw your attention to clause 7 which starts at page 8 and goes over including page 10, on the bottom of page 10, paragraph 3.

AN HON. MEMBER: (Inaudible.)

MR. P. DAVIS: Yeah, if you go to page 10 and you'll see paragraph 3 on the bottom where it says: "This Act does not apply to a public utility" We're just waiting for the minister to – okay, so clause 7 which comes under the *Public Utilities Act*.

AN HON. MEMBER: (Inaudible.)

MR. P. DAVIS: Under the *Public Utilities Act* it starts with clause 7. Under clause 7 it deals with section 2 and then goes to section 3. Under section 3 it reads: "This Act does not apply to a public utility where (a) it became a public utility after April 30, 1987; (b) its total installed generating capacity at each location in the province where it has structures, equipment or facilities located is less than 1,000 kilowatts; and (c) it generates electricity."

And I'd just like to clarify, Minister, in order for this not to apply, where the act does not apply, is it inclusive of all three sections, (a), (b) and (c), all have to be in effect for the act not to apply?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you very much, Mr. Chair.

I would imagine they would be taken separately as (a), (b), (c), but I will confirm with my officials on that. This is for transmission of course. This deals with small projects. But this is around the transmission lines themselves. These rules for open access deal with the transmission lines themselves.

Thank you, Mr. Chair.

CHAIR: The hon. the Member for Topsail - Paradise.

MR. P. DAVIS: Thank you, Mr. Chair.

That's partially what I think that we're speaking to. I just read from the bill under section 3 of the current – I'm sorry, the current act, not the bill. But I'll read from the current act, the *Public Utilities Act* under section 3. Section 3 is about the act not to apply to small projects. Currently there's 3(a) and 3(b) and it says: "This Act does not apply to a public utility where (a) the public

becomes a public utility after April 30, 1987; and (b) the total installed generating capacity" and so on "is less than 1,000 kilowatts"

So that's been changed a little bit under this bill. So the act does not apply where three conditions. And of course instead of saying (a) and (b), it now says (a), (b) and (c).

My question is: Does that now mean that (a), (b) and (c) are all inclusive? And (c), by the way, being generation of electricity. So based on your last comment maybe the minister could also clarify that this section only pertains to electricity, a utility that generates electricity or sells or distributes electricity. Is that what this section only applies to, electricity?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, and pardon me for leaning forward, but as I've indicated earlier, I have a bit of a back issue today, so I'll continue to have to lean on my desk, if that's okay with everyone.

Just for the Member opposite's point, only (c) is new language. So only (c) is new language. Without this amendment, even the system operator itself would have fit the criteria for exemption from the act. The exemption is only intended to apply to small, non-utility generators.

CHAIR: The hon. the Member for Topsail - Paradise.

MR. P. DAVIS: Minister, I know my colleague is going to have a question for you. Maybe instead of you getting up and answering this question really quickly – which I think it will be – you can wait until he finishes his, maybe you could comment.

You said for generators but electrical generators are what I understand it to be. You can probably just clarify that next time you get up.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Chair.

In regard to the Newfoundland system operator and booking of the necessary transmission rights to handle excess power from Muskrat Falls or Churchill Falls as well as new developments for hydro wind, what's the intent or what's the regulatory framework –

AN HON. MEMBER: (Inaudible.)

MR. HUTCHINGS: Okay.

In regard to the transmission rights booked and how transmission rights are booked through NL's SO – or the application is gone to that entity – what's the ability to make sure that Newfoundland Hydro or Nalcor has the capacity on that line and the excess capacity will be applied for? How does that work to ensure that Newfoundland and Labrador has the capacity on that line and then what's in excess will be applied for through the new entity?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you very much, Mr. Chair.

As has been indicated, there is the OASIS that does give the online available transmission capacity. Obviously, the first capacity requirements for transmission will be for our own use. If there's additional capacity, an entity can apply to the system operator for use of that transmission. That's when the tariffs come into play that the Public Utilities Board will have oversight on, but they would be responsible for ensuring those tariffs and any mechanisms or requirements around that are fulfilled.

Just to reiterate, there will be a transmission system, a computer system that will be online that will give the system availability. That will be available after, obviously, the requirements of the province.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Minister.

