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THE HONOURABLE BILL BARISOFF, SPEAKER

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LIEUTENANT-GOVERNOR Her Honour the Honourable Iona V. Campagnolo, CM, OBC

SECOND SESSION, 38TH PARLIAMENT

SPEAKER OF THE LEGISLATIVE ASSEMBLY Honourable Bill Barisoff

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THURSDAY, APRIL 6, 2006

The House met at 10:04 a.m.

Prayers.

Introductions by Members

Hon. J. Les: In the gallery with us this morning are three individuals that I have the pleasure to introduce. They are Richard Lawrie, the fire chief of the city of Abbotsford, who is also the president of the Fire Chiefs Association of British Columbia; Len Garis, who is the fire chief in the city of Surrey; and Glen Sanders, the fire chief of Shawnigan Lake Volunteer Fire Department, who is a past president of the Fire Chiefs Association of British Columbia. I would ask the House to please make them welcome.

[1005]

Introduction and First Reading of Bills

SAFETY STANDARDS AMENDMENT ACT, 2006

Hon. J. Les presented a message from Her Honour the Lieutenant-Governor: a bill intituled Safety Standards Amendment Act, 2006.

Hon. J. Les: On behalf of the Minister of Forests and Range and Minister Responsible for Housing, I move that Bill 25 be introduced and read a first time now.

Motion approved.

Hon. J. Les: Bill 25 proposes an amendment to the Safety Standards Act. This amendment will help local authorities target and shut down marijuana grow operations more quickly and more efficiently. Grow ops are a rising concern in British Columbia. They are more likely to catch fire, they are more likely to have guns inside, they are more likely to be robbed, they pose a danger to our neighbourhoods, and we're determined to shut them down.

Members may recall that just two days ago there was an explosion in a residential area in Vancouver. It turned out that it was a grow operation, and the explosion actually damaged neighbouring properties significantly.

With these amendments, municipalities will now be able to obtain information from electricity companies about residences with unusual power consumption. The names and addresses of the account-holders will be given to local authorities so that they can target grow-op houses.

We believe that British Columbians have a right to feel safe in their homes and in their neighbourhoods. This proposed amendment will help give people that peace of mind.

I move that the bill be placed on the orders of the day for second reading at the next sitting after today.

Bill 25, Safety Standards Amendment Act, 2006, introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

Petitions

R. Lee: I would like to seek leave to present a petition from 16 residents of Burnaby, regarding the Gateway project.

Orders of the Day

Hon. M. de Jong: In Section A, I call Committee of Supply — for the information of members, continuing debate on the estimates for the Ministry of Energy, Mines and Petroleum. In this chamber I call continued second reading debate on Bill 16.

Second Reading of Bills

APOLOGY ACT

(continued)

L. Krog: With most of the members of this House.... I think it's safe to say that the opposition supports, generally, the principles of the Apology Act. This represents a reform in British Columbia law and a very interesting and important step. However, the opposition does take the view that because of the unique history of British Columbia as a coastal province, a province with a long history of immigration and, unfortunately, a fairly long history of a sometimes racist reaction to that immigration, in fact this bill is more important than it might appear to be on the face.

It is of concern particularly in many of the communities who represent the wonderful, cultural ethnic diversity of this province. It is for that reason — because those communities have not had an opportunity to be consulted in a meaningful way and because this does represent a fairly dramatic change in the law — that I wish to move a motion with respect to amending the second reading of the Apology Act.

[1010]

[that the motion for second reading of Bill (No. 16) intituled Apology Act, be amended by striking out all the words after "that" and substituting "the bill not be read a second time now because, generally, the content and subject matter of the bill require further study and discussion, including public hearings and consultations, and specifically:

- (a) statutory protection for an apology is a novel concept in British Columbia and Canada and must be the subject of further public debate before proceeding with legislation:
- (b) the purposes and implications of providing statutory protection for an apology are understood differently by different individuals and groups in British Columbia and have not been fully and fairly considered;
- (c) the bill is vague and its scope and application are unclear; and

- (d) the bill's omissions must be studied and discussed, including the omission of exceptions to prohibit statutory protection for an apology in relation to liability in connection with specific matters, such as
 - (i) intentional acts meant to cause personal injury or death,
 - (ii) sexual offences, and
 - (iii) personal injury or death resulting from the use of tobacco products.]

Mr. Speaker: The member for Nanaimo continues.

On the amendment.

L. Krog: Hon. Speaker, the concept of apologizing is a wonderful concept, and it's important. My compliments to the member for Vancouver-Burrard for having initially brought this matter to the House by way of a private member's bill, which has been followed up with the introduction of the bill before us today, introduced by the hon. Attorney General.

However, given the history of this province, and given the communities that have suffered persecution and discrimination at various times throughout British Columbia's 133 years as a part of Confederation, we on this side of the House think it is appropriate that there be a community consultation process, that people understand what this bill means, that they have an opportunity to comment upon it and to raise with this government — on behalf of those communities — their significant and important concerns.

It is, therefore, for that reason that I have brought this motion before the House today. I would ask all members to consider it carefully and realize that what we are asking for is simply an opportunity to discuss. This is not a bill that requires immediate passage. This is not a bill which will, in a matter of a few weeks' delay, result in some tremendous injustice. The only injustice that will in fact arise is if we do not consult with those communities who feel they deserve consultation. I support that concept.

R. Chouhan: I also rise in support of this amendment moved by my colleague. It's important to understand that the wrongs done in the past were not done by accident. They were well-thought-out laws passed by the government at the time, such as the Chinese head tax, the *Komagata Maru* incident and the seizing of Doukhobor children in 1950.

It's important that if we want to move ahead with this act of apology, which I support.... Before we rush into making another decision, why don't we go back and consult with those communities who were negatively affected by the past actions? If we are going to work on a concept to correct the past wrongs, then it's important that we make sure that people who are affected were consulted with. If we are not going to do that, then those communities are going to feel left out.

[1015]

You know, the pain caused by many of those government actions in the past probably never can be taken away by any amount of money. However, that may be necessary. It could be a token gesture on the

part of the government to extend that to heal those wounds, but we must not rush into it. It's important that we step back and reach out to those people and tell them, "Look, the mistakes that we have made in the past.... Let's sit together; let's talk about it; let's see what the best solution is," so that generations to come will be able to work together, and we can proudly say that we were able to work together and work out the solution necessary.

J. Brar: I also rise to speak in favour of the motion of my colleague here as it relates to Bill 16. I would like, first of all, to say that I appreciate the initiative of the member for Vancouver-Burrard in introducing, at the initial stage, this bill. This is a unique concept, and I think this will go a long way towards how we resolve our conflicts. I totally support the basic principle of the act and the intent of the act.

At the same time, I think this will be a significant change in the way we resolve the conflicts among individuals, as well as among different institutions, and as well as conflict between the government and the public of British Columbia. So I think it's very important — this is going to have a long-lasting impact on the community, on the people of British Columbia — to go back and ask the people of British Columbia as to how, and to get their feedback to make sure this bill, when it goes to the implementation stage, actually makes sense and makes a positive change to the way we deal with the conflicts.

As my colleague from Burnaby-Edmonds said, we certainly have a lot of work to do. We have done a lot of good work during the last over a hundred years to bring together different communities, particularly, you know, in dealing with the issues of discrimination, racism. We have done an extraordinary job in this province, including the job done by this government and by our predecessors.

But I think there are still probably some outstanding issues, and we don't want to be in a situation where we will not have any opportunity to sit with those communities and resolve those issues in a satisfactory manner. For example, the story of the *Komagata Maru* is hugely important, and there are sentiments out there in the community that we need to deal with on that issue. It is very important because that ship came here meeting all the immigration requirements of the government of that day, but it was not allowed to land in Vancouver for almost two months and had to go back.

We have, maybe, more issues which we need to resolve as a community or as a government as well. We certainly don't want to see this Apology Act closing the doors to those opportunities, so it's important for us to go back and consult with the community so that at the end of the day, when this bill passes, it makes real sense and practical sense and a positive change for all of us.

[1020]

H. Lali: I rise to support the amendment put forward by the critic for the Attorney General. I'm not

rising to actually speak against the bill. All us folks on this side of the House, in principle, are supporting the bill.

Apology is a good thing. As you know, a little dose of humility and sometimes just taking responsibility for past actions and wrongs that were done is a good thing. So we're not rising to actually speak against the bill, but rather to support the amendment that has been posed.

My colleague from Burnaby-Edmonds mentioned that they were not an accident, some of the wrongs that were done in Canada, in British Columbia. Rather, it was some deliberate policy on behalf of the state. He talked about the *Komagata Maru* and the Chinese head tax and also the seizure of Doukhobor children. I would add to that, obviously, the whole issue of the residential schools with the aboriginal children, and the abuse that they suffered. Japanese internment during World War II was another incident. Also, the prevention of women and Asians and aboriginal people from voting, amongst others, are some of the other past wrongs which were deliberate state policy.

Members on this side of the House are not trying to derail the bill in any way. What we're asking for is a delay of a few weeks, because we feel that it's not going to jeopardize the intent or the purpose of the bill in any way. Rather, we want to be able to put this out into the communities and have a full discussion, where people who want to be consulted and have their voice heard get that chance.

Obviously, a delay of a few weeks will not in any way jeopardize the passage of this bill. It will pass eventually, but we're asking the government to give a chance because all of these incidents that I mentioned.... *Komagata Maru*, obviously, is an incident which is very, very fundamental to South Asians, and I know there are a lot of South Asian people that have some concern that they did not have any chance to voice their concerns and be consulted on this issue.

Speaking up on behalf of all of those communities, some of which I've mentioned, they want to have a voice. They want to have their say. This is something that we're asking the government: just delay for a while so that the people out in the communities have a chance to have their voice. Then it can come back to the House, and it can be passed then, again.

Hon. Speaker, thank you very much for giving me this opportunity to speak.

Mr. Speaker: Seeing no further speakers.... Oh, sorry. The member for Vancouver-Burrard.

L. Mayencourt: I must say that this is one of the saddest amendments I've ever heard of. It causes me a great deal of sadness to see that individuals on the opposition bench think that we should wait to apologize, that we should wait to consult. I brought this bill forward in October of last year. That's October, November, December, January, February, March, April — seven months ago. And members on that side say: "Well, we think we should consult with our communi-

ties." What in the heck have you guys been doing for seven months?

How dare you come in here and tell the Chinese Canadians that they are not entitled to an apology? How dare you come in here and say that the...? How dare you do this! You spoke up in favour of this bill not less than three weeks ago, and today you put the brakes on?

It is a shame. You should be ashamed of your-selves, members. You are not honourable members when you decide to tell our government....

Mr. Speaker: Member. Member, one thing is: through the Chair.

Will you withdraw that statement?

L. Mayencourt: The statement with regard to...?

Mr. Speaker: Not being honourable.

