

Fourth Session – Forty-Second Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Mr. James Teitsma
Constituency of Radisson

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MANITOBA LEGISLATIVE ASSEMBLY
Forty-Second Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Thursday, October 6, 2022

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. James Teitsma (Radisson)

VICE-CHAIRPERSON – Mr. Andrew Micklefield (Rossmere)

ATTENDANCE – 6 QUORUM – 4

Members of the committee present:

Hon. Messrs. Friesen, Helwer

Messrs. Micklefield, Sala, Teitsma, Wasyliw

APPEARING:

Mr. Dougald Lamont, MLA for St. Boniface

PUBLIC PRESENTERS:

Patricia Fitzpatrick, private citizen

Amanda Leighton, Interchurch Council on Hydropower

Shawn Kettner, private citizen

Lorena Mitchell, Manitoba Sustainable Energy Association

Heather Fast, Manitoba Eco-Network

Shoshana Kraut, private citizen

Niall Harney, Canadian Centre for Policy Alternatives-Manitoba

Ted Scoles, private citizen

Dennis Woodford, private citizen

Dudley Thompson, private citizen

Anna Weier, private citizen

Les Scott, private citizen

Ian Smith, private citizen

Michelle Bergen, Canadian Union of Public Employees, Local 998

Mary Louise Chown, private citizen

Emma Higgs, private citizen

Peter Hudson, private citizen

Bonnie Hoffer-Steiman, private citizen

Laura Tyler, private citizen

Gisele Roch, private citizen

Meghan Mast, private citizen

Wendy Barker, private citizen

Gina McKay, Canadian Union of Public Employees-Manitoba

Jade DeFehr, private citizen

Mathew Scammell, private citizen

Elizabeth Hamilton, private citizen

WRITTEN SUBMISSIONS:

Kevin Rebeck, Manitoba Federation of Labour

MATTERS UNDER CONSIDERATION:

Bill 36 – The Manitoba Hydro Amendment and Public Utilities Board Amendment Act

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Clerk Assistant (Ms. Katerina Tefft): Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Before the committee can proceed with the business before it, it must elect a Chairperson.

Are there any nominations?

Hon. Reg Helwer (Minister responsible for the Public Utilities Board): I nominate Mr. Teitsma.

Clerk Assistant: Mr. Teitsma has been nominated.

Are there any other nominations?

Hearing no other nominations, Mr. Teitsma, will you please take the Chair.

Mr. Chairperson: I will gladly take the Chair.

Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

Mr. Helwer: I nominate Mr. Micklefield.

Mr. Chairperson: Are there any other nominations?

Hearing no other nominations, Mr. Micklefield is elected Vice-Chairperson.

Bill 36–The Manitoba Hydro Amendment and Public Utilities Board Amendment Act

Mr. Chairperson: This meeting has been called to consider the following bill: Bill 36, The Manitoba Hydro Amendment and Public Utilities Board Amendment Act.

I would like to inform all in attendance of the provisions in our rules regarding the hour of

adjournment. A standing committee meeting to consider a bill must not sit past midnight to hear public presentations or to consider clause by clause of a bill, except by unanimous consent of the committee.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in a committee. In accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another total of five minutes allowed for questions from committee members. Questions shall not exceed 30 seconds in length, and there's no limit on the answer-time limit for answers.

Questions may be addressed to presenters in the following rotation: first, the minister sponsoring the bill; second, the member of the official opposition; and third, an independent member.

If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters list.

The proceedings of our meetings are recorded in order provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say the person's name. This is the signal for the Hansard recorder to turn the mics on and off.

On the topic of determining the order of public presentations, I will note that we do have out-of-town presenters in attendance, marked with an asterisk on the list. With these considerations in mind, then, in what order does the committee wish to hear the presentations?

Hon. Reg Helwer (Minister responsible for the Public Utilities Board): I'm wondering if we could have the out-of-town presenters present first if they're in person.

Mr. Chairperson: The proposal is for out-of-town in-person presenters to present first.

Is that agreeable to the committee? *[Agreed]*

Thank you for your patience, then. We will now proceed with public presentations.

Is Lorena Mitchell in person at this time? No? And, just looking at our out of town guests, is Gina Enns in person this evening? And is Mary Louise Chown in person for this evening? And then is Stephanie Grout in person this evening? Okay.

And I'll just note, I believe, correctly, that me calling out their names does not constitute me calling them to committee; we will get to their names in their regular routine because I only asked if they were in person, not if they were available virtually.

So, I will now call upon, oh, it's right here. Thank you. I have a list. I will now call upon Patricia Fitzpatrick, private citizen. She's attending virtually, and we'll see if we can get you up on the screen. There you are. And you can now—you can begin with your presentation. Go ahead, you have 10 minutes.

Patricia Fitzpatrick (Private Citizen): Great, thank you very much. Good evening. My name is Dr. Patricia Fitzpatrick. I'm a professor in the department of geography and an instructor in the master's of development practice program at the University of Winnipeg.

Tonight I'm speaking with you from Treaty 1. I'm privileged to live in the territory of the Anishinaabeg, Cree, Oji-Cree, Dakota and Dene people and the homeland of the Métis people. The water we drink comes from Treaty 3 and beyond and the power we use comes from Treaty 5 and beyond.

I would like to thank the members of the steering committee on Social and Economic Development for the opportunity to share my concerns about Bill 36.

To start with, a little bit about me. My research focuses on how we manage our natural resources. My studies concern elements such as public participation, unpacking procedural complexity, strengthening the follow-up, monitoring and adaptive management and governance.

I entered this field through environmental impact assessment. Over the last 27 years, I have been involved in 14 different assessments related to mining, hydroelectricity and oil and gas. And as you may have surmised, I have been involved in all of the major energy-related environmental hearings in Manitoba since 2004.

During this time, I had the honour to work with the late Gloria Desorcy, from the Consumers' Association of Canada, Manitoba Branch. I learned a great deal from Gloria, but the lesson I want to share tonight is the critical importance of an independent body to oversee regulated monopolies, such as Manitoba Hydro.

When customers do not have a choice in where to spend their dollars, independent bodies protect them.

Independent bodies fulfill important functions, such as reviewing rate structures, corporate policies and development plans for their implementation on rates. In doing so, they provide a layer of protection for captive consumers. They provide essential accountability for Crown corporations and important transparency for Manitobans.

This is the role that the Public Utilities Board played in 2018 and 2019, when it said that Hydro's financial targets and capital spending were unreasonable for a rate-setting perspective and saved Manitobans from massive hydro rate increases.

This is the role the PUB played in the 2014 need for and alternatives to review of Manitoba Hydro's Preferred Development Plan, when the PUB said no to building Conawapa.

Independent oversight is essential for regulating monopolies. I respectfully submit Bill 36 restricts the independence of the PUB, Public Utilities Board or board—I'll use three interchangeably—and as such, I request that the bill be withdrawn.

The PUB acts in the public interest by setting just and reasonable rates for essential services. It has always done so as an independent authority, making its decisions based on the evidence before it. While I do not always like the decisions, I'm confident they're made based on the best available evidence, and I'm confident that the PUB carries out its duties independently. However, provisions in this bill compromises independence in at least four key ways:

(1) Bill 36 removes Manitoba Hydro from part 4 of The Crown Corporations Governance and Accountability Act. I'm just going to call that the Crown corporations act. This type of legislation was introduced in 1989 to increase consumer confidence in regulated monopolies during things—doing things like adding accountability mechanisms. Part 4 of the act sets out what should be considered by the PUB in setting rates.

It includes a variety of aspects, like the cost of service, debt repayment, compelling policy decisions and other factors which the board thinks is important. Bill 36 removes Manitoba Hydro from this section of the act.

* (18:10)

(2) Bill 36 reduces the way—reduces the Public Utilities Board's ability to question policy. If you've ever watched a regulatory hearing, you know that

decisions are made not in a vacuum. Activities, particularly those for Crown corporations are shaped by the policies set by government. For example, the PUB's 2020 decision on Efficiency Manitoba includes nine recommendations directed at legislative amendments, including recommendations to assure that Efficiency Manitoba is able to participate fully in an integrated resource-planning process. By removing the PUB's express ability to question the validity of a regulation or directive, the board's decisions and recommendations start to narrow.

(3) Bill 36 limits what the PUB considers in its decisions, specifically the PUB must—excuse me—must accept Manitoba Hydro's capital expenditure plan, needing the minister's permission to make recommendations for improvements.

Bill 36 identifies financial targets—and here I'm talking about the timing for debt reduction. The bill sets out a rate cap—and now I'm referencing the famous 5 per cent—which is determined in the legislation and not through evidence.

The PUB cannot reduce rates for imprudent expenditures approved by Treasury Board. And please note, removing this is contrary to recommendations 5.3 of the Wall Commission. The PUB cannot propose a change in customer classification, and the bill sets out rates for different—or, the bill sets out that rates for different customers or classes cannot differ based on affordability or other socio-economic factors.

These, as a whole, take away important tools that the PUB has to serve as its role as independent arbitrator for Manitoba's energy landscape; and

(4) Bill 36 makes the PUB's role in reviewing the integrated resource plan, or IRP, discretionary. An IRP is a long-term forecast of supply-and-demand scenarios used to help utilities plan for the loads required to ensure Manitobans have access to safe, reliable electricity.

Under Bill 36, whenever Manitoba Hydro ultimately produces, with respect to an IRP, may not be sent to the PUB for review. This step would happen at the discretion of government. The role of our independent authority to ensure that Manitobans have an extra layer to consider safe, reliable energy, would be up to the government. And again, this is another change which is contrary to findings of the Wall commission. And here, I'm referencing recommendation 29, among others.

According to two province-wide public opinion polls, one taken in 2022 and one in 2020, Manitobans

overwhelmingly see the value of an independent body in setting energy rates. The PUB is this body.

However, Bill 36 strips the ability of the PUB to review financial targets for their reasonableness and gives that authority to the Legislature. It strips the authority of the PUB to review the day-to-day capital spending, and gives that authority to Treasury Board.

These are very important tools that the PUB has used to protect ratepayers in 2018, 2019, 2014, among others. By removing these powers from the PUB tool kit, Bill 36 sets up the PUB to be little more than a rubber stamp. It gives Manitoba Hydro financial targets and capital expenditures that may never pass independent, evidence-based reviews.

I have several other concerns with this bill and the media surrounding this very complex legislation. These concerns include how the bill was introduced at a time when a number of key energy-related initiatives are under way in the province; how the bill limits public access to decision-making through changes to participant funding models and hearing formats; the use of regulation to change the energy landscape by more broadly permitting corporations to engage in the retail supply of power; and the use of this type of omnibus bill to change three very important pieces of legislation. But I will end my formal remarks now—returning to my main argument.

For a regulated monopoly to effectively function, there needs to be strong oversight that is independent from government. The PUB has served this role well. Bill 36 will seriously compromise this board. As such, I respectfully ask that Bill 36 be withdrawn.

Thank you very much.

Mr. Chairperson: Thank you, Ms. Fitzpatrick, for your presentation.

We will now move to questions. I'll just remind the members around the table: 30 seconds for your questions. Ms. Fitzpatrick, you have as much time as you want to respond, but we will cut the whole discussion off at five minutes.

All right, Honourable Minister, you may begin.

Hon. Cameron Friesen (Minister responsible for Manitoba Hydro): Thank you, Dr. Fitzpatrick, for being here at committee this evening. I appreciate your presentation. I took notes when you spoke.

We agree that independent oversight and a rigorous PUB process is important. I disagree with you that the bill compromises that.

But I wanted to ask you a question—hoping you can respond to this directly—and that is: there was no mention at any part in your presentation about debt at Manitoba Hydro that has tripled in the space of six years. Can you speak to debt and the stability of Hydro, and whether that's important to you?
[interjection]

Mr. Chairperson: Miss—or, Dr. Fitzpatrick.

P. Fitzpatrick: Sorry, I'll get used to that process. Thank you.

I can speak quite broadly. I've been hearing about the debt-to-equity ratio, and reading about it. It first appears in my memory in the 2014 decision of the PUB. So when things are being newly constructed, there is an expectation that the debt-to-equity ratio will increase, and we are at a very high, currently, debt-to-equity ratio.

However, it is not at a level that I believe was unforeseen in the 2014 decision. There is contrary evidence out there as to the degree to which it's impeding Manitoba Hydro's ability to borrow money at a preferred lending rate. I've seen the Moody's reports. I've also seen some compelling work by Pelino Colavaco [*phonetic*], which suggests that that's not an issue.

I have concerns about the very short timeline that's set in place in the legislation for us to decrease that debt-to-equity ratio. How I generally explain it to my students is, we're accelerating the time at which we're requiring Manitoba Hydro to pay down its—I'm going to use quotes here—mortgage.

And so I'm not sure we need to accelerate the time as quickly. I've also seen some compelling research from doctor—or, sorry, William Harper, that suggests with a 5 per cent rate increase, which is set out by legislation, it will be impossible for Manitoba Hydro to achieve those deadlines.

In sum, yes, I think that there is a concern about the debt-to-equity ratio. However, I believe that we need a more evidence-based approach at setting the timelines and targets for when Manitoba Hydro should be required to pay that down.

Thank you.

Mr. Adrien Sala (St. James): Thank you so much, Dr. Fitzpatrick, for your presentation. It's greatly appreciated.

I wanted to ask, you reference a number of the powers and authorities that the Public Utilities Board

will lose should this bill pass, and I'm wanting—hoping you can elaborate on what you think the long-term impacts of that might be on rates here in Manitoba.

P. Fitzpatrick: I think the long-term impact on rates in Manitoba is that the rate-setting structure will be politicized. I firmly believe that rates need to be set independent, based on the evidence, and we need to keep the politics out of rate-setting as much as possible.

I believe that the current approach of the PUB in evaluating the rate structure takes a holistic consideration. I believe that the provisions of the bill that limit what the PUB can take to—into account are particularly troubling, and so I would suggest that this is one of my main concerns about Bill 36, is threatening the independence of the PUB in setting rates.

* (18:20)

Furthermore, one thing to add is that in the two public opinion polls that I referenced previously, there was questions about—of Manitobans about what should be considered in setting the rates. And the—by far, the majority of people said cost of service. It included debt repayment, included social policy.

So, we're firmly reflecting what's currently in part 4 of the Crown accountability act than what will be in place if Bill 36 passes.

Thank you.

Mr. Chairperson: Thirty seconds remaining in total.

Mr. Lamont, did you have a question?

Mr. Dougald Lamont (St. Boniface): No, thank you.

Mr. Chairperson: Okay. Are there other questions? Then, seeing none, I will thank Dr. Fitzpatrick for her presentation and for spending time with the committee this evening.

We are going to now move on to the next presenter. And I'll call Amanda Leighton from Interchurch Council on Hydropower forward.

Thank you.

Ms. Leighton, you can proceed with your presentation. You have up to 10 minutes.

Amanda Leighton (Interchurch Council on Hydropower): Good evening, committee members. My name is Amanda Leighton and I am here representing the Interchurch Council on Hydropower, formerly known as the interfaith task force, of which I am a member. We are a non-partisan advocacy group

with a 50-year history working for justice with hydro-impacted communities and people.

We are here today to express our concerns regarding Bill 36. Although there are many concerning amendments being proposed in this bill, I will be focusing on just a few.

The first point I'd like you to consider is regarding amendments proposed to section 39 of The Manitoba Hydro Act and the changes to how our electricity rates are set. It is alarming to us that the bill would like to take decision-making power for rate setting away from the Public Utilities Board and instead have rates established as the lesser of 5 per cent or the inflation rate.

With inflation increasing, I suppose we can expect inflation rates to be fairly high in the coming years; however, I would like to point out that Manitobans have not experienced a 5 per cent rate increase in as far back as could be verified on the PUB website. The highest increase we have had in the last 10 years is 3.95 per cent.

In addition, section 39 proposes that hearings would only be held every three years. We are unsure of the motivation behind this amendment and in our view, a rate set three years in advance does not allow for accurate assessments using future predictions. As we all know, significant changes can happen beyond our ability to predict. We appreciate that the amendments include the ability to reopen a hearing if there is a material change or a drop in the inflation. However, we believe that flexible settings are an important process and we strongly oppose the three-year schedule.

The Public Utilities Board has protected Manitobans from higher than necessary hydro rates by striving to ensure that Manitobans have safe and reliable access to necessary public services at just and reasonable rates. When applying for an increase in rates, all utilities under the PUB's jurisdiction must justify the revenue requirements that support a requested rate increase.

In addition, given that several large utilities under PUB oversight are Crown corporations, publicly owned and operated by the government, the PUB is a crucial entity for ensuring neutral, objective analysis of proposed rates. The PUB operates independently from government. They fairly and transparently weigh the financial needs of the utility with the needs of ratepayers in their rate-setting decisions.

It feels appropriate here to point out that the Public Utilities Board hearings are not too costly, as recently asserted by the current government. Let me direct your attention to a quote from an open letter sent to Premier Heather Stefanson in July of this year from the Manitoba branch of the Consumers Coalition of Canada. It's a quote: PUB hearings are cost-effective and provide good value for taxpayers. The hydro hearings, for example, cost a typical residential customer \$2.50 extra on their bill per year. That same customer saved \$50 per year on their hydro bill annually as a result of the PUB hearing.

A major motivator for our council is the PUB's consideration of all Manitobans, which was made apparent when they created the First Nations on-reserve rate class, since repealed by Manitoba Hydro and overturned by the courts in 2020, on the grounds that the PUB did not have the jurisdiction to create this new class.

The PUB recognized an opportunity for real reconciliation between the Crown corporation and impacted First Nations and took action that we supported. In the PUB's order following the repeal in 2020, the PUB made sure that Manitoba Hydro removed the 0.13 per cent additional incremental increase embedded into the general rate that was compensating for the zero per cent increase for the First Nations on-reserve rate.

The PUB called Manitoba Hydro out for attempting to continue charging the additional incremental increase, even after the First Nations on-reserve rate was removed and their rates were increased 6.5 per cent in one year in order to get on par with general rate class.

We bring this to your attention in order to emphasize two things: That the PUB has ensured that all Manitobans are a part—are part of their decision making, including those impacted by Hydro development and colonization; and No. 2, they are paying attention and actively keeping Manitoba Hydro accountable. I will talk about the threat to their oversight in just a moment.

There are other changes to The Manitoba Hydro Act in Bill 36 that cause us unease, such as the removal of Manitoba Hydro's requirement to maintain their sinking fund, the changes to what qualifies as a major new facility and making changes to the financial targets, but I will let another, more qualified presenter speak to those very important issues if they haven't already.

I would like to now turn your attention to the amendments made to The Public Utilities Act. This portion of the bill has us asking many questions, all of which pull on a similar thread: Is the government attempting to all but remove the PUB of its power to independently review and set the course for future public utility projects, and at the same time remove the public from participating?

Two new provisions found in Bill 36 are highly concerning to us. The first is a provision that prohibits the PUB from inquiring or making statements questioning the validity of regulations established by the government or about any directive issued under The Crown Corporations Governance and Accountability Act or The Financial Administration Act.

A few years ago, Manitoba passed a regulation relating to MPI that was beyond their legislative competence, which claimed to set financial targets for rate-setting purposes for MPI.

The PUB was asked to determine if it was unlawful. After the PUB investigated, it found that the regulation was invalid for rate-setting purposes. This is a practical example of how the PUB has been there to protect rate payers when the Legislature exceeds its legislative authority.

Without more information to understand the significance of this alteration, this appears to be an act of silencing, and undermines the important role of accountability that the PUB offers.

The second is section 15.3, which allows for closed-door meetings if discussing commercially sensitive information. Currently, the act states that all meetings are open to the public with no stipulations. Are there considerations and provisions in place that will prevent the abuse of this option? Our concern is that meetings will increasingly become private, taking the public out of the procedure altogether.

In addition to this, section 24 is removing the requirement of oral hearings, allowing for written hearings only, again distancing the public from the process. We are strongly opposed to this amendment, and appeal that all hearings remain oral, engaging public participation. What is the motivation behind this proposed change?

The results of a recent public opinion poll are clear: Manitobans want an independent, arm's-length board overseeing the rate-setting process and new proposed projects, and we couldn't agree more. A Probe Research survey report found that out of

1,017 Manitobans, more than seven in 10 want an independent commission or board to set their rates. This same poll found that 61 per cent of people surveyed think that an independent board should have authority over customer-class creation, which speaks to my earlier points on First Nations on-reserves rate.

In conclusion, Bill 36 does not appear to have Manitobans in mind, and we hope that this committee will do what's right for our province. And if that's not clear, say no to Bill 36.

Thank you.

Mr. Chairperson: Thank you very much, Ms. Leighton, for your presentation.

We'll now move on to the questions; 30 seconds for the members to ask.

Go ahead, Minister Friesen.

Mr. Friesen: Thank you, Mr.–Ms. Leighton, for your presentation.

You indicated that you were unaware whether the PUB had ever approved rates of 5 per cent. In 2004, 2008 and 2012, PUB approved rate increases of 5, 5 and 4.4 per cent.

Were you aware that with the test to the legislation, the increases in every single one of those years, except for one, would've been actually significantly lower if this test of 5 per cent or CPI had been in place?

A. Leighton: I think what you're saying is, if this was in place they would've been 5 per cent, right?

That's not what you're saying? It would've been lower, you're saying—

Mr. Chairperson: They would've been lower, sorry.

A. Leighton: Okay. I don't want to try to understand everything.

* (18:30)

These—this part of this is going to be difficult for me, but I looked on the PUB orders and I did not see that in those years, and I looked at every single one. So, I just—I wasn't aware.

Mr. Sala: Thank you so much, Ms. Leighton, for your presentation. Thank you for your work with the Interchurch Council on Hydropower. It's greatly appreciated.

Just wondering if you could comment. You did identify that the bill removes the ability for the PUB

to comment on government policy regulation; you referenced that. What do you think the impacts of that will be, taking that away?

You did allude to some concerns there when it comes to preferential rates or specific rates for some communities. Could you elaborate on your concerns about the impacts of that aspect of the bill? *[interjection]*

Mr. Chairperson: Ms. Leighton. It's okay.

A. Leighton: Yes, the public isn't able to, most of the time, even understand the legislation that's put forward, and so we look to independent bodies to read that right for us. And so, unfortunately, it's hard for us to trust that the government has our best interests, which is unfortunate but it's true. That's why we have an independent body.

So, not really answering you directly but, in a roundabout way, I'm saying that for the public it's important to have somebody whose money isn't on the table.

Mr. Chairperson: Mr. Lamont, do you have a question?

Mr. Lamont: If I could.

Thank you very much for your presentation. Can you talk a bit about your work in—on Hydro-impacted communities? Because I know that that's been an issue going back decades and that there's a fair bit of reclamation and other things that, quite frankly, compensation would be worthwhile.

So, if you could just explain or just talk a little bit about that or tell us a bit about that. *[interjection]*

Mr. Chairperson: Ms. Leighton.

A. Leighton: Yes, pardon me, you guys, I don't know the—all the process.

Yes, so the Interchurch Council on Hydropower, formerly known as Interfaith Task Force, has been working with northern communities for over 50 years, so you'll be familiar with some of that work.

Currently, there's still many people whose livelihoods have not—don't feel compensated. And compensation is biased. So, if money is the answer to compensation, then perhaps Manitoba Hydro and the government feel that they've done enough. But for people whose lives have been completely devastated by the destruction in their—on their rivers and in their land, money isn't the answer.

So, the work that we are trying to do is to advocate for compassionate policy changing and even just relationship building between those of us in the south and those in the North who actually feel the impacts. So, currently, that's the work.

Mr. Chairperson: Thank you.

Are there any additional questions from members of the committee? No?

All right. I thank you very much, Ms. Leighton, for your presentation and for taking time with us this evening.

I'm now going to move on to the next witness, and I will call Shawn Kettner, private citizen, forward.

All right. Shawn Kettner, I believe we see you there on the screen. All right, and you can begin with your presentation. You have up to 10 minutes to make it.

Go ahead.

Shawn Kettner (Private Citizen): Thank you and good evening to the committee meeting members.

My name is Shawn Kettner. I am a resident of Winnipeg, a private citizen, a retired business owner, and I have lived my whole life in Winnipeg, although at the moment I'm in New York City, so it's been a challenge to be here this evening and I'm grateful for the opportunity to speak to you remotely.

I'm here today because I strongly believe that the Public Utilities Board serves a vital role to ensure that the future of Manitoba is a bright one. The Public Utilities Board has served the people of Manitoba and our Crown corporations well and should continue to do so in the future.

A secure financial future for Manitoba is dependent on Manitoba Hydro. As we know, as we move forward to the electrification and greening of our society, Manitoba Hydro will make the difference between us being a have and a have-not province. We must maintain a healthy, vibrant Crown corporation that continues to be owned by the people of Manitoba, and I am very concerned about the amendments that are proposed by Bill 36 and the requests that this bill not be adopted.

Allowing the government to set a financial target in law sets a very dangerous precedence. Bill 36 will reduce the PUB's independence and does not allow for evidence from other interveners to question and challenge the material presented by Manitoba Hydro.

The government of the day should be advised by those who have the future of a healthy Manitoba Hydro for all Manitobans as a priority, and decisions, including rate setting, should be decided without political intervention and be 'imbove'—be above and beyond the political will of the day.

Bill 36 provides no information on the rules for setting gas rates, and by allowing these to be created through regulation, they could happen with no warning or no public review. These rates could be altered for any number of reasons, and that opens the door to rate setting for reasons other than the wellbeing of our Crown corporation.

According to recent public opinion polls, as recently mentioned in the last presentation, commissioned by the Consumers Coalition, Manitobans want rates set by an independent, arm's-length commission or board, and that is exactly what the PUB is, under the current legal rules.

However, Bill 36 reduces the independence of PUB because it will no longer be able to determine what, if any, financial targets are reasonable. Furthermore, Bill 36 adds specific deadlines for paying off Manitoba Hydro's debt that do not work. The math just doesn't add up. Even for a private citizen who really doesn't know that much about it, if you just look at it, it doesn't make a whole lot of sense.

There is so much concern that the debt-to-capitalization ratio is so aggressive—is too aggressive and it can't realistically be achieved even with the maximum 5 per cent increase over many years. Bill 36 gives the PUB an impossible task when making decisions, and prevents it from ensuring Manitoba Hydro's financial health into the future.

There is little evidence that the debt-to-capitalization ratio is based on sound planning, or is needed. The Public Utility Board takes the politics out of rate setting. It pretends—protects us, Manitobans, from the present and future governments politicizing the rates. It avoids governments playing politics with Crown monopolies such as the avoidance of rate increases that happened in election years, like in 1980—the 1980s and 2000s in Manitoba, and the 2000s and '10s in BC.

It also eliminates cross-subsidizing politically sensitive groups, as was done with the farm trucks in the 1980s. Rate setting for political gain must be prohibited, and the best way to do that is to maintain the PUB. Previous attempts to pass a bill like this one

contain different debt-to-capitalization ratio targets, suggesting that the number chosen is arbitrary.

The PUB has found, in previous hearings, that suggested debt-to-capitalization ratios were not necessary. The 5 per cent annual increase limit was introduced as a protection from inflation. Increases of 5 per cent or more are extremely rare historically, as Amanda mentioned.

Hydro is less affected by inflation rates than the numbers that get published, which are for consumers. Hydro isn't paying for rent or clothing for family or buying food or many of the other goods that go into calculating the consumer price index.

I feel that promoting the 5 per cent increase as a protection to taxpayers, to Manitobans, is deceptive. The bond-rating agencies are telling us, our government, you, that they value the independence of the PUB and the vigor it brings to the rate setting in Manitoba.

The math tells the true story. Bill 36 is not based on math and needs to be rejected or amended to reflect the numbers, not the political agenda of this or any future governing party. The rate-setting process must remain transparent and accessible.

* (18:40)

Typical interveners at the PUB hearings include the Consumers' Association of Manitoba, which, of course, represents our low-income Manitobans; the Manitoba Industrial Power Users Group; Indigenous groups and other businesses engaged in the provision or maintenance of electricity in Manitoba, who, as it stands now, have an opportunity to engage.

Bill 36 could limit hearings from live, in-person settings in favour of strictly written presentations and, in some cases, rate hearings could be completely done behind closed doors. Transparency in decision making is essential, particularly when Manitoba Hydro is a de facto monopoly and a Crown corporation. According to the recent opinion polls commissioned by the Consumers Coalition, Manitobans think there should be public input on these decisions.

Furthermore, and the most troubling to me, Bill 36 is not in line with other legislation in Manitoba. Bill 36 introduces new rules that require Manitoba Hydro to get approval from the government of Manitoba for a new category of hydroelectric generation and transmission projects classified as major new facilities.

This new category of project is not consistent with the classes of development used in Manitoba's environmental assessment process, and means that some hydroelectric projects that require the highest level of review under the environmental act, class 3, will not be considered big enough or expense enough to fit the definition of a major new facility.

Some large hydroelectric projects that will require the highest level of the environmental assessment and public scrutiny under the environmental act will not be required to be reviewed by the PUB, reducing the amount of information available to the public and decision makings of both potential impacts of proposed hydroelectric projects.