My only point would be at some point in the future, if additional capacity is either generated or other access of power is available and you've already booked out the transmission capacity,

what happens in that particular instance? Or are you doing projections in terms of what future energy may be available over and above what there is today to have access.

Once the system operator determines that someone is going to pay a tariff for a period of time, that access is now gone. Will you do projections for future energy and what may be available to ensure the first priority is for Newfoundland and Labrador?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I know I don't look very good standing up, so my apologies again.

Mr. Chair, Newfoundland Hydro monitors on a daily and hourly basis and does projections as to the requirements that are for application of the transmission system. They monitor this minute by minute, really. As the Member opposite did indicate, they would also do forward projections of what is required.

Most of the electrical requirements in the Province of Newfoundland and Labrador are during the winter. We have availability during the summer because, of course, we don't have that big draw for cooling that they would have in other provinces.

Mr. Chair, it is a monitored system. They will allow for anything in excess to go on the transmission line for availability, but the drawdown is when there is excess of transmission available, transmission line availability.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Chair.

I thank the minister for that. Another question related to – and I spoke today in Question Period about this, maybe you can speak to it again – the transmission lines that are now available or will be available, in regard to the applicant applying and the tariff being established by the NLSO. At some point in time that's going to flow back and then the intent is that to flow back to the owners of the transmission, whatever that tariff is.

My question was earlier: Will that be used or will it be a directive from government to Nalcor, to the entity, to use that in reducing rates for the ratepayers? They've already paid for the transmission through their current rate structure.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Chair.

I thank the Member opposite for the question. This is all part of a regulated system. So the regulations for the tariffs that the Public Utilities Board does put in place for the use of the transmission are part of the regulated system. If it does flow back to Newfoundland Hydro, it forms part of that regulated system that is overseen, really monitored and a requirement of the Public Utilities Board to review on an ongoing basis.

It's the Public Utilities Board that finalizes and sets rates. The application, of course, would come from Newfoundland Hydro to the Public Utilities Board to set a rate. They would take into consideration any funds generated by the transmission system in use of open access.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Chair.

To the minister: Yes, I understand in terms of the determination of the tariff for the applicant and the PUB structure. But once that tariff is collected, at some point it needs to flow back to the owner of the transmission and that, in this particular case, would be Newfoundland Hydro or Nalcor.

Once that happens my question is: Will that be paid as a dividend back to government? Will it be left with Nalcor? My understanding is it is an ability to reduce rate for the ratepayer by using – that is collected through the tariff that's collected. That's my question.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Mr. Chair, as I've indicated any extra, obviously, would go to rate. Let's walk down a scenario where our transmission system,

because of open access, is generating funds. Of course, it would go to Newfoundland Hydro to form part of their mix. Obviously, all rates are set by the Public Utilities Board as required.

As you know, or as the Member opposite knows and as the general public knows, there have been occasions where Newfoundland Hydro has paid dividends to the provincial government. If there is an excess of transmission usage, perhaps that system would work, but it's all under the regulated system of the Public Utilities Board.

The Public Utilities Board sets the rates; therefore, they would take into account – after costs of course – the monies generated for Newfoundland Hydro.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Chair.

I thank the minister for that.

Section 19 of Bill 2 amends section 84(1) of the *Public Utilities Act* which is not clear if a complaint goes directly to the PUB as a first step or is there an intervening step? I wonder if the minister could clarify that.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Give me a second.

Mr. Chair, there is no intervening step that I am aware. There is the opportunity for anyone that has a complaint to go to the Public Utilities Board with that complaint. That is the system that is utilized under the Public Utilities Board.

I'm sure there would be discussions with the system operator before it got to the concerns of the Public Utilities Board, but it's clearly set out what the complaint mechanisms are under this act.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: I thank the minister for that.

It's my understanding in Quebec, Nova Scotia and New Brunswick, the first step in a complaint

process goes to the transmission operator. For example, if it was dealing with Hydro-Québec, it would go to Quebec Hydro, then the system operator entity within Quebec Hydro, then to the Régie in Quebec which is the Public Utilities Board.

Just to be clear, in this particular case in Newfoundland, that complaint would go right to the PUB and not to the owner of the transmission entity?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: As I just indicated, I would imagine that in the first instance there would be a discussion with the system operator. One would think that would be the first level to make sure that there was nothing transpiring, but the ultimate recourse is the Public Utilities Board that has a full section in policies and procedures around the complaint mechanism.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Chair.

