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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

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Honourable Bill Barisoff

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CONTENTS

Thursday, April 6, 2006
Afternoon Sitting

Routine Proceedings

	Page
Introductions by Members	3817
Tributes	3817
Robert Abernethy	
Hon. P. Bell	
Statements (Standing Order 25B)	3817
World Health Day	
M. Sather	
Easter and Vaisakhi	
D. Hayer	
Status of oolichan stocks	
S. Hammell	
Citizenship ceremonies	
K. Krueger	
2008 North American Indigenous Games in Cowichan	
D. Routley	
Coquitlam passport program	
H. Bloy	
Oral Questions.....	3819
Emergency services at Vancouver General Hospital	
C. James	
Hon. G. Abbott	
D. Cubberley	
Class size and composition	
J. Horgan	
Hon. S. Bond	
G. Robertson	
Lobbyists registration legislation	
R. Fleming	
Hon. W. Oppal	
M. Karagianis	
J. Kwan	
M. Farnworth	
Petitions.....	3824
J. Brar	
Committee of Supply.....	3824
Estimates: Ministry of Environment and Minister Responsible for Water Stewardship and Sustainable Communities (<i>continued</i>)	
S. Simpson	
Hon. B. Penner	
D. Thorne	
C. Wyse	
M. Farnworth	
N. Macdonald	

Proceedings in the Douglas Fir Room

Committee of Supply..... 3840
Estimates: Ministry of Energy, Mines and Petroleum Resources (*continued*)
C. Evans
Hon. R. Neufeld
G. Robertson
M. Karagianis
H. Lali

THURSDAY, APRIL 6, 2006

The House met at 2:04 p.m.

Introductions by Members

C. James: I have two guests to introduce, who are visiting the House from Vancouver. John Perchall is head of industrial sales at ICI Devoe Coatings in Vancouver, and Sue Madden has just retired from a life-long career in nursing. They are here in Victoria to visit their son, who works in my office. I'd like the House to thank them for their parenting skills and also welcome them to the House.

[1405]

R. Hawes: In the precinct today are His Worship Gordie Robson, the mayor of Maple Ridge, along with one of our former colleagues and now a councillor in Maple Ridge, Ken Stewart; Councillor Linda King; the CEO of Maple Ridge, Jim Rule; and the municipal engineer, Andrew Wood. They're here to meet with a number of ministries on a number of issues that concern Maple Ridge. Could the House please make them welcome.

D. Chudnovsky: In the House with us today are members of the Coalition to Save Eagle Ridge Bluffs at Horseshoe Bay. I had the pleasure of meeting with these folks earlier today, and I hope the House will please make them welcome.

G. Hogg: Those of us who sit in this House and meet in this building know how incredibly blessed we are to have such exceptional staff to look after us and to look after this building. One of those very special staff members — one who starred in the DVD *Ode to Joy MacPhail* — who always has a smile on his face and a kind word to say, is going off on April 17 to run in the Boston Marathon.

I know that all of us in this House, particularly my colleague from North Coast and I'm sure everyone here, want to wish Curtis Daley all the very best of B.C. luck as he goes off to run in the Boston Marathon.

M. Sather: I wanted to join my colleague from Maple Ridge-Mission in welcoming some members from Maple Ridge that I had the pleasure of meeting with a few minutes ago: Mayor Gord Robson, Councillor Linda King, city manager Jim Rule and municipal engineer Andrew Wood. Would the House please help me in making them welcome.

M. Polak: Well, the best thing that ever happened to me is sitting in the gallery today. I'd like the House to welcome my daughter Miriam Polak and her friend Luke Patterson.

D. Routley: I'd like the House to help me welcome my friends and constituents Baljit Dhillon and Piara Dhillon.

J. Nuraney: It gives me great pleasure today to welcome 25 students from Maywood Community School in Burnaby. They are accompanied by Ms. Bradley, Ms. Rashid and Ms. Naklicki, who are here with some volunteers. The students are here to learn something about how the government operates. It gives me great pleasure to welcome them to this House. Let me also say that this school, apart from being very good academically, has an excellent program for outreach into the community and helping the new immigrant community in our riding. Will the House please join me in welcoming the great students from Maywood Community School.

S. Simpson: I'd like to introduce Eric Lorenz and Howard Beele. Eric and Howard are from the Sierra Club of Canada. They're here, as well, today with the Coalition to Save Eagle Ridge Bluffs at Horseshoe Bay. I would hope that all members would take an opportunity to meet with them and talk about the issues they have.

Hon. I. Chong: Last week I had an opportunity to have lunch with members of the Lady Laurier Club, a club of women who have interests in politics and who've also raised money for scholarships. Unfortunately, their numbers have diminished over the years, and their club is not active as much anymore. They try to meet on a regular basis, and of course, I try to accommodate that here. I see in the gallery today two of those members, very good friends of mine, Anne Bryden and Frances Chapman. I ask the House to please make them very welcome.

Tributes

ROBERT ABERNETHY

Hon. P. Bell: It's with great sadness that I rise to advise of the passing of Dr. Robert Abernathy. Dr. Abernathy was a well-respected veterinarian and research pioneer, a graduate of the University of Guelph. Dr. Abernathy moved to the Cowichan Valley in the 1960s where he practised large animal veterinary medicine.

[1410]

In 1981 he solo-practised large animal veterinary medicine, working 24 hours a day, seven days a week. He'll be remembered as a pioneer in researching how to improve milk production in cattle. This was a subject that Dr. Abernathy became well known for in his field of veterinary science.

Mr. Speaker, may I ask that you express our deepest sympathies to his wife of 41 years, Sallie, his three children and the family and many friends of Dr. Robert Abernathy.

Statements (Standing Order 25B)

WORLD HEALTH DAY

M. Sather: Tomorrow, April 7, marks World Health Day. The *World Health Report*, first published in 1995, is

the World Health Organization's leading publication. The main purpose of the report is to provide countries, donor agencies, international organizations and others with the information they need to help them make policy and funding decisions. The WHO held the first World Health Assembly in 1948 and decided to celebrate April 7 as World Health Day.

The theme for World Health Day this year is health human resources. Tomorrow we celebrate health workers around the globe. Health care workers are crucially important for producing good health through the performance of health systems. Good health care is also dependent on good governance of the health care system to sustain human health resources.

Priorities for action this year include educating and training health workers, supporting and helping health workers, enhancing the effectiveness of the health care workforce, and tackling imbalances and inequities.