L. Mayencourt: Absolutely I will withdraw it, Mr. Speaker, and I apologize.

There is something really sick about what I'm seeing here this morning, sir. I've got to tell you, Mr. Speaker, as I look at members on that side, I am greatly troubled, and I apologize that I think that their behaviour is reprehensible.

[1025]

I need to speak about the people in our community that have waited years and years and years for an apology, have waited years and years and years for an acknowledgment from this government, from the previous government, from governments of 50 years ago, of their pain and suffering. The members over there think we should go out and talk to people about it first.

How many months, how many years have members on that side of the House had an opportunity to consult? Who do they want to consult with? Did they not talk to their wives or their husbands or their neighbours? Did they not talk to the constituents when they campaigned in the communities less than a year ago?

What are you talking about? What are those members speaking about? They are talking about delay. They are talking about saying: "We don't want to do this yet." They say: "Yes, we understand that people need to be apologized to. Yes, there have been wrongs that have been done to the people of British Columbia." Then, what do we gain by putting this silly little motion forward? We put it on the back burner yet again.

Members over there, this is a very, very sneaky, despicable, awful, awful amendment that has been put forward by the member....

Mr. Speaker: Member. It's unparliamentary, and I wish you would withdraw that statement again.

L. Mayencourt: Mr. Speaker, I am afraid that the passion that I feel for this....

Mr. Speaker: Member.

L. Mayencourt: I'm going to withdraw that comment for you, Mr. Speaker. But I'm going to tell you, as I will tell members on that side of the House outside of this chamber and everywhere else what I think about this. I've got to tell you....

Mr. Speaker: Member.

L. Mayencourt: Yes, Mr. Speaker.

Mr. Speaker: Please withdraw that statement.

L. Mayencourt: I did offer to withdraw the statement, Mr. Speaker, and I do withdraw it.

Mr. Speaker: Unconditionally withdraw the statement, please.

L. Mayencourt: I have not put any condition on it, sir.

Mr. Speaker: Don't speak to it. Please speak to the motion.

L. Mayencourt: Thank you, Mr. Speaker.

H. Lali: I don't believe the member has unconditionally withdrawn that statement, and if he would do so, it would please this House.

Mr. Speaker: The member has unconditionally withdrawn.

Member, continue.

L. Mayencourt: A few years ago I sat in this chamber, and I watched some people come here from the Kootenays. They were the Doukhobors. Their kids had been abducted. The member from Trail came in this House, and he talked about knowing people on both sides of the conflict.

You see, the government moved in the '50s to take children away from their families, largely because of a difference of opinion and some fear that religion was interfering or what have you. People had their kids taken away from them.

I remember the member talking about the fact that one child was found in a hayloft, hiding. The authorities used a pitchfork to find her. What kind of consultation do we have to do to find out whether that little girl is deserving of an apology? What kind of consultation do we need?

I've had a lot of time to talk with the Ombudsman about this particular issue. He put forward a report called *The Power of an Apology: Removing the Legal Barriers*. I've got to tell you, Mr. Speaker, he didn't say wait. He didn't say delay. He didn't say that people aren't entitled to an apology or that they're entitled to an apology, but maybe we'll get to that in six weeks, a year, a month, five years, ten years.

This province, through this chamber, has already delayed saying sorry to first nations, has already delayed saying sorry to Chinese people for the head tax, saying sorry to the children of Jericho Hill School for

the Deaf, saying sorry to ordinary citizens whose only thing that they did was to come to government. They were turned away with callous disregard — not by this government, perhaps not by the last government, but by government and, by extension, by all of us who are in this chamber today.

[1030]

I cannot fathom why any individual in this chamber today would think we should go out and study whether we owe an apology to those people. I cannot understand for a moment why anybody would think that

There are children here in the chamber today, and I would venture to guess that these children know that when they have wronged someone, when they have harmed someone in some way, they should do what is right and natural and just. They should say: "I am sorry." What happens when someone says they are sorry is that two parties can finally come to a successful conclusion, can finally say to each other: "How do we make the problem better?"

As you know, Mr. Speaker, I worked a lot on school bullying and harassment and intimidation in our school system. I look at families — Hamed Nastoh's family and Dawn Wesley's family — and I see school districts that haven't been able to say they're sorry because of liability.

That's what this bill is about. This bill is about saying to someone who's been wronged: "We're sorry." That's all that it is. It is a powerful and empowering tool that members on that side of the House could use as well. All members would benefit from the legislation that has been brought forward by the Attorney General to allow people to apologize without the fear of increasing their liability. It does not take away from the liability, but it does not add to it either.

It is time for members on both sides of this House to get over it. There is a time for everything, and the time for the Apology Act is now. We are not prepared to delay this any longer. People deserve an apology. We're going to give it to them. We're going to give people the ability — everybody in British Columbia — to say sorry when they have wronged someone, without increasing their liability. That cannot wait any longer.

I thank you for the opportunity, and I do apologize, Mr. Speaker. I know I got a little carried away there, and I really do apologize. I meant no disrespect either to members in this House or to you, sir, but I cannot tell you how sad this amendment makes me.

I just think that if members vote for this amendment, they are making a huge mistake to the communities that have been wronged in British Columbia and they take a step backward for something that has been recognized across Canada as innovative law reform that makes a difference to every single citizen.

Hon. L. Reid: Mr. Speaker, if I might beg leave to make an introduction.

Mr. Speaker: Continue.

Introductions by Members

Hon. L. Reid: We're joined in the gallery today by the Richmond Christian School, a glorious organization in my riding. They have guests today visiting from the Christian school in Ottawa. There are approximately 64 students. There are, I believe, five adults with them, and their teacher is Mr. Brian Roodnick. I would ask the House to please make them welcome.

Debate Continued

A. Dix: It's my honour today to speak on the amendment.

I guess it's ironic that the member for Vancouver-Burrard had to apologize half a dozen times during his speech on the Apology Act. I don't know. But I think his comments are not only inappropriate; they're disrespectful to democratic debate.

This amendment calls for us to listen to people. This legislation was introduced, I think, in the last two weeks.

Interjection.

A. Dix: Last week? This legislation was introduced last week. All the history of legislation in this chamber, and suddenly the government decides, five years into its mandate, to table an Apology Act last week.

Has there been an opportunity for groups in the community to respond to that? No, there hasn't. Has there been an opportunity for groups who have serious concerns or who may want to strengthen or say something about the legislation to have their words said? No, there hasn't. In fact, we're now debating second reading within a week of the bill being tabled.

[1035]

The hon. member for Vancouver-Burrard goes on some sort of a rant about the fact that listening to people means that we don't believe in the serious concerns of communities. It's the opposite. There is nothing wrong, surely, with inviting communities in support or who might have concerns about this to come to a parliamentary committee or to come and talk to us about their views on the legislation. That seems perfectly reasonable. Let's think about it — for years and years the discussion of these issues, many of these issues before us.

You know, I've met regularly with Woodlands survivors. We all know what happened in 2002. There was a report. They fought for years to get their claims recognized. They're not claims against a political party; they're claims against the province of British Columbia over a period of years — both parties in government, all parties in government, real claims, real concerns, fundamental concerns. They fought to get a report by the former Ombudsman, Dulcie McCallum, who recognized their claim to be systemic abuse.

This is, generally speaking, not a group of people who are going to succeed in a court of law. We know what happened. We know that the government has

denied the report of the Ombudsman, that after the years of fighting for that, they've acknowledged: "Oh, there were some problems." They offered \$2 million, which no one's received. We haven't heard from the member for Vancouver-Burrard or anybody else on this question. We know what happened.

Those groups are going to have — and those people, I can tell you, would like to have — something to say about this legislation, and I think it's reasonable to hear them before we pass it. It doesn't mean we can't pass it in this legislative session; it doesn't mean we can't pass it soon. But surely this is a democratic place, and surely if there are concerns in the community and community groups want to come and speak to us about a piece of legislation, we might take the opportunity, take the care to listen rather than introducing it one week, passing it the next week and having the member for Vancouver-Burrard lecture the community about democratic values. Maybe we should stop and just listen for a couple of weeks. Maybe members of this House would do well to listen.

Hon. Speaker, I support the principle of the Apology Act, and I hadn't anticipated speaking in this debate until inspired by the member for Vancouver-Burrard. But it seems to me that it is our obligation.

You know, every session — members will know this; people who observe the Legislature will know this — governments come into this Legislature with statutes amendment acts. Often — the Attorney General will know this — it's because public servants look at legislation, and it's not working. They need to tweak it, they need to make changes, and they make statutes amendment acts.

This is a new piece of legislation. One of the ideas of bringing groups forward and having them talk about it now is to avoid having to correct bills later, to get it right the first time. Every government does this. Every government brings in statutes amendment acts in the future, and what we're saying is: "Let's have a discussion before we put this into law. Let's have that discussion. Let's have groups come and bring their considered opinion to bear on this question."

If the belief of the Attorney General and the member for Vancouver-Burrard is, "We bring in the legislation, and by gosh, we're the government, so it must be right. We shouldn't have any public discussion or consideration of it, and we should ram it through...." You know, this is our parliament, our provincial parliament. This is the Legislature of British Columbia. It's not a sausage factory.

We have an opportunity to duly consider legislation and its implications. I think that this amendment for referral of this legislation for public hearings before we go forward is not intended to delay the legislation unduly. It's simply intended to give groups in the community — who want an opportunity to have their voices heard — to be heard, and it gives us, as legislators, an opportunity to hear those voices, to consider them, potentially to consider them in the context of making amendments to the legislation.

That seems to me to be a fair and democratic and reasonable approach. To bring in a new idea, which until last week was not the policy of the government.... Then suddenly, they bring it in, they thwack it down on the table, and they say: "Here's the Apology Act, and we're going to jam it through the next week."

Well, I don't think, in this case, given the serious issues and the serious concerns of some groups, those groups who, indeed, merit an apology in this society.... I think it's fair to say to them before we do this: "You have a right to be heard." If, in fact, they don't want to be heard and we present to groups the opportunity to be heard and they say, "No, we're fine," well, that tells us something too.

[1040]

I heard the extraordinary speech of the member for Vancouver-Burrard, which I think puts this debate into kind of a vicious and partisan mode that is totally inappropriate to the subject matter. I think it's completely wrong. Let's listen to the community. Let's do our jobs as representatives. Let's take this opportunity.

This is not uncommon. The idea that a bill is tabled at second reading in other Legislatures is quite normal. The Government House Leader will recognize this as much as anyone else. It's quite normal to table a bill, then hear from the public and then proceed at committee stage.

The fact that the government has tabled very little legislation of consequence since the election has meant that we haven't had to consider that process very much. But in the case of this bill, which is new and innovative, it seems reasonable to me that we give the people of British Columbia an opportunity to be heard in the coming weeks before we proceed.

Hon. Speaker, I ask all members of the House to support the amendment.