I have a couple of questions for the minister.

I don't know if the minister needs leave from us but I don't know why the minister can't stay seated.

AN HON. MEMBER: (Inaudible.)

MS. MICHAEL: Yes, I really would invite her to stay seated. It's painful watching her. I'm feeling her pain, I have to say. That's not why I'm standing, I also have a question.

CHAIR: Thank you.

Leave has been granted to the minister.

MS. MICHAEL: When I spoke in second reading, I raised issues concerning the presence of section 14.1 in the *Electrical Power Control Act*, one of the two acts we're amending. That section basically gives a monopoly to Nalcor here in the province when it comes to the transmission of the power.

I don't understand, I'd like the minister to give some explanation of why this section wasn't repealed and did they really look at what will happen if Nalcor chooses – I know, in and of itself, 14.1 doesn't say open access can't happen, but if Nalcor chose to act under 14.1 and deny access, then what would happen? I think you're talking about legal action here. Has that been looked at by the minister?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I want to thank my colleagues for leave to remain seated. I hope the cameras can still pick up my responses.

Mr. Chair, I talked earlier about the construct of the Muskrat Falls system that we inherited and when it became a sanctioned project. I know the Member opposite, as did many of my colleagues on this side of the House when they joined in on the filibuster around Bill 61 and 62, there were a lot of concerns around 14.1. But we've inherited this construct and that's all part of the financing model for Muskrat Falls. It really has tied our hands in a lot of ways.

We have ensured that we are FERC compliant. We have unambiguous legal advice that says the system that we have developed is compliant with the requirement of open access and the FERC rules.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Yet, I, too, have spoken with a lawyer who's very well acquainted with all of this who says, in actual fact, he believes there will be a clash between FERC and 14.1, if it gets tested. Could the minister speak to that?

I'll ask the minister: Is the government ready to say we'll gamble and see what happens down the road, knowing, as was pointed out to us, that the probability of somebody seeking to get into our grid is probably very small?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Chair.

This is strictly transmission, strictly transmission. We have sought legal advice around it. We understand what is before you is compliant with FERC, completely.

Our hands, in some ways, are tied around these financing models that were developed when the project was originally sanctioned, but we understand that we are compliant with FERC requirements because it's specifically around transmission.

Thank you, Mr. Chair.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: I'll move on, Mr. Chair.

During the briefing, the officials did say to us that the – as I've sort of referred to already – number of entities looking for open access will be small, if at all.

So can the minister tell us is she aware, at this moment, of any entities who are interested? Why would somebody want access through our grid for the transmission of energy at this point in time?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Chair.

We have established the system operator. We've established the online transmission system. We've established the early PUB rules. So we are completely ready for an entity to seek to utilize the transmission system in the province. It might be tested as we move forward by someone looking to transmit and we have to be fully compliant and able to offer that open access system, but I'm not aware of anyone, at this point, who has applied to utilize the transmission system.

I believe in my opening comments, I did comment that it would be – that Nova Scotia, perhaps New Brunswick, may use our transmission lines to go to Quebec, if there wasn't transmission availability on, say, the New Brunswick line. So that's a potential, but at

this point I'm not aware of anyone who's asked for open access.

CHAIR: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Chair.

I ask the minister: Has there been any discussion inside the department, at this moment, with regard to expectations around the cost of the energy?

We do know that the cost for the consumers here on the Island is going to be very high. Government has acknowledged that. So what is the reality with regard to the cost of anybody outside who wants to access? Emera is not suffering because of it. What about other people?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Chair.

The tariff that would apply on the transmission lines wouldn't include the generation from Muskrat Falls. It would just be the wheeling rights on the transmission line itself. We know that the Public Utilities Board is reviewing those tariffs now. We did set some interim rates, but the Public Utilities Board will be setting those tariffs. We will continue to monitor the costs. They'll assume the costs and consider what would be reasonable on that.

As the Member opposite, I think, is alluding to, we all know in this province the impacts of Muskrat Falls and the impacts of the transmission, as well as the generation of Muskrat Falls is having on the people of the province. That's why we've been quite consumed, as a government, with trying to manage and mitigate those cost increases because it is going to be very difficult for people.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Chair.