Health care workers are the heart of the health care system, but the health workforce is in crisis. The results are evident — clinics with no health workers, hospitals that cannot recruit key staff. There is a chronic shortage of health workers as a result of underinvestment in their education, training, salaries, work environment and management. This has led to a severe lack of key skills, rising levels of career switching and early retirement.

This year World Health Day is devoted to the health worker crisis. On this day around the globe, hundreds of organizations will host events to draw attention to the health workforce crisis and celebrate the dignity and value of working for health. We join with the World Health Organization and other organizations to celebrate World Health Day 2006.

EASTER AND VAISAKHI

D. Hayer: Next week Christians around the world celebrate Easter, the day Jesus rose from the dead. It is a renewal. Easter, like Vaisakhi, is held in spring — the season of new life and new beginnings, a time to celebrate what has gone before and what will come. Because of my wife Isabelle's Christian background — she is of Spanish and French ancestry — I know that in the Christian faith this important day is also one of bringing families together, of renewing their faith, of renewing their ties and renewing their purpose.

Similarly, we of the Sikh faith celebrate our beginnings, our future and our togetherness during Vaisakhi. This is a time to celebrate new beginnings, a time to celebrate new things — just as nature is doing right now outside the windows of this chamber and outside the homes of people all across our great province.

In our country Easter is a time for everyone to rejoice, regardless of their faith or ethnicity. I encourage everyone in this province to join in this celebration not only of the Christian religion but of the coming renewal of spring. It is a time of prayer and also of rejoicing for all the wonderful things that have happened in the past and what will be coming in the future.

I encourage all members of this House and all British Columbians to reflect next week on their good fortune, get together with their families and friends, and make this Easter and the Vaisakhi celebration a time of happiness and good wishes.

STATUS OF OOLICHAN STOCKS

S. Hammell: There is a thin elongated silver fish that has swum up the Fraser River since human minds can remember. They have come to spawn and for centuries have signalled to the native community the end of winter and the birth of a new year.

[1415]

The oolichan was once so thick that when members of the Stó:lō Nation looked from the top of Chilliwack Mountain, they described two long silver bands on either side of the Fraser stretching for miles. There were millions of silver fish, worth their weight in gold as they were fresh and nutritious food for a community who had survived another wet, dark winter. For that reason they have been called salvation, or saviour fish.

Once caught by the natives, the oolichans were eaten, dried and smoked, or rendered to produce oil or grease that was used as a condiment, preservative, medicine and sacrament, and was a highly nutritious food source. Research now says that the oil of this fish is incredibly close to the fat found in the human body. The oolichan is almost 20 percent oil by weight and is called the candle fish as it is so dense in oil that when dried, it can be lit like a candle.

As these silver fish migrated in the millions up the river to spawn in the gravel beds, they were food for gulls, eagles, seals, porpoises and even killer whales. But this unique fish is almost gone. My friend Jimmy Adams of the Katzie Nation, a fisherman for 50 years, said he didn't even try to catch oolichan last year. In two years he got just enough for a few hundred pounds.

This has happened in our watch — a legacy of our generation, a triumph of industrial values over our environment, a candle going out. Our legacy.

CITIZENSHIP CEREMONIES

K. Krueger: This week is bookended for members of this Legislature by two significant events calling to mind the treasured freedoms which are enjoyed by British Columbians and the high price that others have paid for us to enjoy them.

On Monday the private members unanimously supported a motion recognizing the genocide of Armenians from 1915 to 1923 and designating April 24 as a day of remembrance for the 1.5 million victims of that genocide.

On April 9 we will honour the Canadian soldiers who fought, many of whom died, in the battle for Vimy Ridge. The capture of Vimy is deemed by many to be the moment when Canada came of age, as the bravery of our troops and the ingenuity of their leaders seized a position which had cost the lives of many thousands of Allied soldiers. It has been a week to re-

flect on how good it is to be a Canadian and a British Columbian and to be thankful for the sacrifices made by people who have gone before us and established the foundations of the rights and freedoms which we enjoy and treasure.

As we celebrate the bright and beautiful mosaic of our society, where virtually every nation of the world is represented, I want to speak in praise of those who continue to enrich that mosaic by taking the oath of Canadian citizenship in our province.

I attended a citizenship ceremony in Kamloops recently, organized in Ralph Bell Elementary School by the woman who is my favourite teacher in the whole world. Her name is Debbie Krueger. Eighty-four new Canadians came to us from 23 different countries and made the wonderful decision to join us in building B.C.

My first citizenship ceremony as an MLA took place on Canada Day in Kamloops. As I welcomed the new Canadians that day, it struck me that they had made themselves a birthday gift to Canada. I felt that way about new Canadians ever since, and I see each ceremony as a time of renewal and enrichment of a society so wonderfully diverse that racism has no place — unmasked in its ugliness and preposterousness by the beauty of B.C.'s mosaic.

I want to encourage members to attend every citizenship ceremony they can to encourage new Canadians as they are enriching us.

2008 NORTH AMERICAN INDIGENOUS GAMES IN COWICHAN

D. Routley: I rise today to speak to the House about an event coming in 2008 — the North American Indigenous Games, which will be held in Cowichan Valley.

I invite all the members to the most beautiful part of B.C. to enjoy our hospitality and also witness the spectacle of bridge-building between cultures. The Indigenous Games will showcase more than 7,000 athletes competing in 16 sports and will complement very handsomely the Olympic and Paralympic Winter Games in 2010.

[1420]

For thousands of years before contact with outsiders, indigenous peoples held games throughout this continent. The games obviously led to many of our modern sports, and that's well understood by people in British Columbia. But it's not well understood, perhaps, that the games also were a curriculum for a society — a way a society passed down its treasured qualities of honesty, courage, respect, personal excellence and gratitude for the guidance of parents, elders and communities. They prepared children for their lives ahead. It's important for all our peoples, indigenous and otherwise, that we recapture those values whenever possible.

The NAIG Council itself is an excellent example of bridge-building between cultures, with equal representation between Canada and the United States.

I'll invite all the members to come to Cowichan in 2008 and enjoy a spectacle in bridge-building between cultures and a celebration of sports and ethics.

COQUITLAM PASSPORT PROGRAM

H. Bloy: This year marks the third year of the Coquitlam passport to events and attractions program. This award-winning tourism marketing initiative showcases over 100 events and festivals taking place in Coquitlam this year. I have once again been appointed an ambassador for the city of Coquitlam and, as such, am proud to show off the passport this year.