Bill 36 could trigger a change in policy towards less environmental review of new electric transmission and generation projects. These new review requirements are unclear and inconsistent with current environmental legislation. We must ask that all hydroelectric projects be require—would require the highest level of public and government scrutiny and be reviewed by independent tribunal before they are approved to ensure best practices are followed.

And lastly, Bill 36 will require the PUB to set rates for three—in three-year periods instead of every year, making it less likely, rather than more likely, to account for a rapidly changing energy market. The PUB serves the citizens of Manistoba [*phonetic*] well.

Bill 36 is flawed, and I ask that it be withdrawn.

Thank you for your time this evening.

Mr. Chairperson: Thank you, Ms. Kettner, for your presentation.

We'll now move to questions.

Mr. Friesen: Thank you, Ms. Kettner, for your presentation this evening. We don't have long together, so I'll move quickly.

You indicated that you value a secure financial future for Manitoba. We agree. I think where we disagree is that you don't seem to think it's linked to Hydro sustainability. We see a clear link between Hydro sustainability and the low-rate advantage that Manitobans have 'enjoyed' that would give them that secure financial future.

I'm just wondering—you indicated you didn't think Hydro was sensitive to inflation. Can you expand on that, why you think that Hydro isn't sensitive to inflation and now pays a billion dollars a year?

S. Kettner: Sorry. As a private citizen, I see all of the money that was spent on Hydro to build all of the infrastructure over the last number of years. And I've been around a long time. I've watched through the years as Manitoba Hydro has been developed.

And now we know that electricity is an in-demand commodity. We know that hydro power is got the potential to bring money into our province. We know that the lines have been opened to the US. We have potential to be selling across the country.

We know that electricity and hydro power—although we still need to figure out ways to make it as equitable and deal with the concerns of communities in the North, and that is a huge concern. But we know that hydro is potentially the one and only way that Manitoba is going to be able to flourish going into the future.

And we look at the cost of development over all of these years. Now it's pay-back time, and now it's time to reap the benefits of all of that investment. And that is why I think it's very, very important that we look towards the future, towards the potential sale of hydro and towards the possibility of Manitoba having an income from the hydro in order to help us move to a more sustainable future.

Mr. Sala: Thank you so much, Ms. Kettner, for your fantastic presentation. I want to thank you, also, for reinforcing the importance of the hydro investments we've made historically in this province and the value of those going forward.

One thing I wanted to ask you about was regarding the financial targets, the debt-to-equity targets that we've seen put into this bill. It's one of the most concerning aspects of the bill. We've seen the Consumers' Association say that it's expected that Hydro will be expected to raise around \$5 billion by 2040 as a function of those financial targets.

What do you think the long-term impacts of that inclusion of those aggressive financial targets will be should Bill 36 be allowed to pass?

Mr. Chairperson: Before I recognize Ms. Kettner, just ask the members to try to keep their questions to 30 seconds.

Thank you.

S. Kettner: I think, as Ms. Leighton said, and Dr. Fitzpatrick, that there is the unrealistic expectation to pay this back quickly.

And I don't think that Manitobans expect that that money will be paid back, and we reason that we're not concerned is because of—the rate setters—the bond setters are saying it's okay. It's not a terrible thing to have a mortgage, nor is it terrible to have debt when you know, in fact, you have potential for paying it back over a reasonable amount of time.

If we are trying to pay it back really quickly, then it's going to implode on us, and I think that is certainly problematic, and I think we need to allow—how many—I mean, if you look back at the number of years with—that these projects have been going on, that was taken into consideration in the planning. And we need to take that into consideration as we move ourselves from the have-nots to the haves as we reap the benefits of the sale of electricity going forward.

Mr. Chairperson: Thank you, Ms. Kettner.

Are there further questions from members of the committee?

All right, seeing none, I'm going to thank you very much for your presentation and for your time—spending that with us this evening, and we'll now move on to the next presenter.

I will call Lorena Mitchell. Lorena Mitchell, from Manitoba Sustainable Energy.

I'll just give a moment for the camera to come up. All right, Lorena Mitchell, I think I can see you there. Okay. Great, we can get started, and you have up to 10 minutes to make your presentation.

Lorena Mitchell (Manitoba Sustainable Energy Association): My name is Lorena Mitchell, and I'm the chair of ManSEA, the Manitoba Sustainable Energy Association. I'm also the owner of Evolve Green.

I have witnessed a lot of stuff over the years with the PUB, and I, too, am gravely concerned that the teeth are being taken out of it.

My concern is that: Are we setting this up so that Hydro could be later privatized or partially privatized? What will that mean for Manitobans after all this investment? How do we maintain the transparency? I feel that that is definitely something that is being impacted.

For the public, for myself, for my children's future and for the future of Manitoba, I think that it is really imperative that we maintain a transparency to how things are done. And I have seen the PUB and the kinds of questions that they ask, really elaborate and

they're able to see where—they're not able to challenge. If this bill were to move forward, it really takes the teeth away. They are not able to even challenge what's about to happen.

The 5 per cent increase I'm actually—that part isn't a huge issue for me. I would like to see the Public Utilities Board continue to be a part of the rate setting versus, you know, just having this language moving forward and it being between the government and Manitoba Hydro.

* (18:50)

This is a Crown corporation, we're a monopoly here, and I really want to see the Public Utilities Board maintained in Manitoba in its current capacity in allowing the public to have their voice.

When it comes to the environment, they've really also stepped up to the plate and I think that, if anything, some of the huge commitments that Hydro has made with building these new hydro dams, has created a situation where everything is in one place.

This is going to become a really big consideration down the road. You know, them building extra dams is—what's happening is you've got the 10th largest lake in the entire world—freshwater—Lake Winnipeg, being impacted by a raising of lake levels and algae, which creates a huge problem within the lake water. And you're going to need this water for Manitobans at some point, especially the City of Winnipeg, as it needs to look for alternatives for water.

So, I think that even just when we're looking at environmental impacts, there will not be or will be a reduced oversight when it comes to environmental impact and future projects. So, this is of grave concern. I really want to impress upon you that in its current form—and I'm not saying that—some of Bill 36 is fine; just what you try to tuck in there are all the parts and pieces of it, especially with the PUB, I don't believe it can move forward in its current form. It needs to be really gone over and rewritten.

This is actually all I wanted to say to you guys, and thank you for allowing me to speak before the committee today.

Mr. Chairperson: All right, thank you very much, Ms. Mitchell.

We'll now move to questions. Once again, 30 seconds for the members to ask the questions and five minutes in total.

Mr. Friesen: Thank you, Ms. Mitchell. Thanks for being at committee.

The bill is designed to ensure that Manitoba Hydro remains strong and on a stable foundation to be able to give that good rate advantage to ratepayers for years in the future.

You talked about your concern for an independent PUB. We want that as well. Are you aware of the new powers the bill would give to the PUB to be able to review and approve future large capital projects that Hydro could build?

Mr. Chairperson: Sorry, Ms. Mitchell. You just have to wait for me to acknowledge you and then you can start. And they're muting you, so I can see your lips moving but none of us can hear what you were saying anyways.

So, no worries, but you can now respond. Thank you.

L. Mitchell: Yes, I am aware that that is in there, but in its current form, it cannot be allowed to move forward. There is too much language that is also taking away the public ability to have oversight, and the PUB is required to do that.

Mr. Sala: Thank you so much, Ms. Mitchell, for making time to bring this presentation to us tonight.

You mentioned something that really resonates, it's really important, which is the importance of keeping Manitoba Hydro public, all of Manitoba Hydro public. We've seen this government privatize a subsidiary of Hydro. We've seen them get rid of a huge number of IBEW employees and replace them with contract employees. They've recently handed over control over fibre-optic network to a private company.

Why is it so important that we keep all of Manitoba Hydro public?

L. Mitchell: It is really important that we do because it is basically a monopoly here in Manitoba and we should have a say in its future—all of Manitoba, not just some of Manitoba.

Mr. Chairperson: Mr. Lamont, do you have a question?

Mr. Lamont: Yes, I just want to thank—well, I—yes, thank you. I wanted to thank Ms. Mitchell.

Can you just, for a moment, explain a bit of your background and your business? Just because I

understand you do have a lot of expertise in dealing with Hydro and dealing with electricity.

L. Mitchell: Absolutely do. I absolutely do.

So, I am 15 years in the industry for renewable energy. I design both commercial- and residential-sized solar systems, storage systems, backup, you name it.

I have a lot of dealings with Hydro, actually, and I believe the PUB has really fought hard to help continue Hydro in the right direction going towards a sustainable future. They do definitely have—for instance, I took part in a—in this next 20 year, their plan. And it didn't really even grasp what kind of changes are going to happen in the next five years, never mind 20 years, and that was because they lacked public participation. They hired a consultancy group that wasn't even from Manitoba.

We need to really start taking a hold of this, and Manitobans need to speak to Hydro. And if we take away more and more of what the PUB can do in allowing the public to have their say, we're just making that farther apart.

So, what we need to do is bring it together. We need to have Manitobans say what they need to say and everybody gets to hear it, whereas the other way it's just gone—it's just gone.

Mr. Chairperson: A follow-up question, Mr. Sala?

Mr. Sala: Thanks for that response, Ms. Mitchell.

I just wanted to ask, you referenced you participated in the development, I believe, of the—you referenced a 20-year plan. I think you're referencing the energy policy work that's being done.

Can you comment on the wisdom of bringing forward a bill like Bill 36 while this energy policy is still being developed?

L. Mitchell: Yes. I think that it's ill-timed, but it also is not worded correctly, and this—there are—they are addressing some very key things that are good in Bill 36 and—with EV charging, and all of those things that need to happen you need to change to the Legislature. You need to change the language.

However, I just want to say that when you're talking about putting together a 20-year plan, and now you're talking about taking away all of Manitobans' right to even respond to that, it doesn't make sense to me.

Are they asking key people what—they actually didn't reach out to a lot of First Nations when that was done, you know, so it's exceedingly frustrating. They don't know even key Manitoban areas to talk to about it.

Mr. Chairperson: All right. Thank you very much, Ms. Mitchell, for your presentation and for interacting with the committee on questions that we had for you.

I'm now going to call our next presenter, and it's Shoshana Kraut. I believe Shoshana Kraut is virtual, so I'll just give folks a moment to bring him up. Thanks so much.

All right. While we're waiting for Shoshana Kraut to come up I'll just remind the committee members that we've got 10 minutes for presentation, five minutes for questions, 30 seconds each MLA for questions, and unlimited time—up to the five-minute limit—for those who are answering the questions.

And I'm told the tech behind this committee room is a little bit slow, so we're going to get our next presenter up shortly.

Floor Comment: I'm sorry, it's not quite working for me. Can I—I'm unable to join right now.

Mr. Chairperson: All right. We can see your—

Floor Comment: I don't know if you can hear me or not. I'm sorry, it's not—I have to—it's not working for me. I'm going to have to try to switch devices.

Mr. Chairperson: Okay.

Floor Comment: Just give me a—if you could get the next panelist, and I'll try and get online on something else.

Mr. Chairperson: We will do that. Yes.

Floor Comment: Okay. Thank you. I'm sorry.

Mr. Chairperson: Yes. No problem.

We'll move on to the next presenter, and that is Heather Fast from Manitoba Eco-Network. Is Heather Fast available?

All right. Ms. Fast, welcome to the committee. You have up to 10 minutes to make your presentation and then we'll get into questions.

Go ahead.

Heather Fast (Manitoba Eco-Network): Thank you very much. Can you hear me okay?

Mr. Chairperson: Yes, we can.

H. Fast: Thanks.

Good evening, my name is Heather Fast and I'm the policy advocacy director of the Manitoba Eco-Network. Tonight I am speaking with you from Treaty 1, the territory of the Cree, Anishinabe, Oji-Cree, Dakota and Dene peoples and the homeland of the Métis peoples.

It's also important to acknowledge that the water I drink comes from Treaty 3 territory and the power I use comes from Treaty 5 territory and beyond.

* (19:00)

Since 1988, the Manitoba Eco-Network has promoted positive environmental action by supporting people and groups in our community. Our programming focuses on policy advocacy, engagement in consultation processes and developing capacity-building tools that benefit the environmental non-profit sector and our member groups. We are a public-interest, environmental organization seeking to promote and facilitate good environmental governance and the protection of Manitoba's environment for the benefit of current and future generations.

The Manitoba Eco-Network is a member of the Protect the PUB Coalition, and I'm here today to provide insight into some of the many concerns about this bill that we have been hearing from Manitobans. The main point of my comments is that we think Bill 36 should be withdrawn. As you'll hear from the many presenters signed up to speak on this bill, there are a wide range of concerns that need to be addressed through public consultation before legislation of this type is enacted.

In particular, there's a need to maintain the independence and effectiveness of the Public Utilities Board, and ensure citizens are given meaningful opportunity to participate in decision-making processes. My presentation today will therefore not be focused on suggested amendments to the bill. Instead, I'll discuss some of the key problems that Bill 36 will exacerbate if this bill is not withdrawn.

But first, I'd just like to note that I specialize in and teach statutory interpretation, and want to be clear that this omnibus bill has been a challenge for everyone to get through and understand, no matter what level of reading comprehension they may have. This is perhaps why political discourse on this bill has focused on such a small piece of the overall changes that could occur.

Either way, this is why the use of omnibus legislation to implement complicated legal changes is discouraged by those of us who advocate for meaningful public participation in legislative processes. It creates confusion and makes public participation even more difficult. So, I commend everyone that has come here today in an attempt to try and explain their perspectives on this very complicated piece of legislation.

As you may already be aware, the Manitoba Eco-Network is a regular participant in public consultation processes and administrative tribunal proceedings, including public hearings 'held' by the—held by the Public Utilities Board.

We think the PUB plays an important role in Manitoba, and is trusted by the public to provide independent oversight of important processes like the setting of gas and electricity rates, and review of the activities of Manitoba Hydro and Efficiency Manitoba, among other things. This is why we're so concerned with the changes that will occur to The Public Utilities Board Act as a result of part 2 of Bill 36 and other related sections.

We are particularly concerned with proposed changes to restrict the authority of the PUB, with respect to Manitoba Hydro and any analysis of regulations or directives of the government of Manitoba. The Manitoba Eco-Network is also concerned that a number of proposed changes will reduce opportunity for meaningful public participation in PUB hearings. This includes removing existing flexibility, in terms of when rate hearings can be held, no longer requiring oral hearings and allowing for written hearings to be held instead, and putting limits on hearing costs before knowing who wants to participate and what the scope of the hearing may be.

Other parts of Bill 36 will also limit meaningful public involvement. For example, under the proposed new section 38.1 of The Manitoba Hydro Act, Hydro's integrated resource plans will not be required to undergo a public review by the PUB. It will be up to the discretion of the minister to decide if they want the PUB's feedback or not.

There will also be no required public consultation period associated with integrated resource plans. Manitoba Hydro will only be required to describe any stakeholder consultations that have been carried out, with no specific requirements that must be met to ensure meaningful engagement.

Overall, we strongly disagree with suggestions that Bill 36 will benefit the public. Bill 36 will in fact have the opposite impact, and will reduce the opportunity for meaningful public participation in important energy governance processes. For this reason alone, the bill should be withdrawn.

Another significant concern the Manitoba Eco-Network has with Bill 36 involves the creation of a new category of projects called major new facilities. While we strongly encourage thorough review of all proposed large developments in Manitoba, the way major new facility has been defined in part 1 of Bill 36 does not align with the way proposed new developments are classified in the provincial environmental assessment process.

The Environment Act and its regulations, which set out the requirements for environmental assessment in Manitoba, divided projects into three categories: class 1, class 2 and class 3.

Each class requires an increasing level of scrutiny, with class 3 projects being recognized as having the most potential to cause negative impacts, and therefore requiring the highest level of review and public participation before approval.

It would seem to make the most sense to us that the definition of major new facility would align with the definition of a class 3 development, so all class 3 hydroelectric and transmission projects would be required to undergo a needs-for-and-alternatives-to review before such projects are licensed under The Environment Act.

However, this is not the case. Based on the 200 megawatt threshold and financial requirements imposed by the new section 16(5) of The Manitoba Hydro Act, which are stronger—stricter than the requirements for a class 3 development, only a small number of class 3 developments will actually trigger an NFAT review.

While we would love to see your required NFAT review for all classes of proposed developments in Manitoba, at a minimum all class 3 developments should be required to undergo this additional review, and the definition of major new facilities should reflect this.

Although I've only discussed a few major issues today and avoided most of the financial stuff, I want to emphasize that there are many other problems with Bill 36, as you will hear from my fellow presenters who are much more capable of discussing those other issues.

There's clearly more time needed to consult with concerned stakeholders and develop a new approach to energy governance in Manitoba that better aligns with public interests and other important legal processes, like environmental assessment and licensing under The Environment Act.

It's in the best interest of all Manitobans to protect the independence and effectiveness of the PUB, and ensure the public continues to have a meaningful role in review and decision-making processes. As a result, the Manitoba Eco-Network strongly recommends Bill 36 be withdrawn.

Thank you for your time and consideration of our recommendations.

Mr. Chairperson: Thank you very much, Ms. Fast, for your presentation.

We will now move into questions.

Mr. Friesen: Thank you, Ms. Fast, for being here and for making your comments.

I wanted you to know that from the government's perspective, it's our intention to, you know, expand and keep the authority that PUB not restricted, as you say, and I wondered if you would just comment on section 16 of the bill that talks about a new mechanism whereby a public review would be necessary by the Public Utilities Board before the development of major new facilities.

I wonder if you could talk about the fact that that didn't take place before, and wouldn't this create then, an improvement?

H. Fast: I would have to take a look at the bill again and since it's very complicated and I don't want to waste time, I don't think I can speak specifically to your question.

But I will say that at the Eco-Network, we would strongly support any future regulatory changes that is going to improve the assessment of proposed projects in Manitoba, particularly hydroelectric developments since, as many of us know, most of our major hydroelectric generating stations are currently only operating under a Water Power Act licence and haven't actually undergone the environmental assessment process.

So, any improvements that can be made on that front, we would very much like to see.

Mr. Sala: Thank you, Ms. Fast, for your presentation, and thank you for your work with the Manitoba Eco-Network.

One thing you referenced is that, as a representative of the Eco-Network, that you have acted as an intervenor in previous rate hearings. We know that Bill 36 restricts the opportunities for intervenors to have their say or to be heard in rate-setting processes.

Could you share a bit about your concern or your thoughts around the impact of that limiting of the opportunity for intervenors to be part of the rate-setting process?

H. Fast: So, actually, the Manitoba Eco-Network, most often takes the opportunity to participate through public presentations, so we may not actually be an intervenor.

We often collaborate with organizations that are—that do have that status, and we have been especially resource-strapped since we've lost our core funding.

However, that's one of the main reasons that we are so concerned with some of the changes, such as the ability to have a written hearing only, because it would reduce the opportunity for organizations like ours to engage, even in a small way, in some of these very important regulatory proceedings.

So, I can't speak to the experience of an intervenor; we are currently an intervenor in the current Clean Environment Commission hearing that's ongoing, so I'll have feedback on that down the road, but for now I would just emphasize that it's really important for resource-strapped organizations to be able to make a public presentation and participate in some way when it comes to regulatory proceedings.

* (19:10)

Mr. Chairperson: Mr. Lamont, do you have a question?

Mr. Lamont: Just a quick one.

I mean, I think one of the—one of my concerns, if I'm allowed to share them, is that there's essentially a budget restriction being placed on the PUB. So, I'm wondering whether that—how you see that as being—or, the fact that they're going have to sort of apply for funding to explain how—for the cost of it.

I sort of think, you know, it's a stitch in—you know, to say a stitch in nine saves—a stitch in time saves nine, I think, is it. That it's a way, if we're going to be spending \$10 million on it—on a hearing, we may be able to save hundreds of million dollars or billions of dollars.

So, I don't know if you have any thoughts about that.

H. Fast: I did, unfortunately, miss the first part of your question. It didn't quite come through to me.

But, in terms of responding to the piece I did hear, I think it would be premature to try and determine what the potential hearing costs of something might be when you're not even aware of what the potential scope may be or who the stakeholders are going to—that are going to engage in the process.

Having the ability for flexibility in terms of the types of costs that can be ordered, and that type of thing can be very beneficial from a participation angle and would allow interveners sometimes to bring in evidence that otherwise would not be able to be heard if hearing costs were limited before the hearing was even developed or decided what the scope fit will be.

Mr. Chairperson: Okay, thank you, Ms. Fast, for your presentation today, and for taking time to also answer questions from members of the committee.

At this time, I'd like to ask leave from the committee if we can check back with Shoshana Kraut to see if she's able to join us at this time. Is there agreement? *[Agreed]*

Thank you. Then we will now call on Shoshana Kraut to see if she's able to join the committee at this time.

All right, I believe I can see you on the screen there, Ms. Kraut. Welcome to the committee. You have up to 10 minutes to make your presentation, and after that, we'll have an up to a five-minute question period.

You can go ahead and begin your presentation when you're ready.

Shoshana Kraut (Private Citizen): Thank you very much for the opportunity to present to the committee tonight regarding Bill 36. I'm a private citizen.

I believe that Bill 36 is not in the best interests of ratepayers, Manitobans and, more specifically, communities that have been significantly impacted by Manitoba Hydro operations. I believe an independent Public Utilities Board that—balances the needs of ratepayers, Manitobans and communities that have been impacted by Manitoba Hydro operations, Manitoba Hydro and the Manitoba government. I strongly support an independent Public Utilities Board that is wholly responsible for providing transparent rate-setting rates. I do not believe that Manitoba government should legislate financial targets for rate-setting purposes.

Specifically, I want to speak about my concerns about section 38. First, I'm going to provide a definition of what an integrated resource plan is. According to E. Hirst and C. Goldman, in Key issues of integrated resource planning for electric utilities: an integrated resource plan is a means for utilities and state regulatory commissions to consistently assess a variety of demand-and-supply resources to cost effectively meet customer energy source needs.

Mr. Vice-Chairperson in the Chair

However, in section 38, it is not required that an IR plan—an IRP would be referred to the regulator. This concerns me a great deal. I believe that an IRP is a wonderful document that provides a basis for rate-setting purposes. From the IRP document and report, the capital expenditure forecast is made and that determines—and that is part of determining the rates that should be—rates.

I also believe that this is part of making sure—it's important that the IRP process is transparent. I do not think that a report that Manitoba Hydro submits to the minister of the Manitoba government with limited public engagement at the initial initial planning stages of the report is sufficient to provide public engagement.

I also believe that the IRP is—I believe that the Public Utilities Board should measure the interest of the ratepayers, Manitobans in general and specifically communities that have been negatively impacted by Manitoba Hydro operations, Manitoba Hydro and the Manitoba government in the integrated resource planning process and final report, in a similar fashion to Nova Scotia Power and its commission.

Nova Scotia Power and its commission have been producing IRP reports from 2007, 2009, 2014 and 2020. Their process is clear and transparent. By making an integrated resource plan report submitted to the minister, rather than submitted to the Public Utilities Board for consultation with Manitobans, communities that have been impacted by Manitoba's operations, the process is not clear or transparent.

I also believe that there is something that has been missed in section 38.31. Points A to F describe what the integrated resource plan ought to contain. I believe another point—there's another point that would be of value to consider in an integrated resource planning process: Manitoba Hydro has 15 hydro-generating stations. Several of these stations have approached or are approaching 100 years of service. It would be

prudent to consider the costs and benefits of these stations as part of an integrated resource plan.

And this is the core of a research plan: to consider supply against the demand, and determine a cost-effective and appropriate planning outcome. This would improve the transparency of decisions around these aging generating stations.

It is worth noting that an IRP also considers the values and costs of existing assets rather than just new builds. Multiple examples of IRPs that, if you wish, I can list, also include discussions and considerations of retiring of existing assets once they've reached the end of their life.

I thank you for your time, and I ask that the Bill 36 be withdrawn.

Mr. Vice-Chairperson: Thank you so much for your presentation.

And if you're wondering if, perhaps, the Chair lost his hair and looks a little younger, and—I won't go too far down that road, but he's had to step away for a moment and I'm sitting in for him.

Let's get back down to business here. And the minister does have some comments.

So, Minister, please go ahead.

Mr. Friesen: Ms. Kraut, thank you for joining us this evening at committee. I really appreciate your presentation and your thoughts on the IRP. We do believe it's high time for Manitoba Hydro to do a much more comprehensive evaluation of its needs, of its assets.

I really appreciate your comments, as well, in terms of also evaluating those legacy assets. So that's food for thought, I thank you for that.

Just wanted to ask you to comment: the IRP is published and it can, of course, be referred to the PUB. Does that give you more comfort? *[interjection]*

Mr. Vice-Chairperson: Ms. Kraut, please go ahead.

S. Kraut: I apologize.

The IRP is at the core of a rate-setting process. It is one of the first documents that needs to be produced to provide a transparent and appropriate rate for the benefit of the utility, the government, Manitobans and ratepayers. And it is insufficient to simply produce it as a report and publish it online, and possibly provide it to the PUB at some point in the future.

Mr. Vice-Chairperson: The—Mr. Sala has a question.

Mr. Sala, please go ahead.

Mr. Sala: Thank you so much, Ms. Kraut, for your presentation. It's greatly appreciated, and it's great that you made the time to come here to share your concerns about Bill 36. This is a really important opportunity, and grateful that you're here.

I just wanted to comment—or, I appreciate your referencing of the IRP and the importance of that; that's a significant process. We haven't had one undertaken in some time within Manitoba Hydro.

What are your thoughts about the idea of the IRP, which is currently being developed right now—again, which hasn't been done in many years—and then, at the same time, bringing forward a bill like Bill 36, which is transformational in terms of rate setting?

* (19:20)

What are your thoughts and comments on the wisdom of bringing forward this bill while this IRP is currently in development?

Mr. Vice-Chairperson: Ms. Kraut, please go ahead.

S. Kraut: I think that it is important to legislate an IRP.

I'm not—I do not believe that Bill 36 is—and how it's been presented in Bill 36 is good enough. I think that part of the problem with developing an IRP without legislation to back it is it's very difficult to know what to do with it, because the guidance would be in the legislation that's required to create it. Yes.

Mr. Lamont: Yes, just—thank you very much for your presentation. It's much appreciated.

I guess the one question I have is if you can just speak a bit about your concerns around the way that rates are being set in this bill. I know that the PUB, you know, ideally, it's independent and is able to set these prices on its own.

So, if you could just talk about your concerns about that or expand on your concerns about that a little.

Mr. Vice-Chairperson: Ms. Kraut. Please go ahead, Ms. Kraut.

S. Kraut: I believe that in order for rates to be transparent and also sufficient for the utility and also take in account ratepayers, that it really needs to be set by an independent commission or board.

I don't believe that—I believe that it has to be done independently. Otherwise, I don't know if the rates

would be appropriate for ratepayers and for the utility to continue its operations.

Mr. Vice-Chairperson: Are there any further questions?

Seeing none, Ms. Kraut, we thank you for your time and presentation, and we will now move to No. 7 presenter—I hope I say this correctly—Neil *[phonetic]* Harney. *[interjection]* Did I say your name accurately?

Niall Harney (Canadian Centre for Policy Alternatives-Manitoba): Niall.

Mr. Vice-Chairperson: Niall. We had a mini discussion here. My apologies, Niall.

Welcome, and please go ahead. You have up to 10 minutes to make your presentation, and then there will be up to five minutes of interaction following your presentation.

The clock starts now. Please go ahead.

N. Harney: Great. Thank you.

So, my name is Niall Harney. I am a senior researcher at the Canadian Centre for Policy Alternatives, Manitoba, where I hold the Errol Black Chair in Labour Issues.

The Canadian Centre for Policy Alternatives is Canada's leading progressive research institute with offices across the country. We publish independent research on a wide range of public policy topics and regularly comment on Manitoba Hydro.

I'm making this presentation out of concern over the legislative changes proposed within Bill 36, The Manitoba Hydro Amendment and Public Utilities Board Amendment Act. The proposals within Bill 36 to remove Public Utilities Board oversight of electricity and gas rate setting, as well as to legislate debt-to-equity targets for Manitoba Hydro, are unnecessary moves that tamper with the affairs of the Crown Corporation.

Mr. Chairperson in the Chair

This legislation will undermine independent regulatory oversight of Manitoba's largest Crown Corporation while also exposing Manitobans to rate increases beyond what would be allowed by the Public Utilities Board.

The Manitoba Public Utilities Board provides independent, evidence-based and transparent assessment of Manitoba Hydro rates. The assessment

balances both the interests of consumers and the financial interests of Hydro.

In public statements on Bill 36, the Premier (Mrs. Stefanson) and Finance Minister have claimed that PUB regulatory hearings cost Manitoba Hydro customers \$10 million per year, a figure that is driving up Hydro rates. Just last March, Minister Friesen, while commenting on the bill, stated, quote: It is not in our interests on an annual basis, to have a hearing that costs \$10 million. That's a significant cost that could go to keeping rates lower.

The PUB has proven to be a highly cost-effective regulator for Manitobans. Documents from Manitoba Hydro submitted to the PUB on July 8th, 2022 show that Manitoba Hydro incurred an average annual regulatory cost of \$2.91 billion for PUB proceedings over the last eight years.