I have one final question. Clause 7 adds definitions to the *Public Utilities Act* and they're similar to those previously added to the *Electrical Power Control Act*. The clause specifies that integrated electrical system refers to the parts of the transmission system which are above 230 kV; however, later in the bill in clause 27, the Lieutenant-Governor in Council is given the power to change the kilovolt level.

I'm just wondering if you can outline why clause 27 gives Cabinet the ability to change the kilovolt level if it already is specified in the legislation.

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you very much.

It is the intent to be 230 kilovolt. I'm going to try and break this down into bulk transmission – you know, the heavy bulk transmission – versus distribution. The reason why there is some latitude in regulation and allowing for that latitude in regulation is to allow for changes that occur over time so it wouldn't have – if there's a change to transmission, if there's a change to kilovolts, if there's a change to what's utilized as bulk transmission, we could then make that apply. It is the intent of that bulk transmission.

As we all know in this room, across this province and, indeed, around the world, electricity and energy is changing rapidly. So we wanted to give some latitude to be able to do change when required.

CHAIR: The hon. the Member for Ferryland.

MR. HUTCHINGS: Thank you, Mr. Chair.

Minister, I'm just wondering if you could advise. Is there anybody in the province right now with transmission assets that are above the 230 kilovolt?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Chair.

Above the 230 kilovolt – not that I am aware. I know that Newfoundland Hydro, of course, and

Nalcor have put in the biggest of those lines, the bulk transmission lines. There are some distribution lines that are owned by Fortis, but they're distribution lines versus the bulk line. The bulk line is that 230 kilovolt. Of course, it is a DC versus an AC line.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Mr. Chair.

Minister, I'm just wondering, and this is more for the clarification of – well, it's a clarification for me, too, and anyone who might be listening. Does this in any way impact the fact that – and it kind of ties into what the Member for St. John's East - Quidi Vidi was saying, I think.

Currently, under the system we have, basically everybody in the province is forced to be a customer of Nalcor and to buy power from Muskrat Falls. That was done for obvious reasons, because if everyone could just go do their own thing, then whoever is left would have to pay the bill anyway. That was the concept.

Under this agreement now, does this in any way impact – if I, for example, wanted to start some sort of a wind farm or something here in Newfoundland, could I now say because of open access and because of availability on the transmission line that now, all of a sudden, I'm allowed to do that, provided I sell it to the Mainland? I just can't sell it locally, domestically. Would I be correct in saying that?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: Thank you, Mr. Chair.

It's an important question, I believe. The availability of transmission, the open access of transmission, that's an area that you just spoke of, that with the right regulatory environment, of course, a wind generator could apply for access to the transmission to sell their power outside of the province. Okay?

Most of them would want to have a power purchase agreement with Newfoundland Hydro, as well, and there are discussions with wind operators and others.

It's not just wind. It's hydrogen. There's great tidal energy as well, but it would allow for someone to buy capacity on the transmission lines. But it does not change the rules that came in the bill under 14.1 around generation and accessibility to Newfoundland Hydro people.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Okay, so what I'm hearing is confirmed then. Theoretically now, somebody could develop energy, whether that be wind or solar or tidal or whatever the case might be. Maybe one day they'll be able to generate from the moon, who knows, but at some point in time, somebody could, in theory now, on the Island, generate power as a business and as long as there's capacity on the line to send that power to the Mainland, in theory, they could do that as long as there's capacity. But I, as a ratepayer here in Newfoundland and Labrador, even with this, can't buy power off them at a cheaper rate than I would off Muskrat Falls. Is that correct?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: At this point in time, the people of province get their energy and their electricity needs from Newfoundland Hydro and, obviously, Nalcor is part of that because they own some of the generation that is through a power purchase agreement with Newfoundland Hydro. So, at this point in time, that is the system and the reason that is the system is the constructs that we inherited as part of the Muskrat Falls Project.

But to the core question I think you're asking is: Can someone generate electricity, buy access to the transmission line and ship their electricity outside the province? That is a possibility.

When you're looking at some of the wind – now, obviously, the people that we've been speaking to want a power purchase agreement in the province because they would have to find a willing buyer outside of the province, pay the transmission and that as well. Most of them would want a power purchase agreement in the province, but that is theoretically possible.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Minister, for that.

My final question then is sort of related to the same thing. If I am generating power from outside the province, for argument sake, and we're sending it back the other way – as you said maybe New Brunswick to go to Quebec or whatever, I think you used as an example.