Some of the great events taking place this year in Coquitlam have included the volunteer festival, of which I visited all 52 participants. The Festival du Bois was great again this year, including an exceptional display by the francophone Scouts.

We also have many more events to look forward to, including the Como Lake Festival, Rotary's Amazing Race, the West Coast Chocolate Festival, the fifth annual Korean Heritage Festival on June 17 and the B.C. Highland Games on June 24.

People can take their passports and have them stamped and win prizes from some great Coquitlam companies like Ikea, Go West, Best Western Coquitlam Inn, the Executive Plaza Hotel, Bell Canada and the West Coast Chocolate Festival.

It was my pleasure to provide all members of the House with a copy of the 2006 Coquitlam passport so when they visit Coquitlam, they'll be able to enjoy the many benefits.

I would like to thank Mayor Maxine Wilson and her council and especially tourism director Barb Stegemann, who was the driving force behind the Coquitlam passport program. Their hard work in promoting Coquitlam as a tourism destination is a great benefit to visitors and residents alike.

I want to invite all of my colleagues and all of the citizens of British Columbia to come to Coquitlam and enjoy.

Oral Questions

EMERGENCY SERVICES AT VANCOUVER GENERAL HOSPITAL

C. James: The opposition has a letter from emergency room doctors at Vancouver General Hospital. This letter tells patients that doctors have lost confidence in the ability of VGH to provide emergency care. If the doctors at VGH have lost confidence in emergency care, can the Minister of Health explain why British Columbians should have confidence in his government's ability to provide quality health care?

Hon. G. Abbott: I appreciate the member raising this issue. We haven't actually received a copy of that letter. We understand it's been around since January, but we've never actually received it. If the opposition leader would leak us a copy of the letter, I think that

would be remarkably useful, so we could appreciate the contents of it. It hasn't been leaked to us yet.

I understand the letter purports to be from emergency room physicians, but we also understand that the letter is unsigned at this point in time. So again, if the member would forward it to me, I'd be very appreciative.

In terms of confidence, I think the one thing that even the opposition leader can take confidence in and take pride in is that British Columbia is by some considerable measure deemed the best overall health care system in Canada by the most comprehensive analysis of health systems ever done in this nation. British Columbia's health care system is number one.

Interjections.

Mr. Speaker: Members.

The Leader of the Opposition has a supplemental.
[1425]

C. James: This letter has been passed out to patients in the emergency room. You would think that the Minister of Health of all people, if he was in charge of the health care system, would actually have a copy of the letter that's been handed out.

I'd like to actually share a few statistics that the Minister of Health doesn't share with British Columbians. If the government is doing such a great job, why does B.C. — according to the Conference Board of Canada — have the lowest patient satisfaction rate in this country?

Interjections.

Mr. Speaker: Members.

Continue.

C. James: Why does the *Province*, in an article last week, show B.C. and Vancouver "at the bottom of the heap if you're looking for timely health care"? Why do most people in Vancouver worry that they won't get quality health care? Quoting from the letter from emergency room doctors to their patients, they are "publicly declaring their non-confidence in the ability of VGH to provide safe, timely and appropriate emergency medical care."

To the Minister of Health: why would emergency doctors be putting these concerns out?

Hon. G. Abbott: I don't understand why the Leader of the Opposition and the loyal official opposition find it so hard to be proud of a great health care system in this province. I really don't understand that.

I don't know why the Leader of the Opposition, for example, in an NDP news release of January 13, 2005, would say the following, and I assume she's not being quoted out of context, given it is an NDP news release here. She says that Manitoba "is leading innovation and change and providing a model for the rest of Canada in terms of what can be achieved when New Democrat

values are put into action." Manitoba was number ten in the very comprehensive analysis that was undertaken of health systems across this province.

The member may want to take any number of subjective analyses and say they're incorrect. The fact is that all of the objective indicators — and there were 119 of them in the Conference Board report — said we had the best health care system in Canada. Why can't she be proud of it?

Mr. Speaker: The Leader of the Opposition has a further supplemental.

C. James: The people who work in our health care system do take this issue seriously. They work very hard, and it's a very serious state of affairs when doctors who work in our health care system are handing out letters to patients expressing their concern because they don't feel they're being listened to by this government.

This government always points fingers everywhere else. I'm sorry, but it's been five years. It's time this government actually took responsibility, actually took a look at the health care system and took a look at the challenges in the health care system.

I would like to quote again from this letter sent last week. The doctors say: "We believe the current approach to deal with VGH overcrowding results in poor and undignified care in the emergency department, both for admitted patients and for new patients."

Hospital after hospital in crisis. The public is losing confidence, and the minister stands here and tells us that everything is just fine. Everyone except the Liberals knows there is a problem. When will the minister listen to people and fix the issue in health care?

Hon. G. Abbott: I appreciate the lecture from the Leader of the Opposition on how we should do these things. If we aren't talking to the nurses and the doctors and the paramedics and the health professionals in this province, how is it that we just negotiated successfully — for the first time in history — collective agreements for tens of thousands of health care workers and professionals in this province?

[1430]

How is it that we have — without anybody asking — the number-one ranking in this country, by a considerable measure, about the best overall health care system? How is it that the Cancer Advocacy Coalition of Canada says we have the best cancer system not only in Canada but around the world? Why can't the Leader of the Opposition be proud of that?

The reason is that she doesn't do her homework, and I quote her from CKNW, the 15th of February, 2006. "In fact, we saw innovation in the public system right next door in Alberta, where they're starting a public-specific surgical unit to deal with orthopedic waits." Mr. Speaker, that's a private clinic. She's referring us to a private clinic.

Do some homework.

Interjections.

Mr. Speaker: Members.

D. Cubberley: It's interesting that the minister says the Conference Board is a reliable source of opinion on B.C.'s health care system but says it's a source of subjective opinion when we put in front of him that patients have the least satisfaction with their health care system in B.C. But the guys on the other side in this House always want to have it both ways.

This isn't a laughing matter. When emergency room physicians come forward and say, as a majority, that they feel obligated to publicly declare non-confidence in the ability of the VGH emergency department to provide safe, timely and appropriate emergency medical care, that's something the minister should be listening to.

They also say in the letter that the approach taken to hospital overcrowding continues to involve "an excessive, inappropriate and unsafe use of the emergency department to house admitted patients." This is being distributed to patients.

What is there about this that the minister doesn't understand? This is a serious problem.