Hon. M. de Jong: Who says there is no spontaneity left in the life of a parliament? Let me offer this by way of response to the amendment and the exchange that has taken place thus far in the House. I understand that people come here with differing notions both of important concepts of public policy and of the process by which those concepts become, or don't become, law.

I have tried to listen, when the critic for the official opposition was making his submissions around the amendment, and get to the crux of what was driving the argument in support of what we around here usually refer to as a hoist motion — consider a hoist motion. I'm not certain I heard an argument that went beyond: "We want to talk to some people." That is always, in my view, a valid expression of interest on the part of a member and, generally speaking, for those of us in public life, a legitimate use of the offices that we hold.

Here's where I think the disconnect may exist a little bit. During the course of the second reading debate, I would urge all members to understand and, hopefully, accept this. What the bill creates is a tool, a legal instrument, which governments and individual litigants will have to decide whether or not they want

to make use of. Yes, the use of that tool will engage the interest of a variety of people and a variety of groups. I can't imagine a government making use of the tool without having extensive discussions and extensive consultation with those it would impact. But that is a different thing.

What we heard from the member for Vancouver-Burrard is, I think, an expression of the passion, obviously, that he has brought over some time now for the development and the existence and the creation of that legal instrument so that those discussions and that consultation can go forward, not in the guise of some faint hope that maybe one day this will happen but in the context of understanding that there is now a law on the books that allows for it to happen.

[1045]

If I were to urge members to reconsider the considered amendment that has been tabled today, it would be on that basis — that the use of the instrument, the tool that this bill seeks to create, is something that will very much be the subject of discussion between governments, those communities or groups of people it would impact and individual litigants or potential litigants.

I'm hopeful that we can yet understand what has motivated the creation of the idea. I actually have had occasion to review the comments that members made a month ago — I think, in fact, a month ago today — in a discussion that took place around the private member's bill. With one exception — I think the member for Surrey-Newton pointed out some concerns he had, not necessarily around the concept, but some additional concerns — virtually everyone that spoke, including the official opposition critic, said that this is a concept whose time is long overdue. Those were his words.

Undoubtedly, the use of that concept and the legal instrument that passage of this bill will create is something that will require great care and great sensitivity to the interests of the communities that would be impacted. But in speaking against the reasoned amendment, I am going to urge upon all members of the House that we create this tool, create for ourselves the option of making use of it.

Hon. W. Oppal: I rise to speak in opposition to the amendment.

I fully appreciate some of the comments that have been advanced by the members of the opposition, particularly in relation to acts passed — such as the *Komagata Maru*, the Chinese head tax, the Oriental exclusion acts of the 1920s — that are representative of our racist past. But I would suggest, with respect, that this legislation is relevant to advancing apologies. We've already seen that. We've already seen where there are apologies for legislation. We've seen where institutions do apologize.

Let's not lose sight of why this bill, or the intent of this bill, was advanced at the outset. It was really a part of this government's intent to make the civil justice system more accessible and to promote an early and effective resolution of disputes by removing acrimony and an adversarial process where none was necessary.

An apology encourages people to come together. Very often it is a healing process. This bill would help communities in that healing process. I would be more sympathetic to the arguments advanced by the opposition if the legislation were in some way found to be wanting — if it was vague, uncertain or if the legislation contained other weaknesses, either by omission or by inclusion.

If this legislation becomes law, it will not take away from any person's right to sue for damages. That right will still exist. This legislation will promote early settlement of disputes. Many people are satisfied with an apology rather than an acrimonious litigation process. That's the purpose of the bill.

[1050]

In my respectful view, delaying this bill without any valid reason, such as those that I have alluded to, would not really be in the public interest. This is not a case where we're rushing to judgment by railroading legislation through. There has been a reasoned debate on this, and by and large, the opposition has, with the exception of the amendment today, promoted this legislation. I commend the opposition for what they've done during the debate.

In my respectful view, nothing would be gained by delaying this matter any further. In these circumstances I rise here to speak in opposition to the amendment.

M. Farnworth: I appreciate the comments of the Attorney General and the Government House Leader around this bill. There has been, I think, general support for the concept of the bill. No one disputes that. The question is: is this an act whose time has come? Again, there is widespread support.

At the same time, there have been voices that have said they have some concerns. They have questions they want to have addressed. It is important that the opposition and members of this House have the ability to bring those concerns forward. If the way in which to address those issues is to say we feel it's important that for the period of a month or five weeks we wait and delay further discussion of this until those concerns have been addressed and those individuals and groups in the community have had the opportunity to talk to us directly, I think that is something we should do. That is very much in keeping with what this place is about.

This session runs until the 18th of May. If we pass this bill right now, it wouldn't in fact become law until the Lieutenant-Governor gives it royal assent which, by tradition in this place, would usually be around the 17th or 18th of May — the last days of the session.

There's no real compelling reason not to. I think the amendment moved by the opposition is a reasoned one, is a reasonable one, is in keeping with the democratic traditions of our House and our jobs and what we're here to do. That is to ensure that at the end of the day, the legislation we pass is as good as it can be and not only meets the needs of those of us here in terms of

public-policy-makers but fully meets the needs of the communities and the people of British Columbia.

That's why, on this side of the House, we're asking all members to support the amendment.

Mr. Speaker: Seeing no further speakers, the question is the amendment.

[1055-1100]

Amendment negatived on the following division:

YEAS — 27

S. Simpson	Evans	Fleming
Farnworth	Kwan	Brar
Cubberley	Hammell	Coons
Thorne	Simons	Puchmayr
Gentner	Routley	Horgan
Lali	Dix	Robertson
Karagianis	Ralston	Krog
Austin	Chudnovsky	Chouhan
Wyse	Sather	Macdonald

NAYS — 39

Falcon	Reid	Coell
Ilich	Chong	Christensen
Les	Richmond	Bell
Bennett	Roddick	Hayer
Lee	Jarvis	Nuraney
Whittred	Horning	Cantelon
Thorpe	Hagen	Oppal
de Jong	Taylor	Bond
Hansen	Penner	Neufeld
Hogg	Hawkins	Krueger
Lekstrom	Mayencourt	Polak
Hawes	Yap	Bloy
MacKay	Black	McIntyre

Hon. W. Oppal: I move second reading of Bill 16.

Mr. Speaker: Hon. members, you've all heard the motion.

Division has been called.

Government House Leader, do you want to waive the time?

Hon. M. de Jong: I believe there is agreement to waive the usual time.

Second reading of Bill 16 approved unanimously on a division. [See *Votes and Proceedings*.]

Hon. W. Oppal: I move that the bill be referred to a Committee of the Whole House to be considered at the next sitting after today.

Bill 16, Apology Act, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Hon. M. de Jong: I call Committee of Supply — for the information of members, continued debate on the estimates of the Ministry of Environment.

[1105-1110]

Committee of Supply

ESTIMATES: MINISTRY OF ENVIRONMENT AND MINISTER RESPONSIBLE FOR WATER STEWARDSHIP AND SUSTAINABLE COMMUNITIES (continued)

The House in Committee of Supply (Section B); S. Hammell in the chair.

The committee met at 11:11 a.m.

On Vote 28: ministry operations, \$152,559,000 (continued).

S. Simpson: As the minister knows, we're going to move to a discussion of alternative energy issues now, and we'll come back to climate change later this afternoon.

Could the minister tell us: what is the role of the Ministry of Environment in relation to discussions around alternative energy and renewables in terms of the government of British Columbia?

[1115]

Hon. B. Penner: First of all, I could say that at the cabinet table and in caucus discussions I am a frequent advocate, a relentless advocate, for alternative energy options. It's something that is near and dear to my heart. I take a great deal of interest in that. Secondly, though, and more specific to the ministry itself, we have a water licensing function that comes into play in terms of applications for run-of-the-river or small hydroelectric projects.

I know from some recent travels I made to the Peace River district of British Columbia that Ministry of Environment staff are called upon to provide comments and advice to another ministry, the Ministry of Agriculture and Lands, when it comes to the possible siting of large wind power energy systems. Ministry staff will be called on from time to time to provide their advice, in terms of their expertise in being biologists, about potential impacts from large-scale wind farm applications.

In addition, of course, the environmental assessment office gets involved in reviewing projects over a certain threshold size. In addition, the ministry, at the staff level, is supporting work that's currently underway in terms of updating the province's energy plan.

S. Simpson: Could the minister tell us: is there a budget within the ministry to deal with alternate energy and renewables? If so, what is that budget?

Hon. B. Penner: As the member will know from reviewing the ministry's budget estimates, there isn't a specific line item entitled "Alternative energy." Rather, the ministry supports efforts across government in pursuing alternative energy initiatives through the staff and the resources that we have.

For example, I mentioned the assistant deputy minister, seated next to me, who is in charge of our water stewardship division. He also wears another hat. He's the comptroller of water rights for the province.

The budget for the water stewardship division is about \$28 million, and there are 120 FTEs. Some of those people are biologists. Across the ministry there are approximately 248 biologists, costing approximately \$20 million. As required, they are called upon to assess and review particular projects in the fashion that I was just mentioning in my previous answer.

S. Simpson: The minister spoke about run of the river and wind, and we know that there are ongoing discussions about the potentials around solar or tidal. We have a number of different alternate energy sources that are in the relatively formative years in terms of their development. Could the minister tell us whether the ministry — or the ministry in conjunction, presumably, with Energy — has done some assessment of which of those alternate energy options may be most effective in British Columbia?

[1120]

Hon. B. Penner: The approach that B.C. Hydro has taken to date has been to put out a call to the market-place for proposals and let the marketplace sort out which particular form of generation is the most appropriate from a marketplace perspective.

I think it was in 2002 — perhaps it was the fall of 2001 or 2002 — B.C. Hydro issued a specific green call for electricity. That resulted in a number of proposals. The majority of them were run-of-the-river small hydroelectric projects, which is not surprising, given B.C.'s topography, climate and the location of those rivers and streams in relation to existing transmission corridors and the load centre.

However, proposals also came forward and received contracts for capturing methane gas from land-fills for the very first time in British Columbia and utilizing the methane gas to help generate electricity. That's now happening in the lower mainland in the GVRD's landfill near Delta and, as well, just north of Victoria here at a landfill site where we're capturing the methane gases escaping from decomposing garbage and converting that methane gas into electricity.

In addition, there was a wind power project that was successful in negotiating a contract with B.C. Hydro. But my understanding is that the Holberg wind project — which was, I think, a proposal by Stothert Engineering in conjunction with a partner — ran into economic difficulties. They were not able to make that project work for the bid price that they were contracted to with B.C. Hydro. So the call was put forward, and different proposals came forward.

There are emerging technologies, as the member referred to, around tidal power or wave power, solar power. Those are sources of electricity that hold tremendous promise but are still in their infancy in some parts of the world. I know California has done some work on solar, but it's still quite expensive compared to other sources. In British Columbia our competitive advantage has been in terms of small run-of-the-river projects — again, given our geography and the location of those projects in relation to existing transmission corridors and the load centre.