If I'm generating power in another province or wherever I'm doing it and it's flowing through Newfoundland, because of this agreement, because of FERC and free trade and so on, given the expensive price for power from Muskrat Falls, if it were cheaper, could a company theoretically say: We want to send – and there's availability on the line. Could Emera, for example, sell our own power back to us at a cheaper rate than we're buying it and we would be forced to allow our ratepayers to buy the cheaper power from Emera? Or would they simply have to sell it back to Newfoundland Hydro, Nalcor? Of course, they would tack on the tariffs to make up for the difference on the Muskrat Falls power; therefore, it's of no advantage to Emera to do it. Is that how that would work?

CHAIR: The hon. the Minister of Natural Resources.

MS. COADY: I think I'm understanding, but, again, going back to those constructs around Muskrat Falls. As we've all established we all know when that project was sanctioned and section 14.1 was put in there, it really specified who the people of the province will buy power from and that is Newfoundland Hydro and Nalcor under that entity. It's embedded in the financing models of that project.

Following along with your theoretical – and it gets convoluted for people to understand – could somebody from outside the province sell cheaper power in the province than what we could buy from Newfoundland Hydro? The answer to that question is, no, because of that section. The rationale at the time by the former administration was because they have to pay for Muskrat Falls.

Now, embedded in all the finance agreements by the previous administration, embedded in all those finance agreements is that filibustered bill and the filibustered clause requiring that. So it would be hard to unravel that because of those financing agreements.

CHAIR: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: I thank the minister for the explanation, I kind of figured that's the way it would have gone but I did just want to seek clarification. I didn't know if, because of the FERC regulations, somehow that would have superseded Bill 61 and 62 and, in essence, there was an opportunity to get the cheaper power as a consumer.

Having said that, even if someone could avail of the cheaper power as a consumer, whoever is left we still have this bill to pay called Muskrat Falls. People are going to have to pay for it one way or the other, unfortunately, at the higher cost.

CHAIR: Shall the motion carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, clause 1 carried.

CLERK: Clauses 2 through 27 inclusive.

CHAIR: Clauses 2 to 27 inclusive.

Shall the motion carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, clauses 2 through 27 carried.

CLERK: Be it enacted by the Lieutenant-Governor and House of Assembly in Legislative Session convened, as follows.

CHAIR: Shall the enacting clause carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, enacting clause carried.

CLERK: An Act To Amend The Electrical Power Control Act, 1994 And The Public Utilities Act.

CHAIR: Shall the title carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, title carried.

Motion, that the Committee report having passed the bill with amendment, carried.

CHAIR: The hon. the Government House Leader.

MR. A. PARSONS: I move, Mr. Chair, that the Committee rise and report Bill 2.

CHAIR: The motion is that the Committee rise and report Bill 2.

Shall the motion carry?

All those in favour?

SOME HON. MEMBERS: Aye.

CHAIR: Those against?

Carried.

On motion, that the Committee rise, report progress and ask leave to sit again, the Speaker returned to the Chair.

MR. SPEAKER (Trimper): The hon. the Member for Baie Verte - Green Bay, Chair of the Committee of the Whole.

MR. WARR: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill 2 without amendment.

MR. SPEAKER: The Chair of the Committee of Whole reports that the Committee have considered the matters to them referred and have directed him to report Bill 2 without amendment.

When shall the report be received?

MR. A. PARSONS: Now.

MR. SPEAKER: Now.

When shall the said bill be read a third time?

MR. A. PARSONS: Tomorrow.

MR. SPEAKER: Tomorrow.

On motion, report received and adopted. Bill ordered read a third time on tomorrow.

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Mr. Speaker, I call from the Order Paper, Motion 1.

I move that Standing Order 73 be amended as follows:

(1) Standing Order 73 is amended by adding immediately after the word “minister” wherever it appears, the words “or his or her delegate.”

(2) Standing Order 73 is amended by adding immediately after Standing Order 76(6) the following: (7) for the purpose of this Standing Order, “delegate” means a Minister of the Crown who may introduce Estimates on behalf of another minister.

MR. SPEAKER: The hon. the Government House Leader.

MR. A. PARSONS: Thank you, Mr. Speaker.

Today, as we’ve done on a number of occasions, we stand in this House and debate our Standing Orders and changes that our Committee has made to these Standing Orders over the last couple of years. Some of these have been quite substantive; some of these have been a little less substantive we’ll say.