Hon. G. Abbott: The advice I received was that the notion was advanced that it would be distributed to patients. I don't know that it has been. We have not even received a copy of the letter. We understand that it exists — that it exists since January — and that it purports to be from emergency room physicians, but the letter is unsigned.

Again, we know there are periodic challenges, periodic spikes of demand in emergency rooms around the province. Every health authority is working very hard on flow management in their emergency rooms.

I can tell you that Vancouver General Hospital has seen, over the last two years, an increase of about 23 percent in demand in their emergency rooms. So they have at times some very serious issues to address, and they are. They've added 12 new acute care beds. They've added a geriatric nurse triage unit. They have added more ER facilities, in the form of a \$3.3 million investment.

We'll be investing much more. Because of the great economy we have in this province, we will be devoting \$1.8 billion over the next three years for long-overdue reinvestment that that government neglected for a decade.

Mr. Speaker: The member for Saanich South has a supplemental.

D. Cubberley: The letter that we have is dated April 3. The minister says he's been aware of it since January. He might want to look into it sometime.

You know, health care workers and hospitals....

Interjections.

D. Cubberley: I hear some chirping, Mr. Speaker.

Mr. Speaker: Members, let's listen to the question.

D. Cubberley: The hospital system is trying to deal with the crisis inflicted on it by this government's cuts, and they're doing everything they can. One way they're trying to deal with the fact that there's too much demand for too many beds is to negotiate an overcapacity protocol so that the hospital can be operated beyond its capacity. What this letter substantiates is that they're over the capacity of the overcapacity protocol.

You know, when doctors try to communicate with you and tell you that the quality of patient care is "poor and undignified," when they tell you that they're "outraged with the deplorable situation," when they say it involves "excessive, inappropriate and unsafe use of the emergency department..."

Mr. Speaker: Does the member have a question?

[1435]

D. Cubberley: ...and all the minister can do is decline to respond to the question.... What is there in this that the minister can't take seriously?

Hon. G. Abbott: The members across the way frequently and, I think, irresponsibly throw out a lot of nonsense about health care cuts. That's the furthest thing from the truth. When we took office in this province, the budget for the Ministry of Health was \$8.3 billion. Today it's \$12 billion.

Interjections.

Hon. G. Abbott: That speaks to part of the challenge. The other part of the challenge was a decade of neglect by that NDP government with respect to health human resources. For a decade they left the number of nurses being trained in this province at the same level as when they took office. It is only under the leadership of this government that we have seen a 62-percent growth — a 2,511-seat growth — in the number of nurses. International medical graduates — two under that government. Today — 18 international medical graduates in this province.

CLASS SIZE AND COMPOSITION

J. Horgan: Last fall teachers left their classrooms and told the people of British Columbia that we had a class size and a class composition problem. Last week I appealed repeatedly to the minister in this place to make that her highest priority. It's not just the BCTF, and it's not just the official opposition that has concerns. This week the NPA chair of the Vancouver school board wrote to the minister and appealed to her to find more funding to address this serious problem.

My question to the Minister of Education is this. When will she tell this House and her NPA allies when she will take this serious problem and address it?

Hon. S. Bond: You know, day after day after day in this House, all we hear is negative doom and gloom, pessimism. In fact, not ever can we stand up...

Interjections.

Mr. Speaker: Members.

Hon. S. Bond: ...and listen to the fact....

Mr. Speaker: Minister, minister.

Members, we've listened to the question. Let's listen to the answer.

Minister of Education, proceed.

Hon. S. Bond: In fact — and it is the fact, and the member opposite canvassed this with me infinitely in estimates — education funding is at the highest level it has ever been. It's ironic that at a time when we're actually sitting down and having dialogue about issues that are critical, the members opposite can't simply stand up and say: "Let's do what's important for students in this province. They're the centre of this decision."

Mr. Speaker: The member for Malahat-Juan de Fuca has a supplemental.

J. Horgan: On April 3 Ken Denike, the chairperson for the Liberal-dominated NPA school board in Vancouver, wrote to the minister urging additional funding to address the class size and composition challenges in the city of Vancouver.

The quote goes as follows. I'll read it slowly so the minister can comprehend it: "Without this additional funding...."

Interjections.

Mr. Speaker: Member.

Interjections.

Mr. Speaker: Member, would you withdraw the statement.

J. Horgan: I'll withdraw the statement, hon. Speaker.

And I will repeat it slowly for all those on that side of the House.

Interjections.

Mr. Speaker: Members.

The member for Malahat-Juan de Fuca continues.

J. Horgan: NPA Chair Ken Denike said as follows: "Without this additional funding, the progress made this year on class size and class composition cannot continue, and the expectations of the Learning Roundtable on education will not be met."

Again, I ask the Minister of Education: is she going to start to listen to her own political friends and recognize that the Premier's commitment from last fall will not be met without a serious infusion of resources into classrooms?

[1440]

Hon. S. Bond: The reality of the situation is clear, and the member opposite knows the story well. Enrolment in British Columbia continues to decline dramatically, and in fact that's a challenge we're going to face. It's anticipated we've lost, as of this year, 37,000 students in this province, and per-pupil funding is at the highest level ever in the province.

Of course school districts have challenges. But the member opposite certainly didn't listen to the voice of school trustees previously. Let's look at his quote about who should actually participate in the round table and make meaningful decisions, because he can't say it one time and not mean it the next. Listen to this: "The discussion should be with teachers. They're the ones that have the kids in their hands, not parent advisory committees and not school trustees." How does that measure up with the question today?

G. Robertson: Cost pressures downloaded by this government onto school boards are eating up their ability to make much-needed improvements. The minister talks about the Learning Roundtable, but doubts have surfaced about its ability to actually deliver results because this government won't commit.

In case the minister missed it the first time, Mr. Denike's concern is that without additional funding on top of her many re-announcements, the expectations of the Learning Roundtable will not be met. Is the minister prepared to brush off the second-largest school district in B.C.? Or is she finally going to take action and make a firm commitment today to reduce class size and composition?

Hon. S. Bond: Perhaps the member opposite should do his homework before quoting comments out of recent news reports. Let's look at the Vancouver school district. In fact, the enrolment in the Vancouver school district has dropped by 2.1 percent, and their funding has increased by 9.1 percent over the same period of time.

In fact, we're not prepared to dismiss the views of all of the stakeholders. The fact of the matter remains that there are differing views about how to address the issues of class size and composition. We want to continue that discussion. There is no easy answer. We're not prepared to listen simply to the loudest voices.