S. Simpson: I would agree with certainly some of what the minister has said. I think our advantage probably has rested more with our larger hydroelectric power. As we know, the run of the river is relatively early in its stage, and the volume — the amount of power it creates — is certainly a contribution, but it's not overly significant, I don't believe, at this time. I'll get to talking about run of the river in a minute.

I'd like to go back at this point to talk a little bit about some of those alternatives. The minister spoke of wind, and of course, we know about tidal and solar and, probably, about issues around biomass and others. I understand that those are all being looked at — at this point, at least — as IPP possibilities. As the minister notes, Hydro has put out a call, and we'll wait to see whether there are, in fact, industries or businesses that step up with proposals for Hydro and the government to look at.

[1125]

The question I have, though, in relation to those alternatives is: has the ministry looked at those models of alternate energy — whether it be wind, tidal, whatever — and done some assessment of the kinds of environmental considerations that need to be looked at when a proposal like that comes forward? They have certain traits that, I guess, would be consistent within wind or solar or tidal. Has the ministry looked and said: "Well, here are the kinds of issues that we need to keep our eyes open to when those proposals come forward, because these might be the impacts that we need to be looking at, whether they are negative, positive or whatever"? If so, has that work been done?

Hon. B. Penner: In addition to the staff resources I mentioned earlier, in terms of what the Ministry of Environment is doing in terms of supporting and advancing alternative energy.... I've just been reminded that last Thursday or Friday, I think it was, I was in the happy position of giving a \$30,000 grant to the B.C. Sustainable Energy Association to support their solar power initiative. They've got a goal of achieving 100,000 solar roofs in British Columbia to help supplement the heating of hot water for homes. That's a significant initiative, and I was pleased to be in the position to provide financial support directly for that initiative.

We've also provided grants to promote the use of biodiesel, which is an alternative fuel source. I think the grant we awarded was about \$25,000 to the Fraser

Basin Council to assist in their marketing efforts to raise public awareness that this fuel is now available at the pump at, at least three different distribution centres in British Columbia. It's there for motorists to use at a lower cost than traditional diesel fuel, due to the tax break the government has introduced for that biodiesel.

[1130]

When a specific application comes forward for a run-of-river project, as I mentioned earlier, that triggers a need for a water licence. A project can't get built until they have the right to use the water.

When that process gets triggered, then the comptroller of water rights and the water stewardship division of the ministry get to work looking at possible fish impacts, recreation impacts, access roads, conflict with wildlife. There's a referral process out to other ministries, because there may be the potential for conflict with forest uses — forest tenures in the area. Existing mining tenures would have to be checked with the Ministry of Energy and Mines. An assessment is done about the overall ecosystem impact of a proposal on a specific watercourse if someone is seeking permission to have an allocation of water from that particular source for a particular project. That's an example of the reviews that are triggered around small hydro.

I just want to respond to a comment the member made about the contribution being relatively small. Certainly, in terms of the overall system in British Columbia, the vast majority of our electricity does come from the network of dams that were built primarily in the 1960s and '70s, including the early 1980s with the Revelstoke Dam.

An increasing share of electricity or at least a small increase in electricity has come over the last few years from a number of run-of-river projects. I think there's something in the order of 30 or 35 that have been given contracts over the last four years. Not all of those projects have been built, but they do hold the opportunity — much like a wind project does — to help backstop our existing large storage facilities.

Wind is intermittent by nature. The opportunity in British Columbia is that when it's windy, there's the opportunity to store water behind our storage facilities — behind the big dams — and then draw it down and generate electricity when it's not as windy.

Similarly, small hydro facilities tend to be in peak production for certain months of the year but not for others. During those peak periods there's an opportunity to offset the amount of water we have to draw down from our large reservoir systems to generate electricity and save that water for when it's drier in those locations where the run-of-river projects operate.

So far the majority of the run-of-river projects have been located in coastal regions. When it's wet around the coast, that power production is helping offset the amount of power that would otherwise have to be pulled down from our large dams in the reservoirs in the interior of the province. Once it gets drier, we reverse that flow. If there are further questions around this, I should also point out that the Ministry of Energy and Mines has an alternative energy division, and there's an assistant deputy minister assigned to that role. I think there are eight staff or so. Those estimates debates are currently taking place just down the hallway as we speak.

S. Simpson: I do appreciate that they are taking place, and I'm hopeful that I have a colleague down the hallway asking questions about that right now.

The reason I ask the question about this assessment is because as the minister pointed out, as we've had this discussion, we know that at this point renewables are a small portion of the power in British Columbia. But absolutely they are going to grow. I believe that Hydro has a long-term projection to have 50 percent of our power come from renewables at some point down the road, and that's a big challenge to get to 50 percent. I think it's also a very positive objective for the government to have, and it's something that we should work hard to achieve — 50 percent from renewables.

If we're going to get there, it's going to require a variety of options. It's going to require some of them to be fairly intensively developed in order to get that volume of power outside of conventional methods. That's why I ask whether the work has been done within the Ministry of Environment to look at what the potential impacts of renewables are. We do know there are environmental issues — some of them not totally confirmed yet. Obviously, with wind, I hear about challenges around turbines and birds.

[1135]

There's a number of things, and some of that is open to debate as to whether in fact those are significant issues or not. My concern is that the ministry be doing as much preliminary work as possible to know the degree to which those concerns are legitimate and the degree to which they need to be addressed.

I'll move to a particular project. When we talked about wind.... It would be a very interesting project I've been learning about, which is the Nai Kun project off of Haida Gwaii. This is a project where they are talking about floating a wind farm off of Haida Gwaii. I wonder if the minister could tell us whether he's had discussions around that proposal and what his thoughts are about its potential to meet some of our needs.

This seems like an innovative approach, to float these farms. It seems to deal with a number of issues that people have, but it may very well create additional ones. I wonder if the minister could tell us what his thoughts are about that.

Hon. B. Penner: I'll make a comment, and then I'll have a question for the critic just to get some clarification around his most recent question. I would correct the member and say that, in fact, in British Columbia today 90 percent of our electricity currently comes from renewable sources. There will be a debate and an argument about whether it can be considered from green sources, given that a majority of it comes from large hydroelectric facilities that have resulted in the estab-

lishment of significant reservoirs that carry with them environmental consequences. But certainly, in British Columbia 90 percent of our electricity today, give or take, is generated on the basis of renewable energy sources.

The member was asking about a proposal, I think, for a wind farm or a wind power project off Haida Gwaii. I just want to seek clarification from the member. Is he referring to the project also known as the Nai Kun wind project? He's indicating that he is.

I don't think I've had any meetings with anybody representing that proposal since I became minister, but I am generally familiar with the proposal. I'm not sure at what stage it is or even if it's gone forward in terms of an application to the environmental assessment office. If the project is over a certain size and it's within the jurisdiction of the environmental assessment office, then it would have to go through that review process. I'm not aware at this point if it has started that process.

S. Simpson: I'm sure they will be coming to see you soon. It does seem, from the materials I've seen and the discussions I've had, that it is a significant project.

In regard to the point the minister makes about hydroelectric power — clearly, that has been an advantage for us for a whole range of reasons in British Columbia. The challenge around hydroelectric power, though, of course, is that there's not much that we can do to use that power.... That power kind of provides the opportunity it provides today. We don't afford changes in that power that will allow us to reduce greenhouse gas emissions. We're going to need to find ways to do that by using other methods and forms. It's absolutely a very positive power source for us, but we need to move past that as we look to make better and further improvements in issues around those gases.

I'll move back now.... The minister has spoken a fair amount about run of the river, so let's talk about that a little bit, and particularly around the projects in Squamish. The minister, I'm sure, is well aware of the Ashlu project and some of the concerns that have been raised by the Squamish-Lillooet regional district around that.

The question that I'm particularly interested in is around the LRMP up there, the Sea to Sky LRMP. I believe this identified about a dozen water sources, including the Ashlu and a number of others, that the regional district felt had broader interests than power generation to meet a number of concerns of the community. Could the minister tell us whether he's aware of what the status of the Sea to Sky LRMP is at this point in time?

[1140]

Hon. B. Penner: I'd have to check with my colleague the Minister of Agriculture and Lands about the current status of the LRMP for that particular area, because that LRMP process is led, from the provincial government's side, by the Ministry of Agriculture and Lands.

The member mentioned the great potential we have for wind energy. It's obviously renewable and zeroemission. I've always thought it would be a positive contribution to the province, but it's amazing what happens when a specific proposal comes forward. Immediately, critics emerge as well. I am aware of controversy in other parts of the province whenever we go from the general concept of, "Let's use wind energy and harness that renewable source," to "Let's actually locate a specific project next to somebody's farm or community." Immediately, people go from generally supporting the concept to having significant concerns.

One of the things that requires a great deal of consultation is helping people understand what the possible impacts are and raising awareness. The environmental assessment office plays a role in that in coordinating public information sessions and assessing projects from an environmental perspective. Like the member, I've also heard concerns about the potential for impacts on birds or other wildlife, so those are obviously things that need to be assessed.

I've been remiss in pointing out one of the other, of course, key components in consultation, and this is triggered whether it's an application for a small hydro project or other things. That's the requirement for consultation with first nations. Certainly in terms of the water licensing side, if somebody comes forward with a specific application, we try to engage the local first nations as soon as possible to get them involved in the process. I know that a number of proponents have been doing this in the Sea to Sky corridor — and with some success, in terms of getting support and, I think, even participation on the part of the Squamish First Nation, which has been actively involved in a number of projects in that area.

S. Simpson: I would agree with the comment that the minister made around wind and the challenge when you propose to build a wind farm near somebody's community or home. It often draws a negative response, and I must say that's one of the things that I found somewhat intriguing. I certainly have a lot more to learn before I take a position in regard to the Nai Kun project, but one of the most intriguing things about it is that they are floating it out there, and it is largely not the same kind of issue in terms of being on land based near communities or populated areas.

They've told me in that case that they actually have had extensive discussions with the Haida, and they have a level of support in the leadership of the first nation there, though that's what I've been told by proponents of the plan. I would certainly need to see more information. I do agree that there are always challenges.

I raised the question about the LRMP because, as the minister may know, the Ashlu has been particularly contentious — the question of the IPP around the Ashlu. Part of that contention has related to the LRMP, and it's related to this call by the community to protect or designate these 12 water bodies.

It's my understanding that in fact the Sea to Sky LRMP has not been approved by cabinet. Now, I could be corrected on that, but I understand it's been sitting

there for an extended period of time. It's not been approved. I know I've seen correspondence from the Deputy Minister of Energy that suggests that there's some brokering to be done around the Ashlu and these other water bodies that the community wants to support.