In this case, what we’re doing is we’re dealing with Standing Order 73. If one were to look to the Standing Orders you’d see Procedure in Committee. What this discusses is how the membership of Committees – how the Standing Orders apply to Committees.

The easiest way to break it down – we all know that our budget is coming tomorrow. Usually, after the budget, we have Estimates – sorry, Mr. Speaker, I saw the lights go there.

AN HON. MEMBER: Electrifying.

MR. A. PARSONS: Yes, this is an electrifying topic, Mr. Speaker.

During our Estimates it’s where Opposition has the opportunity to sit in the House and ask questions of each department, each head of expenditure. It’s a very, I think, positive process; one that is very comprehensive.

It allows for a very thorough questioning of each department and their Estimates for the upcoming year. Each of these is done under three Committees. There’s Government Services, there’s Social Services and there’s a Resource Committee, I believe.

What we’re doing, we’ve made some changes to this. One of the big changes that people will notice is that Executive Council has traditionally been done during a regular Committee of the Whole, so in the House. What we’ve done is we’re changing it this year so that Executive Council will be done during an Estimates Committee.

What that means may not be a big deal to those that are not familiar with the process. The big

thing, if you've ever been involved in this, is that it's not just the opportunity to sit here in the House and ask questions and get back – and sometimes what can be a debate that maybe meanders off the topic and is not as fruitful as an Estimates Committee type of questioning where you sit for three hours and can ask questions not just of the minister, but of all the ministers' staff.

It is a great opportunity for these individuals to sit in the House to answer questions. I think it's a very positive experience. I've enjoyed Estimates whether I was in Opposition or government. I think it's a great opportunity to talk about your department.

Basically, what we're doing here is we're amending – just to go backwards for a second; Executive Council usually would be done in the House without the benefit of having staff. This year it will be done with having staff. By amending that we need to add a couple of changes here. It's basically amending the Standing Order to allow after the word "minister" appears, it will say "or his or her delegate." What that allows for is it means a Minister of the Crown who may introduce Estimates on behalf of another minister.

It's more of a housekeeping measure where for whatever reason, if a minister was unavailable, another minister can sub in and make sure the Estimates continue on. Or, for instance, if the Premier were unavailable, a minister can sit in and make sure that questions are answered.

It's something, I think, that was brought up during our Standing Orders to ensure that it allowed for that possibility. I'm not sure how often it's ever been done in the past. I think there have been times when ministers may have been out for various reasons and their alternate is able to handle the Estimates.

In this case, I don't think this is hugely substantive. I think it's important that we have it there to allow for the possibility. Obviously, I'm happy to stand up and talk to this. I understand that my colleagues on the other side may stand up and speak about it as well. Hopefully we can have this resolution done as we move forward into the Estimates season.

Thank you.

MR. SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

MR. BRAZIL: Thank you, Mr. Speaker.

Indeed, it's an honour to stand in this House again and speak to Standing Order 73 that's being amended. As the minister just outlined, it's a small amendment but it's significant when it comes to the importance of the budgetary process and the Estimates process that's being added here.

It just reads as follows: "Standing Order 73 is amended by adding immediately after the word 'Minister' wherever it appears, the words 'or his or her delegate.'" What we doing here really is ensuring that there's somebody who's available to have the dialogue going, answer the questions, ensure that Executive Council particularly – and this was one of the main driving forces; why, under the Standing Orders Committee, we made this change.

As the minister did outline, the Standing Orders Committee is a very active Committee now that's looking at ways of improving the legislative process here, the engagement within the House and the openness and transparency. This is another example of how this will be fulfilled as we go through the budget process.

As we noted last year, there was a lot of debate when it came to Executive Council. There were a lot of questions that would be thrown out. In defence of the minister, it's hard to be able to answer every question when some of it may be particularly detailed around what's being done when you don't have staff around you and you can't, in principle, anticipate the exact angle that the questions may come from.

So this was an opportunity for us to sit down and say there were three reasons for doing that at the time. One, you wanted it under a heading so there could be some preparation time, the proper officials could be in the room and the minister could be prepared.

Secondly, it would give the Opposition parties an opportunity to dig a bit deeper. If there was something that was outlined in a particular heading as to what implications that may have, what impacts it may have on programs and

services and exactly the amount of money being spent, what the outcomes are expected to be.