Further calculations from PUB intervenors show that the cost of PUB oversight, on average—to the average Manitoba hydroelectricity bill, accounts for just 0.03 per cent—sorry, 0.3 per cent, and 0.7 per cent on the average gas bill. It does not 'aberr'—appear to be the case that PUB oversight of electricity and gas rate setting is driving up energy bills.

In 2007–'17 and 2018, Manitoba Hydro applied to the PUB for rate increases of 7.9 per cent, citing a need to fund ongoing operations, replenish equity and ensure debt was sustainable. In 2018, after hearing, quote, 31 days of oral evidence, including four Manitoba Hydro witness panels, nine intervenor-retained witness panels, five independent expert consultant witness panels, a ratepayer panel sponsored by the Consumers Coalition, Manitoba Hydro's oral rebuttal evidence and three oral presentation sessions, along with three public presentations, the board concluded that there was no evidence 7.9 per cent increases were required and instead granted Hydro 3.6 per cent annual increases. In its final statement, the board stated it must, quote, balance the financial health of Manitoba Hydro with the interests of ratepayers.

Again, in 2019, Hydro applied for a 3.5 per cent increase, which was reduced by the PUB to 2.5 per cent. Once again, Manitoba ratepayers were protected from excessive rate increases by the independent PUB process. Byron Williams, from the Public Interest Law Centre, estimates that the PUB's ruling in 2018 saved Manitobans as much as \$60 million.

Manitoba hydroelectricity rates are among the lowest in North America. The robust oversight provided by the PUB has repeatedly ensured that rates have been kept low while the financial health of Manitoba Hydro was preserved. By stripping the PUB of its rate-setting function and by removing much of the independent oversight in PUB rate-setting hearings, Bill 36 puts both the interests of ratepayers and Manitoba Hydro in jeopardy. By transferring rate-setting capacity to the provincial Cabinet, the changes within Bill 36 open the door to political influence over rate setting rather than independent assessment.

Perhaps most concerning of the legislative changes proposed in Bill 36 are the debt-to-equity mandates which will be imposed on Manitoba Hydro. No rationale has been made in public for the debt-to-equity mandates included in the legislation. As noted by PUB intervenors, these mandates are likely to require hydro rate increases above what would be approved by the PUB.

Expert testimony given by PUB—given at PUB hearings has repeatedly found that claims of imminent financial emergency due to Hydro's debt levels are not backed up by credible evidence. The debt load at Manitoba Hydro is not divergent from what was approved by the PUB and bond-rating agencies before Bipole III and Keeyask were started. As costs from these two projects wind down in the coming years and export contracts come into full effect, it is expected that Manitoba Hydro will sustainably reduce its debt levels.

Manitoba's debt-to-GDP ratio is currently below pre-pandemic levels, and there is no evidence that Hydro's debt is impacting the Province's interest rates.

As far as the interests of Hydro and ratepayers are concerned, there is not credible reason to expedite debt repayment. If one emerges in the future, independent, transparent and thorough review should be used to set repayment targets, rather than legislation.

Claims that Bill 36 will save ratepayers money while improving the financial health of Manitoba Hydro do not stand up to scrutiny. In fact, it appears that, by reducing public oversight of Hydro rate setting, this bill exposes both ratepayers and Manitoba Hydro to worrying opportunities for political manipulation.

I can see no credible justification for this bill, and believe it should be withdrawn.

Thank you.

Mr. Chairperson: Thank you, Mr. Harney, for your presentation.

We'll now move to a five-minute question period.

Mr. Friesen: Thank you, Mr. Harney.

The purpose of the bill—in the government's mind—is, actually, to stabilize Manitoba Hydro and preserve the very low rates that you, yourself, cited as being low. They are second lowest in North America. We are proud of that advantage to all Manitobans and plan to protect it with various parts of the bill.

Can you tell me—you didn't seem to express any particular fear or worry about debt; the debt's tripled at Hydro, 40 cents on every dollar goes to debt payment—how high is too high? *[interjection]*

Mr. Chairperson: Mr. Harney, and I just have to recognize you.

I'm not trying to cut you off, but I do need to recognize you before you can speak so that our Hansard operatives get everything clear.

N. Harney: My mistake, thank you.

* (19:30)

This has—this topic has been discussed extensively at PUB hearings. This was discussed in 2017 and 2018, when those 7.9 per cent rate increases were proposed. And, again, there was hours of expert testimony given by market experts on the issue of Manitoba Hydro's debt, and it was decided at those rate hearings that the debt level is currently sustainable, and there is ample evidence that the debt will be paid down sustainably over the coming decades.

Mr. Sala: Thank you so much for your presentation.

You've made so many important points here and reinforced the importance of the Public Utilities Board in helping to keep rates low. In fact, that is their role, to ensure we pay as little as possible for our utilities and they've done an excellent job of that.

I just am hoping you can comment on what you perceive is the likely impacts of Bill 36 on working families, as someone who works for a progressive policy institute that works in support and does a lot of policy work focused on the interests of working families.

How do you think Bill 36 will impact low-income working families in Manitoba?

N. Harney: The concern that's been raised throughout the discussion of this bill is the question of whether

this will bring in higher than normal, or higher than the PUB would have typically approved, rate increases.

The PUB has proved time and time again to have the interest of Manitoban families and working families at—within its purview, and it's consistently approved rate increases that are lower than what Manitoba Hydro itself has called for, and so this is something that needs to be maintained going forward.

Once again, this bill, by removing the influence of the PUB over rate setting, creates the opportunity for manipulation or for use of—or for rate setting that doesn't necessarily balance fully the needs of rate payers, Manitoban working families, with the needs of Hydro, and that's why the PUB needs to be maintained in its current function.

Mr. Lamont: Thank you very much. It was an excellent presentation, I agree.

If you could just expand a bit on the issues of the debt cap. I know that it's being presented as being stabilizing, but I know that things like debt ceilings in the US are monumentally destabilizing because they lead to the entire shutdown of the government.

So, if you could just talk a bit about your concerns around the debt cap. *[interjection]*

Mr. Chairperson: Mr. Harney.

N. Harney: My mistake, sorry.

My concern here is that these debt targets are being set pre-emptive of any, you know, evidence on where we're actually going to be in 15 years or in 20 years.

The evidence from PUB hearings is that the debt is sustainable at its current level and that it will be paid back at a sustainable level over the coming, you know, decades.

It's important to note that Manitoba Hydro was in single-digit debt-to-equity ratios from 1977 until 1995, and the ceiling did not fall in, so it's pre-emptive to try and create these debt ceilings without any review of where the finances are actually at. And, again, if there is an issue with Manitoba Hydro's debt, that should be going through an independent tribunal process at the PUB, which I believe it would.

If there was a problem with the debt and rates did need to be increased at a higher level, that should go through an independent tribunal process, rather than being legislated pre-emptively.

Mr. Chairperson: Any further questions from members of the committee?

Seeing none that I—oh, Mr. Lamont, with a follow-up.

Mr. Lamont: Oh, just one quick follow-up, which is just about some of the, I would say, the perverse incentives around capital taxes and debt these—that there was a PUB recommendation that—because it was perceived there's political interference in—or, prior to 2018, that the PUB actually ordered Hydro—the government to pay Hydro back, so—\$900 million for—over the years.

Is that the—do you see that being an acceptable way to return to balance for the—or, to help Hydro out? The government's been taking so much out.

Mr. Chairperson: Mr. Harney, we're almost out of time, but I will give you 30 seconds to respond.

N. Harney: You know, that's an excellent question.

I am just wrapping my head around this issue, and that's not something that I'm particularly familiar with at this time.

An Honourable Member: I'll send you an email.

N. Harney: Okay, thanks very much.

Mr. Chairperson: All right, thank you very much, Mr. Harney, for your presentation, and for answering the questions from the committee.

We're now going to call our next presenter, Kate Kehler from the Social Planning Council of Winnipeg.

Kate Kehler is apparently not here at the moment, so we will drop her to the bottom of the list and we'll call her name again later.

We'll now move to the next presenter, which is Ted Scoles. Ted Scoles, private citizen, is appearing in person.

Welcome to the committee, sir, and you may begin with your presentation whenever you're ready. You have 10 minutes.

Ted Scoles (Private Citizen): I've been looking at you over here all night.

Mr. Chairperson: I'm over here.

T. Scoles: Well, good evening, everyone. I'm a resident of Winnipeg and I've been a Manitoba consumer for many years.

I'm opposed to Bill 36, just as I was opposed to bill 35, which was withdrawn by government after the opposition forced it to be set aside during April 2021 session of the Manitoba Legislature. Now, Minister Cammer [*phonetic*] Friesen falsely claims it was pulled by government in order to give Premier Stefanson the opportunity to set her own agenda. This assertion by Minister Friesen is absolutely untrue.

Why am I and so many other Manitobans in various organizations representing consumers opposed to Bill 36?

(1) This bill, if it becomes law, will remove the PUB from its current legislated responsibility at traditional rate setting of electricity rates in Manitoba.

(2) It'll give the government of the day, and future governments, the sole right to determine consumer electricity rates by sitting around the Cabinet table with absolutely no input from us as consumers, and possibly no say by Manitoba Hydro.

(3) If the government of the day, or successive governments, decide to privatize the profitable parts of Manitoba Hydro, such as the generation and the transmission of electricity, they'll only have to discuss it around the Cabinet table. The PUB, in its neutered state, will not be consulted and, therefore, Manitoba consumers will have no knowledge of or input into this very impactful decision; and

(4) And possibly—and more importantly for the citizens of Manitoba, is the future of electricity: (a) it's a clean, renewable energy resource; (b) the marketability of electricity is growing due to the electrification of the transportation industry and the planned curtailment of fossil fuel development projects.

As quoted in the September 24th Free Press article about Snow Lake resources, where—the CEO of LG stated that their South Korean company's long-term plan is to focus on North America as the fastest growing EV market.

Why is the current government so—this is another question that I have. Why is the current government so bent on getting Bill 36 into law? Could it be a bit like the Manitoba telephone system in the early 1990s, when the CRTC assumed regulatory responsibility for all Canadian telcos, thus relieving the PUB in Manitoba of its jurisdiction? The government of that day then decided around the Cabinet table to privatize MTS in January 1997.

It's interesting to note that SaskTel, still a Crown corporation, feeds approximately \$75 million annually into the Saskatchewan treasury, and while doing so, continues to provide excellent service to its customers, just as MTS did to its customers prior to 1997.

* (19:40)

If the current government neuters the PUB jurisdiction from Manitoba Hydro, this same scenario could emerge at Hydro as it did at MTS 25 years ago, but much, much worse.

The privatization of the profitable parts of Hydro would be a betrayal to Manitoba citizens. And it would prove to be a colossal loss of a great resource that one day may prove to be as valuable to Manitoba as oil is currently to Alberta. It's obvious to me, as it should be to all Manitoba citizens, that the current Stefanson-led government wants to ignore any positive benefits that may come from the foresight and the actions of past-government-initiated Hydro development. Yes, that development created a debt. But so does most every large development project, including purchases such as your house, may have cost you 25- to a 40-year mortgage.

I urge the government to withdraw Bill 36 from this session of the Legislature. And, if the government believes the PUB is detrimental to the future rate needs of Manitoba Hydro, to offset the debt-equity ratio and the risk of its capital initiatives on Manitoba consumers, then the current government should make this an election issue in 2023.

Furthermore, they could immediately stop talking half a billion dollars from Hydro's bottom line for water rentals. As noted in the Winnipeg Free Press on January 24th, '22, I recognize water rental is inherent in the Manitoba Water Power Act. I also note that the Doer government doubled the amount that could be charged. It seems the current government's okay with this policy, noting that \$480 million is budgeted to be extracted from Manitoba Hydro revenue in fiscal year '21-22.

We, the citizens of Manitoba, must prevent Bill 36 from becoming law. Bill 36 is not a fix.

Thank you very much for the opportunity.

Mr. Chairperson: Thank you so much, Mr. Scoles, for your presentation.

We're going to—we could all hear you clearly, so don't worry about that. We're going to move ahead to

question period now, and I'll ask the honourable Minister Friesen to ask first question.

Mr. Friesen: Thank you, Mr. Scoles.

You asked why is our government bringing this bill: because we believe that action is necessary to stabilize Hydro and protect the low-rate advantage that you spoke about, which we believe is put at risk by a tripling of the debt in a space of seven years, which has resulted in annual debt payments of a billion dollars by Hydro.

Do you agree with that—utility with lower debt, and lower debt payment, can actually offer lower rates in future, because it has less leverage?

T. Scoles: Well, with respect to the debt that the Keysak [*phonetic*] and the—Bipole III created, over an eight- or nine-year capital program of that volume, and being done in the North—north of the 56th parallel, basically, I would put it this way: that I spent 25 years of my career working north of 53. I had some idea of how difficult it is to meet a budget of one year in the range of \$10 million.

I could only imagine how difficult it would be to meet a budget over a 10-year project—or, eight years, that's in the range of \$10 billion—albeit, I guess it turns out to be 3 per cent a year, in a rough calculation—or less. I don't know how it possibly could maybe have been done any other way. And if that's a fault of the management of Manitoba Hydro, well, I for one can understand a little bit about how it might happen, in that extent, to that kind of project.

Mr. Sala: Thank you so much, Mr. Scoles, for your presentation. It was excellent.

I suppose I just want to ask—we've heard Minister Friesen assert that this bill is being brought forward to protect Manitoba Hydro over the long run.

Do you believe that Bill 36 will protect Manitoba Hydro over the long run? [*interjection*]

Mr. Chairperson: Mr. Scoles.

T. Scoles: Sorry.

No, I don't see anything in Bill 36 that's going to protect Hydro more than what the PUB does today and will do in the future, I'm sure, because it allows all of the people in Manitoba to know what's going on at Manitoba Hydro.

And already, Hydro, because of the PUB, had to withdraw from the Conawapa project. I suspect, one day, maybe, that'll be a worthy project. But if it is, and

if the PUB is there, they will have examined it in quite detail, I'm sure.

Mr. Lamont: If you could just expand a little about the water rentals, because I know that there were—there are huge amounts of—if the government were actually to pause water rentals and other—or, the taxes they would pay, that Hydro would have a lot more to pay off its debt with.

So, if you could just talk a little bit about that.
[interjection]

Mr. Chairperson: Mr. Scoles.

T. Scoles: Sorry.

I—yes, I realize that the Manitoba government of the day, and any previous days, their revenues are increased by the water rental that the government charges Hydro for. It is covered under The Water Power Act, so it's legitimate and every government has done it. And even the 'goer'—Doer government doubled it, and it's continued to be in that double capacity ever since, it seems.

I think, for Manitoba Hydro, it's unfortunate that that is the case, because it doesn't cost the government one iota to allow that water to run down the river. And last year, not so much ran down. This year, there's lots. So, I think it's a real windfall for the government.

And this year, and probably next year, will be a huge windfall, as was noted in the Free Press, of \$480 million in this fiscal year.

Mr. Chairperson: All right. I thank you, Mr. Scoles, for your presentation, and for answering questions from the committee. We've come to the end of our question period.

I'm now going to call the next presenter forward.
[interjection] Thank you.

Dennis Woodford. Dennis Woodford, private citizen, is appearing in person.

Mr. Woodford, you can begin your presentation whenever you want. You have up to 10 minutes.

Dennis Woodford (Private Citizen): I'm pleased to be here.

But before I start, I'd like to commend you all for your service to the democracy of this province. This is so precious these days, and you being here is evidence of our democracy in action. I thank you.

I basically agree with most of what all has been said this morning—or, this evening. What I present here is done so with respect.

My name is Dennis Woodford, as said. I'm a professional engineer. I first started work at Manitoba Hydro in 1973 in the transmission planning department; worked on Bipole I, Bipole II and the Winnipeg-Twin Cities 500 kV transmission line, which was commissioned in May 1980.

* (19:50)

In 1986, I was appointed executive director of the Manitoba HVDC Research Centre formed to back up the DC development in this province. In 2001, I left and formed an electric power system consulting company called Electranix Corporation, and am it's president.

Electranix undertakes high-level electric grid studies around the world with developed countries moving toward renewable energy. I'm also chair of the Manitoba Energy Council, which is the—what came out of the Bipole III Coalition in earlier days.

My emphasis today is on, of course, PUB and Manitoba Hydro.

Now, Electranix Corporation undertakes a lot of work in the US, helping electric utilities, independent system operators, developers. Each US state has a public utilities commission, which is the equivalent of our Public Utilities Board, for each state.

I can say with confidence that I'm well qualified in—regarding Bill 36 on the specifically the technical side.

Bill 36 appears to keep our electricity rates below inflation, and does a reasonably good job, but I have appeared before the PUB here quite a few times, and it keeps the Manitoba Hydro debt high, however—this is Bill 36; means a high level of loan guarantees in addition to water rentals: all good for the government, but not so good for the debt load of Manitoba Hydro.

In this respect, we see a conflict of interest. With all due respect to Minister Friesen, you have the Minister of Finance (Mr. Friesen) also as the Minister of Manitoba Hydro. This is like having the poacher becoming the gamekeeper. Please change this, respectfully, Minister Friesen.

Electrification is the energy of the future, and the needs—and needs exceptional attention, such as we're beginning to see in our federal government and also in the US. But what about in the long term? As

the world turns to electrification as the main source of energy, there's expectations and the need for low-cost electricity will increase much faster than most anticipate today.

So how does Bill 36 help? First, Bill 36 is based on a 20th century Manitoba monopoly. The changes to electricity delivery and use to be will be dramatic over the next 15 years or more.

Now, Ms. Jay Grewal, who is the president of Manitoba Hydro, alluded to this in her September 2019 address to the Manitoba Chambers of Commerce in September 25th, 2019, when she referenced many future developments in the use of electricity; these include the term prosumer, I won't go into that.

The grid today is not the grid tomorrow—these are quotes. And the shift from fossil fuel into electric-powered transportation will have wide-ranging impact to the commerce and industry in Manitoba. Those words are from President Grewal.

To achieve these changes, there will be significant need for experts: experts from inside and outside the province. For the integrated resource plan required by Bill 36 to be effective, it must be fast-acting and flexible. To propose a development of any new major facility over 20 years is dreaming in technicolour—well, in fantasy land—because of the rapid changes coming at us at express speed.

By way of example, we have been working with the Hawaiian Electric Company, known as HECO, for many years, but they are moving quickly forward to get off all shipped oil and coal, for obvious reasons, and will become completely renewable in a few years.

The mandate for the PUC, public utilities commission, in Hawaii is from the public. Their mandate is from the public and the state government.

As one of the experts for HECO, we have sat across the table from their PUC and their experts, some of which are not just from Hawaii but from experts in the United States on the mainland, to agree on plans and developments for the clean energy electricity future for the islands, for public and government approval, which the PUC there does with these ideas that they receive from the experts that they have and the experts that the utility has.

It must be emphasized that the PUC in Hawaii plays a centre role in moving electrification forward and quickly, and planning must be flexible.

Bill 36 requires the, quote: The retail supply of power by persons other than Manitoba Hydro is

allowed in—excuse me—in limited circumstances. Outdated provisions are repealed. This requires—end of quote. This required—requirement of Bill 36 goes against the Brad Wall report, which this government instigated, which states in recommendation No. 1.5 to allow merchant plants; and in—recommendation No. 2.5 states, fostering competition for merchant plants will drive efficiencies and cost reduction of all such projects, including those pursued by Manitoba Hydro.

Why weren't the recommendations of Brad Wall followed in Bill 36? This is the way most utilities around the world are acting and operating, all to keep electricity priced competitive with the consumers. They don't have the luxury of the low price we have because—I'll just give you a bit of history: we have our earlier hydro plants, up to Limestone. I was told by—I was involved in that a bit, but Limestone was generating, because it was so cheap, at about 2 cents a kilowatt hour. That was great. We kept our rates pretty flat for quite a while after that.

And I read that the University of Manitoba school of whatever had recommended in the paper that Keeyask is generating at 12 cents a kilowatt hour, while Limestone is still at two. And this is why we're getting these big debts.

Well, further to the PUB—well, I'll jump over that. I'm just going to mention that I did work for the government of California and for their California energy commission for quite a while, and everything I—we presented had to comply with the California PUC. That's—the government had to comply with the PUC of the state of California. It doesn't seem to be the way we're going here—

Mr. Chairperson: All right, I'm sorry, Mr. Woodford, but that's the end of the 10 minutes that we have available to you.

We're going to shift to question period. Feel free to take as long as you want on your answers, and if there's parts of your presentation you haven't mentioned yet, I think the members here would be happy to hear them as you respond.

Mr. Friesen: Thank you, Mr. Woodford. It's a pleasure to have you here this evening. We could go on for a long time. I'd love to hear more of your expertise.

I wanted to ask—you've taken a different approach than many of the presenters that have presented today. You seem to suggest that the bill actually does keep

rates low, but it doesn't do enough to address high debt.

What would you say to those who spoke before you who say debt's very high but it'll all get back to normal on its own?

* (20:00)

D. Woodford: Yes, I'm not sure I quite heard all that properly.

Could you give me the essence again, please?

Mr. Friesen: I'll go more quickly this time.

But I'll just say, sir, what would you say to those who spoke before you and suggested, yes, debt is very high at Hydro right now, but it'll all be okay in time and, essentially, it'll resolve itself, and Hydro will just keep paying down debt?

D. Woodford: If we made the transmission open access and put in competitive generation, as recommended by former premier Brad Wall, that would do one thing about it.

And the other thing I would recommend, that since the government was instrumental in putting this debt in place in the first place—or, the governments—that take a big chunk of that out and put it in the Treasury and let the generation in Manitoba be competitive. And I'm thinking mainly, there, of Keeyask and Wuskwatim.

Mr. Sala: Thank you so much, Mr. Woodford, for bringing your expertise here tonight to this committee. It's greatly appreciated.

I wanted to ask you, in regards—you do have expertise in regulation. You referenced your familiarity with a number of other jurisdictions. I'm wondering if you can comment: Do you believe that our current approach to rate setting and regulation here in Manitoba is deficient in any way? Do you believe that it needs to be modified? Or do you believe that it has served Manitobans well? *[interjection]*

Mr. Chairperson: Mr. Woodford, you'll have to repeat that.

D. Woodford: Sorry. I believe that the PUB has served Manitobans well.

Mr. Chairperson: Mr. Lamont, with a question.

Mr. Lamont: Thank you very, very much. It was a fascinating and—it was a wonderful presentation.

I—if you could expand just a little, when you were talking about the Treasury, you're—essentially, are you

suggesting that the government of Manitoba take on some of the—or, either take on Hydro's debt, which in a sense is saying that they're going to—they're—in a way, they're putting back—or, they're giving money back to Hydro that they took out.

Is that—am I right in—am I interpreting your comments correctly?

D. Woodford: Essentially, I would say yes.

By government action, we've formed this debt, and I think, if the government wants to make competitive generation available—not at 12 cents a kilowatt hour, but somewhere down lower—they should take some of that debt away and reduce the cost of the generation, because that's causing the cost of the generation at the terminals at the generators of Keeyask and Wuskwatim.

Mr. Chairperson: Any follow-up questions from members of the committee?

All right, then, I thank you very much, Mr. Woodford, for your expert testimony today, and I will now move ahead to calling the next presenter.

Wendy Land. Wendy Land, private citizen, is the next presenter. It appears that Wendy Land is not here, so I will add her name to the end of the presenters. We will call her again once more before we close for the evening.

The next presenter is Dudley Thompson. Dudley Thompson. Mr. Thompson is appearing in person, and we welcome you to the committee. You can present for up to 10 minutes.

You have the floor.

Dudley Thompson (Private Citizen): Great, thank you very much, committee members. Thank you for the opportunity to speak to you this evening.

My name is Dudley Thompson, and I'm an architect in Manitoba and—with a focus on sustainability. I'm also speaking as a member of the Sustainable Building Manitoba committee. I'm a previous member of the Manitoba Hydro board, having served on the board, on the audit committee, from 2009 to 2014 under the chairmanship of Bill Fraser.

I want to start by indicating my opposition to Bill 36 and would recommend that it be withdrawn.

As I understand Bill 36, there are two reasons the government wants—gives for wanting to change the legislation. The first, they contend that the cost of independent decisions that the PUB make are too

expensive and that Manitoba would be better served by a simpler rate-setting process undertaken by Cabinet.

Second, the government believes that the debt-to-equity ratio of Manitoba Hydro is too high and wants to lower this ratio by increased rate hikes to the consumer to pay down the debt. And we've heard a lot about this today so far, and I'll talk more about that later.

Before I speak on these two issues, I want to talk about my personal experiences with the PUB during my appointment to the Manitoba Hydro board of directors and the audit committee.

The audit committee had fiduciary responsibility to review the finances of this massive corporation. This was an extremely complex task, especially in the time leading to the decision to implement Keeyask. As a layperson, the fiduciary responsibility for a \$30-billion company and a \$10-billion hydro dam were extremely stressful, complex and full of risk. I run a small—well, 20—I—at the time, a 25-person architectural firm, and this was quite a leap in my financial expertise. However, what was helpful was that there was a very comprehensive and impartial process to make this final decision on whether or not to go ahead with the dam.

The decision to proceed was not to be determined around a Cabinet table or in a Hydro boardroom. Rather, the decision was to be made in a professional, transparent and accountable process undertaken by the Public Utilities Board. In this process, Hydro was formally asked to present details of the proposal to public scrutiny, and the PUB was to determine approval, denial or variance on the proposal.

In June 2014, Manitoba Hydro presented their final submission entitled the needs for and alternatives to—the NFAT—review of Manitoba Hydro's preferred development plan. This plan had been about two or three years in process. It had taken hundreds of people to bring it to fruition.

The PUB was charged with performing a thorough evaluation of the project through an extensive public hearing process. Citizens were invited to give their opinions. Experts were tasked with detailed analysis. Intervenors and ratepayers were encouraged to provide their comments and concerns. Thousands of questions were asked of Manitoba Hydro because I remember hearing many of them at the board. And months of testimony 'ras' recorded.

The NFAT report was reviewed by dozens of independent intervenors in a highly evidence-based and transparent format under the mandate of the PUB. At the end of the day, the PUB made the decision to allow Manitoba Hydro to proceed with Keeyask, but it rejected the proposal to develop Conawapa.

And I want to stress this for this government, because here's a body that they're trying to get rid of that made a very concerted effort to transform what would have happened had it not been in place.

So, as a board member and a citizen, I was very grateful for the transparent and comprehensive work of the PUB. The decision by an independent PUB enabled me, as a member of the board, to feel confident in my subsequent vote to proceed with the project.

So, now, back to the two reasons given by the government to introduce Bill 36. The first related to the excessive cost of the taxpayer of operating the PUB. And we've talked a bit about this today, so I'm not going to go into it in great detail, but as indicated in the Keeyask project, without the independence and 'transparency' of the third party review, there would have not have been serious confidence in proceeding with the project.

Similarly, today, without an objective third party in day-to-day decisions regarding utility plans and rates, the citizens of Manitoba, the financiers that insure and lend the funds, the bond-rating agencies will not have have the confidence in the governance of our province or of our utility.

The government has said many times in the last while that the annual cost for the PUB 'regulatorous'—regulatory costs average \$10 million a year. And we've heard a number of people today say that, no, in fact, it's only \$2.7 million.

And I guess what I'm going to say is: regardless of which cost is correct, I would argue that either cost is a small price to pay for an objective opinion relative to an annual operating budget of \$3 billion.

So, the \$10 million for the cost of—if that's the number, fine. It's well worth it. And I'm not a financier, but I would suggest that to have that in place will probably save money from the bond-rating agencies.

The second reason for Bill 36 is the debt-to-equity ratio. And this is one that has consumed a lot of time here tonight. The government contends that the current 90:10 ratio is too high and wants to reduce

it. The only way they can find to do this is through an increase in hydro rates.

* (20:10)

I would suggest if they really want to reduce it, they can take some of the water transfer payments that we've just been talking about and put it into the—paying down the debt. They're aware that the PUB would not allow this increase, and are therefore wanting to change the mandate of the PUB so they can make the rate decision at the Cabinet table.

I want to say that while I was on the Hydro board, the debt-equity ratio was one of the things we talked a lot about. A lot of us were quite unfamiliar with how this works. And when a layperson looks at this and sees this debt ratio at such a high number, we were very concerned about it. And there was a lot of discussion given, a lot of experts came to talk to us about it. It was one of the many risks that Hydro operates under, including drought, international currency fluctuations, renewable technologies and future interest rates.

I remember a past board chair saying to the new members that the reasons we were even discussing Keeyask was because, a generation before, the same risks were being considered in the development of Limestone. And the reason Manitoba has inexpensive power today, at that time, was because a similar decision was made to produce—proceed with Limestone, despite the many risks which were still there. He explained that the debt-to-equity ratio in any massive infrastructure project are inherently risky, because the initial costs are so massive and so front-end loaded. Hydro dams are designed for a hundred-year life, and therefore can be amortized gradually over this period—unlike your house or your car.

He explained that the initially high debt-to-equity ratio is a standard and accepted fact, and a normal cost of doing business around the world for massive infrastructure projects such as hydro dams. This is just the way it works. Everybody knows that. Bond rating know that.

This is the way Limestone worked. This is the way Keeyask will work. The PUB and their international intervenors accepted this approach to the debt-equity ratio in their approval of Keeyask. So, this was challenged publicly, and it was accepted. And this would be their understanding today.