Mr. Speaker: The member for Vancouver-Fairview has a supplemental.

G. Robertson: In Vancouver the problems are real. They're real for my kids. They're real for the parents, the educators and the students. All are concerned, and they want action.

Let me just return to what the chairperson of the NPA school board in Vancouver has stated very clearly in a letter: "Without this additional funding, the progress made this year on class size and composition cannot continue, and the expectations of the Learning Roundtable on education will not be met."

In case the minister needed a little more information about the Vancouver school district, there are over

1,000 classes with four or more special needs children, over 2,500 classes with four or more ESL students and well over 2,000 classes with 30 or more students. The minister promised action in the fall. She has not delivered. How much longer do the students and parents have to put up with a minister that has no plan for class size and composition?

Hon. S. Bond: I think it's an interesting question from a member opposite as part of a group that actually dismissed the value of the round table out of hand, thinking that it would have absolutely no purpose.

We are concerned about class size and composition in this province. In fact, we believe that parents, teachers and administrators should actually work together to come to those decisions. I would challenge the member opposite to find a consistent view about how best that should be done. But I can assure you of this. What we're concerned about is making sure that students get the best opportunities that they can have in this province. We're going to continue to work towards that goal, and in fact that's what's happening at the round table. It's an ongoing dialogue, and that work is underway.

[1445]

LOBBYISTS REGISTRATION LEGISLATION

R. Fleming: The lobbyist registry act that was adopted in 2001 was amended at committee stage by then Attorney General Geoff Plant to correct what he identified as a critical flaw to the legislation — an omission that failed to "ensure the naming of all public office holders who will be contacted or are being contacted by the lobbyist."

Fast-forward to May 2003. The government does a complete about-face. The lobbyists registry is stripped of the requirement to disclose public office holders — ministers and their staff — who are being lobbied.

Question to the Attorney General: why did his government reduce the transparency and reporting requirements and water down this legislation only 22 months after it was adopted?

Hon. W. Oppal: The Lobbyists Registration Act and the registry that accompanies the act were brought into effect by this government. They're important tools in ensuring transparency, fairness and ministerial accountability.

Prior to 2001 there was no such act. I find it somewhat inconsistent that the members opposite are so exercised by the apparent shortcomings of this legislation, when they had before them a private member's bill. But obviously, it wasn't important enough for them to carry through with the legislation.

M. Karagianis: The Lobbyists Registration Act that was put in place in 2001 had a very crucial change made to it in 2003. It in fact reduced the scope of the act's transparency. That occurred a mere six months before the shocking raid on the Legislature and the investigation of senior political staff in this govern-

ment. In fact, the then Attorney General said that the amendment in 2003 would address concerns "brought to government's attention by the users of the registry about onerous registration requirements."

So my question to the Attorney General is: can he confirm if in fact Pilothouse or anyone else from the lobbyist industry lobbied the government so that they could significantly alter and change the whole point and purpose of their registry?

Hon. W. Oppal: I don't know what part of my explanation from yesterday that member doesn't understand. Her question was fine until she started naming people who are obviously going to be Crown witnesses in the upcoming trial. In the circumstances, I can't answer that question. I'd like to answer the question, but I can't because it's an improper question.

Mr. Speaker: The member for Esquimalt-Metchosin has a supplemental.

M. Karagianis: Well, I do. I will actually re-ask this question. I'll sort of redesign it here. Given my previous comments that the legislation was changed, according to the previous Attorney General, because of issues and concerns brought to them by lobbyists, I would ask the Attorney General: who in the lobbyist industry lobbied government to make these changes that were critical changes to how the lobbyist registration works? Who lobbied government for that?

Hon. W. Oppal: It's rather unfortunate that the NDP didn't ask that question when the legislation was amended. I assume there were members in the House at that time. They didn't see fit to bring that to argue against any potential amendment.

I would point out to the hon. member that there is a registration process, and if there are changes that ought to be made, then the suggestions ought to be addressed either to the Attorney General or to the Privacy Commissioner.

[1450]

J. Kwan: My question is simple. For the Attorney General, the question is: who lobbied the government to change the lobbyists registration so that the government would actually allow for this change to take place just six months prior to the raid on the Legislature?

Hon. W. Oppal: The legislation was brought into effect in August 2001. The registry was opened in October 2002. In the interests of openness and transparency, changes were made. The member was here; I wasn't. I'm sure she's in a better position than I am...

Interjection.

Mr. Speaker: Member.

Hon. W. Oppal: ...to find out who lobbied, if anybody did lobby, or if government re-examined its own legislation.

Mr. Speaker: Member for Vancouver-Mount Pleasant has a supplemental.

J. Kwan: The bill was brought in through a miscellaneous amendment bill by the then Attorney General Geoff Plant. I'm sorry. There were only two members on this side of the House then to question the government. It's true. It might have slipped through. But we're asking the question now. Will this Attorney General commit today to make sure there is an all-party committee to review this lobbyists registration that is clearly showing flaws in the system?

Hon. W. Oppal: I wonder why they were reduced to two members. Is it because they were a good government?

Interjections.

Mr. Speaker: Members, members.

Hon. W. Oppal: I would....

Interjections.

Mr. Speaker: Members, could we have quiet.

Hon. W. Oppal: The government would welcome any recommendations to improve the system. We're always looking for ways to improve the system. It was this government that promoted fairness by having fixed elections, by having other Crown agencies adopt policies of openness. We're prepared to listen to members opposite. If there are any suggestions in order to improve the legislation, my door is open. I've met with members of the opposition regarding other legislation and other matters relating to the Attorney General's ministry, and my door is still open.

M. Farnworth: Well, the Attorney General's door may be open, but this House is wide open to the people and the public of British Columbia, which is where this business should be done. This side of the House has made suggestions that the act has flaws in it, and they need to be addressed. It doesn't matter about 2001; it's here today, 2006. It's time the government recognized it.

The question again is: will the Attorney General support referring that piece of legislation, the Lobbyists Registration Act, to an all-party committee to review it and make improvements?

Hon. W. Oppal: I'm dedicated to improving this legislation. If the members opposite have any constructive comments about how the legislation can be made more transparent, we're prepared to listen to the members opposite, to get advice so we can amend the legislation and make it better so it will serve British Columbians better.

[End of question period.]