The question I have for the Minister of Environment is: what is the role of the Ministry of Environment in assessing those water bodies and, if necessary, intervening at the cabinet table to ensure that they are protected, potentially in the way that the local community has asked for in their LRMP?

[1145]

Hon. B. Penner: The member mentioned again the status of the LRMP process. Again, the lead minister for that would be the Minister of Agriculture and Lands. My understanding, though, is that for any LRMP, when it comes forward to government before it gets finalized or approved, there is a commitment on the part of government to engage in consultation with first nations for their perspective on what came out of the LRMP process.

In terms of the specific application, I think the member is referring to the Ashlu River project. I'm advised that the water licensing division of the provincial government actually first received an application back in October of 1989. That's subject to check, but the information I have is that in 1994 this project was put forward to an application to the province under a B.C. Hydro call for proposals. I think that project was short-listed a year later by B.C. Hydro. I understand that Dan Miller, who was the Energy Minister at the time, undertook some kind of review process with some eminent persons and that the Ashlu project was ranked as the best short-listed runof-river project based upon a number of criteria including socioeconomic considerations.

Something happened. The government did not proceed with procurement, despite work that had been done to date, and the brakes were put on the project. Further work has been done since then, I think in response to the B.C. Hydro call for green energy in 2001. That's when, again, the requirements of the Ministry of Environment through the water licensing branch kicked in.

By the way, those requirements are available on the Ministry of Environment website. You can find them listed there. I think there's a website address, which is perhaps somewhat lengthy, but it goes something like this: www.env.gov.bc.ca/wld/bmp/instreamflow. That will lead people, I'm told, to details around the requirements for environmental review of proposed run-of-river projects that are seeking a water licence in British Columbia.

Again, going back to the specific application, once that renewed application came forward again — I think it was in 2001 or 2002 — various aquatic vegetation and wildlife studies were required to be done, and that work carried on, as well as consultation with the Squamish First Nation. Ultimately, an agreement was

reached, I'm told, with the Squamish First Nation, and they support the project.

The project went through a Canadian Environmental Assessment Act review process with referrals to the Department of Fisheries and Oceans, Environment Canada and others. I think from the provincial side, the Agricultural Land Commission, the Ministry of Energy and Mines, and the Ministry of Forests as well as the Ministry of Water, Land and Air Protection, as it then was, were all involved in various aspects of reviewing potential impact from that project as proposed. That work carried on from the years 2001, 2002, 2003 and 2004.

During that period of time the Squamish-Lillooet regional district gave the project first and second reading approval, and the report came back from Environment Canada and the Canadian wildlife service, providing final approval. Fisheries and Oceans Canada also provided draft approval after assessing a potential for harmful alteration or disruption of fish habitat in accordance with the SEA process. Even the Canadian Coast Guard provided final approval from a navigation perspective. Land and Water B.C, as it then was, was preparing to issue a land tenure by the end of 2004.

[1150]

Then, as the member will know, in January of 2005 the Squamish-Lillooet regional district denied third reading at that time. I think there were still some discussions taking place with DFO. Perhaps a look was being given to the tree farm licence in that area. That's part of the referral process through the Ministry of Forests. And I think that's basically where we're at today.

S. Simpson: We'll pursue this. There is more information. I'll be happy to inform the minister of it later.

Noting the time, I would move that the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 11:51 a.m.

The House resumed; Mr. Speaker in the chair.

Committee of Supply (Section B), having reported progress, was granted leave to sit again.

Committee of Supply (Section A), having reported progress, was granted leave to sit again.

Hon. B. Penner moved adjournment of the House.

Motion approved.

Mr. Speaker: This House stands adjourned until two o'clock this afternoon.

The House adjourned at 11:52 a.m.

PROCEEDINGS IN THE DOUGLAS FIR ROOM

Committee of Supply

ESTIMATES: MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES (continued)

The House in Committee of Supply (Section A); B. Lekstrom in the chair.

The committee met at 10:12 a.m.

On Vote 26: ministry operations, \$43,674,000 (continued).

C. Evans: I want to start the day by just talking a little bit about where I think we might get to, so that maybe staff time could be adjusted accordingly. Quite a few people wish to speak, and it is our wish to start with the question of tenure and deferral in oil and gas and then move on to the subject of alternate energy and finish the work that hon. members were starting yesterday. Before the end of the day I hope to get on to Columbia Power. It is our wish that whatever questions we might have for the Oil and Gas Commission, to get them in today so that they never have to come back.

If there is a part of the estimates that we don't get to, it would be B.C. Hydro. I think that those people are least likely to be required today. The Columbia Power people wouldn't be required until close to the end of the day. Can I just ask, through the Chair, if that's okay with the minister?

The Chair: Certainly.

Hon. R. Neufeld: I appreciate that. We'll act accordingly. I think probably what I'll do is keep B.C. Hydro here because of the alternative energy discussion. They'll probably lend some information to that. I'll confirm with the member, then, that BCTC can go for the day and be back on the next Monday that we come in and that Columbia Power can leave till later this afternoon, after question period. We'll come back in, and they should be here.

I think the staff representing those agencies will have heard that. If that meets with the critic, I'm fine with that too.

- **C. Evans:** That is as I understand it, and I appreciate that.
- G. Gentner: I'd like to thank the minister for agreeing to our indulgences and respecting our request to just spend a little more time not too much, I believe on the notion of gas. This is relative to estimates in that it has to do with some revenue stream. Although in a precursory nature, it's sort of a case in point, so we

on this side get to better understand how the industry works.

The question I have for the minister is: the suspension of assigned natural gas leases — how is that determined?

[1015]

- Hon. R. Neufeld: I might ask for some further clarification on the question around the suspension of natural gas leases. I'm not sure whether he was referring to suspension of a well. That, actually, I believe, is determined by industry or some other suspension or just.... Maybe he could help us a little bit here, so we can answer the question.
- **G. Gentner:** Yes, the question was relative to a well. What role does the ministry play if there's a well that is non-performing?
- Hon. R. Neufeld: I believe I understand the member's question, so I'm going to preface it with this: if there is a well that's underperforming for a company, they have the ability to suspend it and actually shut it in and keep it shut in, indefinitely.

That does not release their obligation to make sure it meets all the regulations and rules that are around a suspended well. The ministry — or the Oil and Gas Commission, actually — maintains a check to make sure that they are abiding by those rules and regulations for a well that's shut in.

- C. Evans: It's pretty much the same question expressed differently. I wonder if the minister could give us an explanation of the criteria that the ministry uses if they do to determine when and where and how a deferred disposition or suspension of a lease would be done by the ministry.
- Hon. R. Neufeld: There is no deferred decision about a lease, so I think it's a different kind of a question. I appreciate that people want to work around the edges, so I'll work around the edges until you finally get to the real question that you want to ask, and we'll move forward from there.
- C. Evans: I thought it was a real question, hon. Chair. I think that the minister presumes that what he calls working around the edges is some kind of beating around the bush in order to not be direct. For me, what he thinks is beating around the bush is trying to lay an educational platform on which to ask, perhaps, more intelligent questions. A person wants to understand how the ministry works and what the rules are. Given that I don't, I've got to figure out how to ask it again.

Firstly, does the ministry have the right, and in what circumstances would they choose to exercise that right, to suspend a lease during its term?

[1020]

Hon. R. Neufeld: Two things, and so.... All I'm trying to do is understand the member's question, be-

cause to my folks in the ministry, some of it is intertwined.

Let me say this: a lease would be suspended if payment wasn't made. There's a payment schedule that comes with a lease, and that's done by the ministry through the titles branch. A well that's not operating within the regulations that are in place, if it's been suspended by a company or even is operating.... The Oil and Gas Commission has the authority to actually suspend that well and stop production. We think that's a fairly big hammer to use on the industry if, in fact, they don't live up to the obligations that they have surrounding that particular well.

There are some basic obligations that they have, and with different wells, depending on where they are, they may have some further issues that they have to deal with in regards to noise abatement, dust control and those kinds of things. The Oil and Gas Commission has the authority, then, to shut that well in.

C. Evans: I appreciate the minister suggesting that it's a fairly heavy-handed step. I presume that means that there is some form of prior steps that one would take before suspension, and that might be a fine for noncompliance or a letter on the file. Maybe the minister could explain the steps that would precede suspension.

Hon. R. Neufeld: I'll just take a hypothetical well, as the order of how things would happen, and this would be with the Oil and Gas Commission.... There would be a notice of non-compliance to the company from the inspector from the Oil and Gas Commission. If, in fact, they don't do the things that are in that notice, then there's an order given by the Oil and Gas Commission with a date on it that says, "By this date you shall do," whatever they're out of compliance with.

If they don't do that.... I mean, if they still don't get into compliance, then we get to the enforcement order, which may involve court or a combination of shutting in the well. We've never experienced that. To my knowledge, I don't believe we've had a shut-in well, so the companies have complied with the orders that have been laid down by the commission.

Just a minute. I will get that.

Eight separate companies, I might add, had enforcement orders given against them. How many wells that represents...? They're going to dig that information out for you.

C. Evans: That would be eight companies over what period of time?

Hon. R. Neufeld: One year.

C. Evans: I have some confusion over the term "lease posting." Maybe the minister could explain if a lease is called a posting or if I'm misusing the word.

[1025]

Hon. R. Neufeld: I believe the term "posting" is when land is actually posted for sale through the titles

division for auction. That's what I would refer to as a posting.

C. Evans: Is it possible that between the posting of the land for auction and its actual auction, the auction itself could be suspended due to some complication in the process, or once it's posted, does it necessarily need to proceed to auction?

Hon. R. Neufeld: On this item, the titles division attempts to.... I think we discussed this yesterday — when they involve different regional districts and first nations and those kinds of people to settle those differences. The titles division has the authority to pull the posting right up until the time that the auction is to take place, because that's part of the posting. There is a specific day and time when those bids have to be received in the ministry office, and even after the bids are in, that doesn't obligate the ministry to actually allow those parcels to be acquired.

C. Evans: The period of time between the posting and the auction averages what?

Hon. R. Neufeld: Approximately six weeks.

C. Evans: The term of the lease averages what?

Hon. R. Neufeld: They are five to ten years.

C. Evans: Now, when a company bids on a posting, is the ministry obligated to pick the highest bidder, or is there a matrix or a scoring of past performance or other influences that would decide who would be awarded the lease?

Hon. R. Neufeld: As I said earlier, the ministry doesn't have to accept any of them, and normally would accept the highest.

Actually, I'll finish that off a little bit. Yesterday we had a lot of questions around: is the government getting the proper rent or royalties for a natural resource owned by the people? So I would expect that when I say, "If, in fact, they do accept it, it's generally the highest bid," I'm sure that the opposition would agree with me that that's probably the right way to go, I would assume — right?

C. Evans: Sure. It gives me great pleasure to agree. What would the exceptions be? The minister said that we normally award the highest bidder. What would be legitimate and legal criterion not to, and are

there instances in the past five years where the Crown has not chosen the highest bidder?