I've looked at the charts, what the numbers are today, and what we were presented with almost 10 years ago are exactly what's happening today. This

is what is expected to happen. The independence of the PUB has been extremely important in the past, and I would argue that it will become even more important in the future as Manitoba transforms to a zero-carbon economy.

The government and Manitoba Hydro will need to implement the best solutions to transform our infrastructure by reducing our demand on carbon, and embracing wind and solar. Hydro suggests that they will be required to find double the existing non-carbon energy to power our electric vehicles, and electrify and heat our buildings. The PUB is a tested agency to ensure a transparent accountability to all the systems in—all the citizens of Manitoba as we move forward.

And I'm not even going to say what the recent polls have suggested, because everybody else has said the same thing. But 69 per cent—how do we—how do you conceive of a bill, passing a bill, when 69 per cent of Manitobans say that they would rather have an impartial agency deal with it? Listen to the people.

I thank you, and ask you to withdraw Bill 36.

Thanks.

Mr. Chairperson: Thank you, Mr. Thompson, for your presentation.

Now, we'll move to questions.

Mr. Friesen: Thanks, Mr. Thompson.

I'll just set the record a little bit straight for you. It's a three-year rate application, just like other jurisdictions. Cabinet doesn't set the rates. The PUB sets the rates. The aim of the bill is not to raise rates, but to lower rates: 5 per cent or inflation rate, whichever is the lower.

But my question for you is, NFAT was excluded from Bipole III by the former government. Comment on that as a former board chair: Did that worry you at the time?

D. Thompson: I'm not going to refer to that at this time. I think one of the things that we, you know, we've talked about here is that if the PUB was not in place when Hydro presented its proposal for—its NFAT proposal, Conawapa would be being built right now.

It seems to me that that, in itself, that one fact is enough to encourage us all to make sure that the PUB stays in place. Because that was a huge decision—Hydro was not in favour of that. Hydro was pushing ahead with doing both things. And the PUB and the

intervenor said, no, that's not going to happen. So there's a huge thing.

Why can't we see that as a message to us that this agency has a function, and we should listen to it?

Mr. Sala:—so much for your excellent presentation.

You referenced the debt-to-capitalization targets, and I think it's clear that this bill sets what seem to be a very aggressive debt-to-capitalization targets—80 per cent by 2035.

The question I have for you is: This bill, in its previous incarnation, had a different debt-to-capitalization target, so I'd like to ask you what that indicates to you about the thoroughness and soundness of the planning—that we have two different debt-to-capitalization targets in each of the bills.

And, how does a government determine what the right debt-to-capitalization target should be?

D. Thompson: Those are good questions.

I'm not a financial expert; the only thing I can say here is that the government seems to be treating Hydro's debt—and, Minister Friesen, you've said two or three times tonight—is tripled in the last five years or whatever. That was expected, that this debt is meant to be tripling. If it wasn't tripling, there would be some magic happening here because we just spent \$15 billion on power.

And I think the thing we have to remember is this power is green power. This is going to power our future. And not only this, we have to double this—and these are Hydro's own estimates—we have to double the power, the electric power, that we're creating, so in the next 10, 15 years. And we're not doing anything about it, it's not happening right now, and I don't know what to do about that.

But I think it's really important to put that in context and see that the debt-to-equity ratio seems to be a bit of a smoke screen. It's an ideological thing. I don't understand it. I don't think anybody here understands it, and I would wonder whether the government understands it.

Mr. Lamont: Thank you very much. That was excellent and interesting.

Just a couple of questions and I'll—sorry—and I'll—there we go. I'll try to be quick.

People have talked about the water rentals, but they're also—I'm—I've been concerned about, sort of,

pervasive incentives around overbuilding and the debt fee, both of which are—

So, in terms of capital taxes, there seems to be an incentive to build the biggest dam. And if it goes over, the bigger the taxes. And the same thing—the more debt—the more debt Hydro takes on, the more money that the government gets to take out.

So, I don't know if you have any comment on that or if I'm just.

D. Thompson: Well, as I said earlier, if—there is, if this government is really concerned about the debt, then the loan guarantees and the water transfer—which was nearly \$1 billion last year, as I understand it—take 50 per cent of that and put it towards the—paying down the debt, and don't layer any more costs on the consumer.

Mr. Chairperson: All right. I think we're out of time for questions. I thank you very much, Mr. Thompson, for your presentation this evening.

We will now move to the next presenter. I have on my list Alexandra Shkandrij. *[interjection]* Shkandrij, thank you.

Alexandra Shkandrij will be joining us virtually, and so we'll just take a moment to get the camera up and then we can proceed.

All right. We're just waiting for Alexandra Shkandrij to show up on our screen here. The technology is not as quick as we might like in the committee room. *[interjection]*

* (20:20)

I'm just officially take the floor here for a moment.

I believe the member from St. Boniface was asking if he can depart and potentially participate virtually. I don't believe our committee rules are allowing for virtual participation by MLAs at this time; it's just for presenters.

But if you need to, you know, stretch your back or pick a different chair, you're more than welcome to do that.

All right, and is our next presenter ready to appear?

All right, I believe we are having some technological difficulties and are not able to have Alexandra join us at this time. We will check back with her later.

I'll call Anna Weier to present.

Anna Weier is joining us virtually. I think I see you on the screen now, so welcome to the committee.

You have up to 10 minutes to make your presentation. Start whenever you're ready.

Anna Weier (Private Citizen): My name is Anna Weier. I use she/her pronouns. And I just wanted to begin by thanking the many presenters this evening. I've learned so much already from listening to presentations.

I'm a private citizen and a white settler joining from Winnipeg Treaty 1 territory, the traditional territories of the Anishinaabeg, Ininew, Oji-Cree, Dakota and Dene people, and the homeland of the Métis nation.

Given the fact that we are on Indigenous lands and hydro power from Manitoba Hydro is generated on Indigenous lands, I think that it's especially important to note that, in a public statement put forward by the Assembly of Manitoba Chiefs, Acting Grand Chief Eric Redhead stated that there has been no consultation with First Nations leadership on Bill 36. I believe this is reason enough to withdraw the bill.

I personally feel that it is very important that Manitobans have public utilities and that those utilities have independent oversight. Bill 36 compromises this independent oversight.

Bill 36 strips the Public Utilities Board of its impartial oversight rule in setting hydro and natural gas rates and will allow current and future governments to create new rules on how electricity rates are set, without having to justify those changes before the Legislative Assembly. This reduces democracy and public participation in the process, and should not be allowed.

Bill 36 will allow for rate hearings to be held behind closed doors, and I think that this 'severlier'—severely impedes democracy and public engagement in public utilities.

With the current government's austerity mandate and increasing cost of living and inflation, increased electricity and natural gas rates beyond what is needed by Manitoba Hydro would be especially damaging in these times.

I have presented in person at the PUB, and I think that it's very important that the possibility to have people present in person at the PUB continues. Public participation in this process is vital.

It is also important that the politicization of rate setting is avoided by having a strong, independent oversight in the PUB.

Thank you for your time. I ask that Bill 36 be withdrawn.

Mr. Chairperson: Thank you, Ms. Weier, for your questions. We'll now—or sorry, for your presentation.

We'll now move to questions.

Mr. Friesen: Thank you for your participation here tonight.

I would want you to know that the bill contemplates no change that would take away the ability of individuals to appear at hearings and rate applications. That is a strong part of Manitoba's commitment to a rate application. The rate applicant pays for all the costs associated with that, and that will continue to be a part.

I understand there is thousands and thousands of pages of testimony that's provided every single time this takes place. The only difference to the process is that this would move to a three-year rate application.

Can you comment on that?

A. Weier: No, I can't comment on that at this time.

Thank you.

Mr. Sala: Thank you so much, Ms. Weier, for your presentation. Grateful that you've made time to come here tonight to speak.

One thing you identified was how this bill, and the—essentially the taking-away of the authority of the Public Utilities Board will impede democracy. This is part of a trend we've seen with this government. They also tried to take away school boards across the province. So, there is a general orientation with this current government to remove those places where Manitobans have a voice.

What do you think of as the importance of the PUB in contributing to our democratic rights here in Manitoba?

A. Weier: Thanks for the question.

I agree that I have seen this government move towards removing public participation in decision making, and removing democracy. I think it's very important that there is an impartial body that has oversight over public utilities and over Manitoba Hydro.

And so, I think Bill 36 is very dangerous in that regard, in the lessening of public participation and democracy in Manitoba.

Mr. Chairperson: All right. Any other questions from members of the committee? Then, thank you very much, Ms. Weier, for your presentation this evening and for answering questions from the committee members.

We'll now move to the next presenter, which is Freda Spencer.

Freda Spencer is apparently not here, so I will put her name at the bottom of the list and will call it again at the close of the evening. We'll go to the next presenter, again, that is Ryan Biddulph.

Ryan Biddulph does not appear to be in the meeting at this time either, so I will add his name to the—or, drop his name to the bottom of the presenters. I will now move to Elizabeth Hamilton.

Elizabeth Hamilton does not appear to be here, so I will drop their name to the bottom of the presenters. We'll now move to Laura Cameron.

Laura Cameron does not appear to be here, so I'll drop her name to the bottom of the list of presenters. I will now call on Gina Enns.

Gina Enns does not appear to be here as well. I'll drop her name to the bottom of the presenters and I'll call on Les Scott.

Les Scott is appearing with us virtually, and we'll just give a moment for the technology to activate and have him appear—or her—sorry, have Les Scott appear online. And then we can get going.

All right, I'm seeing a face appear on our screen before us. I believe that is Les Scott, so hopefully you can hear me okay, and hope that we should be able to hear you shortly, and you can begin your presentation at any time. You have 10 minutes.

Les Scott (Private Citizen): Great, thank you very much.

My name is Les Scott. I'm a citizen of Winnipeg and Treaty 1 territory. And I'd like to thank you for the opportunity to speak to the committee, and for the very thoughtful, interesting presentations we've heard so far.

I'm addressing tonight, Bill 36, The Manitoba Hydro Amendment and Public Utilities Board Amendment Act, and asking it be withdrawn. I'm concerned with the proposed changes this bill would

make to the role of the Public Utilities Board and the operation of Manitoba Hydro, and in the transparency of the oversight of this provincial Crown utility.

Manitoba Hydro, as a provincial Crown corporation, is a large, integrated electricity and natural gas distribution utility, and is a huge player in Manitoba's economy. The mission statement of Manitoba Hydro is to help all Manitobans efficiently navigate the evolving energy landscape, leveraging their clean energy advantage while ensuring safe, clean, reliable energy at the lowest possible cost.

* (20:30)

Currently, the Manitoba Hydro board does not provide sufficient oversight or accountability to the Crown corporation. Their members are appointed by provincial politicians behind closed doors, and their own decision-making process is also not transparent or publicly accountable.

The Public Utilities Board was created partially to offer some transparency to the operations of Manitoba Hydro. By the 1980s, Manitobans had become concerned about partisan influence on the operations of this large electricity monopoly. Through rate hearings, the PUB can require that Manitoba Hydro justify rate increases and make public Hydro's business plans, the goal being that Hydro operates in a manner that would ensure stable, affordable energy supply to consumers, while ensuring the financial stability of the corporation.

This could change with Bill 36. The Public Utilities Board would be limited to hearings only every three years, and its scope of comment on government policies surrounding operations would be limited. If the bill passes, the Public Utilities Board would no longer be an independent overseer of fair Manitoba rates. Instead, this oversight would be greatly reduced in favour of Cabinet control of rate setting and short- and long-term business planning.

Part 1 of the bill, which amends the Manitoba Hydro Act, is concerning in that several sections will change the way our gas and electricity rates are decided, as further rates will be based on financial targets and short-term partisan interests rather than operating and debt-servicing expenses.

The bill requires that the corporation achieve an artificial debt-to-equity ratio that has no logical justification. Legislation requires that Manitoba Hydro reach a debt-to-equity ratio of 80 per cent by 2035 and 70 by 2040—I think this has been gone on into a number of times this evening. This would

require a higher than necessary yearly rate increases with no real benefit.

As recently as 2018, a similar debt-to-equity was proposed by Manitoba Hydro, and would have required yearly rate hikes of nearly 8 per cent. The Public Utilities Board, after seeking expert financial advice, determined that this proposal lacked justification and was not in the interest of the financial well-being of the corporation or the ratepayers of the province, and it was not approved. Instead, there was an approval of over 3 per cent.

The Public Utilities Board has also played a role in commenting on project planning. Between 2008 and 2013, the PUB issued frequent concerns about the business case for Bipole III, Keeyask and Conawapa projects and Manitoba's overly optimistic revenue estimates, concerns about skyrocketing capital costs and the lack of independent review. And, in fact, Conawapa was recommended not to go ahead. The PUB doesn't have the power to disallow projects, but it can raise red flags of concern.

And, in this case, the government's own economic review of Bipole III and Keeyask in 2020 argued that lack of government oversight allowed the projects to be firmly established and entrenched long before they were subject to an independent review, at which point, given the sunk costs and executed agreements, they were already in effect of a fait 'compli.'

The—these projects—unfortunately, the PUB cannot stop these projects, but they can argue against them and make information known to the public. Bill 36 would weaken the ability of the PUB to even comment on projects like this.

A look at—there's also concern about rules for setting gas rates. There's no information on what those rules would be, and by law needs to be created through regulation. They could happen without warning or public review. These rates would be applied for by Centra Gas and approved by the government with no independent hearings or oversight.

As has been mentioned before, recent polls have shown that Manitobans want independent, transparent oversight of these valuable public assets. Bill 36 would open them up to partisan manipulation, with possibly severe and far-reaching impacts. An independent utilities board should be able to provide advice to the—our corporations, advice based on sought-out evidence that best balances Hydro's financial well-being with the interests of the public.

The Public Utilities Board not only regulates rates, but also is a valuable educational tool for the citizens of this province. The board's ability to require Hydro to provide information about business plans and its use of outside independent experts provides valuable insights for Manitobans about this public entity. Bill 36 eliminates this source of information and as is why I'm asking it be withdrawn.

Thank you.

Mr. Chairperson: Thank you, Mr. Scott, for your presentation. We'll now proceed to questions.

Mr. Friesen: Thank you, Mr. Scott, for being here. Thanks for your very, very accurate summary of events from the past where the processes like the PUB were gone around and the previous government removed the requirement to go to NFAT for Bipole III.

I wonder if you would comment on section 16 of the bill, which actually gives new powers to the PUB, augmenting their ability to actually have overview and control of future generation projects.

L. Scott: That's interesting. I—it is not an all-encompassing ability to review it. It only involves certain large-scale projects.

Mr. Sala: Thank you so much, Mr. Scott, for your presentation tonight, greatly appreciated.

You made number of really important points about the role of the PUB historically and its importance in helping to save Manitobans money. The PUB's been in operation since 1913. It used to be a all party—a thing that all parties agreed on, was important in this province.

And I'm wondering if you can comment, or provide a sense of how you would describe the impact of Bill 36 on the Public Utilities Board to a neighbour or a friend if you were describing it simply.

L. Scott: Yes, I would, if I were to describe it to someone, I would say that it is a—an attempt by the government to get around publicly justifying what is done with Hydro so that it can be manipulated for partisan reasons. I think it's the first step in that. I think it's taking away transparency and it doesn't let people know exactly what's going on with Hydro, and that potentially leaves it open to manipulation.

Mr. Chairperson: Any other questions from members of the committee? If not, then I thank Mr. Scott—thank you very much for your presentation and for answering questions from committee members.

We'll now move to the next presenter. Rachel Howgate from SEED Winnipeg. Rachel Howgate is not in the meeting, so I'll drop her name to the bottom of the list.

Next I'm going to call Kathryn Dompierre. Kathryn Dompierre is apparently not in the meeting, so I'll drop her name to the bottom of the list.

Next I will call Ian Smith. Ian Smith will be appearing with us virtually in a moment once we can get that hooked up, if all goes well.

* (20:40)

Mr. Smith, I see you there, now, and you can begin with your presentation whenever you're ready. You have up to 10 minutes.

Ian Smith (Private Citizen): Hi there, thank you for having me tonight.

I'd like to say I'm somewhat in awe of many of the presentations we've seen tonight. A lot of people out there have done an awful lot of research and know far more about this than I do. I may be coming at this more from a—just a customer perspective, just as more of a sort of lay person, perhaps.

I'm a private citizen. I immigrated to Manitoba from the UK in 1991, and one of the things that was attractive about Manitoba as a province was things like Crown corporations and the Public Utilities Board. Knowing that there was something there that works for the benefit of all Manitobans in terms of allowing for consistent, safe, secure supply without unnecessary profiteering was reassuring. It's something that my mother, who still lives in England, is facing extremely difficult winter with the increases in energy prices that are happening over there as a result of privatization of the delivery of these systems. It's extremely concerning. And—always appreciated being in Winnipeg and being in Manitoba. That was something I didn't have to worry about.

My understanding is that a Crown corporation is there to provide hydro as close to the cost of production without unnecessary profiteering, and that the role of Centra is to provide us with gas at cost. I question, then, when Bill 36—how, at a time of economic uncertainty that we're in right now, how this is helpful to any Manitobans. I think one has to accept living in a winter climate, that the demand for electricity in a cold Manitoba winter and, indeed, a warm Manitoba summer, is essentially demand in elastic. And, effectively, I think by ridding yourself of the role of the Public Utilities Board that it currently

has, you potentially are downloading essentially a power tax, an energy tax onto Manitobans, and especially for the poorest. That is a significant concern.

If you want to tax people, tax people. I understand with the current government that is—does not fit with their philosophy, but I feel it's a little disingenuous to make every single Manitoban, because we use electricity, run the risk of paying 5 per cent—and it's not just 5 per cent in one year; it's 5 per cent every year for the next four years, from my understanding, and who knows what beyond that, unless, of course, minister, unless inflation is low. I understand that.

I think the Public Utilities Board, and its role in impartial oversight, it's been very apparent to me over the years that it makes judgments in the public interest, both for the right setting and, or as people alluded to, critics like Conawapa where it recognized that perhaps the Manitoba Hydro Board were overextending themselves. How anyone could see that as less than useful is absolutely beyond me, frankly.

It allows us to have a situation where political influences from either side of the political spectrum cannot overwhelm things, and we saw that quite clearly with Conawapa, where the NDP, who might have gone ahead and allowed that to happen, were not allowed to have it happen. I think that is in the public interest.

I think for something as critical as energy, and it is critical for electrical energy, it's absolutely vital that we need to keep this in the public domain and avoid political sort of influences over it.

I'm very concerned about the nature of the—of omnibus bills in general. And, as some—one of the previous presenters alluded to, the complications of these bills where it essentially prevents most citizens from taking part in the democratic processes. This bill allows the government to create new rules on how we set electricity rates without any justification to the legislators, and hence, to Manitoba voters. Why? We are all going to be affected by that—the possibilities for private retail sales.

I've seen the way this has gone in Britain, where you end up with brokers, and brokers who essentially take gambles on being able to—who don't actually have any expertise and take gambles on being able to provide something as a broker, and then it falls through.

This has happened numerous times in Britain in the past year, where the government has to step in to

back these people up and make sure people actually have a reliable power supply. It's an appalling system and I don't think we need it here in Manitoba.

The role of the bill in censuring the Public Utilities Board from representing public interests that are contrary to the government's point of view, again, is—I do not understand why this is the case. It is undemocratic, and it does not serve the public citizenry of Manitoba in any way, shape or form.

Having rate hearings that are going to happen behind closed doors, again, why? This should be out in the open. We own Manitoba Hydro; as voters, we own it—the people of Manitoba. And why that is happening behind closed doors, or why those—happening with a board that is acquainted by politicians, is beyond me. I cannot understand that, and I would ask for answers as to why that is the case.

I think overall there's been a narrative creative-created regarding Hydro, that it's in a terribly indebted state. When you make investments like Bipole III to secure the electrical supply with climate change, making sure we got a route down each side, so that if we get an ice storm on one side, we still get electricity from the other. Having things like Keeyask go ahead, which is an investment in the future, as it says, as people said, for 100 years, it's going to be there providing money back to Manitoba.

It's a huge government undertaking with huge costs, but it's also got huge returns, and the fact that these—it's akin to taking a big mortgage when you have a large and guaranteed income for the next 100 years.

In answer to the minister's questions he's posed to other people, no I do not see it as unacceptable at all to have that kind of debt ratio, and that's been proved by more than a few people in here tonight with way more knowledge than I—have told you that there's all kinds of groups out there that say this is the way it's done, and this is the way it works.

I think, when you think about what Hydro's core mandate is, in my terms, I would say it's about providing reliable energy at the lowest realistic cost to improve the quality of life of Manitobans, and I think this bill diverts us from this mandate.

It's not in the best interests of Manitoba, and I would say, you know, there's an old saying if—with regards to the PUB: if it ain't broke don't fix it. And, Minister, it ain't broke.

I'll leave it at that. Thank you.

Mr. Chairperson: All right, thank you very much, Mr. Smith, for your presentation.

For the sake of those who may be joining us virtually I'll just mention that Minister Reg Helwer has temporarily taken Minister Friesen's place at the table beside me.

Minister Helwer has very much a vested interest in this bill because he is the Minister responsible for the Public Utilities Board. We're also in possession of a new set of rules that just governs committee question period, starting September 28th, and we're trying to work through some of the details there.

So I'd just ask leave from the other members to allow Minister Helwer to at least thank the member and then we can proceed with question period from there.

Mr. Helwer: Thank you, Mr. Smith, for your presentation. We listened intently to what you had to say and I could go on with some of your comments but we're still learning this new committee rules, so I'll leave that to Minister Friesen.

Mr. Chairperson: And did—you can respond if you wish at this time, Mr. Smith, to the minister's thank-you, but you don't have to.

I. Smith: I'm not quite clear on why Minister Friesen is not here to answer my questions.

Mr. Chairperson: I'm afraid I can't comment on the presence or absence of any members; I'm just going to have to go to the next question, which is Mr. Sala.

Mr. Sala: Thank you so much, Mr. Smith, for your presentation, greatly appreciated and you made a lot of really important points tonight.

One word, or a couple words you used, were economic uncertainty and that this is bring—being brought forward during a period of great economic uncertainty in this province. This bill is likely to trigger significant rate increases, again, with questionable foundation.

My question to you is, as somebody who emigrated to Manitoba, and you spoke a bit about some of the reasons why you moved here—how do you think the passing of this bill will affect the attractiveness of Manitoba as a place to immigrate to or to build a life in?

* (20:50)

I. Smith: It's interesting that you ask that because in the past two months, I've spent a good deal of time

talking to friends in England, who I'm still in touch with, who are extremely worried about what this winter will bring for them in terms of energy prices that are not constricted by any kinds of—or, not controlled by any kind of Public Utilities Board. They're paying the market rates.

And it's introducing uncertainty to the point where the term: heat or eat, as a choice is becoming a feature of conversation in Britain, and when you think about moving to Manitoba from Britain right now, it is extremely attractive to be able to come here and pay hydro rates that are far, far lower and that have a degree of guarantee that they will always be that way and always try to be delivered at the minimums of cost that is possible.

I don't really see how that could not be attractive to someone and my concern with aspects of this bill that talk about private retail sales and creating new rules on how to set electricity rates is that I believe the purpose of a bill is to: one, provide options for privatization. And we have seen this time and time again, the way that there's a political ideology with certain governments where they wish to chip away public services in whatever ways they can.

We've already seen this with Manitoba Hydro, with them removing Efficiency Manitoba, you know, or separating that out. We've seen it with them separating out the aspects of foreign consultancy work that Manitoba Hydro did very successfully. They're all contributing back to Manitoba Hydro's bottom line, and hence, to Manitobans.

And I believe this is a deliberate policy that—and this Bill 36 is deliberate policy-making to make these kind of things to happen more. And the end-game bill will be that we end up with a system that is chipped away at to the point where there's so many different private provisions that we end up with a private system. And I've seen, after 40 years—I left almost 37 years ago—well, 39 years ago, I beg your pardon. I've seen it happen in almost 39 years in Britain, and it's not been pretty, it's not been to the benefit of British citizens, and I'll fight to my last to make sure that doesn't happen in Manitoba because we have a really good thing here and we're in danger of losing it.

Mr. Chairperson: All right. Thank you very much, Mr. Smith, for your presentation and for your interaction with the members of the committee.

We'll now move on to the next presenter and I will call Nancy Kurtz. Nancy Kurtz.

Nancy Kurtz is not online and not in the room, so we're going to put her name at the bottom of the list of presenters, and I will call Henry Shorr. Henry Shorr.

Henry Shorr is not currently in the room or online, so we'll move to the next presenter.

I will call River Woods. River Woods.

River Woods is not currently online or in the room, so we'll move to the next presenter and put River Woods' name at the bottom of the list again.

And the next presenter is Wendy Buelow. Wendy Buelow.

Wendy Buelow is not in the room or online, so we will move to the next presenter and put her name at the bottom of the list.

Michelle Bergen. Michelle Bergen, I believe, is online. So we'll just take a moment to have Michelle join us and get the camera rolling. Please bear with us.

All right, Michelle Bergen, I see your camera is on and you are here, at least virtually. I welcome you to the committee room and you can proceed with your presentation. You have up to 10 minutes.

Michelle Bergen (Canadian Union of Public Employees, Local 998): Okay, thank you.

Good evening. My name is Michelle Bergen. I am the president of Local 998 of the Canadian Union of Public Employees. Thank you for providing me the opportunity to provide feedback tonight on Bill 36, the public utilities ratepayer protection and regulatory reform act.

I'd like to acknowledge that we are on Treaty 1 territory and traditional gathering place of Anishinabe, Cree, Oji-Cree, Dakota, Dene people and the traditional homeland of the Métis people.

As a back—as a way of background, CUPE 998 represents technical and clerical workers at Manitoba Hydro. We're proud of the work we do in helping to deliver clean, reliable and affordable energy to Manitobans. I choose to speak today on this committee—to this committee about Bill 36, the public utilities ratepayer protection and regulatory reform act, because I do not believe the proposed changes are good for Manitobans, the government of Manitoba and for Manitoba Hydro.

Providing clean, reliable and affordable electricity isn't easy. The very nature of the business requires long-term thinking and large investments that pay dividends for generations. After 111 years in

operation, Pointe du Bois Generating Station on the Winnipeg River is still producing electricity used by Manitobans today. We build Manitoba Hydro today to serve our grandchildren and great-grandchildren, just as generations built for us.

Where—while there can be debates and different decisions that we—have been made throughout Manitoba's history, in the big picture I hope we can all agree that the most part Manitoba has done right—we have clean, reliable electricity and Manitobans pay the lowest rates in the country. We have made investments in energy production which will allow Manitobans to grow and attract new industry, and we have significantly improved the security of our grid. And we have done so for decades. This is a good thing, and we should be proud of it. I know that the members of CUPE 998 are.

They didn't act—this didn't happen by accident. It required striking an important balance in our province between the interests of Manitoba Hydro, the government of the day, current Manitoba ratepayers and the future ratepayers, recognizing how difficult it is to balance new competing interests. In all our long-term interests, we have for decades relied on the Public Utilities Board to serve as an independent third party to provide oversight, guidance and to set energy rates for Manitoba Hydro. We fear that this legislation encroaches on the independence and risks upsetting the careful balance that the PUB exists to uphold.

First, we are concerned Bill 36 legislates debt-to-capitalization targets, which is new and preceding—precedent setting. In the past, PUB is empowered to hear evidence from experts and weigh the evidence, make decisions about what, if, and any financial targets should be considered, when setting consumer rates. Under the new legislation, PUB will not have no choice on how to follow legislative directives, turning PUB from independent third party into a handmaiden of the government.

Second, there is concern that the debt-to-capitalization financial targets that have been set are aggressive and will lead to higher and unnecessary rates increased to meet them. While I cannot tell you with certainty whether this is the case, I can say with certainty that the right place for the decision is to be made at the Public Utilities Board, as they have done for decades. The PUB can consult the leading experts in their—in the field, and weigh the long-term or short-term benefit of the risks of the various financial targets. At present, Manitobans are faced with increased cost of living, while real wages continues to

decline. I would argue that this isn't the time to adopt a strategy that relies on significant rate increases.

Third, the proposed changes hinder the PUB from benefitting from the fulsome testimony and evidence presented by third-party interveners such as Consumers Association of Manitoba, the Manitoba Industrial Power Users Group, Indigenous organizations and others. Moving towards written testimonies and away from oral hearings may result in some lost testimony from individuals who don't feel comfortable providing written testimony, and may result in lost opportunities that cross-examine of expert witnesses can provide.

Finally, we fear the government is opening Pandora's box with regards to private sale of electricity. The legislation effects—effectively ends Manitoba Hydro's monopoly on retail sales in ways that are not yet fully understood or detailed. Rather than living—rather than having the debate in the public, this government will look to be making those determinations at Cabinet level. Someday in the near future, consumers could find themselves at mercy of independent energy provider, and yet no idea the rights those consumers will have, and what responsibilities restrictions will be placed onto the seller. Nor can we see the impact of what Manitoba Hydro will be.

* (21:00)

In the long term, we worry the changes will undermine the credibility of the PUB and the rate-setting process with Manitobans. We fear the loss of credibility at PUB will inevitably result in the loss of public support for Manitoba Hydro emissions here in Manitoba.