Petitions

J. Brar: I would like to table a petition signed by over 200 students of Kwantlen University College about rising tuition fees. Keeping in mind the tradition of this House, I will only say one line, which states: "I owe \$25,000 in student debt. Can I afford to graduate?" [1455]

Orders of the Day

Hon. M. de Jong: I call Committee of Supply. For the information of members, in Committee A, continued debate on the estimates of the Ministry of Energy, Mines and Petroleum Resources, and in this chamber, continued debate on the estimates of the Ministry of Environment.

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. Hawkins in the chair.

The committee met at 3 p.m.

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

S. Simpson: I'd like to finish up, a little bit, on a couple of the questions we had related to alternative energy, which we spoke about earlier today. After that I'm going to ask one of my colleagues, who has a couple of minutes of questions related to a local matter.... We've got a few of those this afternoon, and the colleagues understand that some of them may be coming from different places and may require answers later on, but they want to make sure they get those questions in before we finish for today.

I want to go back to the question of the IPPs and the Ashlu River. When we left, the minister had gone into a fair amount of detail in discussing how that had unfolded up until this point in time. As the minister pointed out, I guess it was back in January of 2005.... We know that, in fact, the Squamish-Lillooet regional district made the decision to reject the zoning application that would allow the Ashlu to go forward.

That was followed by a number of letters, by correspondence, from the Deputy Minister of Energy, Mr. Reimer, and by letters by Mr. Banera, who, I believe, works as the director of IPPs for the Ministry of Energy and Mines. They both corresponded. I believe that Mr. Banera had meetings with representatives of the regional district encouraging reconsideration.

We then know that Ledcor, who is the company in question here, reapplied with what was essentially

exactly the same application that had been turned down. I had the opportunity to read a report put forward by the regional district staff on that.

The staff, at that point, made a number of recommendations to the board, and the board held firm on the question of not approving the reapplication but rather, in fact, asking the government to do the following. They asked the Minister of Energy to come forward with a comprehensive plan for IPPs, a plan that looked at the whole region and looked at the use of all the rivers in the region and how they should be used — whether it was appropriately for power, whether it was for recreational purposes, whether it was for habitat protection purposes.

I understand that went to the Minister of Energy, but it would seem to me, and I'd enjoy the comments of the minister on this, that the question of an inventory of all of those rivers — which more appropriately are the responsibility of the Minister of Environment — as to which are appropriate for what uses, should be done by this ministry, possibly. Could the minister tell me whether he believes it's appropriately his responsibility to do that inventory of appropriate uses on rivers?

[1505]

Hon. B. Penner: The member should be aware that his question implied — and I don't know if he meant this, but there was an implication — that if there is a small hydro facility located on a creek or river, that that somehow is a mutually exclusive use of that geographic area to any other use. In fact, the member may be familiar with other run-of-the-river projects — such as Furry Creek, for example — built just above an award-winning golf course and above a residential development.

I suspect most people using the golf course, even going to the clubhouse or living in the community, aren't aware that just literally a stone's throw away is a run-of-the-river project. It is compatible with other uses.

Similarly, I've been to the Upper Mamquam hydro-electric project. Even during the construction phase, people were recreating in that area — going right past the construction site with mountain bikes, long-distance running and hiking. Apparently, no complaints were received — even during the construction period, never mind the operational. So the projects are not necessarily mutually exclusive to other uses of the land base.

My understanding is that some time ago B.C. Hydro did contract for a high-level analysis of potential water courses in terms of power development. But that's fairly high level. There are literally hundreds of thousands of streams, creeks and rivers in British Columbia, and that's something we can all be grateful for.

The model that the government has is that individual proponents bear the cost out of their own pockets for approving all the studies to indicate whether or not small hydroelectric projects are compatible with other uses and can be done in an environmentally sustainable way. In the case that the member's referred to, the Ashlu Creek project, it's my understanding that the

proponent has spent somewhere in the order of \$6.4 million to date.

I'm not sure if the member's suggesting that government and taxpayers should be footing that bill, but the model that government has is that individual proponents that come forward with a specific application bear the costs of fish studies, wildlife studies, public consultation processes that must occur, discussions with first nations and agreements that may be signed with those entities, and other work that needs to be done.

S. Simpson: It's my understanding that on the list that the minister speaks about, there are about 400-and-some-odd rivers, I believe. I know it's available on Hydro's website, and it gives a good indication of each of those rivers, what its capacity is, where it could be used for power and what its potential is. I accept that that's actually a pretty big benefit for anybody who's looking at doing an IPP. You can go and see which river hasn't been applied for yet, and maybe you find a pot of gold at the end of the river.

The concern that people have isn't even so much at this point about single rivers. What you have in the Squamish-Lillooet regional district, as I understand it, is in excess of 60 applications in that regional district and that area generally for access to rivers for IPP purposes. What I'm being told, and what makes eminent sense to me, is that this is a bit like the wild west and the gold rush where all of these applications are being made, and there is no indication or no confidence here that somebody's saying: "Okay, this is obviously a very lucrative and very interesting opportunity for people, and for business interests, who are making these applications."

It's time for us to catch a breath and say we have this raft of applications. Does it compound a problem where one or two or three might not be an issue, but 50 might? Do we need to look at the overall effect and look at an overall strategy for the region when you get 50, 60 applications in a region?

[1510]

The question I have is, first: does the minister think it makes sense that if you have that volume of applications, you should be looking at it in some coordinated way when the volume is that great? Second, if the minister does think you should look at it in a coordinated way when you have that volume of applications, should it be the Ministry of Environment who looks at it? If not, who should?

Hon. B. Penner: The member is correct that quite a number of applications have been made, but I also want to caution the member and anybody following the debate that an application does not a project make. There's considerable atrophy or drop-off in terms of what ends up being an application versus what comes out the other end of the process.

In part that's because the process is pretty rigorous in terms of the various environmental checkoffs or screening that needs to be done. Depending on the size of the project, it may trigger a Canadian Environmental

Assessment Act review, as in the case of the Ashlu Creek project that the member refers to. Others.... I believe there's a project on the north end of Harrison Lake that's been put forward into the environmental assessment process because it crosses the 50-megawatt threshold. That will go through an environmental assessment office process.

Even so, any other water licence still triggers a review by the water stewardship division of the Ministry of Environment, led by the comptroller of water rights. That process calls in cross-ministry analysis and cross-jurisdictional analysis. We'll get comments from DFO, where that's applicable, or the Canadian Coast Guard. I'm not aware, the Ministry of Environment's not aware of any significant adverse environmental impacts that have occurred as a result of run-of-the-river projects to date.