Hon. R. Neufeld: I'll be a little bit more definite. When I say "normally", it's always the highest bidder — if, in fact, they accept it.

[1030]

C. Evans: I'm going to take that to mean that a company could theoretically be in non-compliance

with a well, pay a fine, receive a letter on their file or even have their well shut in but still have the capacity to bid on a posting and be awarded a new licence. Is that correct?

Hon. R. Neufeld: Yes, and we don't want to confuse a lease — meaning a well — with the authority to buy land. You're right. If a company was out of compliance — in, let's say, the Fort Nelson area — and a piece of land or a posting came up for sale in another area of the province, and they were the high bidder and it was accepted by titles division, that in fact could happen.

I want to stress, though, that if they're out of compliance anywhere in the province of British Columbia — not just northeastern British Columbia; if they have wells anyplace in the province — the Oil and Gas Commission will make sure that they get into compliance or their wells are shut in.

C. Evans: Given that the minister has said that 100 percent of the time we accept the high bidder, but we have had to suspend licences for eight companies in the last year — or perhaps the wording is "suspend lease, shut in a well" — have those companies who are not in compliance and have had wells shut in, the eight of them, proceeded during the interim in the last year to be awarded new leases?

Hon. R. Neufeld: I don't know that without the ministry and the Oil and Gas Commission getting together to figure that out; it could possibly be. Hypothetically, a company that had a well suspended because of non-compliance for a short period of time until they got into compliance, for whatever reason it was.... They are not held ransom to say they can't bid on another parcel in a neighbouring jurisdiction or close to where the well is that is actually in question is.

I think that takes the hammer pretty far. It would be if I use an example, like saying that if an Esso service station happens to be out of compliance in Vancouver, you would actually shut down every service station and not allow any new service stations to be built anyplace in the province. You know that there is an issue with one well. Let's get it resolved so that it meets the regulations, and get on with business.

C. Evans: To the Oil and Gas Commission doing the research.... I'm not asking if any company that's ever been in non-compliance is ever allowed to bid again. I'm simply asking, I think, a much simpler question: if a company has been awarded a lease during a period of suspension on another lease. Is that clear? Is that simpler?

Hon. R. Neufeld: I'll try to explain this again, because I get what the member's asking. No, they're not disallowed from bidding on another piece of land that's posted — if, in fact, there is one posted. There's generally one posted on a monthly basis, or there are postings on a monthly basis, so if they were in non-

compliance on a well that they have, and the Oil and Gas Commission has ordered them to actually fix up that non-compliance, it doesn't preclude that same company from bidding on another posting somewhere else. Does that answer the question?

[1035]

C. Evans: It sure does, but I took it from the minister's comments earlier that the Oil and Gas Commission would provide us with the information. I precisely understand the minister's answer about the generalization. I'm just wondering about the specifics.

My next question has to do with the rationale for suspension. I am guessing that suspension usually has to do with the technical operation of a well rather than payment of moneys owed. To ask that in a specific question: do any of the eight suspensions in the past year have to do with financial relationships with the company?

Hon, R. Neufeld: No.

C. Evans: The second half of the question is: would I be correct in presuming that they have to do with technical operation of a well or the equipment on a well and some repairs or redesign that the Oil and Gas Commission requires of them to come into compliance? Is that correct?

Hon. R. Neufeld: That would be correct. The Oil and Gas Commission is a regulator.

G. Gentner: I just want to go over that, because I'm a little confused here. We do suspend leases based on a lack of payment. I understand there may be some companies who have not been able to meet those requirements because of a lack of production. Therefore, my question is: has the ministry in this last year suspended any company based on the fact that they have been unable to pay?

Hon. R. Neufeld: I want to try to separate these two issues. To the knowledge of titles division — and Gerald has been there for quite a few years — no one has ever forfeited a lease for not paying their lease rent — okay? A suspension of a well is a totally different thing, so maybe I'll leave that with the member, and we'll move forward from there.

C. Evans: We've been dealing with the idea of penalties and suspension, and I want to move to its equivalent in reward. If a company performs in an exemplary manner, either with community relationships or in terms of safety, or it is somehow operating in excellence, is there a form of reward, either in terms of reduced royalties or monetary credits or in terms of a scale that might be added to their bidding process that would make it easier for them to acquire tenure?

Hon. R. Neufeld: No.

C. Evans: Am I correct in understanding, then, that the issues of compliance and relationships with com-

munity and first nations and environmental issues and the like are all managed solely with the stick and not with a carrot?

[1040]

Hon. R. Neufeld: Actually, I tend not to think of the stick so much. There is a set of rules and a set of regulations, and we expect the industry to live up to those rules and regulations.

To get to the point where you may, for a good performer, do something special for them.... I think that tends to go down a path that probably none of us wants to do. We want to make sure we get the rent that we should be getting, we want to make sure that we get the royalties that we should be getting, and we want to make sure that the industry is safe and that they're abiding by the rules and regulations that are in place.

C. Evans: I don't want to belabour the point, because when we debate, we eat up time. However, I've got to use the metaphor of what I actually understand, which is the forest industry. When companies behave with excellence, they tend to be allowed to work in watersheds, in viewsheds and in environmentally sensitive areas. There is an expansion of their ability to bid when they behave with excellence. When they have a tradition of non-compliance or difficult relationships with the community, the Forest Service tends not to award licences to those companies where they would, in the jargon, interface with the community or a sensitive environment.

I do not know of examples where that tendency to reward excellence has had a negative effect or resulted in lawsuits or claims of.... I think, when you offer business a carrot, it tends to attract some of the business people to want to achieve a higher level in order to achieve more access. My question is simply: will the minister consider the possibility that there would be a concomitant opportunity in the gas industry that, I think, has existed for decades in the forest industry?

Hon. R. Neufeld: I guess if we look at the issue around the auction and getting the highest price — that's what auctions generally mean, regardless of whether you're selling a parcel of land to an oil company for a term to go out and do some work, after they get approval from the Oil and Gas Commission to do it — I don't know how you would make it easier for a good performer to actually have an edge in that process. I think we want to maintain and make sure that we get the best dollar we can. It's the same. The royalty structure is structured for everyone the same, and there's different royalty structures in the province to encourage the investment.

I'm sure that the member is right. There are some folks that go beyond the call of duty, and we appreciate that. I know that, through the ministry and the Oil and Gas Commission, they constantly work with industry and the people to try — and in fact, where there are interfaces with the public — to do the best they can.

I haven't said this up until now. Last year we drilled 1,300 wells in British Columbia. I believe that 150 were drilled on private land — 100 of those on agricultural land. "Private land" could mean someone with a huge piece of land. There are large farms, large acreages in northeastern British Columbia, as the member knows. So very little of the total exploration that takes place in northeastern B.C.... It happens a long ways away from where people actually live, so the interface is reduced an awful lot. That doesn't mean that there aren't some problems in the interface with those wells that are drilled where people live. That doesn't mean that the 100 wells were drilled right tight around the community.

There are well over a million acres of farmland — cultivated land in northeastern British Columbia — and you have to take that into consideration when I say that a hundred of those wells were drilled on agricultural land. Some of those could be far removed from where anyone lives also.

[1045]

C. Evans: One more question to belabour this point, I guess. The minister references the royalty system. Yesterday I thought the minister made quite a passionate argument that the way that he managed the portfolio best was not by making rigid rules but by talking to people.

"Talk to people," the minister said, about: "Do they want the well in the centre of the hayfield or along the fenceline — or where do they want the road?" Logical things that might make the well more benign or pleasant or valuable or non-troublesome to the landowner.

Would the minister consider, then, that...? I wonder, after we talk to the company, what's the incentive — besides just being nice people — to work with the landowner in a way that's beneficial to the landowner? And if the company, in moving the well — say, at greater distance to a person who is at risk or, say, has asthma in their family — or putting the well outside of the hayfield or the grainfield.... If the minister might not consider that there would be a benefit to a royalty credit in some way, so when that talk-to happens, there could be a negotiation, and the company could be left financially whole for good works either with the environment or with citizens....

Hon. R. Neufeld: Well, I believe it's pretty obvious to the industry, and to most people that live up there, that the industry has to have a good relationship with the communities that they are going to work in. That's why they set up offices. That's why EnCana set up an office in Dawson Creek, because they're doing an awful lot of work just south of Dawson Creek so that they can interface in the community. People can actually have access to their office. They know that if they're going to have.... They need a good relationship with the public if they are going to be able to continue to work, because if they don't, things go the other way.

It's an interesting process. We talked yesterday afternoon, at length, about the fact that the opposition

didn't think we were charging enough rent, that we weren't getting enough rent from the oil and gas industry.

In fact, the member from Fairview brought up the fact that all the major oil companies are making too much money, so why would we actually have different royalty structures? We should be charging them more. Why do we have a base-nine rate that, he argued for a long time, has a ceiling of 27 percent? In fact, he was of the opinion it should go way up.

Today, interestingly, had a night's sleep, came back, and all of a sudden, we want to reduce those. We want to reduce the land grant for those companies, or it's being suggested to me that we should reduce the rent, and we should reduce the royalties and make it easier and all those kinds of things.

It's interesting for me to listen to both ends of the spectrum from the same opposition party. But we will continue to monitor the industry. There's a set of rules and regulations that they have to live up to, and I think the Oil and Gas Commission does a good job of actually enforcing those regulations.

C. Evans: I take the minister's comment to be a no. I think the minister just said to me: "No, I will not consider some form of financial benefit to companies for acting with excellence or in compliance or to accommodate community. The system does not need me to consider...." Is that what the minister said?

Hon. R. Neufeld: I mean, the member can say no. What I'm saying is that there is, clearly, in British Columbia, an auction process. It's interesting that the opposition would feel that in an auction process.... I guess you would apply that to all kinds of auctions. In a Ritchie Bros. auction sale, if you've got someone who buys a lot of equipment — guess what — you're the top bidder. But you know what, folks? We're going to give that bidder a 20-percent reduction because they are a good bidder in this process.

You know, you can't have it both ways. There's an auction process. I know the opposition, when they were in government, constantly moved into different places and did those kind of things with a whole host of things. Talk about giving breaks to people. For one of the worst-performing pulp mills in the province, when the NDP were in office in Prince Rupert — I don't know, how many...? A few hundred million — they gave to the worst performer.

K. Krueger: Probably about \$300 million.

[1050]

Hon. R. Neufeld: I'm corrected — \$300 million. They gave \$300 million to the worst performer. Yesterday they argued that the royalty rates were far too low — that we weren't getting economic rent. They went home and had a sleep, came back today and said: "Guess what. We ought to give some of them some more."

What I'm saying is that there's an auction process that I don't think you can meddle in. There is a regulation process that I don't think you can meddle in. You know, companies that do a good job on the land base will have good relationships with both first nations and non-first nations wherever they work. They know that, and that's what they do.