We also fear that government is opening the door to deeper privatization of Manitoba's hydroelectrical system and the elimination of Hydro's retail monopoly. For those reasons, on behalf of CUPE 998 and its members, we ask the government respect the independence of the PUB and the importance of Hydro's retail monopoly and abandon this legislation.

Thank you.

Mr. Chairperson: Thank you, Ms. Bergen, for your presentation.

We'll now move to questions, and I will welcome Honourable Minister Friesen to ask the first question.

Mr. Friesen: Thank you for your presentation. There is no secret agenda here to privatize Hydro. The

government believes in a strong, independent and sustainable Hydro. That sustainability has been threatened for years by tripling the debt by the previous government when they overspent in the planned assets.

Can you comment for us, then, as a committee, on whether you see any amount of debt at Hydro as problematic, or is it all just good?

Mr. Chairperson: I'm so sorry, Ms. Bergen. That was my bad. I was distracted by the arrival of a cappuccino. But I will now give you the floor to respond to that question, Ms. Bergen.

M. Bergen: Okay, that's a good question, Mr. Friesen, but I think the most important thing right now is keep rates low for Manitobans. Coming out of a pandemic, with Manitoba struggling with debt and the rise inflation, Manitobans can't afford to pay higher prices for a basic necessity like hydro. And working at Manitoba Hydro, we at Hydro pride ourselves in being able to deliver clean, reliable and fordable energy to all Manitobans.

Mr. Smith made a great comment. He said that we own Manitoba Hydro, and the public. And he's right. We do. We don't need the government to dictate the cost of hydro by increasing our rates. Let's keep Manitoba Hydro public and not open up to privatization. I believe this bill will open up to privatization.

Mr. Sala: Thank you so much for your presentation, Ms. Bergen. You touched on something really important that we haven't discussed at this committee tonight as of yet or as some have referenced briefly, but we haven't had a chance to flush out, which is the question about the—that this bill allows for the first time ever the private retail sale of electricity in Manitoba. I'd like you, if possible, just to comment on some of your concerns about what might happen given this provision in the bill doesn't seem to be backed up by any kind of sound framework of any kind.

M. Bergen: Okay, so opening to private sales, I think that would be bad for Manitoba. I think that, you know, it will definitely increase our rates, and I don't think that this bill should be pushed forward. I think that it's a mistake, and I don't think that Manitobans can afford to pay any more than what we already are.

Mr. Chairperson: Seeing no further questions, I thank you, Ms. Bergen, for your presentation and for answering questions from members of the committee.

We'll now move on to our next presenter, and I'll call Wendy Boyd. Wendy Boyd.

Wendy Boyd is not in the room and not online, so we will put her name at the bottom of the list.

I'll now move to Mary Louise Chown. Mary Louise Chown.

I believe Mary Louise Chown is online, so it'll just take us a moment to connect Ms. Chown into the room. Hopefully, that goes smoothly.

All right, Ms. Chown, welcome to the committee room, and we can see you. Hopefully, we can hear you shortly, and we'll let you get started with your presentation. You have up to 10 minutes. Go ahead.

Mary Louise Chown (Private Citizen): Thank you. Can you hear me?

Mr. Chairperson: Yes, we can.

M. Chown: Great. All right. Thank you for allowing me to speak tonight. I am very concerned about Bill 36 mainly because it's such a huge omnibus bill and it does propose drastic changes to how Manitoba sets electricity prices and would reduce the impartial oversight of the PUB.

I only really want to make three points because so many people have spoken so thoroughly before me, so this is going to be quite a brief presentation.

But my first point is that I feel that Bill 36 will strip the Public Utilities Board of its impartial oversight rule in setting hydro and natural gas rates, and it will allow current and future governments to create new rules on how electricity rates are set, without having to justify those changes before the Legislative Assembly.

And other people have mentioned the recent Probe Research undertaken in May and June of 9th—of 2022, where they found that more than seven in 10 Manitobans want an independent, arm's-length commission or board to set energy rates. In other words, what one of the previous speakers said, if it isn't fixed—or, rather, if it isn't broken, don't fix it.

Now, Bill 36 reduces the independence of the PUB, because if the bill is passed, it will reduce PUB's ability to determine what, if any, financial targets are reasonable.

I'm speaking to you right now out of town; I live on a farm, out near Seven Sisters and so we're totally on electricity. There—we have nothing else out here.

And we're even on the huge solar panels under the Hydro's program that was available a few years ago.

I'm worried, though, that this measure will move important decisions behind closed doors and reduce some of the democratic processes that we have in place in Manitoba.

Now, other people have mentioned this, as well, and I think this is my main concern. It allows the government to set a financial target without public input. And this is a disturbing trend pretty much all around the world in democracies, the idea that we're legislating away public input. I've been watching that not only in Canada, but in other countries.

Okay, my second point is Bill 36 I feel will censor the Public Utilities Board, so that it won't be able to question or critique government policy around rate setting. And the main thing is oral hearings might not be required any longer. Bill 36 could limit hearings from a live, in-person—pardon me—setting in favour of strictly written presentations. And I feel written hearings would limit public participation because transparency in decision making is essential, particularly when Manitoba Hydro is a monopoly and a Crown corporation.

Again, those public opinion polls that were done just this year by Probe Research also supported my worry that Manitobans think there should be public input on these decisions. And I feel that speaking in person before a committee is so much more valuable. And more people, if there was the—being able to write or be in person, it just would be more valuable for both the presenter and the electric representatives that are there hearing, as you are tonight. And this is democracy in action, exclamation mark, and we can't—we cannot lose our democracy.

And on that note I want to say that I think this is wonderful, that this committee hearing will allow input. I understand other provinces don't have these sessions, and so I really want to thank the government and I want to really thank all the elected representatives that are here tonight sitting, listening. It must be so tiring, and I hope you all have a cappuccino.

Okay, so, my third point. Bill 36 makes major changes before—these two reviews that I've heard about are—have—they're being undertaken right now, and they're not completed. And here's my point here: we're in uncharted territory regarding the future of hydroelectric energy use and requirements. It's used more and more to replace the use of fossil fuels

And so because of this unknown future, it's important that the regulation and pricing of hydroelectric energy be accomplished through a methodology with maximum transparency, allowing for input from everybody, ordinary people and all stakeholders.

So tonight, I'm asking the committee to recommend withdrawing Bill 36, sending it back to the drawing board. This will allow more time for the government to carefully consider all the input from Manitobans, from all stakeholders and from all the reviews currently being undertaken. And perhaps separate that omnibus bill out and only deal with the Public Utilities Board, and then average citizens like me would be able to read and understand it better than the way it is now.

* (21:10)

And that's it for me tonight, and—but I do want to thank you once again for having the opportunity to speak before the standing committee.

Mr. Chairperson: Thank you so much, Ms. Boyd, for your presentation. I can neither confirm nor deny the presence of cappuccinos in the room.

But I will now move to question period, and we will have the first question asked by Minister Friesen.

Mr. Friesen: Ms. Boyd, thank you for joining us this evening. It's been great to have you at committee. And thanks for your well wishes to the committee as well.

I wanted to give you a few comforts, if I could. I heard you express very much you believe in a robust and independent PUB, and so do we. And we want them to have the right mandate.

I wanted to speak about two protections we have in this bill. Any large dam projects in the future, or transmission projects, the PUB will have to oversee. And, if some group doesn't follow their direction, they can assign penalties that are prescribed in the bill. And I just wanted to ask if you had a comment on any of those provisions.

Mr. Chairperson: Ms. Boyd.

M. Chown: Oh, it's Chown, actually.

Mr. Chairperson: I'm sorry, Ms. Chown. I've got the wrong name on my list, here. My bad. We're moving through presenters so quickly. Ms. Chown, go ahead.

M. Chown: I guess, like previous people had said, perhaps that applies to large projects, but if we're looking at a future of less fossil fuels, we might be wanting to encourage a lot smaller projects. And I feel

the Public Utilities Board has to be heavily involved in any of that decision making.

I know that all the elected representatives have run and are elected and want to serve the public. But the Public Utilities Board is then your friend, because it's going to take that other, second, sober look at all of the things that have come up in the Legislature.

And it is an uncertain future. There are going to be a lot of tremendous ideas, some of them we haven't even heard yet, and I would want them all to go through the scrutiny of the Public Utilities Board.

Mr. Chairperson: Thank you, Ms. Chown.

Now Mr. Sala with a question.

Mr. Sala: Thank you, Ms. Chown, for your presentation. It was excellent. It's greatly appreciated.

You made a comment about the importance of ensuring that we have a strong, vibrant PUB to keep electricity rates low and the importance of that for the future of our province.

One question I want to ask you is, this bill, of course, will drive electricity rates up very quickly. My question to you is, what do you think the impact of those fast-rising rates will be on our ability to transition to a cleaner energy future?

M. Chown: Yes, what will be the impact. That's a tough question, because we're facing rising prices in all areas. And, I think, most people are probably okay—or, no—resigned to the fact that there's going to be some Hydro rate increases.

But I have to say that because we have our big solar panel that we were allowed to put in with the help of Hydro about three years ago now, and then that program was stopped, and it was a fantastic program. We have so much electricity that we put into the grid, you just wouldn't believe. And this can happen more and more. There's probably reasons why the rates do not have to go up as much as everybody is saying.

And my other point is rates increases is not the only thing to be worried about. What's to be worried about is how to include as many people as possible in the decisions we're going to make for our future.

Mr. Chairperson: All right, thank you, Ms. Chown. Seeing no further questions, we will once again thank you for your presentation and for your interactions with members of the committee.

And we're going to move now to the next presenter, and I'll call Ellen Karlinsky. Ellen Karlinsky.

Ellen Karlinsky is not in the room or online, so we will put her name at the end of the list of presenters, and we will move to the next presenter.

Tyler McGibney.

Tyler McGibney is not in the room or online, so we will put his name at the list-end of the list of presenters.

Move to the next presenter, Emma Higgs. Okay, Emma Higgs I believe is logged in online so it'll just take a moment to welcome Emma into the room and we'll carry on from there.

All right, I believe I see Emma Higgs on the screen now, so you can begin your presentation whenever you're ready. You have up to 10 minutes.

Emma Higgs (Private Citizen): All right, how do I sound? I'm not using any specific microphone this evening, just my computer.

Mr. Chairperson: We can hear you fine.

E. Higgs: Great. All right, good evening, everyone. My name is Emma Higgs. I am a public sector employee working within Manitoba's health-care system, and I've lived in Manitoba for most of my life.

I am pleased to have the opportunity to speak to the Standing Committee on Social and Economic Development regarding Bill 36 as a private citizen this evening and as a layperson in the area of Hydro and public utilities.

In particular, I would like to thank the other presenters who have preceded me this evening for sharing their knowledge, wisdom and experience with the public and committee today. There have been many excellent points raised already this evening, including regarding points of the finances of this bill which are finer than I will be able to speak to.

I share many of the concerns that have been expressed regarding issues of transparency around rate setting, the feasibility of the debt-to-capitalization ratio requirements proposed, and serious concerns about the lack of consultation with Indigenous nations and groups on this bill.

I will not be able to touch on all of those items tonight—and they have already been elaborated quite well—and would like to focus on one or two other

points that I have noticed when looking through Bill 36, as well as The Manitoba Hydro Act.

I understand that the government has forwarded Bill 36, in part to address issues with financial sustainability and sustain–stability of the utility for years to come, including to maintain Manitoba's comparatively low electricity rates.

I feel confident everyone here today understands the value of keeping such an essential resource, such as electricity, affordable to all Manitobans. It is my understanding that Bill 36 would remove the requirement for Hydro to maintain reserves and sinking funds that were present in sections 40 and 41 of The Manitoba Hydro Act.

As per the Hydro act, these reserves could be used for essential support, such as the stabilization by the board of rates, or prices, to power sold by Hydro in times of need. Of course, this does not mean that Hydro cannot choose to sustain or grow their reserves or sinking funds. However, I am concerned that with the new requirements, Bill 36 would also introduce for Hydro, requiring it to aggressively reduce its debt-to-capitalization ratio, that in practice Hydro would not be able to sustain the reserve and sinking funds which provide that security and sustainability we have discussed throughout the evening.

This seems contradictory to me and is concerning; however, I would welcome any comments from members of the committee to clarify this further or to provide more input around this.

I appreciate that Hydro's debt has increased significantly in recent years and agree that debt is an important consideration for the public utility. However, I would also like to underline, as others have, that this debt has facilitated investments for Manitoba Hydro and will hopefully help support Manitoba's absolutely essential journey towards electrification in the coming years and decades.

In light of all of this and many of the other concerns that I have mentioned at the beginning of this presentation, as well as others discussed this evening that I did not have a chance to touch on, I would like to request that the government withdraw Bill 36 and make some essential adjustments.

Thank you.

Mr. Chairperson: Thank you, Ms. Higgs, for your presentation.

We will now move into questions.

Mr. Friesen: Thanks for your presentation. I was surprised to hear you say you weren't going to delve deep into the financial issues, and you've been the only presenter this evening to go on about liquidity risk and sinking funds, which I thought was very interesting.

So that shows a lot of knowledge in the background machinery, so you must have an understanding of the risk of liquidity and the risk of accumulated debt.

I just wondered if you could expand a little more on your opinions on sinking funds in Hydro.

E. Higgs: I do not think I can give much of an expert opinion on liquidity and sinking funds with Hydro, and I mostly understand them from kind of the point of a consumer who also has finances within their personal life.

However, I can understand the logic and reason that led to having these kind of, maybe, safeguards or things in place like the reserves or sinking funds to help protect consumers of Manitoba Hydro.

* (21:20)

And yes, I can't speak much further to that.

Thank you.

Mr. Sala: Thank you so much for your presentation this evening. It was greatly appreciated.

I just wanted to ask you, we know that this bill moves rate setting authority from the Public Utilities Board to the Cabinet table and I'm hoping you can comment on why that's concerning or why that might be concerning to Manitobans?

E. Higgs: Well, I think that this has been covered a little bit throughout the evening, but it's my understanding from the research and analysis of other people that I have had the pleasure to read, that this can, at times, create a bit of perhaps partisan issues around rate setting.

Of course, changing rates can be sometimes undesirable or unpopular and I think it's reassuring to Manitobans to know that this process is, for the most part, out–or in the hands of a impartial or arm's-length commission. So, this would, I guess, place some of those elements at risk.

Mr. Chairperson: All right, I'm not seeing any further questions, so I thank you, Ms. Higgs, for your presentation and for interacting with committee members on their questions.

We'll now proceed to the next presenter and I'll call Katharina Stieffenhofer. Katharina Stieffenhofer is online, so we'll just give the committee a moment to connect her.

All right, Katharina Stieffenhofer is not appearing to be able to join us at this time. We will get back to her at a later time.

I'll now call Peter Hudson. Peter Hudson. I'm told that Peter Hudson is with us. Sorry, I'm told that Mr. Hudson is with us virtually and hopefully we can connect with him shortly.

All right, I believe I see Mr. Peter Hudson joining us online.

You have up to 10 minutes to make your presentation. You can start whenever you're ready.

Peter Hudson (Private Citizen): Mr. Chairman, can you hear me?

Mr. Chairperson: I certainly can. We can hear you very clearly.

P. Hudson: Okay, thank you. I am—would love to be physically present. I'm much more comfortable with that than the Zoom. I regret to say that my wife went down with a positive diagnosis of COVID-19 and she is quite sick right now actually, under those circumstances, wandering down to the Leg.

So, with that little introduction, I'd like to say good evening. My name is Peter Hudson, and I come before you this evening as a private citizen to express concern about Bill 36.

I'm an octogenarian with not too many years left, but I care because I have two sons. I have daughters-in-law, a grandchild, and many younger friends who live, work and play in this province. Their future is intimately tied to how energy is supplied now and in the near future, and it's vitally important that we get it right.

Bill 36 does not. In this province, much of our energy consumption is supplied either by or through Manitoba Hydro. The conditions of this supply have been subject to scrupulous independent review by the Public Utilities Board—PUB. The PUB is an outstanding example of an institution which acts as a filter through which Hydro rates, capital expenditures, future projects and much else is subject to scrutiny. It acts as a channel through which oversight by its own experts is crucially supplemented by the requirement to enable input and discussion from citizens.

It is no exaggeration to state that such institutions provide some of the checks and balances which protects the democratic principle of limiting the ability of any one group of stakeholders, including government, from exercising absolute and exclusive power over matters which affect a wide swath of the citizenry.

This is achieved by that requirement for PUB to encourage widespread public participation which, in turn, allows for transparency, accountability and the likelihood of better outcomes.

Unfortunately, Bill 36 appears to call for a shift in decision-making around energy policy and its implementation from both Hydro and the PUB to present and future provincial governments. I'd just like to cite a few examples that illustrate that concern:

(1) The bill appears to set limits placed upon the wide range of factors that PUB currently may consider when assessing proposed changes to rates, proposed upcoming projects or any other matters. Moreover, it seems that Cabinet will be able to change these rules, at least as they apply to natural gas, without reference to the Legislature or any other body, including the PUB.

(2) The bill prescribes the timeline and the degree to which current debt will be reduced. This acts as a legislated prescription which places a major item of fiscal management out of the control of Hydro board and management. Worse yet, it places scrutiny of the management of this issue outside the purview of the PUB and the public.

(3) Oral presentations by the public concerning hydro matters before the PUB would no longer be a requirement. Oral presentations are far more meaningful than written presentations, both to the presenter and to the PUB.

(4) Bill 36 requires Hydro to seek government approval for any project classified as a major new facility—that's in quotes. This removes such decisions from the expert scrutiny of PUB to the government of the day. There is also the possibility open of avoiding scrutiny in accordance with the environmental protection act.

Mr. Vice-Chairperson in the Chair

This provision effectively removes oversight of Hydro projects, possibly having far-reaching consequences from not one, but two regulatory bodies. Instead, decisions around matters which any government decides are major new facilities are transferred to that government, which likely has no expertise

within its political or public servant staff to do so intelligently.

(5) Possibly one of the most disturbing provisions of Bill 36 is the limitation placed upon the ability of PUB to comment on government policy and regulation—the context, you know, such as concerns about debts of not just the government and public services but also quasi-government agencies.

* (21:30)

It's not clear where the lines are between what might be included in this prohibition, but wherever they are, this is a truly undemocratic attempt to avoid legitimate criticism and dissent.

One example might be the aforementioned section directing Hydro to manage its debt in a particular way. The wisdom—or otherwise—of this order of fiscal management has previously been subject to PUB scrutiny, but likely no longer, if Bill 36 were to pass.

I am reminded of the old saying: if it ain't broke, don't fix it. Bill 36 is far-reaching in its application to Manitoba Hydro, but it also has even more negative implications in the precedent set in a radical shift away from the independent oversight of Hydro's affairs by a respected regulatory body. The relationship between the Manitoba government, Hydro and the PUB has been more than satisfactory in previous years.

Mr. Chairperson in the Chair

So the answer to the question of what is the difficulty that is being fixed by Bill 36 is elusive. The media reports are that it is too expensive. I find that a little flimsy. The—I don't recall the sum. Apparently some criticism that it's been inflated, but be that as it may, it is a pittance compared to the revenues, the expenditures and the assets of this major corporation we know as Hydro. A more appropriate examination of this issue, if needed, would be a value-for-money assessment, not a bare statement that the amount is just too much.

I can't solve the mystery. I can only point with regret and disappointment that Manitoba's current government has a record of mistrust and micro-management of government and quasi-government bodies operating at arm's-length from government.

Bill 36 is only the most recent case in point. Bill 64 is probably the most visual example of this particular trend, but there have been numerous others, such as trying to override collective bargaining by

legislation, directing MPI as to how it should handle online insurance renewals, and so on and so forth. There have been number—a number of occasions like this, and this is not just paranoia.

It's time to step back and reflect on this record. The government recently promised to be more attentive to Manitobans. It appears to have done so in the case of Bill 64. A similar outcome to these enhanced listening skills in regard to Bill 36 would be more than welcome. It needs to be scrapped.

Thank you for listening.

Mr. Chairperson: I thank you so much, Mr. Hudson, for your presentation, and please accept my best wishes for your wife's health and that she can fully recover from COVID, and that you can be spared any ill effects as well, as someone who's living with her.

We'll now move to a five-minute question period. And the first question goes to the Honourable Minister Friesen.

Mr. Friesen: Thank you, Mr. Hudson. You said, what's the difficulty that's being fixed? The difficulty, sir, is that the problems at Hydro are not self-correcting. We've heard a couple of analogies tonight saying, it's just like a house, you get a mortgage and you pay it down.

But, sir, did you know that Hydro has made four payments against its debt since 1990, and has not made a payment since 2008? And there is no path, without intervention, to stability at Hydro. Stability at Hydro creates low rates. Agree? Or disagree.

P. Hudson: That's a, sort of, a, you know, is there a yes or no answer here. And there isn't. I think I would disagree. But I cannot speak to the specifics that you, in your position as Finance Minister and, I believe, overseer of Hydro, I can't speak to the kind of detail that you have.

All I can say in this regard in answer to your question is that we have had a system in the past and in the present which involves two major organizations—one a regulator and another the regulated—who both have a wealth of expertise within their ranks.

There is also another unusual situation here in which the usual situation where the regulated are not very happy about the regulator is not really the case here. You have both bodies with some common interest in, like I said earlier, getting it right.

If they have failed to do so in the past, in your opinion, in regard to the bets—debts to asset ratio, then it is time that the two were encouraged to sit down and do what they do best, which is have an honest—with public participation and outside expertise—an honest appraisal of what is going on, if there's something that seriously needs to be fixed here. And if it does, how are we going to do it and come up with a business plan?

Mr. Sala: Thank you so much for your presentation, Mr. Hudson, and I just want to say that I'm sorry to learn that your wife has contracted COVID and I'm wishing her a speedy recovery.

You flagged as one of your top concerns with the bill that it includes a provision that will prevent the PUB from commenting on government policy.

I'd like to ask you: What does it indicate to you that this bill includes a provision that will prevent the PUB from commenting on government policy or regulation?

P. Hudson: So, this is a—I have to say, Mr. Sala, this is a rather leading question, but I will answer it from my seat here.

Which is that I think I made the comment, perhaps not as forcefully as you just did, which is that it is of some concern when you see, not just in Bill 36, but a trend over the last, whatever, six years towards a greater abrogation of powers—or an attempt to abrogate those powers—from other bodies and institutions, especially Crown corporations and quasi-government bodies like universities to the government.

So, yes, I think this is of something of concern to all the citizenry who may be as guilty sometimes as I am of hyperbole in this regard. But the trend, I think, is quite obvious and quite concerning and quite troubling.

Mr. Chairperson: All right, not seeing any further questions in the room, so I can say on behalf of everyone here on the committee that we very much enjoyed your presentation, Mr. Hudson, and I thank you for your time this evening. And once again, we all wish your wife a full and speedy recovery. *[interjection]*

All right, sorry, we—I haven't recognized you, so I can't have you speak right now, but I'm just going to give the floor back to you if—again.

P. Hudson: I'm just saying thank you for your patience, to sit at six—and you don't even take a break

off—you know, six hours, you never sit—I mean, that's amazing, and thank you all for that kind of devotion and dedication and—

Mr. Chairperson: Thank you so much, Mr. Hudson, appreciate that.

Now, I've canvassed the room, here, and I think I can ask for leave and agreement that we will proceed with the—some of the presenters that are still in person in the room before going down the rest of the list. I will ask now formally for leave to do so. *[Agreed]*

And so I would like to call Bonnie Hoffer-Steiman to make her presentation.

Welcome, Ms. Hoffer-Steiman to the committee, and you have up to 10 minutes to make your presentation. Start whenever you're ready.

Bonnie Hoffer-Steiman (Private Citizen): I want you to imagine, from my perspective, you have two balloons. One's like this, and it says capital PUB, and the other one is like this, and it's got—

Mr. Chairperson: I would just ask that you speak into the mic as much as possible. You can adjust it if that suits your height better. Yes. Okay, thank you.

* (21:40)

B. Hoffer-Steiman: So, I'm not sure how much you heard, but I wanted you to imagine two balloons: one a large one with a capital PUB on it and another one, a little, diminished balloon with a small P, capital U-B.

And out of interest, I wanted to sort of understand what the word public meant, so I googled it. A definition from Oxford Languages says, public is of or concerning the people as a whole; and that was the adjective. And it also said, done, perceived or existing in open view.

So when I was looking at the issues, I sort of did it from a framework of inclusion, safety, and then another one which was kind of a large one, accountability, lack of information, evidence and transparency. But I thought they kind of went together.

I want to start with safety because I don't have a lot about safety, but what really concerns me and I think should concern everyone, is that environmental safety is at stake in regard to the provision around environmental review. One, that it's not in line with other legislation in Manitoba so that the notion of the major—let me see; I can't read my writing here—major facility could not be considered in the highest level of the environmental class 3 review. So why would we want to increase the threshold for review

and not really review every—whoops—review everything because, really, we know what the environmental degradation does in the world.

Okay, the other thing is that the basis for the environmental review is unclear and inconsistent with current—the current environmental legislation.

Now, in terms of decreased inclusion, I think there's a number of issues, and one has been mentioned by Pete Hudson quite a bit about limiting the PUB from able to comment on government policy and regulation. Where—why can't we have transparent governance? What is the fear of not making something transparent? I do not understand that. The Public Utilities Board is here to protect the public. So maybe if we could get beyond partisanship, we could maybe look at what's in the best interests of everyone.

And it's already been mentioned that the recent poll by Probe Research shows that the public does not want Bill 36, and I should've said at the preface is that I would like to see Bill 36 gone. But, that being said, I really think that the ability to question and investigate all relevant information is important, no matter what the issue is.

The other thing I wanted to say is in terms of, and it's been said before, but limiting input. Usually, in research, you know, you have something called triangulation; you want to hear from all kinds of different inputs, okay? And you want to have it maybe in writing; maybe someone can't even write, maybe someone's illiterate, maybe someone is a better public speaker than someone else. But, you know, it brings to mind the recent Merit-Tel review that I attended on the environment. They had, you know, everybody, and what did they do? They said, well, get your cellphone out and we'll take questions from the cellphone. Well, the fact of the matter is, not everyone in the world has a cellphone. So my point being, and it's maybe a little bit off, but it still fits that inclusion is what I think the government ought to be looking at: governing for the people, by the people. And it's for the people that needs to take precedent.

So, and the one last thing I want to stay, in terms—oh, and I would say that also there's a lack of transparency if you limit the kinds of input that the public is willing to provide. And the other thing is, by changing the factors considered when the electrical rates are set in Manitoba, you're limiting the—again the numbers of different kinds of inputs that are necessary, whether it be from the Indigenous population, whether it be from people representing lower incomes and the—there's another one as well—it's—well, that's the consumer

association representing the lower incomes. And there—okay—well, there's something else but I don't have it in my notes.

So—and Pete, Peter Hudson just said that, you know, scrutiny and accountability, I think, go together. So what you have: if you decrease inclusion, you decrease accountability.

So, I think that we need to come together. We've seen in the United States, for instance, where partisanship divides the country. We need to unite. And if the citizenship of Manitoba is telling you we don't want this, the Public Utilities Board is working well in our interest—in our global interest—then I do not understand why you would pursue and persist in having this bill go through. It does not make sense to me, in all due respect.

But thank you very much for hearing me out.

Mr. Chairperson: Thank you, Ms. Hoffer-Steiman, for your presentation.

We'll now roll into a five-minute question period, first question going to Honourable Minister Friesen.

Mr. Friesen: Thank you, Ms. Hoffer-Steiman, for being here this evening, for making your presentation to the group and I'm glad we could get you to the microphone. You were sitting so patiently for so long. It's very good.

I just wanted to indicate to you that I agree and we share your concerns about transparency and the vigour of our processes at the PUB. Those don't change. They remain strong. But I wanted to cite to you that there's a specific provision to say that all hearings at the board will continue to be open to the public in section 15, and invite you to comment on that.

B. Hoffer-Steiman: If that's the case, then bravo. However, other people—I mean, the majority—what have you heard? People are saying scrap it, you know. Listen to us. You know, we are—I mean, what's the point of government if they—you do not listen to the people? And the people—whether it be by poll or by presentation, what are they saying to you?

So, all I can say is, listen to the people and represent the people and do for the people. Because what you always profess is: we're doing this in the best interests of the people. So, I implore you to do what you say that you're meant to do.

I hope that answers your question.

Mr. Sala: Thank you so much for your presentation this evening. It's really greatly appreciated.

And you're, you know, you're being exposed to a bit of the alternate universe that we occupy here, where you continue to hear that the bill is, you know, going to protect the PUB, is going to allow things to go forward with inputs as they currently stand.

We know that's not the case. We've heard that over and over and over this evening.

My question to you is: You mention the risks of reducing the inputs into that rate-setting process, and I'm just wondering if you can comment about your thoughts about the impacts of that.

B. Hoffer-Steiman: I think the risks of reducing public input is that you lack—you know, when you go into a meeting, you often have, you know, a brainstorming session.

So, what you're basically doing is you're cutting out the brainstorming in large measure. And that is a real shame because, you know, getting the input of many different people, I think, is a very worthwhile endeavour.