That's not to say that we give blanket approval to new applications. New applications go through the rigorous process that I've just described. We believe it's appropriate that individual proponents pay the cost for getting the detailed assessments done, whether or not there are fish in those particular rivers or any impacts can be mitigated, whether or not there are bear or other wildlife impacts that need to be addressed and mitigated, whether or not the Canadian Coast Guard has concerns from a navigational perspective, whether or not DFO has concerns — again, from a fisheries perspective or a habitat perspective. The model that the government has is that individual proponents must bear that cost.

[1515]

Of course, in addition to all of those criteria and potential showstoppers is basic engineering. The reality is that people can apply for a water licence, but at the end of the day, the combination of engineering and economics means that, I think, a majority of the projects simply don't happen. While on a map you can see that there are many creeks and rivers, the reality is that the majority of those creeks and rivers and streams will not actually lend themselves to a project that will develop electricity, at least not under today's economic climate and the prices that exist on the marketplace for electricity.

Again, I don't want to be remiss in not mentioning, because it's very significant, that we require consultation with affected first nations, and they play a very important role in overseeing those projects.

S. Simpson: Well, the first thing the minister will know is that the vast majority of these applications, in fact, are under 50 megawatts, so they don't require that kind of consultation. They're done largely in private because the vast majority fall under 50 megawatts. I would be interested to know how big the Ashlu application is.

My question for the minister here, though, based on what he's said to this point, is: am I to understand that the minister does not believe that the government should be concerning itself with an integrated approach to dealing with water licensing for IPPs that

looks at regions, looks at the water bodies and makes some determination about cumulative impact? While every one of those applications may be assessed to some degree — and the assessment is limited if it's under 50 megawatts — there is, to the best of my knowledge, no cumulative impact analysis done at all. So we don't compare those. We don't add up the impacts here. I don't believe that occurs. I stand to be corrected. But is the minister saying that's not important?

[1520]

Hon. B. Penner: Certainly, the Ministry of Environment is always concerned about what the potential environmental impacts are from activities on the land base. That's why the process is as thorough as it is. I take some exception to what the member says — that if a project is under 50 megawatts, somehow it gets a free ride. Far from it.

The water comptroller, who's sitting right beside me, makes it very clear that projects go through extensive scrutiny and follow much the same process as would be the case if they went through the EAO. It gets assessed in terms of impacts on fish. It gets referred to the DFO, gets referred to the Canadian Coast Guard for navigational impacts, gets referred to the Agricultural Land Commission if required, to the Ministry of Forests, to the Ministry of Energy and Mines. Of course, they have to have a contract to begin with, in most cases with B.C. Hydro, if they want to get onto those power lines that help move electrons in the province.

Those processes are pretty rigorous, and to suggest otherwise would hint that perhaps the member hasn't spoken to people who've actually tried to get a project moved forward. I'm told it's not an easy process. It is a challenge to go through all of that and also reach agreements with first nations — which, in the case of the Ashlu project, was successfully done in terms of getting an agreement with the first nation to actively support that project.

In terms of the other aspect of the member's question, I am advised that in terms of land use plans, there are government-to-government discussions still taking place. I'm not leading that, so we'll see what comes from that and what discussions take place between governments.

S. Simpson: First of all, I didn't suggest a free ride, but the scrutiny is reduced. Maybe just to check on that, the one thing I'm told is that as we get under 50 megawatts, in fact, the process is different. The difference is that the public is not engaged in the process in at all the same way if the project is under 50 megawatts.

The minister speaks about first nations interests, and the minister is right. The Squamish Nation is supportive of this project because they have worked out an arrangement with Ledcor, as I understand from my discussions with the Squamish Nation. However, the minister will also know that the people who live in that community who are not part of the first nation are not supportive, in general, of this project, and their interests need to be considered as well.

The question I have, then, in regard to this is, first of all: can the minister tell me what the difference is in the public consultation process between a project over 50 megawatts and a project under 50 megawatts?

Hon. B. Penner: I'll get some of those details, but the member might be interested to know that it was the NDP that raised the threshold from 20 megawatts to 50 megawatts in terms of engaging the EAO process.

S. Simpson: I know that this minister, like most of his colleagues, when he doesn't have an answer or isn't comfortable with the answer that he has to give because it embarrasses the performance of his government, goes to the past. But we're used to that.

I'll ask one further question in regard to this. The minister didn't deal with the question I asked. Could the minister tell us: does he believe that the Ministry of Environment has a responsibility to ensure that the cumulative impacts of run-of-the-river IPPs are assessed and that there is a strategic plan in place to ensure the integrity of those rivers before those water licences and contracts are let? If he does believe that's important, then what's the role of the Ministry of Environment in ensuring that does occur? And if he doesn't believe it's important, will he tell us that?

[1525-1530]

Hon. B. Penner: I understand the member is understandably sensitive around the fact that it was an NDP government that more than doubled the size threshold, taking projects from 20 megawatts up to 50 megawatts before triggering an environmental assessment office review. Presumably, that government did so because they felt it was the bigger projects that required more of a public process. I would expect that that was the public policy rationale that was given in the Legislature at the time. We can go back and look at *Hansard* if we want.

The water licensing process and all the criteria that are involved in getting that licence are available through the Ministry of Environment website, and I invite anyone who is following this debate to go take a look. It's a couple of clicks away, and you can find what the requirements are in order to get a water licence. It is strenuous, and it can be a condition of your licence, if you're an applicant, that you hold public open houses, that you provide information to the public and that the public be allowed to provide comments before water licences are issued by the comptroller of water licences.

In the case of the Ashlu river project — that's the one that the member keeps referring to — I'm advised that there were in fact six public open houses that were held to share information with the public. I believe the proponent also established an office that was open to the public to come and get information on the project at their leisure, when they saw fit to do so.

Those are all available. They're under the existing legislation, and that's how the process works. Again, if the member wants to see what the various criteria are in terms of issuing a licence from an environmental

perspective, he can simply click a couple of times on the website and find that information.

Now, I've said already that I am always interested in what the environmental impacts are on these rivers and streams if these projects go ahead. Again, it's always an "if." Just because somebody makes an application doesn't mean that a licence is granted, doesn't mean that a project gets built. There's considerable attrition, dramatic attrition, between how many licences are applied for and how many get issued and how many projects actually end up being built at the end of the day. That's something fundamental to understand.