C. Evans: One more time. Again, the hon. minister has helped me to understand my job. I'm asking a straight-up question — just kind of like you would. Is the minister saying, no, he will not consider some form of royalty credit or financial compensation to a company operating in excellence?

Hon. R. Neufeld: Through the Chair to the member: again, I'll make it clear for the member, who tends to not want to understand that there's an auction process for the land. We're not meddling in that. There are regulations that change from time to time, and there is legislation that changes from time to time. The member is aware that that can happen. Legislation has to be discussed in the House.

If, in fact, it comes to that — that some legislation in the future.... Who knows? I'm not going to be here forever. I can tell you that.

Interjection.

Hon. R. Neufeld: I'm here now — exactly.

That's the place where you argue those things. I think the regulations are in place for worker safety, people safety, the safety of the industry, for making sure that we actually maximize the benefit to British Columbians from the resource. Am I going to meddle in that? No. Not at the present time. I have no intention of meddling in that.

Does that mean that regulations won't change for different things as technology changes or other things change? It could. When we talk about interfacing with land owners and using common sense — exactly. I would like to do that, because you can't always set in place an absolute that works for absolutely everybody. I think the member knows that, and he's playing cute with that. I think he knows that fully, and he would agree with me that you can't just have a solid regulation for something that deals with one individual thing when you're dealing with farmers or land owners in different areas of the province.

So do you want to be flexible? Do you want to try and work with those people? Yes, we do, and that's exactly why we've put in place the consultation process that we're doing now in the northern Rockies and in the Peace River regional district to get some input from those people who are affected on the land base.

G. Gentner: Yesterday we did have discussions on the royalty rates. To the minister: I did sleep on it, and before coming here today, I filled up my car. It's \$1.10 a litre — \$1.10 to fill up here. The price for consumers keeps going up, but the royalty rates for oil companies stays the same as the 1990s.

[The bells were rung.]

G. Gentner: I think we have to take leave?

The Chair: Member, a division has been called in the big House. We will stand recessed until following that vote.

The committee recessed from 10:54 a.m. to 11:07 a.m.

[A. Horning in the chair.]

On Vote 26 (continued).

G. Gentner: I almost lost my train of thought here after having to make several apologies.

I'd like to quickly go into.... I think we're pretty well wrapping down our position on oil and gas. I mean, there are so many things we could be dealing with, but we certainly support the indulgence of the minister on this issue. It's very important for many of us and for those who have some impacts, particularly those residents in the hon. minister's constituency.

I have before me a piece of correspondence from the Oil and Gas Commission advisory committee to Richard Koechl and Linda Haugen, of July 20, 2005, relative to an application for a request for reconsideration of Terra Energy Corporation's application for re-entry of a well site, dated approval June 9, 2005. The application to re-enter a sour gas well was granted by the Oil and Gas Commission in favour of Terra Energy Corporation — as of, of course, June 9, 2005.

Terra was not able to reach an agreement with the landowner to lease the land required for the re-entry, so it applied to the Mediation and Arbitration Board for assistance. We did talk briefly about the Mediation and Arbitration Board, and I'm not about to hone in on that area. I just want to go strictly to some of the concerns expressed by the Oil and Gas Commission advisory committee on this particular file.

I quote from page 4: "From the file materials it appears that there is a lack of clarity around the Ministry of Energy and Mines deferred disposition process, and that the Ministry of Energy and Mines has not directly responded to the applicant's request for clarifying the information." Could the minister explain to the House why that is?

[1110]

Hon. R. Neufeld: It takes a while. I don't have a copy of the letter that the member is relating to. But having been involved, to a degree, with the issue along the Old Hope Road....

There was a tenure on that land. There was a well drilled. This company wanted to re-enter that well. All the lease payments had been made. They had the authority to go ahead and do that, and there was an explanation made to.... In fact, I think we had staff go up there and meet with the group to explain to them how the deferral process works.

The deferral has to be before the land is sold, not after the land is sold. I hope that answers the member's question.

G. Gentner: It does shed some light on it, but it means.... The question was.... The Ministry of Energy and Mines did not directly respond to the applicant's requests for clarifying information, so that's on record. Is that not correct?

Hon. R. Neufeld: I don't have a copy of the letter that the member has. If he wishes to share it with me, or identify if there is a CLIFF number on it or anything, so that the ministry can go back.... We don't bring all the letters to this room that are written by the ministry. There are hundreds, or thousands, of them. So if he would be so kind as to do that....

[1115]

I know that we have made numerous attempts to explain, on many occasions, how the process works. In fact, I have a copy of a letter that was sent to the regional district in Dawson Creek, because they also requested the information on how deferrals work and all those kinds of things.

To be honest, I believe — unless I'm mistaken and someone didn't answer a letter; that could be a possibility, but that would be a complete oversight, not an intent by the ministry — we've tried to give everybody as much information as we possibly can as it relates to the deferral process and the ability for companies to actually re-enter wells that were drilled a long time ago. In fact, I believe the staff tell me that the lease was sold as long ago as 1955.

G. Gentner: I have two more questions relative to this documentation. However, I could quickly run off a copy so he knows what I'm talking about. And I have a member here who wants to move into alternate energy. I don't know if you have that capacity. Hopefully, I can get back to this before we leave for lunch, because I think we want to wrap up the gas part of it, and I do want to give the minister an opportunity to look at the correspondence.

If that's agreeable, I'll photocopy this. Then the hon. member next to me can quickly move into alternate energy. I'm assured by my colleague here that we'll have time to quickly revisit this document, if that's okay.

Hon. R. Neufeld: I appreciate that. We will do that. We'll get a copy of the letter, and the ministry can start looking for the response to it. I'll commit to the member that we'll deal with that process.

G. Coons: Again, a pleasure. Thank you for being here, minister and staff.

Back in March 2002 there was the final report of the task force about the strategic considerations for a new British Columbia energy policy. One of the recommendations was to develop a wind project with private

sector enterprise using federal funding. I was wondering if that project did happen.

Hon. R. Neufeld: I'm not sure where in the energy plan it says that we directed that government would do that. We went through a process — in fact, Hydro did — to solicit bids for all kinds of generation.

A wind project was bid in on northern Vancouver Island. At the end of the day — although we had extended the time frame on a number of occasions and did some things to help encourage this company to have a project — the company decided on their own that they couldn't meet the criteria or the obligations of what they thought they could do because the amount of wind that was there wasn't quite what they had expected it would be.

They did some testing. It's normal to do that testing, to make sure that the wind is blowing however much percent of the time. That determines the rate they would need for that electricity.

G. Coons: Being on the other side of the House, we know which way the wind is blowing quite often, and the power of it.

In the second objective of the ministry service plan: "Increased development and use of alternative energy technology, and energy efficiency and conservation measures." Coming from the north coast — and I hate to say this — where the wind is strong, I'm just wondering: where does wind power fall into the ministry's objectives?

Hon. R. Neufeld: Obviously, talking about wind being blown and knowing where it's being blown from, I can't help but think that the member should have been here earlier and maybe should have spent yesterday here, because we heard from that side of the House that we weren't charging enough royalties, and they were chastising us for not getting the appropriate rent for the people of the province. Today it was a completely different story. Today they actually wanted to reduce the royalties to large oil companies.

[1120]

I think we know where the wind blows and where it doesn't blow. I think we've got a pretty good feeling of where it comes from. You can't ride both sides of the fence all day long, or you're going to become very sore.

Wind energy. We want to encourage wind energy in British Columbia. There is no specific, absolute program within the ministry. If the member's asking me if we subsidize it.... No, although there is a subsidy from the federal government that comes forward, and it's one cent a kilowatt hour. I think there is some discussion about that being renewed now.

I don't call them subsidies — what we did in the province to encourage the wind industry. I would rather say that what we're trying to do is get people to actually build all kinds of different projects in the province. So in my ministry we approached Treasury Board and actually got the approval to eliminate sales tax on the machinery and equipment used for wind genera-

tion. Those are the towers and the generators. That's an incentive from my point of view, not a subsidy — although some people have different ideas about subsidies and incentives — to encourage the wind industry.

We also do that for the run of the river. On top of that we have put in place in the ministry that there will be no royalties. I guess I could get chastised for that too, depending on which day we're talking about. There are no royalties for wind for ten years that would be payable by anyone that built a wind farm in the province. Those are all incentives to work with that particular part of alternative energy to encourage them to build in British Columbia.

G. Coons: In your document, in the policy actions for the ministry's template that's enshrined in the document — I've got it here — *Energy for our Future: A Plan for B.C....* I'm just wondering: where does clean, green alternative energy development come into play in this plan?

Hon. R. Neufeld: The target that we set, which is actually the highest target set in Canada that we're aware of, is that Hydro — I shouldn't say just Hydro, because we actually want Fortis to do the same thing, or anyone else that would be generating electricity in British Columbia for sale domestically — acquire 50 percent of that from clean sources. Wind is one of those clean sources.

G. Coons: Again, I'm very disappointed, as I think many British Columbians are, that there is no vision, no action plan, no focus and embarrassingly limited support and funding for initiatives that deal with alternative energy.

You know, I look at the budget for offshore oil and gas and the budget for electricity and alternate energy, and the offshore is nearly triple the amounts for the alternative energy. I think our province, as we move along, needs to put the time, energy, funding and resources into alternate energy.

I'm just wondering. Looking at the plan, the resource summary, in the budget for the electricity and alternative energy, I'm just curious on how much is actually going into alternative energy. How much is being spent on alternative energy in the plans for 2006-2007 and '07-08 and '08-09?

[1125]

Hon. R. Neufeld: I'm a bit disappointed that the member probably hasn't had the research done when he talks about alternative energy. We do an awful lot in the Ministry of Energy and Mines in regards to alternative energy.

If the member is asking, do we have a budget that actually subsidizes.... It's interesting. That would be, maybe, some policy that the opposition would like to talk about — that they would actually like to subsidize directly the development of wind energy in the province of British Columbia. You know, that has some consequences. Wind energy should be — and I think is

— very competitive with run-of-the-river energy in British Columbia.

Hydro spends an inordinate amount in trying to work with all proponents of clean energy. I'm sorry that the member thinks wind energy is the only energy that's clean. It is clean, but there are other types of energy that are also clean.

Hydro makes calls, has just finished making a call. I'm sure there will be some large wind energy projects bid into that. I'll be very pleased if some of those, at the end of the day, are chosen to move forward with energy purchase agreements. I'll be happy about that. I mean, I'm disappointed that the member's not happy about the fact that Hydro has actually been able to acquire 100 percent of the energy contracts that they've signed since the year 2000, all from clean sources.