* (21:50)

And, you know, shame on you if you're not listening. And what this—again, I'm maybe just restating it—is that I've been here since the beginning. I've listened to all of the presentations, and every one of them is basically telling you the same thing.

So I would implore you to go back to whoever it is you need to report to and say, look, here at the social security or whatever you're calling it—I can't remember the name of this particular meeting—committee—you know, this is what the people are saying. You're not hearing, rah, rah, let's go with Bill 36. You're not hearing that.

So, you know, do you need to pursue something, like, beat it to death? I don't think so. The Public Utilities Board is for the public. It works. Like someone says: if it ain't fixed, don't broke—don't break it? I mean, if it isn't broken, don't fix it? Or whatever. I'm—right now, I'm kind of a little bit—but you know what I mean. And so, I don't know. Like, listen.

Thank you.

Mr. Chairperson: Thank you, Ms. Hoffer-Steiman, for your responses. Not seeing any further questions, so I just want to thank you again for your presentation. I'm glad we could accommodate you.

And I believe we have two more presenters in the room. So I'm going to call Laura Tyler to come forward and make her presentation. Yes. You have up to 10 minutes. Go ahead whenever you're ready.

Laura Tyler (Private Citizen): Great. Thank you so much.

Hi. My name is Laura Tyler. I'm a community organizer and I work for Sustainable Building Manitoba. And I've talked to a lot—a lot—of people about this bill, and everyone seems to be pretty confused about it and why it's happening right now. And when I say everyone I talked to, that includes Liberals, Conservatives, Green Party, NDP people—everyone is confused. And it sounds like there's some confusion at this table as well.

So I first got involved with Hydro issues when I was brought on a tour of Hydro-impacted communities back in 2017. And there, one of the things that I was really impressed to hear wasn't, take down Hydro, ruin it all. It was: Hydro, do better. And that is what people whose lives have been severely impacted, if not destroyed, by Manitoba Hydro's development are asking—for Hydro to do better. And that's one of the things that the Public Utilities Board does.

And one of the issues with this bill is that it was done without any consultation. Acting chief with the Assembly of Manitoba Chiefs, Eric Redhead himself, expressed his own discomfort in the fact that there wasn't any kind of consultations done on this.

So one of the things that I also find interesting about this is that, even when you do have recommendations coming from Conservatives, such as with the Wall report, also those don't seem to be adhered to and followed in this particular bill.

So through my work, I talk a lot about net zero, and so I'm one of those people who's going to talk about the private retail sales. And there's a lot of talk in the community about how we need to make sure that we have the right amount of energy available in the right places at the right price.

And so there absolutely does need to be a discussion about what private sales is or is not in Manitoba. But, again, this bill was done without consultation. So who was talked to about this—oh, wait, is there a framework for how this private sales is going to happen? Seems to be something that's not properly explored in this bill.

So—and when we do go into looking at our hydro rates, we're looking at them being set for every three

years. Well, how do we think some of those private retailers will feel knowing that they're in a world where things are set three years out, but that we don't have all of the information now for three years?

So, who here predicted the war in Ukraine and the fact that the natural gas crisis would be happening in Europe right now? Who predicted that three years ago? So, who here predicted the last drought that we had in Manitoba or the fact that this year was going to be so full of rain? Was that something we knew three years ago?

So, there's a lot of troubling issues around rate-setting for three years out, not to mention the fact that, as other people have highlighted here today, we are entering an unprecedented time with the use of hydro and electricity in the world, let alone this province.

And so, as we're doing that, is this really the moment in time that we want to make major changes to the way that we're setting rates or is this a time to sit back, talk and listen to all these people who were here today? How much would this meeting have cost you if you brought all these people in as consultants, right?

So, how do we take a moment to, instead of mixing things up a little too much without all the information, why not—why aren't we taking a little bit of extra time to understand what the outcome of the two reports that are currently being commissioned in this province. We've got the energy report coming from the government, and the Hydro integrated resource planning coming from Manitoba Hydro. So, why are we doing this now, instead of waiting to see those reports come out?

So, we're hearing also, today, a lot about what this bill is supposed to do. This bill is supposed to stabilize Manitoba Hydro, where it's supposed to keep rates low. Well, if we're all about keeping rates low, then why, in 2021, was there a request to have a rate increase of 7 per cent from this government? And that came back from the Public Utilities Board at 3 per cent.

Also, on the subject of stabilizing Manitoba Hydro, we just heard that—from a former board member—this is exactly what they were expecting to happen. This is the debt ratio they were expecting. And so what is there to stabilize here, exactly?

So, I absolutely share the concerns by others voiced about the lenders and how they're going to feel as we remove this—as we shift decision making from the Public Utilities Board to the government. I'm also,

like, a little concerned about the concerns about the debt-equity ratio. In BC there's a 79 per cent. New Brunswick, they're a little worried because they're at 94 per cent. But here in Manitoba, we're at 86 per cent. So we seem to be, like, in the middle of the pack. And, as we're hearing from other experts here, this is what's expected. We know that when we build major projects that we're going to see a front-end debt.

So, when I was earning my MBA back in 2010, one of the things we talked a lot about was forecasting and how, you know, it's helpful to know a few years in advance what we're going to be paying for something, so I totally understand the desire to want to know that three years out.

What we also learned in my courses is that, sometimes, even just a year of budgeting is incredibly unreliable. So, we've already gone over a little bit about how we're not going to know what's coming with weather, we don't know how the changes in electricity use is going to impact things, we don't know the outcomes of these reports. So, why now?

I just want to address the fact that we heard that there's no elimination of in-person, but I think this—in this bill, but I think this speaks to one of the things that somebody said earlier about how confusing this bill is to read. So, 24.1(1) says: oral hearings not required; twenty—39.2(3)(a) says: the corporation must submit to the regulator for the review and approval without oral hearings. So, it just sounds like there's just, like, a lot of confusion around some of this bill and some of what's going to come out of it.

And I just want to, like, really thank the person who went just before me, because it really highlighted the benefits of public participation. Aren't you guys having fun here tonight? Isn't this how you want to spend a Thursday? But, seriously, there's been so many good points taken here, and it's just been really beneficial to hear everybody speaking.

And I just want to say something along the lines of how this is the third time this bill has been here, right? Third time—or, a version of it? Yes, 34, 35, 36—yes—versions? No? I'm seeing nos. I'm—so, we see—okay, in any case, there's been some similarities, but one of the things that we've noticed in reviewing each version of this bill is that it has gotten better each time it's come back. So, I really hope that you guys will withdraw it, listen to everything that was said here today and take a moment to review those reports that are coming out.

And let's get it all working together, because it's very clear the public does not want this right now. We're hearing that loud and clear from a number of reports. I'm sorry, I've been here the entire time and I'm pretty sure no one has said please pass this bill yet. There's still more people to come.

That's a lot of people saying please don't, please don't. And, again, public support is on the side. So—on the side of wanting that third 'independent'—independent party making the decision.

So, I think I had more to say, but I guess my notes are so confusing that you're off the hook and you don't have to listen to any more of me today.

* (22:00)

So, thank you so much for taking the time. Sorry that this is how you have to spend your evening, but I really appreciate it because democracy matters. Like, we're seeing all-time-low voter turnout, and confusing bills like this is one of the reasons that we're seeing that sort of disengagement, so I really, really hope that we here, as a province, can do better together.

Mr. Chairperson: Thank you, Ms. Tyler, for your presentation. I, for one, am happy to be here and happy to listen to you and everyone else who's presented before.

We'll now move into question period and I'll give the first question to Honourable Minister Friesen.

Mr. Friesen: Thanks for your presentation. I, for one, believe that it's processes like this that actually strengthen democracy. You are being part of a historic process. Manitoba probably has one of the most friendly processes for the public to participate in, so you're part of a great tradition. Welcome here.

I'd like to just correct the record. I know I have very little time; the Chair cuts me off. The section you referred to on retail power, it actually speaks to things like Indigenous nations who could move from diesel to hydroelectricity or solar to provide for their people. Comment on that? *[interjection]*

Mr. Chairperson: Ms. Tyler.

L. Tyler: Like I haven't been here all day. Sorry about that; waiting for my turn.

Yes, so, we know that there's three communities currently still on—well, there was four, but I'm pretty sure one is half off, so I think there's three that are exclusively using diesel, but—and now I've forgotten the question.

Is it late?

Mr. Chairperson: Is there leave for him to just repeat the salient portion?

Mr. Friesen: Sorry, I was asking you just to comment on the fact that when you spoke about your confusion about retail supply of power by persons other than the corporation, it actually isn't talking about a takeover of Hydro, because there's two conditions: one is your can't be connected to the grid, and the second one is you have to be able to move towards a green-energy source.

So it actually speaks towards isolated First Nations who could, in the North, move from diesel to an alternate source of power. And I was asking you to just comment on that and whether that helped your understanding of that section of the bill.

L. Tyler: Sure, thank you. I think that I, again, reference the fact that there was a call from Indigenous people that they weren't properly consulted on this bill, so even if that is included, I would say that it's there not necessarily in the right way. In an age of reconciliation, it's important not just to tell people what to do, but to include them in the process and bring them along.

As for some of the private sales, I mean, again, I'm here for—I'm here to talk about what private retail sales is and I'm certainly here to talk about getting off of diesel.

So, and my understanding of the bill hasn't significantly been increased by your question, but I appreciate it nevertheless.

Mr. Chairperson: Mr. Sala, with a question.

Mr. Sala: Thank you, Ms. Tyler, for your presentation and I also want to thank you for all of your work in organizing Manitobans in—to learn more about Bill 36 and your role with Protect the PUB Coalition.

I do want to talk a bit more about the private retail sale of electricity. We know that this bill doesn't seem to bring forward any kind of a framework, and it's very permissive in terms of what it will allow the government to do with that provision.

I'd like you to just expand on your concern or what kind of concerns we might have in relation to that provision within the bill. *[interjection]*

Mr. Chairperson: Ms. Tyler.

L. Tyler: Sorry, thank you. I think that there—I'm not from Manitoba. I moved here 10 years ago, and so

when I first moved here, I was so impressed by this province in so, so many ways, and one of the things, as I said, was, like, learning about Manitoba Hydro, as like, both a blessing and a curse because I can't turn on my lights anymore without thinking about the full impact.

And one of the aspects that I sometimes think about, when I turn on those lights is, wow, this is ours. You know, it's not every place. I moved from Ontario, for example, where they'd sold off their hydro infrastructure to privatize it.

So, I would say that one of my concerns in terms of how the lack of framework, is that it's leaving the door a little bit open to that discussion. I think it's really amazing in Manitoba that we have this—so many different public pieces of infrastructure.

You don't even know what insurance is like other places; if you've only lived in Manitoba, just be lucky for MPI. But the point is that the Public Utilities Board has helped both with MPI and could help here, and the fact that we're looking at moving things to private retail sales without that framework is very troubling, but certainly it's something that we need to talk about, because how people are addressing it right now is not that great.

I don't know if I answered your question or just rambled.

Mr. Chairperson: Any further questions?

All right, so I thank you very much, Ms. Tyler, for your presentation this evening.

And I think we have one more presenter that's still in the room, but before I go to that, I just wanted to let the committee know that Kevin Rebeck from Manitoba Federation of Labour, has presented us with a written report. Copies of this written report are being distributed. I'm just going to ask for leave from the committee to include this presentation in Hansard. Is there leave? *[Agreed]*

I will now move to the—who I believe is the last presenter in the room. This presenter is newly registered so would not be on your list necessarily, but it's been added to the bottom of my list. And so, I just invite Gisele Roch, if I'm pronouncing that correctly; I hope so. R-o-c-k-oh, it was a 50-50. Gisele Roch to the podium to make her presentation.

You have up to 10 minutes. Wish you all the best.

Gisele Roch (Private Citizen): Merci beaucoup; thank you very much. I would like to begin by

acknowledging the land that we are on—that from the Treaty 1 people and, as well as the Treaty people involved about Manitoba, you know, where—who are impacted and displaced or have been displaced in the Hydro projects to, you know, to allow us to have this energy; and also the people from Shoal Lake for the water that we benefit from here, as well as this is the homeland of the Métis people, so.

My name is Gisele Roch and I have lived in Manitoba all my life. I have had the honour and the privilege of working in communities for 50 years, some of them professional and much, much of it as a volunteer, so I have an interest. I come from a large family. I worked—I lived in the rural area, worked in the rural area, have been in the urban area for a long time. So I believe I have a very comprehensive understanding of issues that families and communities deal with, and that's what I would like to address.

It's known that, you know, we have quite an interesting economic—socioeconomic community. We have people who are very well off and we have quite a lot that are very low income or on very limited revenue. And so, like, if we looked at the median it would be pretty low, compared to, you know, like, there's a few, like, a minority, I think, of very well-to-do people that bring up the curve, but the reality is that lots of people are struggling.

And their rent or their, you know, their utilities, whether it's included or not, is going up dramatically, and that, you know, unlimited opportunities to raise the rates impacts tremendously. And one of the presenters was saying that in, you know, the UK, in England, you know, it's—they've come, after 39 years of having their system privatized, that it's often heat or eat. I think that we don't want to go there.

I would like to mention the importance of inclusion, so I thank you very much. You know, over the years, I'm not a stranger to this forum, so it's—I really appreciate that opportunity. And every opportunity should be made for people to access and express themselves as to how it relates—the issue relates to them.

So, basically, I was wanting to say that if—there's a saying that people concerned about being included are left out, is that if a discussion is—if it's about me, if it involves me or us, as a community, include me or us in the discussion early on. It's way more challenging to just kind of—it's good, but, I mean, it would be far better, I think, if people were engaged earlier when you're looking at a specific project. So that would be one issue to mention.

* (22:10)

And I guess, with all the good intentions and everything, I am concerned about the fact that this was announced, you know, in the spring, winter/spring, but that, you know the summer is kind of like a time that is in suspension. Then we come to the—what do you call it? In French, c'est la rentrée. [*—it's back-to-school time.*] La rentrée [*Back-to-school time*] is, you know, the fall season, when you're kind of getting all—like, it's—that's a busy enough time already, but we are facing here a municipal election, and so everybody's just busy, busy doing—going all to these forums and trying to see where their candidates are all at.

So that, you know, this could fall under the radar screen. So I have a concern about the timing, you know, and the attention that people can really commit to.

So, I was wanting to mention that, I've heard reflections, you know, that if the—because of the PUB specifically, that they do a very thorough study, they consult other jurisdictions, other countries, other similar agencies, just how things are done to provide the different services, you know, in comparable societies. They look for best practices, they use this information to compare and contrast, so that they can make an informed decision that's transparent, fair, trusted and that they will be accountable for.

So I think it's really important that it continues. It's a valued institution and really appreciated. And I guess someone was mentioning that if the agency or the government sometimes, you know, is not always ecstatic about the result and neither is the public, that's just kind of like a testimony that they found a pretty decent compromise, you know? Nobody's kind of—everybody has put water in their wine, I guess, is an expression in French. So I would like to just have you consider these things.

And as a minority in my family of—I'm the oldest of a large family of which it was lots of boys, and so I'm particularly attuned to the issue of gender, gender roles and gender-based analysis. The government here in the beginning of the millennia, you know, committed to a gender-based analysis, and I think it's really critical that that be done in any kind of project, whether it's a law project or a program or a policy.

It's just so important, because when we look at poverty, you know, women constitute 50 per cent, more—a little bit more than 50 per cent of the population, and that women live longer, but they earn, even as they're earners, they're often—it's I think, it's like

about 86, 87 cents for every dollar that their male counterparts earn. And then, you know, often times, like, because of raising families and the larger burden put on them to—for the household tasks and the child rearing, that, you know, their income doesn't really advance as fast as their male counterparts. And then when, let's say, the marriage breaks down, they are often the ones with the children. So that is always kind of holding women, single parents, down or back.

And then as they get older, you know, it's difficult to be managing in their home. And here we have a situation right now where seniors homes are being sold off because they can't manage, and even at those rates, it's not very—they're very expensive, as—even though it's supposed to be subsidized housing.

So there's just lots of issues, but they all are connected to the fact that this brings some people to have to eat or have heat. And, you know, that this is a government's obligation to consider all the different demographic groups and how this policy would—could impact them.

So, I would like for you to—I just appreciate so much the feedback and the comments that have come before me. I came to listen but I felt compelled to bring a few thoughts to complement what has been said before.

So, I am probably am due with my time. Thank you for listening and it's—I—we—I recommend that at this point, this one, be—this Bill 36 be withdrawn and, you know, have some consultation earlier with different groups that are severely impacted—most severely impacted.

So, thank you.

Mr. Chairperson: Merci, Gisele Roch, pour votre présentation.

Translation

Thank you for your presentation, Gisele Roch.

English

We will now move to questions and I'll give the floor to honourable Minister Friesen.

Mr. Friesen: Gisele Roch, thank you for being here. Thank you for expressing your thoughts and being so patient and waiting so long.

We agree that these processes need rigour and they should rely on lots of interviews and lots of engagements and dialogue. And that is why the expert

report on Keeyask and bipole has really led a lot of the way when it's come to bringing this bill forward.

So, I just wanted to say to you, your heat and eat comments are very, very real. Europe is staring down energy shortages. We're approaching Thanksgiving. It's amazing how we have the lowest power rates in all of North America.

Just wanted you to comment for a little bit, if you could, on that subject.

G. Roch: It is so concerning because, like, we need to get off the fossil fuels and, you know, Manitoba Hydro is well positioned to be coping through that and enhance that. So that's great but, you know, the climate disasters that are being associated with climate change, of climate warming is more and more evident when we've just—even Canada is barely surviving the, you know, in the—in Atlantic there, the Hurricane Ian; and Fiona before that.

Anyway, it's just going to get worse and worse. So we are very lucky to have the infrastructure to enhance, you know, and contribute to the solution to reduce our carbon footprint and be an example; to really be—have a robust environmentally green policy with jobs and everything.

Mr. Sala: Merci, Madame Roch, pour la présentation. C'est apprécié.

Translation

Thank you for the presentation, Ms. Roch. It was appreciated.

English

It's greatly appreciated that you come here tonight to share your thoughts and to listen. I don't have a question of you but I do want to thank you for expressing your concern. I want you to know that we, as the opposition, are going to continue fighting hard to ensure this bill doesn't pass. We're going to do everything we can.

We do have concerns about your heat or eat argument and the concerns about affordability that this bill would have; the impacts it would have on affordability in this province and know we're going to continue to fight against it.

So thank you for being here tonight. It's greatly appreciated.

Mr. Chairperson: Thank you, Ms. Roch, for your presentation.

That takes me to the end of the list of in-room presentations—or presenters. So we're going to get back to the original list and I will call Barry Wittevrongel to make his presentation. Barry Wittevrongel is not in the—online.

So, we'll move to the next presenter, which would be David Alper. I'm told that David Alper is available virtually, so just give us a moment to connect him into the room and then we'll proceed.

* (22:20)

Okay, Mr. Alper does not seem to be accepting the request to present, so we'll put him to the bottom of the list and I'll call on Meghan Mast. Meghan Mast.

All right, I believe Meghan Mast is now coming on screen.

I see you there. Welcome to the committee for—on social and economic development. You have up to 10 minutes to make your presentation. Go ahead whenever you're ready.

Meghan Mast (Private Citizen): Hi, and thank you very much for having me here today. I've been able to listen to all the speakers before me, as well, and yes, I'm very moved and impressed by all the well-researched thoughts that have been coming forward this evening.

My name is Meghan Mast and I live in the West End of Winnipeg, on Treaty 1 territory, and I've lived in Winnipeg now for nine years and was in Vancouver before this.

I—yes, I want to start by just thanking all the people who've spoken before me. It's very clear that there's a lot of knowledgeable people speaking out against this bill. I'll keep my presentation super simple because I'm not an expert like some of the other people who've gone before me.

I'm a citizen, a concerned citizen. When I moved here nine years ago, a main reason that I moved here was because of how affordable it is in Manitoba, which has been echoed by some of the other presenters. So much more affordable than, I think, all, maybe, or most of the other Canadian cities. And one of the things that makes it so affordable, as other people have said, is the cheap hydro rates. And of course, the Public Utilities Board is, in its current form, is a key player in helping keep those rates manageable.

I share a lot of the other concerns that the presenters have brought forward, including how this

bill opens up the potential for a lack of transparency within Manitoba Hydro's process and less oversight for the Public Utilities Board. But the main thing that I'll talk about today that I'm concerned about in an immediate sense is how the amendments proposed by Bill 36 puts the affordability of the hydro rates in jeopardy.

The possibility of an annual increase—rate increase up to 5 per cent depending on inflation, as was mentioned, is significant to citizens who are already facing rising food and gas costs. We're all feeling the weight of our bills, including people in the room there, and now is a terrible time to open up the possibility of more increased costs to consumers.

I was going to also mention Ian Smith's words from earlier about heat or eat, that people—the saying that's going on in the UK, that's circulating in the UK, and this is hard for us to imagine here in Manitoba because we do enjoy such affordable rates. But let's not change what already works so well.

Ultimately, according to the opinion polls that have been mentioned many, many times, Manitobans don't want changes to the PUB. We're very, very happy with how it works. We want an independent, arm's-length commission or board.

The average Manitoban cares less about Hydro's debt than you might think, Minister Friesen. What we do care about is our monthly bills. And as has been stated many times, this debt is normal for these sorts of large projects when it comes to the beginning stages.

I don't have much more to say, but it's super simple: Please withdraw Bill 36.

Thank you very much.

Mr. Chairperson: All right, thank you, Ms. Mast, for your presentation.

We'll now proceed to questions.

Mr. Friesen: Ms. Mast, it's revealing to me that you say that you don't really care about Hydro's debt, you just want low rates, and it would be nice to think that we could do that.

The problem is, when the debt is tripled at Hydro and they carry obligations of \$1 billion a year just to service debt and pay bankers. That 40 cents on the dollar that goes to debt repayment, that used to be 8 cents, is money that cannot be used to invest in the future. Translate to green, hook up First Nations communities that are on diesel.

I'm just asking you to comment on that. Do you see no relationship between debt and your ability to afford your lifestyle?

Mr. Chairperson: Ms. Mast, before I give you the floor I just want to remind members to try to keep the questions under 30 seconds.

M. Mast: Yes, I'm not sure I have anything extra to add other than—aside from just pointing to the answers that the many speakers before me have already given to you, Minister Friesen, that have explained that quite well, I think.

Thank you.

Mr. Chairperson: Thank you, Ms. Mast.

Another question from Mr. Sala.

Mr. Sala: Thank you so much, Ms. Mast, for your presentation. Greatly appreciated. And I think you have demonstrated a good understanding of Hydro debt and that, ultimately, in the early stages of new big projects such as Keeyask, we will incur that debt and pay it off over time.

I just want to ask you, you know, this bill, if it were law today, would result in a 5 per cent increase, as the formula is laid out in the bill.

What would a 5 per cent increase mean to you and those around you in your community?

M. Mast: Yes, I mean, it's substantial, right? Like, doing the math, I guess I paid a hundred dollars for hydro last month; so whatever the 5 per cent of 100 would be. That's difficult to calculate this late at night for me anyway.

But it's substantial, you know, on top of what we're paying—the increase that we're paying already with food and rise in gas prices. It's all adding up and people are stretched very thin right now. Things are tight with all these increases, and I don't see it as a necessary increased cost, which is something that you're hearing over and over again from citizens. And I know the public opinion polls are saying the same, as has been pointed out.

So, yes, not sure what else to say about that, but it's a good question. Thanks for asking.

Mr. Chairperson: All right, thank you, Ms. Mast. Seeing no follow-up questions from the members, I'm going to thank you once again for your presentation and for interacting with members of the committee on their questions.

And we'll now move to the next presenter. I'll call Lynn Livesley. Lynn Livesley, I'm told, is not online.

So, we'll move to the next presenter, Stephanie Grout from the Council of Canadians, Winnipeg Chapter. Stephanie Grout is apparently not online.

So, we'll go to the next presenter, Wendy Barker. Wendy Barker. Okay, I'm told that Wendy Barker is available online. We're just going to see if we can connect and have her make her presentation.

All right, Ms. Barker, I think I see you there on the screen, so you can go ahead and make your presentation. You have up to 10 minutes. Start whenever you're ready.

Wendy Barker (Private Citizen): Thank you. I didn't actually expect to get to—you to get to me by tonight, but obviously it's a late night for a lot of people, including me. I'm usually tucked up in bed by this time, but thank you for continuing to hear from all of us. This is a very important bill as far as I'm concerned.

I'd like to just give you a little bit of background. I'm a—I'm retired. I worked for almost 20 years as a scientist for the federal government, but before that I was a lawyer and I was also involved with the Consumers' Association of Manitoba. I was chair of the board for a few years during the 1980s.

And so, it was during that time, as I'm sure most of the committee members are aware, that the Public Utilities Board allowed for intervenor funding, which really opened up the ability for Consumers' Association and other associations to make effective presentations to the Public Utilities Board when there were these big issues like Manitoba Hydro rate increases or major projects for Manitoba Hydro.

* (22:30)

At the same time that I was involved with CAC Manitoba, I was also on a national CAC board called the Regulated Industries Program, which allowed me to meet with people from across Canada that were similarly involved with regulated industries. And they were very impressed with how well the PUB worked and particularly the ability of intervenors to make presentations and make very effective presentations. I think we've heard about how Conawapa was dismissed by the PUB and in large part that was due to a number of intervenors making the decision that Conawapa just was not financially feasible.

So, that's sort of where I come from. During the time that I was involved with CAC Manitoba, the—

Saskatchewan also had a public utilities board and then, I don't remember the exact year, but they decided to not have a public utilities board anymore. They did away with their public hearings process.

And so, I just looked up today, from a website called EnergyHub, that compared the energy costs for residents using 1,000 kilowatt hours and what the cost would be. In Manitoba, the cost would be 9.9 cents per kilowatt hour. In Saskatchewan, it's almost twice that, it's 18.1 cents per kilowatt hour. And I have to wonder, if they had continued to have an effective public hearing process, if those rates would be that high. I personally don't think so.

I know that there's been statements made by the government about how expensive these hearings are, and that's why—one of the reasons why this legislation has—is being proposed. I think maybe somebody mentioned this, but the cost for the average consumer in Manitoba to have a hearing is about \$2.50 a year. That's about 20 cents a month. I think anybody would be prepared to pay 20 cents a month—I mean, what can you buy with 20 cents a month—in order to have an open, transparent, fact-based hearing process. And while it may have cost \$2.50 a year, consumers saved at least \$50 a year by having those hearings.

There are a number of concerning proposals in this legislation. One of them is the proposal that they have three years of rate increases. And as one of the in-person presenters said, who among us would have predicted a drought year like we had last year followed by an incredibly—downpour of rain this year. None of us would have predicted that, and that would make a substantial difference in what the forecast—or, whether the forecast rates would meet the requirements.

The other thing that really concerns me about this legislation is the limit that the Public Utilities Board have on having in-person oral hearings. There's nothing like getting together in a room and having presentations. I can speak as a lawyer that there's no hearings, basically, that take place without some oral component to them. Even in the Court of Appeal, when lawyers submit a written argument, they get called in afterwards to make an oral presentation and answer questions from the judges. So it's very important to have in-person presentations for the Public Utilities Board.

And I'd just like to say that I don't think anybody has pointed this out, but we only have a year until we have another election. I think it would be a good idea for the government to make this an election platform

and see whether the Probe Research polls are correct that people want there to be Public Utilities Board hearings for major increases in hydro and gas rates. I think that the government would find out that, yes, that is very important to Manitobans. And if it's that important, I think that the government should withdraw this bill and take it to the electorate in a year's time.

Thank you.

Mr. Chairperson: Thank you, Ms. Barker, for your presentation.

We'll now roll into questions.

Mr. Friesen: I thank you for your presentation.

I would want to give you the satisfaction, the certainty. You said people want PUB hearings for increases in hydro. And so does your government. We want the certainty that the PUB has an independent, robust role, as they always have.

I can assure you, ma'am, that in-person hearings will continue to be the cornerstone of those presentations.

The only area of departure you and I have is that you'd like the process repeated every single year. And most other jurisdictions, the best practice moves towards once every three years.

Can you comment on that?

W. Barker: Well, as I said in my presentation, I think projecting three years in advance doesn't give the chance for the utility to respond to events as they occur from year to year.

I know that Hydro suffered last year from the low water rates because of the drought. What would they have done if they had projected an ordinary water flow rate and then didn't have it and didn't have the energy that they were expecting to be able to transmit?

I think that the process of having an annual rate increase—that's what consumers are—have to deal with on a yearly basis. We have to look at our annual income and expenses and try to—I personally wouldn't want to try and figure out what my expenses were going to be three years from now, so I don't see how an organization as large as Manitoba Hydro could possibly do that.

* (22:40)

Mr. Chairperson: Further questions?

Mr. Sala: Ms. Barker, thank you so much for your presentation, and thanks for staying up past your bedtime with us tonight. We're all looking forward, I think, to crawling into bed at some point.

I don't have a question for you. I just want you to know that I strongly agree with all the points you made here tonight, and especially the one you made about, you know, you're encouraging this government to possibly put this on their—on the ballot.