The third would be that it's all about what we try to promote there, the open and transparent process of the House of Assembly and, particularly, as it comes around the financial responsibilities of government, and as Opposition, to ensure we get the best return on the dollars that are going to be spent.

It was an opportunity for the Committee to discuss it. We were all in favour of it. There was some debate on are there other avenues that may fit under that same category that would fit there. But the key thing was around ensuring the a minister, who's available, or the Premier in this case, who wasn't available, that you still had a designate who come in and very professionally and very knowledgably, with the support of staff, be able to answer any questions so that everything is open, everything is recorded, and anybody, any Member of the House of Assembly, any citizen here, any business entity, could go back and look at the answers and get a clear understanding of the amount of money being invested, what the intent was and what the expected return.

I won't drag this out any longer because I know we had a good discussion at the time in Committee and we all agreed that this made sense. Again, it adds another element of the Standing Orders improving the operations in the House of Assembly.

With that, Mr. Speaker, I'll take my seat and we'll be supporting this.

Thank you.

MR. SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

MS. MICHAEL: Thank you very much, Mr. Speaker.

I'm happy to stand and support this motion, which comes from the work of the Standing Orders Committee of which I'm a member. It's a sign of why it's so important that the Standing Orders Committee has become functional after many years of not being functional. Because while this may look pretty simple, adding after

the word minister or his or her delegate, in actual fact, as my colleague from Conception Bay East - Bell Island has said, it really is important for smooth operations during the Estimates, in particular. That's what this is referring to, the section in the Standing Orders is the section under Estimates.

It's so important that these meetings happen and go smoothly. We have a timeline for them as well. They have to happen within a certain timeline and they are essential to the approval of the budget. So while this is a very simple thing, in actual fact, it's an important thing because it does mean smooth running here in the House and getting our budget passed, because that's what it's all connected to.

I won't belabour this. I'm sure the ministers will be delighted with this change because it will take some pressure off, especially when it comes to Executive Council, for example, being in committee structure.

Having said all that, yes, we do approve this motion.

Thank you.

MR. SPEAKER: The hon. the Member for Mount Pearl - Southlands.

MR. LANE: Thank you, Mr. Speaker.

I will also be supporting this motion. I can say that from the perspective of Estimates, Estimates is actually a very, very good process because you have the opportunity to question the minister directly. The minister would have all of his or her staff available to answer any questions that the minister may want clarification on and so on. The process, I find, is always very cordial, generally speaking.

Generally, there are only a half a dozen Members here in the House as part of that. In terms of decorum, in terms of background noise and so on, you don't get that, so it actually works really, really well.

Executive Council was the last holdout, I guess, in that process. I'm not sure why that was the case. I guess there was a reason at some point in time. I don't know what it was. But we're

making the change now to move the Executive Council into the same format, the same process, as we do with Estimates for all the other departments. I think that's a very positive thing, I can say.

As a matter of fact, now that I think back on it, I can recall when we were debating the Executive Council during the last budget, I actually stood at the time and suggested that we should do just that. And it was because, quite frankly, there were a lot of questions that were being asked that we weren't getting answers to. In fairness to the minister, whoever the minister was at the time, he or she didn't have all the notes necessarily in the same format, didn't have all the staff available to her at the time that could refer to and, of course, it was a full House of Assembly on all sides. The minute an answer was given or an answer someone didn't like, you got into the whole bantering back and forth and so on, background noise, and it was terrible. You really couldn't understand a thing that was being said or the answers that were being given.

So to remove it from that format and to place it in the same format as we do now with all the other departments makes all the sense in the world to me. It's a very positive move. I certainly support government on making this move.

Thank you, Mr. Speaker.

MR. SPEAKER: Is the House ready for the question?

Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay.'

This motion, Motion 1, is carried.

The hon. the Government House Leader.

MR. A. PARSONS: Thank you, Mr. Speaker.

Given the hour of the day I move, seconded by the Minister of Children, Seniors and Social Development, that the House do now adjourn.

MR. SPEAKER: It is moved and seconded that this House do now adjourn.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay.'

Carried.

This House stands adjourned until tomorrow at 2 o'clock in the afternoon.

On motion, the House at its rising adjourned until tomorrow, Tuesday, at 2 p.m.