Am I disappointed that there's not a wind one that was successful? There was one that tried very hard to be successful. It wasn't, at the end of the day — for commercial reasons, not because government didn't want it or Hydro didn't want it. They've contracted over 4,000, I think. In total, when all of it comes on stream, in the last call for green energy, it's over 5,000 gigawatt hours — I think about 5,700 gigawatt hours comes to mind — all from clean sources.

I know we want to disregard, or there seems to be a desire by some to disregard, that. There seems to be a desire by some to disregard the fact that we already have over 90 percent of our energy from clean sources. Hydro and Fortis are doing a great job of encouraging the alternative energy. I want to stress again: it's not just wind. There are all kinds of things: landfill gas, instead of just.... You talk about wind. Landfill gas — there are some projects there that communities have done that are considered clean and that help the environment. There are all kinds of things. There's wood burning that could be on the horizon. You know, we shouldn't just stand and separate out one and say nothing's happening.

I want to tell you that we are some of the very best across Canada in the generation of our electricity. It's time all of us stood up and were proud of the fact that over 90 percent of our electricity comes from clean sources and that our Crown corporation has managed to actually get 100 percent of its new sources from clean sources over these last five years. I think that's great.

In fact, if I compare that.... I'm going to take a little time here. I'm going to compare that to a ten-year period when the opposition was in government. What did they build? A natural gas-fired plant on Vancouver Island? A natural gas-fired plant in Fort Nelson? A natural gas-fired plant in Fort St. John? A plant in Pakistan that burnt natural gas? And some generation in the Columbia that was clean.

When we talk about this, we should put it into the context of a bit of the history and what's going on. I know that Hydro is endeavouring to meet that 50-percent target and has done it quite well — in fact, by 100 percent. I don't think you can get any better than that.

Are they still needing some more electricity? Yes, they are. They're dealing with that through the IEP that they presented to the B.C. Utilities Commission about how they think they can move forward into the future. There are going to be some decisions that'll have to be made that are not going to be easy decisions. They're going to be tough decisions. Actually, it'll be interesting to see where everybody in the province comes down on this. At the end of the day, I would be very interested to find out what the NDP is going to do, what they think they would support and what they won't support in becoming self-sufficient in British Columbia.

[1130

Contrary to the member, I think Hydro in British Columbia is doing a good job in acquiring clean energy. In this call they just made of 2,500 gigawatt hours, I'm sure there will be some wind farms in that 2,500 gigawatt hours. I am hopeful that they are able to come through and bid competitively and be there. In fact, I've talked to people that are promoting wind on a regular basis through my ministry. They meet with ministry staff. They meet with B.C. Hydro, and they meet with me. I'm hopeful that they'll be able to be there to deliver wind energy to British Columbia.

G. Coons: Thank you for that, minister. I can feel it over here.

My last question. Again, coming from the north coast, I do realize there are other alternatives, whether it's wind, solar or tidal. But on the north coast, it's specifically important, especially since the last environmental disaster on the north coast in Gitga'at territory — Hartley Bay. It's clearly shown the world, not only our province, that our coastal waters are truly vulnerable to any offshore oil and gas.

At this moment, as we speak, in my hometown of Prince Rupert, Katabatic Power is in a predevelopment stage on two promising sites — one the Mount Hays wind farm, and I think the other is the Banks Island wind farm — which recognize the best wind energy resources on the planet. Our region is thrilled with the potential investment in our environment, as well as benefits to all British Columbians. We look forward to an increased focus for the ministry on this.

Again, with the high opposition to development — especially in my region, up and down the coast, first nations territories, and the provincial opposition, in general — and the recent Gitga'at and Haida concerns about tanker traffic, would the minister consider reshuffling priorities and putting more support and resources into producing energy sources as alternatives to polluting fossil fuels?

Hon. R. Neufeld: I appreciate the question and the mixing of electrical energy and fossil fuel energy. Ships, at least for the foreseeable future, will probably continue to run on fossil fuels. If you talk to anyone, any scientists, any people that talk about the fossil fuel industry in the world globally, there's a distinct difference in energy when you talk about diesel fuel that

would power the *Queen of the North* and electrical energy that powers our homes and other things.

Unless the member's referring to the fact that maybe, at some time in the future, we're going to power the ships with electricity.... That could happen; I don't know. But that causes some more generation someplace. There is a certain amount of wind, but I think it's finite and the land base where it's at is finite also. It has to be generated. It's easy to say, "Let's have electric cars," but everybody forgets that there's going to be an environmental footprint on the land base to generate the electricity to run the cars.

It's not an easy decision to make, but I think we should be able to deal with those two issues separately — fossil fuels and electrical generation. We actually generate very little — I said this about the plants that were around British Columbia — with fossil fuels in the province. I'll reiterate again: over 90 percent is hydroelectricity or clean sources of another source.

I think we do very excellently. In fact, we should thank someone who was in this Legislature a long time ago, by the name of W.A.C. Bennett, who had the foresight to actually go build those dams. Did they have an environmental effect? I think so. I think the member for Nelson-Creston, the official opposition critic, could tell you quite a few stories about some of the environmental things that went wrong in the Kootenays. Are we trying to deal with some of those issues today? Yes, we are.

I can tell you that some of the people who are sending information to the opposition about gas wells also have an opinion that there shouldn't be another dam built on the Peace River. Was there some environmental degradation from the W.A.C. Bennett Dam, the largest one in the system in Peace canyon? Certainly, there was.

[1135]

Anything we do, we're going to have an effect on the environment. What we have to do is try to do our best. A target that's higher than any other place across Canada of 50 percent clean electricity to be purchased by B.C. Hydro from clean sources is an admirable target. We should be happy about that. In fact, we should be really happy that they met 100 percent so far. I doubt that they'll always be able to meet 100 percent. Maybe they can; I don't know. Time will tell, as the bids come in from all different kinds of sources for the generation of electricity in British Columbia. We'll see some of those soon, I believe.

In fact, Hydro will have another call next year for 5,000 gigawatt hours and, as I understand, the next year or maybe two years after that for another 5,000 gigawatt hours. You know, 5,000 gigawatt hours is a lot of electricity. To put that in context, that's more than a Site C would generate on a yearly basis, so it's an awful lot of electricity. To understand that, since 2000 till now, what actually is on stream is almost the same amount of electricity that a Site C would generate, through a host of different sources.

We work with all kinds of different sources of electricity generation, whether it's wind power.... We're

partnering and have given some money to a tidal project off Race Rocks from the ministry. I know we spend an awful lot of time working with the federal government to make sure our folks here in British Columbia get the same breaks that people get in other parts of Canada when it comes to generating clean electricity. We want to continue to move down that path, and I will commit to the member that we're doing that and will continue to do that in the ministry as long as I'm here.

G. Gentner: Hon. Chair, I'm anticipating an interesting discussion this afternoon relative to, of course, alternate energy. However, going back to the letter that the minister has now received a copy of, I would like to draw his attention to page 4, second paragraph, where I first asked a question regarding Terra Energy Corp.'s application for re-entry.

As I go back to the letter, second sentence, second paragraph, it states: "It seems that local governments are routinely notified when a new tenure might be sold and their input is solicited, and as the two deferred dispositions referred to above illustrate, it is taken seriously into account." However, it goes on to say: "It is not clear who else has access to this process and what criteria are taken into account and how deferral decisions are made." My first question is: who else has access to this process, relative to this application?

Hon. R. Neufeld: We canvassed this at length yesterday, but we'll do it again. I don't mind; it's your time. We can canvass it for the rest of the day if you wish.

I'm reading a letter that was written to Mr. Rick Koechl, who actually is the husband of Linda, I believe. It was written November 25, 2005. The bullets — in fact, they're the same bullets I read into the record yesterday — are:

- (1) municipal and regional governments specifically request additional time to review the parcel due to known or potential community concerns;
- (2) a first nation specifically requests additional time for review to identify site-specific concerns or treaty-related issues:
- (3) the parcel is within or partially within a municipality and is close to the townsite;
- (4) the Oil and Gas Commission gives specific comments related to their knowledge of local issues obtained through their detailed consultation process for well applications that require additional time for consideration; and (5) another government agency identifies emerging land use planning or access management processes that may be affected.

[1140]

As I say, the letter goes on to explain at length to Mr. Koechl and group how the process works. The same type of letter, although it's not the same, was written to the regional district because they requested — they weren't sure either — that information. We provided that information to the regional district.

G. Gentner: Thank you for that, hon. minister.

This is a letter from the Oil and Gas Commission, and I would believe that they would understand all the bullets — who the people are. They're the ones who are saying: "It is not clear who else has access to this process." I find it quite unusual that the Oil and Gas Commission would be asking that very question when they themselves know who they are.

They were wondering who else is involved in the access to this process. That's all I was asking the minister. The other subsequent question to this — and we'll all be leaving for lunch soon.... It still doesn't say here that it's the Oil and Gas Commission that says it is not clear what criteria are taken into account and how deferral decisions are made. So the question still is the criteria and how Terra got its decision.

Hon. R. Neufeld: You should read the top of the letter: the Oil and Gas Commission advisory committee. It's not from the Oil and Gas Commission. There is an advisory committee to the Oil and Gas Commission, so that's who wrote the letter.

I think all that has been explained to those folks. It's been explained to the Koechls. It's been explained to the regional district. I appreciate that the member wants to continue to go around this.

I'll go back to the original. The land was first leased out in the '50s. There was a well drilled. When was the well initially drilled? We'll check on that, because that was quite a while ago. I'm not sure whether that well was even drilled before the homes were there. I don't know that just off the top of my head, but we'll check that out.

It was a re-entry into that well. All that has been explained a number of times — more than once — to the people, to Rick Koechl and to the members opposite. I'm hoping that we're starting to grasp how that process works.

G. Gentner: Well, I'm glad the minister was able to rectify the problem here. Knowing that it's the Oil and Gas advisory committee that just doesn't know what the process is.... I'm sure they have some ability and staff to support them. But I still don't understand. They're asking what criteria are taken into account in how deferral decisions were made, in particular with Terra.

Would the minister like to elaborate what that passage means? I mean, it's quite outstanding that the advisory committee to the Oil and Gas Commission would say: "However, it is not clear who else has access to this process, what criteria are taken in account and how deferral decisions are made for Terra." Again, I have to ask: what are the criteria made for the deferral decisions for Terra?

Hon. R. Neufeld: Through the Chair to the member: you'll appreciate that — although you did give a copy — I haven't even had a chance to read it, because I've been answering questions.

What I'm trying to explain to the member is the basic process of how it works. If you want to actually say that the Oil and Gas Commission advisory commit-

tee doesn't understand, that's your prerogative. You can say that. I think I've explained clearly numerous times yesterday. I think I've tried to explain numerous times today. The member doesn't wish to accept those explanations. That's fine; I appreciate that.

C. Evans: I get it that the minister hasn't had sufficient time to review the letter. If we have any more

questions, we'll do it when we come back, which would give him some time. In the meantime, I move that the committee rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 11:45 a.m.

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