Unfortunately, I don't think we're going to see this government do that. They want to ram this through as soon as possible because they know it's unpopular, unfortunately. But I do think that's a good request and, hopefully, maybe that idea will have snuck into the ear of the minister tonight and we'll see that happen. Who knows?

But thanks again for your presentation, and I wish you well.

Mr. Chairperson: Ms. Barker, you can respond if you like.

W. Barker: Well, I just—I think that if this government truly wants to listen to the people, then the best time to listen to the people is when there's an election.

And I can tell you that my MLA came to my door this summer, and this was the question that I put to him, was: what's happening with the Public Utilities Board? And that's a year ahead of an election.

So, I think that elected officials and people who want to become elected will be facing a lot of questions if this legislation goes through. And I don't think that those will be favourable comments.

Mr. Chairperson: I thank you, Ms. Barker. I'm not seeing any other questions in the room, so I'm going to thank you once again for your presentation and for staying up late with us here on committee, and for also interacting with the questions that we had from committee members.

We'll now move on to the next presenter, and I will call Gina McKay.

Okay. I'm told Gina McKay is online, and so we're just going to take a moment to see if we can connect. And I believe I see Ms. McKay on the screen, so welcome to the committee. You have up to 10 minutes to make your presentation. Go ahead whenever you're ready.

Gina McKay (Canadian Union of Public Employees-Manitoba): Good. Thank you so much.

Hopefully that over light—the overhead light isn't too bright here.

Good evening. My name is Gina McKay, and I'm the president of the Canadian Union of Public Employees of Manitoba, CUPE Manitoba. And I'm tuning in here from Treaty 1, so thankful for that, and also thankful to Treaty 5 for powering my Zoom to—for me to join you here tonight.

I'm pleased to provide some feedback tonight on Bill 36. And I've worked—it's an interesting past, but I've also worked at Manitoba Hydro in the past as a young person, as a student adviser for the Power Smart program, as well as on the flipside, doing some environmental research with the Department of Fisheries and Oceans in my early years, in my twenties. So, happy to have a perspective and to share some of that with you tonight.

So, as a background, CUPE in both Manitoba and Canada is largest—is Canada's largest union. And in Manitoba, it's over 37,000 members, and in Canada, over 700 members strong. Here in Manitoba, CUPE members work in health-care facilities, school divisions, municipal services, social services, post-secondary education, child-care centres, family emergency centres and utilities.

And while CUPE Manitoba does represent employees in—at Manitoba Hydro, I want to stress that I'm also here to speak on behalf of the 37,000 other CUPE members who are customers, they're owners of Manitoba Hydro.

So, the first thing I'd like to say is that Manitoba Hydro works for Manitobans. It provides clean, reliable energy at a relatively low cost, as we've heard here tonight. The second lowest prices in Canada, second only to Quebec hydro, who I would also add are also CUPE members. And Manitoba Hydro does this while providing good jobs to Manitobans and adding significant value and revenue to provincial coffers. So, looking at approximately \$459 million in 2020-2021. So Manitoba Hydro is, without a doubt, the crown jewel of Manitoba.

A significant part of the success of Manitoba Hydro is the delicate balancing act that takes place between the financial interests of Manitoba Hydro, the government of Manitoba and regular Manitobans—and many who have been here tonight, and I'm so thankful to have heard a lot of their experiences and stories.

By any reasonable standard, I believe that, as a province, we have done a good job in balancing these interests, but the secret of our success, I would argue,

has been the independent, arm's-length commission that sets hydro's rates, the Public Utilities Board.

And it's not just me who believes in this system. The people of Manitoba do, and by polling—and polling by Probe Research backs that up. Some members have spoken to that tonight. This past June, the Consumers Coalition of Manitoba had Probe Research ask Manitobans who should set Manitoba Hydro's rates: Manitoba Hydro, the Premier (Mrs. Stefanson)/Cabinet or an independent or third-party commission.

The response was overwhelming. Mr. Chair, 69 per cent said an independent third party should set the rates, 12 per cent said Hydro and only 5 per cent said the Premier and Cabinet. This is good news. Our system not only works, but it also has the broad support of Manitobans.

However, the legislation before us today, Bill 36, puts this system, this independence, as—at jeopardy. And while the Public Utilities Board would remain independent in theory to set rates, in practice this legislation would act as the government's thumb on the scales of the delicate balance that the PUB was created to oversee. And so it does so in numerous ways.

The first one, it changes the factors considered by the PUB when setting rates in Manitoba. So, it does so most fundamentally by setting financial targets for Manitoba Hydro in law. So, further to this, it limits the ability of the PUB to even comment on the validity of government regulations and directives, including these financial targets.

And sorry, the thing about working from home is that I've got, like, the cat's trying to crawl across the screen, so sorry everyone. Got to get her off the way, here.

So this, fundamentally, reduces the independence of the PUB, to get back at it. They are no longer able to determine what, if any, financial targets are reasonable, or even questions the targets provided by government. So, by putting these debt-to-capital targets in law, you tie the hands of the PUB to do the bidding of government. That's the first point.

The second is the debt-to-capital financial targets set in the legislation are aggressive and will likely require significant increases in order to meet them. So it's entirely possible that the PUB will find itself in a situation where it has no choice but to approve the maximum hikes allowed under the new legislation in order for Hydro to meet these financial targets.

Manitobans are struggling. We've heard that here tonight, time and time again. We hear it on the streets, and we hear it everywhere, that high inflation and lagging wages in every sector of work in Manitoba. The last thing we need right now is significantly more expensive hydro bills. This legislation almost guarantees that as an outcome, even though we're hearing that's not the plan, as Minister Friesen noted earlier.

The third point: the legislation would limit the ability of third-party interveners such as the Consumers' Association of Manitoba, the Manitoba Industrial Power Users Group, Indigenous organizations and others to influence PUB decisions.

Oral hearings, as we've heard, even though within some constraints, I've—I know—I've been listening throughout the evening, they'll no longer be required in all cases, but we fear that this may result in key stakeholders losing the opportunity to question expert witnesses. It may result in a loss of evidence presented to the PUB, as some individuals who are comfortable in providing oral testimony will feel less comfortable making a written submission.

And another point: in addition to potentially reducing the quality and quantity of evidence presented to the PUB, we worry about the loss of transparency decision-making by moving to written submissions in place of oral hearings.

Manitoba Hydro has a monopoly in Manitoba. Public support for Hydro depends on the public's acceptance that rates are being set in a fair and transparent matter. Anything that undermines the transparency of the process will ultimately hurt the credibility of Manitoba Hydro.

* (22:50)

And this legislation removes Manitoba Hydro's monopoly on the retail sale of electricity. Private individuals and corporations will be allowed entry into the market. And the rules of how they do so have not yet been made. Those rules will be set by regulation, which requires far less public debate and results in far less public scrutiny.

And this is a fundamental change to our existing system, which is really important, and we are heading down this path with limited legislative—legislated guidelines, so we have no sense what the impact will be on Manitoba Hydro or on Manitobans or who's lined up to privately purchase or enter the market.

And for all of these reasons, and on behalf of CUPE Manitoba, we ask that the government reverse course, respect the independence of the Public Utilities Board to balance the competing interests of Manitobans, Manitoba Hydro and the government by withdrawing this legislation.

Thanks so much. I look forward to questions.

Mr. Chairperson: Thank you, Ms. McKay, for your presentation.

We'll roll right into questions.

Mr. Friesen: Thank you for your presentation.

You indicated that a poll was saying that the vast majority of people would want an independent third party to set the rates in a fair and 'transparent' process. So do we. So do we. Exactly what the bill guarantees.

And you said, as well, the last thing people need is significantly higher power rates right now. We completely agree. And that is why this bill creates conditions to hold down the rates of power.

I just want to ask you to comment on the provisions of the bill that hold down the rates of increase each and every year.

G. McKay: Yes, for sure, and we've talked about—I know—not we, but folks have talked about earlier, about rates, and we talked about, you know, what that would look like. I know Mr. Sala did the same in talking about the percentage increases and what does that look like on the front-line worker, on the community member, et cetera. And yes, we recognize those rates, but we also have to recognize what's not moving along with that.

So we might have, you know, second lowest rates, you know, but we're on the heels of wage freeze bills, we're on the heels of minimum wage workers not being able to make their hydro. And we've heard that come through, you know, whether we can pay our bills or whether we can eat. And all of those things come forward, and no matter what, even with those rates, what we're not seeing around us is inflation being targeted. We're not looking at bringing down inflation. We see other things going up. We see the prices of groceries and basic services going up.

So, even though, you know, we may have some control over that small amount, we don't have the language or the clarity here in this bill that actually says how and why. How do we move forward with that? What are the implications? Because there's no language in that place where we see strength around

protecting those values. We don't know; it could open up. We could look at portion privatization, et cetera.

So I do feel, even though the rates are at that point, the rates are there, but some of the wages are back six to seven years without increases, right? Six to seven years, you know, you go through winter months, those are huge 'percentes'—percentages per month.

So, I'd have to say that the language needs to be clear because it's not clear, and what that means is that it—the public doesn't have an opinion and the public doesn't have an opportunity to comment or to challenge.

Mr. Chairperson: Continuing of questions, Mr. Sala.

Mr. Sala: Thank you so much, Ms. McKay, for your presentation. You spoke wonderfully.

I just wanted to ask you, in your capacity as president of CUPE here in Manitoba, you obviously have an opportunity to connect with a lot of working families, a lot of working people in our province.

Could you comment what you hear from your membership about Bill 36, what kind of concerns they have about this bill?

G. McKay: Yes, great, thank you so much. Yes, what we hear, it's fear. It's fear. We—you know, we see people struggling. We see, you know, harder conversations at bargaining tables, right? You know, I would never—I've done lots of labour relations in my day as a young person as well as, you know, in the workplace. And we would never just sign off on a contract without clear language, right?

And when we don't have that clear language, that's what we hear from members, that's what we hear from front-line workers: we're having a harder time making ends meet. The fear of, you know, increases of 5 per cent have been, you know, 1,500 a year, up to even—I did some math while we were doing this tonight—up to \$4,300 a year for some families. And what does that mean? That's more than a car payment. That's more than transit passes. And it's more and more access.

Workers are struggling and we hear that loud and clear. You know, we're finally seeing some movement, but we have low-percentage increases. And so, you know, I don't want to get to a point where we have to look at, you know, building stronger food banks and trying to create more public services to make those—meet those challenging pieces in workers' lives.

And so from workers, what we're hearing is that we need this pulled back. There needs to be stronger language built in and really, I know I—we only have the last 30 seconds but, you know, the hands can't be tied of the Public Utilities Board. And I really do think that that's why we need a stop to this right away.

Mr. Chairperson: Right, thank you, Ms. McKay, for your presentation and for interacting with committee on questions.

We'll now move to the next presenter, which is Michelle Darrmann. Michelle Darrmann is not available online, so I'll put that name to the bottom of the list.

And continuing on, Jade DeFehr. I'm told that Ms. DeFehr is with us. I can see you on the screen there, so welcome to the committee room. You have up to 10 minutes to make your presentation. Go ahead whenever you're ready.

Jade DeFehr (Private Citizen): Great. Thank you so much. Can you hear me okay?

Mr. Chairperson: Yes, we can.

J. DeFehr: Okay, great. Thank you so much for your time this evening. My name is Jade DeFehr and I am a third-year law student at McGill University. I'm based in both Montreal, or Tiohtià:ke, which is Kanien'kehá:ka, here on Wendat and Anishinaabe territory, and also Winnipeg, which is where I grew up all my life.

It's also about midnight here. It's an hour later, so just wanted to mention that because I'm here also late—as all of us are, of course—but because of how much I really care about this bill not being passed.

So, yes, I'm here to voice my strong opposition to Bill 36. I've seen many different people already talking online about their concerns with this bill, and these aren't people who are, you know, part of any particular political group or anything like that. Just lots of concern from Manitobans right now.

There's a few different things I'd like to touch on. One is, I'm really concerned about how this bill will weaken transparency and decision-making about Manitoba Hydro. More specifically on this point, I'm worried that oral hearings will no longer be required by the PUB. We know that written hearings will limit public participation, if that's the only option.

There's many reasons—as the person before me also commented on—there's many reasons that people might not be able to write in their concerns. There can

be different structural barriers, but also just the value of being heard in person and hearing your questions from the committee as well in response.

And I think that's really clear by the fact of—by the fact that so many of us have shown up tonight to speak to the committee, even though we also have the option to write in, which, of course, some people need to do. But it shows how important it is to be here and to hearing—to actually be engaged in hearing what other people have to say about it as well. Yes, I'm concerned about the fact that just requiring the written aspect also can kind of silo our responses and again, not hear the questions back as well.

I'm also wondering what the reason is for limiting those kinds of hearings that we have, and I think that just having it the same as other jurisdictions, I think, is not, I guess, the reasoning I would be looking for. And I'm curious what this says about how we actually value public participation and transparency.

* (23:00)

I'm also concerned about how this bill moves decision making about Manitoba Hydro behind closed doors. And, just to be clear, this would be a concern for me no matter which party is currently in power. This is a Crown corporation, and decisions affecting our hydro and natural gas shouldn't be happening by politicians behind closed doors, at least in the circumstances that the bill is permitting that to happen.

I realize that may not always be the case, but there's also no consultations that happened for this bill, and so I'm also just generally concerned about the entire process by which this bill is being passed.

Section 10.1 also says that the board doesn't have the authority to determine or inquire into the validity of either a regulation or a directive or order made or issued under The Crown Corporations Governance and Accountability Act, or The Financial Administration Act, so that also just really concerns me in terms of the effects that this bill will have on limiting the PUB's ability to question and assess government regulations and policy.

Bill 36, I think, also shows concerning government overreach into the PUB's ability to set electricity rates. So, for example, the Cabinet will be able to change the rules for regulating gas rates. The PUB, I believe, needs to remain the independent and arm's-length body that it is so that we can keep electricity rates affordable and have a say as Manitobans over Manitoba Hydro's rates as both a Crown corporation

and, essentially, an electricity monopoly in our province.

And also, as mentioned before, a survey commissioned by the Consumers Coalition in Manitoba found that more than seven in 10 Manitobans want an independent commission or board to set energy rates. This—absolutely, this bill weakens the independence of the PUB. It's not enough for the government to say that they also value an independent, arm's-length board to oversee Manitoba Hydro decisions. I think that we can point to, of course, different ways that a certain degree of transparency or independence is still being preserved here or there by the bill.

But for the different reasons I've mentioned in this presentation and that people have been mentioning for hours this evening, the overall effect of this bill is still that it weakens public participation in decision making about Hydro and increases the government's control over the Public Utilities Board.

Yes, so, essentially, that's kind of all I have to say. I just think if Manitoba—if we want to have—if we are one of the friendliest processes for public participation and this is something that we all value, then I think we need to make sure we're actually keeping it that way and walking our talk.

Yes, that's where I will leave my comments. Thank you very much for listening.

Mr. Chairperson: All right, thank you, Ms. DeFehr, for your presentation, and thanks especially for staying up even later than we are—at a later hour than we're experiencing here in Winnipeg, by coming to us all the way from Montreal after midnight.

We'll now roll into questions.

Mr. Friesen: Thanks, Ms. DeFehr. You've been with us for a while this evening, you said, so you've already heard me responding to numerous presenters.

Just to correct the record, our government is interested in a strong, independent PUB, one that does its work in a robust environment to hear presentations of Manitobans. We have one of the best processes at the PUB of anywhere in North America, the most democratic and most open. Nothing will change.

The frequency of the meetings will. If something changes within those three years, then the process can be opened again. Low rates, stability at Hydro.

Just invite you to respond.

J. DeFehr: Thanks for the question.

Yes, I don't see how—you know, you mentioned that the frequency of the meetings will change. Already, that's a significant change, in my mind. And in terms of correcting the record, that—this is something that you value, I just think that I've pointed out, and others have pointed out, how there are tangible changes in this bill, including the fact that oral hearings aren't required. It may be the case that the PUB will still generally continue to have oral hearings, but what's written down in the law actually matters, and it's scary for people.

So, I think that that deserves to be taken really seriously, and I think people are fair to be concerned about what's written down even if we have a promise that the government still cares about the PUB's independence.

Mr. Chairperson: Further questions, Mr. Sala?

Mr. Sala: Thank you, Ms. DeFehr, for your presentation.

I just want to ask you, we've heard from the minister that this bill supports a strong independent PUB. Do you think that this bill supports a strong and independent PUB?

J. DeFehr: Thank you for the question. No, I don't think that the bill supports a strong and independent PUB.

I think that the reason why so many people are here, and again, there's lots of different, specific, concerning aspects of the bill. The fact that it can, you know, certain decisions now can be made behind closed doors, that, yes, we can't—that oral hearings are no longer required, that Hydro doesn't—I mean, that the PUB does not have the same kind of control over setting rates and can't take into consideration the—all the factors that they were before I think all impede the independence of the PUB and the arm's-length nature of it.

Thank you.

Mr. Chairperson: Okay, thank you. I'm not seeing any further questions here, so Ms. DeFehr, you may now rest your eyes for the night. Appreciate, once again, that you were up extra late. Thanks very much for presenting.

We'll now move to the next presenter. I will call for Jocelyne Lalonde. Jocelyne Lalonde is not online at the moment.

So, we'll move to Dale Friesen. Dale Friesen is also not online.

We'll move to the next presenter, which is Mathew Scammell. Okay, it appears that Mathew Scammell is available online, so just give things a minute here, hopefully we can get him plugged into the room.

All right, I'm seeing your camera come on up. So, Mr. Mathew Scammell, welcome to the present—or committee room. You can proceed with your presentation. You have up to 10 minutes. Go ahead.

Mathew Scammell (Private Citizen): Can you hear me okay, as well?

Mr. Chairperson: Yes, we can.

M. Scammell: Okay. I was getting an unstable kind of notification, so I'll just try to proceed.

Anyways, yes, I'm tired a little bit, not going to lie—not just from the day and how kind of late it is but I've seen this kind of thing before from this government and it's never good.

I'm glad I got a last-minute email from the committee clerks saying that we're almost running through because I knew I was right at the end but thought I would be presenting probably sometime next week; so it's good that I do have a chance to speak here.

But essentially, I want to kind of talk about my opposition to this Bill 36. I think it's ill-advised and short-sighted for several reasons, most of which have already been discussed by the—I mean, I've only seen maybe four or five different presenters but I'm sure they've been echoed time and time again.

No. 1 that I want to talk about is PUB hearings, how much that they cost and—versus how much they actually end up saving consumers. I've read—I read the news, I kind of pay attention, so I've seen reports that there's been kind of mistakes made by the government kind of in how much they've been saying that PUB hearings actually cost where, you know, they cost quite a bit less in terms of the numbers being cited. But in terms of, like, how much they end up saving consumers, I think it was Wendy Barker saying earlier that, you know, 20 cents a month versus—oh, so it's like \$2 a year versus \$50 of savings. I guess that's pretty big.

And so, I think it's important to have these Public Utilities Board hearings, not only in person in kind of, in the similar format that they have been running for years now, but like keeping them going because they save consumers money

* (23:10)

Which, obviously, with inflation right now and all the other stuff going on, it's—you know, it's important to keep costs as low as possible for all Manitobans then. But it's extremely important for low-income peoples and people with disabilities and other barriers to employment.

Myself, I have utilities incorporated into the rent, and so I don't see a fluctuation, which is as—I'm incredibly privileged to have that, and I'm honestly just lucky.

But I wanted to come here and speak because it's that opportunity and not everybody gets a chance. And, you know, maybe sometimes you have to speak up for what you believe in; what's right. And so that's why I wanted to talk about the—those hearings and kind of how much money that they've saved.

The next point is about Manitoba Hydro rate applications and how secretive they already are. Again, I read the news; I've seen them fighting with the Public Utilities Board to try to keep their books closed and their financial records, you know, out of scrutiny from the Public Utilities Board. And so I would hope that you were trying to fix that kind of situation and obligate or mandate them to, like, open that—be transparent financially with the regulatory body that's supposed to oversee all their decisions, especially the really big ones.

And so, I don't know how this bill is going to help that, necessarily. You know, I don't think Cabinet should be taking that power away from the Public Utilities Board. I, to be honest, trust the—I trust an arm's-length independent and oversight body much more than I trust the Treasury Board.

I know who's best interest is in mind for the Public Utilities Board: it's consumers; it's ratepayers. They need to see evidence, make calculations as a group—all that kind of stuff. And it's transparent; it's public; it's accountable.

And so, I think that's in great contrast to the way Cabinet operates. I think you've got political ambitions, initiatives in mind, and I don't trust it, you know. It's mostly behind closed doors, and so that's a real issue that I have with that aspect.

I want rate-setting bodies, obviously the Public Utilities Board, to remain public, transparent and accountable. And so I'll kind of finish up on that. Public Utilities Board, kind of an amendment part, but I did want to comment on some of the other aspects of the bill, as well on the Manitoba Hydro amendments.

In terms of The Manitoba Hydro Act being amended and kind of, in general, I suppose I would support some of those aspects that have been written in there, at least from what I've seen so far. It's—maybe I just need to analyze it a bit more to see if there is some issues.

But, in general, I think solar electricity, wind farms are much more renewable and, you know, environmentally friendly, if I can use that word. I don't think the hydroelectricity is as clean and green as a lot of people are kind of just assuming that it is. I think it's a narrative that's been cultivated by Manitoba Hydro over many decades and it's—it does need to be challenged.

So, I think, you know, a generation of other types of electricity need to come quickly. Manitoba Hydro doesn't seem very interested in that, and so I do kind of think it might be a good idea to allow other people to produce power as well, you know.

I know about Fisher River Cree Nation. I know they want to be producing their own power. I know a lot of other places want to produce solar or wind or whatever it may be and get away from those kind of destructive legacies of Manitoba Hydro, especially in northern Manitoba, but also along the Winnipeg River down here and obviously Lake Winnipeg.

So, I would actually support a decoupling of, like—this bill shouldn't have all those different acts and all the amendments lumped in together. I would support decoupling those Manitoba Hydro Act amendments from the larger bill—from the Public Utilities Board amendments. I think it's—it goes without saying they kind of are two completely separate issues.

Yes, the Public Utilities Board, like, oversees a lot of the stuff that Manitoba Hydro does, but the—I don't know how it's directly relevant and needs to be in the same bill and being considered at the same time, and so I would urge the committee and committee Chair and whoever else to consider that and decouple those because it—you might find some support on, you know, The Manitoba Hydro Act stuff, whereas I don't know what the first couple dozen or however many people have spoken tonight were talking about but I haven't seen any support yet for your bill in general in terms of the Public Utilities Board amendments that you're trying to kind of push through here. So, I don't know if that's something you can consider, but I would strongly encourage it.

And yes, I suppose that's two different things I wanted to talk about tonight.

So, thank you for the time, and yes, I'll go into questions now.

Mr. Chairperson: All right, thank you, Mr. Scammell, for your presentation.

We'll roll into questions.

Mr. Friesen: Thanks for your presentation. We've certainly heard other, you know, very similar sounding and structured presentations this evening. You've also heard our responses to those things.

What's missing in your presentation is a concern at all about how debt impacts the ability in future of us to maintain that low-rated advantage. I find it interesting that there's no reference to debt and the hidden costs by the former government who overspent the plan budget for these Keeyask and bipole projects.

Do you have any comments about the previous government's actions to hide that from Manitobans?

M. Scammell: Yes, I noticed a lack of announcement on the completion of Keeyask. You know, you accrued all this debt to have a huge project, and now it's completed and generating electricity, and so I would kind of turn that around and say it's—you know, you have an asset. It's not just debt, it's going to be paying itself off.

Like, what is that, a 50-, 100-year lifespan for a project, and so, I think you're asking the wrong questions here. You know, you might be trying to spin it whatever way you want, but I don't agree with the premise of the question.

Mr. Chairperson: Continuing with questions, Mr. Sala.

Mr. Sala: Thank you, Mr. Scammell, for your presentation. It was fantastic.

I just—I don't have a question for you, but I do want to say that I do agree with your comments. And I especially agree about the need to look at diversifying our energy supply here in Manitoba, specifically at looking at opportunities to develop wind and solar.

We unfortunately have not seen anywhere near the level of interest in that from this government as we need to have seen, unfortunately, but hopefully we will see that increased focus on diversifying our energy supply in the future, maybe when this government is shown the door.

Thank you.

Mr. Chairperson: Any response to that, Mr. Scammell?

M. Scammell: Yes, can I ask a procedural question about the decoupling of the amendments, or is that not something being considered at this time?

Mr. Chairperson: No, unfortunately the rules of the committee don't allow for that. But it does allow for members of the committee to make additional questions if they wish.

Not seeing any—oh, there's a question from Mr. Sala.

Mr. Sala: I just want to offer Mr. Scammell an opportunity to elaborate. I know he was looking to ask a question, that's not permitted. But Mr. Scammell, if you do want to elaborate on the point you were hoping to elaborate on, please do.

M. Scammell: Yes, like it's—like I've said before, and then Mr. Sala kind of reiterated, it's—clean energy is going to be super important in the future. And, like, it already is right now. The energy we have is often touted as, you know, clean and green and, you know, deserving of no carbon tax in this province

* (23:20)

And I think that's a mistake. It's got a dark, dirty legacy and it's—it really does need to be cleaned up and so that's why we should be, like, really focusing on amendments to The Manitoba Hydro Act, but—on it's own and not kind of tied in with the Public Utilities Board stuff. That's—I've seen a lot more discussion on the issues with—that people see from the public—with the Public Utilities Board amendments that are being considered here and I share those concerns as well.

You know, I'd even heard that there wasn't really any Indigenous consultation going on as well, and so it's—I have serious concerns about what's happening. I think the amendments being offered for the Manitoba Hydro Act, like, are potentially reasonable and whatever else. And we should have conversations about that, but I don't think it should necessarily come at the exact same time as very fraught discussions, and as the CUPE president said earlier, like admits fear about, you know, overreach and prices going up, kind of at a whim.

You know, I thought Conservatives were all about small government, and you seem to be taking more power to kind of dictate what bills will be for peoples' utilities and so, I find that very concerning.

Mr. Chairperson: All right, thank you, Mr. Scammell. And I'm not seeing further questions in committee, so I will thank you once again on behalf of this committee for your presentation and for staying up late with us tonight and for interacting with the questions from members.

We'll go to our next presenter. I'll call Natalia Ilyniak. Natalia Ilyniak is not present, so I—that is now—I'm going to go back to the beginning of the list and call people for a second time to see if they're available to present. And so I will call Kate Kehler from the Social Planning Council of Winnipeg.

I'm told Ms. Kehler is not in the room. I'll give the floor to Mr. Sala for a question.

Mr. Sala: That we adjourn until Tuesday so that the presenters who weren't able to be with us tonight do have a chance to speak to the bill. I think it's critical that they're given that opportunity, and from our conversations here, I understand that there's something like 20-plus people who have confirmed they would like to have that opportunity and have made that clear that they want to be here on Tuesday to present.

Mr. Chairperson: So, do I have to repeat the motion? So Mr. Sala's—has moved that the committee rise at this time and reconvene on Tuesday to allow all the presenters to present at that time. I believe that motion is in order.

Floor's open for discussion.

Mr. Friesen: I would like to see this committee continue with its commitment, and that is to sit until midnight and make decisions closer to the hour that we all agreed, as committee members, that we would sit until.

Mr. Chairperson: I believe this motion requires unanimous consent to proceed. It doesn't sound like that's—so I will ask one more time, I guess, officially. I'll put the question: is there leave to adjourn this meeting at this time?

An Honourable Member: No.

Mr. Chairperson: I'm hearing a no. So then, we will continue calling.

An Honourable Member: Point of order.

Point of Order

Mr. Chairperson: Mr. Sala, on a point of order.

Mr. Sala: It's a long-standing practice and tradition of committees of this House, especially committees that are charged with examination and consideration of

legislation, that members of the public, any person from any place, can have the opportunity to make presentations to the committee.

We know there are many, many people who want to have their voice heard, and if we do proceed with calling out their names, they will be eliminated from the list. I think that's unjust. Those folks should have the opportunity to participate. It's why we believe it would be wrong, and against the practices and traditions of this committee and House, to prevent Manitobans from being able to participate.

I would like to call on this committee to allow these Manitobans to make a presentation and not deny them that very important opportunity, which they would be denied, if their names are called and they are not able to be present tonight.

So that is why I, again, request that you recognize the tradition of this committee, ensuring all Manitobans, especially those who've proactively and clearly expressed their desire to participate to the staff of the Legislative Assembly here, that they give—be given the opportunity to present on the bill.

Mr. Chairperson: I'll invite members to respond to the point of order

Mr. Friesen: With respect, I disagree with the member.

We have, in these proceedings, arguably the most accessible conditions for Manitobans to avail themselves of the ability to speak to this committee. And today, these individuals had an additional benefit that's never been built to the process in Manitoba until COVID, and that is the ability to appear at these proceedings even virtually.

These individuals registered their names for this committee. They knew the time and the date. They knew the duration of these proceedings. And we were happy to invite them, because we believe in this process. And—

Mr. Chairperson: Okay. I don't mean to interrupt, Minister, but I think I've heard enough. I don't believe the member actually has a point of order.

We've discussed the matter. We don't have consent. The rules say we were going to sit 'til midnight, so I'm just going to try to run the meeting according to the rules, and—Mr. Sala, one more time.

Mr. Sala: I'd like to challenge the Chair.

I do believe that this is a—this point of order is just. We do have a need—we do—

Mr. Chairperson: Just give us a moment to deal with the logistics of the member's motion. Thank you.

I thank the committee for their patience.

So, the ruling of the Chair has been challenged. Shall the ruling be sustained?

An Honourable Member: Yes.

An Honourable Member: Agreed.

Voice Vote

Mr. Chairperson: All those in favour of sustaining the ruling, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed to sustaining the ruling, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

Ruling of the Chair is sustained.

Recorded Vote

An Honourable Member: Can we get the count?

Mr. Chairperson: A counted vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 2.

Mr. Chairperson: The ruling of the Chair is sustained.

* * *

Mr. Chairperson: We will now continue with the calling of presenters.

Wendy Land. Wendy Land is not available to present.

Alexandra Shkandrij. Alexandra Shkandrij is not available.

We will now move—I will call to—*[interjection]*

Oh, point of order, Mr. Sala.

Point of Order

Mr. Sala: This bill is going to make the lives of Manitobans a lot harder. We've spent a lot of time here tonight hearing from a lot of voices, and we've heard over and over again about the impacts that this bill is going to have and people's concerns about it.

We need to offer Manitobans who signed up, who've taken the time to bring their name forward to

speaking at this committee the opportunity to do so. It's critical. This bill is incredibly important. It's going to have a massively negative impact on this province. We've heard countless presenters tonight speak about that.

I know that the minister is, of course, not looking forward to hearing more presenters speak about their concerns with this bill. It's—I'm sure it's been a very long night for him and his colleagues here, and there's every desire to avoid hearing more Manitobans speak about their concerns. But they need to be given an opportunity to do so.

And we're very reasonably asking that those Manitobans who signed up be given that chance to speak. It's a very reasonable request. I think there's no shortage of reasoning why that should be honoured.

* (23:30)

We need to be giving Manitobans the opportunity to speak who signed up.

Mr. Chairperson: I thank the member for raising what he believes to be a point of order. I've already given a ruling. Whether I agree with his reasoning or not is not really relevant; the decision has been rendered that—and all—as a Chair, all I am trying to do is follow the rules of the committee. And that's my obligation and that's what I'm attempting to do.

* * *

Mr. Chairperson: We'll continue with the list.

Honourable—sorry, Mr. Wasyliw.

Mr. Mark Wasyliw (Fort Garry): I challenge the Chair's ruling.

Mr. Chairperson: I didn't make a ruling.

An Honourable Member: You did. You dismissed—

Mr. Chairperson: Oh, I dismissed—oh, on the point of order. On the dismissing of the point of order?

Mr. Wasyliw: Yes.

Mr. Chairperson: Yes. Very good. Thank you.

The ruling of the Chair has been challenged.

Shall the ruling be sustained?

An Honourable Member: Agreed.

Voice Vote

Mr. Chairperson: All those in favour of the—sustaining the ruling, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

The ruling of the Chair is sustained.

Recorded Vote

Mr. Chairperson: Mr. Wasyliw.

Mr. Wasyliw: —a count?

Mr. Chairperson: A counted vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 2.

The ruling of the Chair is sustained.

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Mr. Chairperson: I will now call on Alexandra Shkandrij.

Mr. Sala, with a motion.

Mr. Sala: I'd like to move a hoist motion to defer consideration of this aspect of Bill 36 to a later date, specifically next Tuesday, October 12th, at 6 p.m., such that all Manitobans who wish to participate in this committee's work may be able to do so.

Mr. Chairperson: It has been moved by the member to move a hoist motion to defer consideration of the—this aspect of Bill 36 to a later date, specifically next Tuesday, October 12th, at 6 p.m., such that all Manitobans who wish to participate in this committee's work may be able to do so.

The floor is open for discussion. *[interjection]* A hoist motion is not debatable? I'm just going to confer with the clerk about the rules. Thank you.

I received advice from the clerk that a hoist motion is debatable.

The floor is open for discussion. The honourable—no discussion? Mr. Sala.

Mr. Sala: So, you know, it's incredibly important, as we've heard all night long, from so many Manitobans, that this bill not pass.

We've got 20-something individuals who've yet to have an opportunity to speak to this bill.

We know that this bill is going to take away the role of the Public Utilities Board as it currently operates. It's going to result in significant increases in hydro rates for Manitobans.

An Honourable Member: Point of order, Mr. Chair.

Point of Order

Mr. Chairperson: Point of order, Honourable Minister Helwer.

Mr. Helwer: This is a debate about the hoist motion, Mr. Chair. I do not hear that in the opponent's—in the opposing member's discussion.

Mr. Chairperson: So, I appreciate the member's advice. I will listen carefully to what the honourable member is saying and just remind him that he needs to keep his comments directed to the motion that's on the floor before us, and he can continue his contribution to this discussion.

Thank you.

* * *

Mr. Sala: The motion that was put forward was to adjourn 'til Tuesday. That's incredibly relevant right now because we, of course, have all these folks that have yet have—to have an opportunity to speak. And so, for that reason, we should be delaying proceedings until Tuesday.

And it's quite simple. The ask is simply that we—again, adjourn tonight. I understand why this is not something that this minister and this government want to hear. They've been—they're not looking forward to more presenters coming forward and offering the types of perspectives we've heard tonight. But this is a very clear reason here why we should be doing this, and I would hope that the members opposite here would understand why it's important that we give Manitobans the opportunity to speak to this bill.

We need to think about the impacts of this legislation, as we've heard tonight from so many presenters—

An Honourable Member: Point of order, Mr. Chair.

Point of Order

Mr. Chairperson: Minister Helwer, on a point of order.

Mr. Helwer: Again, I'd like to remind the members opposite to speak to the motion.

Mr. Chairperson: I thank the minister for his instruction on that matter. And I'll endeavour to listen more carefully to what the member is saying, and I'll invite him to continue to make his comments as he is prepared to do.

* * *

Mr. Chairperson: I will also just take this moment to remind members that by leave of the committee, we can move through the list in a way that is not necessarily the order that it's written. We've done that already a couple times tonight.

So, if the members do have someone on—available who is ready to present, we can consider calling them.

Mr. Sala: It's a long-standing practice and tradition of this committee to allow Manitobans who sign up to be able to speak to legislation like this. Members of the public, any person from any place, can have the opportunity to speak to this legislation. And it's clear that this government is trying to remove that opportunity from Manitobans. If you weren't, then it's simple: we can adjourn until Tuesday.

The concern here is that—and I can—I'll speak to the Chair—the concern here is, of course, is the purging of the list. So, as we go through names and we risk losing presenters, if we do get to the end of the list, all of those individuals, their voices have been lost in this process.

That's not right. That shouldn't be allowed to occur. This government is trying to take away that opportunity from those individuals.

An Honourable Member: We're following the rules.

Mr. Sala: Well, call it whatever you want. It is what it is. It's clear that that is disingenuous and that the goal of this is to stop these individuals from having an opportunity to speak.

We recognize why this hasn't been pleasant, again, for the minister. It's been a really long night for him, I would assume. Like, a very long night.

On a—again, we're happy to go as long as it takes as well to ensure that these individuals have the opportunity to speak.

An Honourable Member: It's your motion.

Mr. Sala: But—

Mr. Chairperson: Sorry.

An Honourable Member: No, it's okay.

Mr. Chairperson: Okay.

So, we do have a motion before the committee. *[interjection]* Yes, we have Mr. Wasyliw.

Mr. Wasyliw: I mean, the fundamental issue here is that there is obviously a huge public interest in this bill. And, in fact, since I've been elected, this has to be the most number of presenters that I've come across. And what's interesting and obviously uncomfortable for the government is that they seem to be overwhelmingly against this bill. And, obviously, they have categorically rejected the talking points of the minister.

* (23:40)

And so, I think the government here is very uncomfortable about this, and they want this to go away.

But I think, as elected officials, we have a duty, a higher duty, to the people of Manitoba. The information that we've been given is that there are potentially 26 other presenters that haven't had a chance to speak.

Now, one of the drawbacks of this procedure, where we're stacking everything in a really compressed time period, is that some people, maybe they got young children, they can't wait online 'til 11:30; they can't be at our beck and call all night because they have family and other commitments.

So, given the length of the procedure, given the length of the wait for the witnesses, it's asking a lot of them to do what we do—but we're paid to be here—to be sitting, looking at a computer screen for six hours, hoping upon hope that their name comes up.

So, if this government is serious and sincere—which all the evidence is to the contrary—that they actually want to hear from Manitobans, they would do their level best to accommodate Manitobans. And what I'm seeing here, which is absolutely concerning, is that, by going through the rolls, we are purging the list. We do not know whether these people had to step offline because they had child-care commitments or they had health issues or they just couldn't stare into a screen for six hours looking into a void. We don't have an explanation for all that.

And they may be very motivated, extremely motivated—and I suspect, given the presenters that we've had today, that they are motivated—to have their say. And this government says that they want to hear them, and they want to have those people to have their say, but then turns around and tries to purge them off the list.

And what we're hearing, which is very concerning about our rules—and I think we need to have a longer discussion about changing those rules, and I'm prepared to have it right now—is the fact that if their name is called, and we've already done it to three or four people, and they haven't responded because they may be sleeping or whatever, they now cannot—they cannot make a presentation to this committee on Tuesday.

And it's not like we're creating new work. Tuesday was set up for this, right? We're going to be back on Tuesday. We're all going to be here on Tuesday, and we can start fresh and contact these 26 presenters, and maybe they will be able to present at a reasonable hour instead of midnight, at 6 o'clock, and be present.

But this sort of gotcha mentality that we're seeing from the government of well, you had your chance, we called you up at 11:35 p.m. and you weren't, you know, right on the Zoom, and so too bad for you, is extremely problematic because we know that's inherently unfair. Right? We know that that isn't conducive of us trying to engage with Manitobans and give them a voice.

What it appears to be is a government that's very scared, a government that is very insecure about this bill, a government that cannot defend itself and cannot defend its decisions and is trying to hide from accountability because, you know, let's be serious, here. The government's being held to account tonight, and it is ugly. We're hearing what Manitobans are saying about this bill. It has been unanimous and forceful and convincing that this bill is not in the public interest of Manitobans, and we hear their concerns.

So, I suspect the government knows that the 26 further presentations are going to be very similar to the 20-odd-so presentations that we've already heard. And it's for that reason they want to purge the list.

Mr. Chairperson: I'll just interrupt the member. Just receiving some advice from the clerk that this motion is actually not in order; it's effectively an adjournment motion. Adjournment motions are not debatable.

And so, according to the rules as I understand them and as the clerk advises me, I will do my best to follow the rules. That's what I'm here to do as the Chairperson, and I'm trying to maintain order in the committee. *[interjection]* The honourable minister?

Mr. Friesen: Thank you for your ruling, and thanks for the advice of the clerk on this matter.

I'm wondering, Mr. Chair, the members have been reading a hoist motion for the last probably 15 minutes. Is there agreement to have that additional time that has been struck now added to the record?

And the reason for this would be to allow those individuals who that member has blocked right now from actually being recognized online and speaking to the motion, to make sure that they still have their time. This would mean that we'd be moving the arise time that was agreed upon from 12 'til 12:15.

Mr. Chairperson: Is there leave of the committee to sit *[inaudible]*. Is there leave from the committee to allow for presentations to be made?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Chairperson: I'm hearing no.

Is there leave from the committee to allow for presentations to continue to be made 'til the hour of 12:15?

Some Honourable Members: Agreed.

Some Honourable Members: No.

Mr. Chairperson: I hear a no. The motion is denied.

So, I will continue with calling for—*[interjection]*—sorry, the honourable member for Fort Garry, on a motion.

Mr. Wasyliv: One of the things that we could do, with leave of this committee, is to agree not to purge the list and allow every single individual who hasn't been able to present today to present on Tuesday. That would alleviate our concerns and we can proceed on that basis.

Mr. Chairperson: So, the motion, as I understand it—it's a—sorry—it's actually a leave request, not a motion. The leave request that the member is putting forward is, is there permission from the committee to move through the names that are on the list to see if anybody's still available to present this evening, but not to strike the names that are on the list and to have them called once more prior to adjournment of this—or the conclusion of this committee, whether that be tonight or on Tuesday.

Is there agreement? This is a leave request.

Mr. Friesen: The members of this committee agree to rules. And even tonight I've heard the member for Fort Garry (Mr. Wasyliv) arguing a rule that his own House leader has signed. All parties of the Legislature

were amenable to the idea, the practice, of a six-hour committee.

I find it ironic that this member is trying to adjourn a committee when we believe that there are still people in the public who are waiting to have their say on this bill while time continues still within the agreed-upon time until midnight.

So I don't support a motion to adjourn early. The rules of this Legislature include the calling of these names once and twice, and we should do so and follow our own rules.

Mr. Chairperson: So, I'm going to put the question on the leave request to the committee. Is there leave to call the names that are appearing on the list and to not strike them off as we go through the list? Is there leave?

Some Honourable Members: Agreed.

An Honourable Member: No.

Mr. Chairperson: I hear a no. The leave is denied.

An Honourable Member: Point of order, Mr. Chair.

Point of Order

Mr. Chairperson: Point of order—Mr. Sala, on a point of order.

Mr. Sala: Are all hoist motions inadmissible at this committee?

Mr. Chairperson: So, the advice that I'm receiving is that hoist motions are—do not apply at standing committees, so that's the best information that I have before me.

* * *

Mr. Chairperson: Mr. Sala, on a motion.

Mr. Sala: I'd like to move in—move a motion of censure against the Chair as we've failed so far to defer consideration of this aspect of Bill 36 to a later date, specifically next Tuesday, October 12th at 6 p.m., such that all Manitobans who wish to participate in this committee's work may do so.

* (23:50)

Mr. Chairperson: I'd like to thank the member for moving that motion. Unfortunately, I have to rule it out of order. I'm advised that only the House is in a position to censure Chair of a committee.

We will now continue with the matters—*[interjection]* Yes? Sorry, Mr. Wasyliw?

Mr. Wasyliw: We're challenging the ruling.

Mr. Chairperson: One moment, please.

So, the ruling of the Chair has been challenged.

Shall the ruling be sustained?

An Honourable Member: Agreed.

Voice Vote

Mr. Chairperson: All those in favour of the sustaining the ruling, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed to sustaining the ruling, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

The ruling of the Chair is sustained.

Recorded Vote

Mr. Wasyliw: We're seeking a count.

Mr. Chairperson: A counted vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 2.

Mr. Chairperson: The ruling of the Chair is sustained.

* * *

Mr. Chairperson: We will now continue with the—Mr. Sala, on a motion.

Mr. Sala: I would like to move a motion of reasoned amendment to the principle of Bill 36 insofar as it violates Manitobans' democratic rights to participate in the rate-setting process in Manitoba.

Mr. Chairperson: I thank the member for that. Amendments to the bill can only be raised during clause by clause consideration of the bill, not during presentations—formal presentations at the moment.

So, unfortunately, that motion is out of order.

Mr. Sala: Challenge the ruling.

Mr. Chairperson: The ruling of the Chair has been challenged.

Voice Vote

Mr. Chairperson: All those in favour of the sustaining the rule of the Chair, please say aye.

Some Honourable Members: Aye.

Mr. Chairperson: All those opposed to sustaining the ruling of the Chair, please say nay.

Some Honourable Members: Nay.

Mr. Chairperson: In my opinion, the Ayes have it.

The ruling of the Chair has been sustained.

Recorded Vote

Mr. Wasyliv: A count, please.

Mr. Chairperson: A recorded—a counted vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 3, Nays 2.

Mr. Chairperson: The ruling of the Chair is sustained.

* * *

Mr. Chairperson: We will now continue with the business of the committee in calling presenters.

I believe I attempted to call but I did not get confirmation. I'm on Freda—sorry, I believe I called Alexandra Shkandrij and that Alexandra Shkandrij, I'm told, is not available.

I will now call Freda Spencer. I'm told that Freda Spencer is not available.

I will now call Ryan Biddulph. I'm told that Ryan Biddulph is not available.

I will now call Elizabeth Hamilton. I'm told that Elizabeth Hamilton is available, and so I'm just going to remind the committee—as we hopefully are able to get Elizabeth Hamilton to join us, I'm going to mention to the committee that we are approaching midnight and our—per our rules, a standing committee meeting to consider a bill must not sit past midnight to hear public presentations.

I'll just—I'm—I know maybe a little bit unusual, but I'm going to make a leave request, as a Chair, to the committee.

Is there leave to allow Elizabeth Hamilton to make her full presentation and to allow for the question period that normally ensues to conclude before we rise?

An Honourable Member: Discuss, Mr. Chair?

Mr. Chairperson: Quick discussion.

Mr. Friesen: So, I'm just looking for clarification of the opposition members who have spent 30 minutes trying to adjourn this committee early, breaking the rules. And now the same members are looking for an extension of the committee.

Could they explain?

Mr. Chairperson: A leave request is not something that should be debated, so is there leave? I believe I heard from the committee that there was leave.

An Honourable Member: Oh, yes.

Mr. Chairperson: So, we will now consider—we will now hear from Elizabeth Hamilton. So happy to see her smiling face, or maybe not smiling because of the very late hour, but we are very glad to see you and we look forward to your presentation. You can proceed whenever you want and you have a full 10 minutes.

Elizabeth Hamilton (Private Citizen): Can I just clarify—oh, so I do have a full 10 minutes? And then am I the final speaker for this evening? We're going to adjourn after my—I speak?

Mr. Chairperson: If you use the full time, my understanding is that you'll be the final speaker for this evening and that the committee will need to reconvene to consider other business, and at that time—consider the remainder of their business.

And at that time all the other presenters will be able to present, and any other presenters can also register in addition to the ones already registered.

E. Hamilton: Okay, thank you for that clarity.

I appreciate you listening and sharing this space with me today. I appreciate so much the ability to participate in public discussions, in democratic person, and so my voice can knowingly be heard. It is very meaningful to me that I know that I have your attention, that I know that my message is heard.

And I want to share some concerns about the way that this hearing has been handled tonight that also pertains to my concerns about the way that the changes to the Public Utilities Board impacts access to Manitobans to different processes.

So tonight, the idea that we should just let all the people who couldn't make it or who, like myself, were expecting to speak on Tuesday—that was the information that I received from the clerk—I understand it's information based on typical practice.

It's, you know, reasonable to tell me you'll probably be speaking the next day and that we wouldn't get to everybody, so I was not expecting to speak right now. That's not the information I had, nor did I know or know to expect that we would go until midnight. This is not an expectation I had.

But the argument that this proceeding has been accessible to Manitobans, I find that that does not hold water. That's not the information I was given. I did not know that this was going to be an expectation of my commitment to speak tonight.

This idea and this argument that this has been accessible so we've heard enough; we don't need to hear from the people.

I find that unacceptable as an argument because it's very dismissive of people who have put in the effort to want to speak and to make arguments and to have your attention.

And it's very important that Manitobans and places of any democracy have the ear of politicians. So to see that being dismissed, I find unacceptable.

This speaks also to my concerns about the Public Utilities Board and the reduction in competition and in the public's ability to speak and be heard on those matters.

I'll also point out that this idea that this meeting system is accessible fails to acknowledge and understand and plan for the diversity of Manitobans' lives, okay.

This kind of meeting is accessible for some people, even for most people, but not for all people, and I'm not seeing that recognized in some of the arguments that I'm hearing about the proceedings of our our meeting.

So, if the meeting proceedings are being argued in this way, that does not inspire confidence to me in our current government's ability to navigate the changes in the Public Utilities Board, because the changes I see being recommended in Bill 36 and the Public Utilities Board decrease access.

In a similar way, and I'm seeing this attitude—cavalier—as toward decreasing access of Manitobans this week at the 'geteolden's' meeting.

So, basically, the way that this meeting is we have—really makes my point for me that I do not trust the government to intervene in making decisions about public utilities for Manitobans, if they're going to be making decisions about this meeting tonight.

My main point that I want to speak to tonight is that utilities are important. What we are talking about here is the way people access their needs.

We're talking about heating in homes, the ability to cook and light, like literal things that we need in our day-to-day life in the way that our society is set up. That is what we're talking about.

* (00:00)

So, for people who can afford that easily, these things are easily taken for granted and are not a big deal. My main concern about the changes recommended to the Public Utilities Board in Bill 36 is that it affects, potentially very significantly, the access of low-income people and marginalized people to utilities which are—let me emphasize—the way they meet their needs.

It's my opinion that as, you know, citizens, as fellow humans, as members of our community of Manitoba and various communities, that we should not be prioritizing profit when needs are at stake.

I think that that is really, really the wrong way to go, to prioritize profit and access to profit over the needs of the people.

And I see this attitude present in Bill 36 because it allows for changes to be made in rates, for changes to be made in process without input or representation from marginalized people and low-income people and the organizations that—or, that represent them.

I'm just going to scroll through my notes here to get to my next argument—I'll also mention—so I was reading that one of the changes is to remove public hearings for changes to utilities and decisions, and I think that that is not good enough. And there's several reasons for that.

One is, as I was describing about my speaking to the committee tonight, I know who is present. I know who is hearing me. There is significance in that. There is clearer, better communication.

The written word, you know, excellent tool—not for everyone. That's not an effective way for everyone who wishes to communicate to communicate. So we are decreasing access in a few ways there, which I find unacceptable.

I'm going to scroll through my notes again—another thing I wanted to mention is that I know that Manitobans think that there should be public input in this process. This is what polling has indicated.

And I think that, you know, the wisdom of those people should be respected because we are democratic people.

Okay, I'm just scrolling through here. Please forgive me, because I really thought I had until Tuesday to organize my notes. So please have compassion for my note organization here.

I'm also concerned about this issue about the changes to the Public Utilities Board in Bill 36 changing the way that electricity can be sold and that it can be sold by a third party that is not Manitoba Hydro.

Now, this is something that I see could potentially be harmful, again, to the most vulnerable because oftentimes, it is the marginalized people in our communities who don't have regular, like, quote, unquote, like, normal access to things.

So they are people who tend to end up, like, needing to access services and needs in an unusual way. So I'm concerned that they are people who would need to access something in an unusual way and maybe could be affected there.

How I think this should work is that all individuals and all communities should receive utilities at an affordable rate because, to emphasize again, utilities are things people need to meet their basic needs.

So I think that the needs of all people should be prioritized and the affordability and sustainability of the way we meet those needs should be prioritized. And we're seeing, in Bill 36, changes that decrease access and decrease public input.

And I am looking for more notes—I'm concerned that this idea of changing how electricity is sold is not being considered publicly or debated more. That feels like a real red flag to me. The utilities, I believe, just shouldn't do—absolutely public because they are things that the public needs to meet their needs.

And those should not be decided behind closed doors, susceptible to change without public input. That is, I think, the wrong way to go. I'm really not comfortable with this working-out-the-details-later approach of this third-party sellers of hydro.

Another point I wanted to speak to was the environmental issues that connect with Bill 36. So, I understand that there's some wording around a certain size of projects needing to undergo a serious environmental assessment and there's no core definition of that size of project.

But, it's my opinion that all projects should undergo environmental assessment and that an independent third party should be involved in deciding what degree of environmental assessment should be involved.

So, I do not think it's appropriate to allow a loophole wherein there is no scrutiny, there is no outside input into what needs to be assessed.

That, to me, is so very alarming because when profit is put over the needs of the people, when profit is valued and weighed over the harm of its potential, we get a lot of problems that harm a lot of people.

My concern is harm; it is the caring for the people of Manitoba, for our land and for our future.

I am happy with what I have said so far, and I welcome any questions.

Mr. Chairperson: All right. Thank you very much, Ms. Hamilton, for your presentation.

It is after midnight but I—as previously agreed, we have leave to continue through a five-minute question period with you, and so we're going to proceed to that now.

We'll give the floor to the Honourable Minister Friesen.

Mr. Friesen: Ms. Hamilton, thank you for your presentation and thank you for hanging in there as long as you did.

My comment is not one on content, it's on process. Members of this committee, on that side, spent 30 minutes tonight trying to block your ability to have your say at this committee and I was pleased to see that they finally relented in their efforts and gave you the opportunity to have your say here. Thank you for waiting as long as you did while their wrangling went on.

I feel like they owe you an apology. I hope they'll give it.

Mr. Chairperson: Ms. Hamilton, if you wish, you can respond to that comment.

E. Hamilton: Sure, and I think it—the Minister Friesen, is that who asked?

Mr. Chairperson: I'm sorry, your mic is a little muffled, so it's sometimes difficult to hear what you were saying.

Could you just repeat that for the committee?

E. Hamilton: Sure, can you just clarify for me who just asked?

Mr. Chairperson: That was the—Minister Friesen, Minister of Finance and the Minister responsible for Manitoba Hydro, who asked—or, who made those comments. *[interjection]* Oh, and sorry, I need to recognize you before you can speak.

Ms. Hamilton, please start over. There we go.

E. Hamilton: Minister Friesen, great. Thank you for your kind words.

And I will clarify that my criticism of the handling of this evening and what I am speaking about. Arguments that were made that this isn't a very accessible thing and that we should, you know, move on without the people being heard—those are things that I heard you say.

Mr. Chairperson: Okay, further questions, Mr. Sala?

Mr. Sala: Yes, I want to thank you, Ms. Hamilton, for your presentation this evening. Thanks for staying with us so late.

I hope you recognize that tonight we, as the opposition, were working to try to ensure that all speakers are given an opportunity and that is really important. And I think you can understand why that's important. We appreciate that.

I have a question for you, which is just—mentioned about the concerns about the expectations that you would stay here this late to present.

Can you just share a little bit about what you were told to expect in terms of the time that you would be speaking at; just comment on that?

E. Hamilton: Thanks for addressing me.

Certainly, I received an email from the Clerk's office saying that the meeting would begin at 6 p.m. There was no end time indicated. I did not assume at midnight because that's way beyond what I think is reasonable.

I usually go to bed at 9:30 and I am a gigging musician, so tonight I happened to be out.

And I had checked with the clerk because I knew that I was working tonight and wouldn't be able to make a 6 o'clock or 9 o'clock, even, meeting; and she had said it's very likely will get—you'll get moved to Tuesday because we'll likely just go on to Tuesday.

So, that's what I was expecting, and it is luck that I am here and it feels so important to me that I was

here because I got to say my piece and now we'll be able to move over onto Tuesday.

And it feels unacceptable to me that the plan was not to move over onto Tuesday and to hear the people who a democratic 'process' requires us be here.

Mr. Chairperson: All right, thank you.

I'm not hearing any further questions, so I just—once again, I think, on behalf of the entire committee, I believe I can express that we are all very glad you were able to join us this evening and that we could hear your presentation, and also hear some of your answers questions from members of the committee.

And so I—once again, I thank you so much for your attendance.

* (00:10)

The hour is now midnight. What is the will of the committee?

An Honourable Member: Rise.

Mr. Chairperson: Committee rise.

COMMITTEE ROSE AT: 12:10 a.m.

WRITTEN SUBMISSIONS

Re: Bill 36

The Manitoba Federation of Labour is Manitoba's central labour body, representing over 30 affiliated unions and the interests of 125,000 workers in our province.

Bill 36 will have negative impacts on working families in Manitoba and reduce transparency about Manitoba Hydro rates—taking away the independent oversight of Hydro rates provided by the Public Utilities Board (PUB) and placing decision making power about how much working families pay for Hydro every month squarely in the hands of the Premier and her cabinet.

The MFL is worried about this bill's potential to legislate five per cent Hydro rate increases at a time when household budgets are being stretched beyond their limits and working families are facing crushing increases at grocery stores and the gas pumps.

This will take away the right of Manitobans to have input on how much they should pay for essential bills like Hydro and will negatively impact all working families in our province.

Manitoba families and businesses have benefited greatly from strategic development and public

ownership of our exceptional green hydro-electric resources. Our publicly owned Manitoba Hydro sustains thousands of good, family-supporting jobs.

And the prudent oversight of the PUB has done a good job of keeping rates more affordable for working families, with Manitobans paying among the lowest Hydro rates in the country.

This oversight by the PUB has served Manitobans well since 1913. More recently, it has saved Manitobans significant amounts on their monthly energy bills. For example, in 2018 the PUB reduced a proposed 7.9 per cent Manitoba Hydro rate increase to 3.6 per cent, saving ratepayers and working families more than \$60 million annually.

When this government came to power, it claimed it would not meddle in the affairs of Crown Corporations. This bill undermines that promise by stripping independent, public oversight over Manitoba Hydro rates.

At a time when the household finances of families are facing unprecedented levels of strain due to crushing cost increases at the grocery stores and the gas pumps, removing this independent oversight over the Hydro rates that working families pay just doesn't make sense.

The MFL believes that the PUB has served Manitobans well for over a century. It has consistently ensured fair and reasonable utility rates for working families and provided a meaningful opportunity for public input before these rates are set.

Removing this open and transparent process and shuffling it off to the back rooms of government is the wrong approach. I would have expected better than this from a government that was elected on claims to provide more transparency to Manitobans, not less.

Kevin Rebeck
Manitoba Federation of Labour

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.manitoba.ca/legislature/hansard/hansard.html>