But it'll be a cost borne by the individual applicant to prove out whether or not those projects can be done in an environmentally sustainable way. Our objective, at all times, is to make sure that any impact to rivers and fish or other wildlife attributes or ecological attributes are minimized and that the integrity of the river is maintained. That is always our overriding objective, and we're not deviating from that.

S. Simpson: I just want to ask one more question about this, because I think I've got about as much information as I'm going to get, or not get, from the minister on this. I have one last question that relates to this issue. Probably a simple yes or no answer will do, if the minister is so inclined. The question is: does the Ministry of Environment have any policy requirement for there to be an analysis of the cumulative impacts on rivers in a region in regard to these applications for IPPs?

[1535]

Hon. B. Penner: The water comptroller, before issuing a water licence, does consider the impact on river systems and the cumulative impact that any combination of IPPs may have on a particular water stream or watercourse.

The Mamquam River near Squamish is an example. There are actually two small hydro projects operating on that river. Both of them have gone through the assessment process, and it has been determined that those two projects operating on that river are sustainable from an environmental perspective. They were given a water licence in order that a power project could operate.

I think we have to step back for a moment and put things in a bigger context. Prior to lunch I heard the opposition member say that we do need to get on with generating clean sources of electricity. British Columbia is now a net importer. That's not a good situation for the province to be in. It exposes us to price spikes, because we're importing 12 to 14 percent of our electricity, most of it from the United States of America.

If and when their economy in the northwest gets going as quickly as ours is, we can expect that they'll start to experience some increased needs for electricity. All things being equal, the price will increase. The more we can do on our side of the border to generate more electricity, the more insulated we will be from those price shocks, should they come. And there's

every expectation that five to ten years from now, they will.

That's why our government has actually taken steps to generate more electricity in British Columbia. We're not building power plants in Pakistan; that's not on our agenda. We're building projects here for British Columbia's needs so that we can become self-sufficient again in electricity.

Interjection.

The Chair: Members, if you wish to make comments, do so from your own seats.

D. MacKay: I seek leave to make an introduction.

Leave granted.

Introductions by Members

D. MacKay: In the gallery today I have 25 grade 4, 5, 6 and 7 students, who are very keen and energetic and very polite, from the small community of Quick, which is near Smithers. They are accompanied today by their teacher David Conway and two women who are also along as...

[1540]

M. Sather: Chaperones.

D. MacKay: ...chaperones. Thank you.

My golly, I'm sorry. That name escaped me. Chaperones was the word I was looking for. The two chaperones are Darlene Russell and Rhea Rowe. I would ask the House to please make them welcome.

Debate Continued

D. Thorne: Today I have a few questions on the Coquitlam River, specifically, and I also have a few questions on riparian area regulations to follow. The ongoing status of the Coquitlam River as an endangered river is of great concern to the residents of Coquitlam and the surrounding area. Lately there's been some talk about the river becoming a permanent member on the ten-most-endangered-rivers list. I'm wondering if the minister has any thoughts on that.

Hon. B. Penner: I am aware that that river has been identified by the Outdoor Recreation Council. On a number of occasions it's made their list that they put out for public attention and comment.

The ministry works with stakeholders across the province on a variety of different projects related to river enhancement — whether it's additional opportunities for spawning or rearing channels and that type of thing. It's one of the reasons why we've established the living rivers trust fund to help fund projects for a variety of rivers and streams across the province.

Currently, there is \$7 million in the trust fund. I'm hoping we will soon be able to complete our election

commitment from last May to triple the amount of money in the living rivers trust fund so that additional work can take place along rivers and streams. I don't know if there is a specific application at this time for funding to the living rivers trust fund related to the Coquitlam River, but I can check on that.

D. Thorne: Thank you to the minister. I'm assuming that the minister and the ministry are aware of the Coquitlam River and its ongoing status as an endangered river. This is nothing new. This has been going on for many, many years. There are, no doubt, many reasons for that — an urban river of its kind with a B.C. Hydro dam at the end of it.

However, the science has shown over the years that the primary problem in the area with the river is the gravel mining, the pits along Pipeline Road that are silting up the river. Certainly, I'm assuming that the Ministry of Environment has been working with the Ministry of Mines and DFO.

There is also a lot of concern on the part of Coquitlam residents about this river slipping between the cracks of ministerial jurisdiction and federal and provincial jurisdictions. Assuming that these ministries are working together, I'm wondering what dealings the ministry has had with these different ministries and levels of government and with the gravel mining industry on this issue along the Coquitlam River to address the endangered river. If this information is not readily available right now, I'm prepared to receive it in the very near future, if that would work better for the minister.

[1545]

Hon. B. Penner: Yes, we will endeavour to get you that information.

D. Thorne: Thanks to the minister. I have another question, my last one, on the Coquitlam River. It's a very specific question. I'm wondering what the Ministry of Environment is doing to ensure that the fish in the river are maintained, and I'd like to know the specific science that backs up what is happening right now with the river. That answer can also come with the other one if you don't have it specifically today.

[L. Mayencourt in the chair.]

Hon. B. Penner: I understand that B.C. Hydro, which has some role in operating the Coquitlam River dam, made some changes to their water use plan that resulted in a change in flows designed to improve conditions for fish in the river. But I also understand there were those in the area opposed to those changes, perhaps out of concern that water levels might be too high.

So I understand that there is some controversy about that change in the water use plan or the operation of that facility, but I don't know any more detail than that other than that situation may be getting reviewed or may even be the subject of an appeal. I will endeavour to get the member the information that she seeks about specific initiatives to enhance fish habitat.

D. Thorne: There was some concern, actually, from city council. I was a councillor at the time that those recommendations came in from B.C. Hydro. That is still ongoing — the water use plan. Thank you for that information in advance.

Now my questions about riparian area regulations. It's my understanding that DFO has not signed off on the science supporting the RAR assessment methodology. The assessment methodology has been presented as the guiding document for determining setbacks under the RAR. In particular, DFO has indicated that they have not been provided with adequate scientific rationale to justify the large woody debris component of the methodology and has asked for such information from the province for three years. I'd like to know: what is still required by DFO to sign off on the RAR?

[1550]

Hon. B. Penner: My understanding is that DFO officials have agreed that development proponents, following the process laid out in the RAR, would be considered to have exercised reasonable due diligence under the Fisheries Act. The written support has been promised, and we're expecting to receive that shortly. I understand that there was a meeting just last week and that mutual support was indicated.

D. Thorne: I'm glad to hear that you've managed to work through the difficulties with DFO. It has taken some time. I look forward to seeing the changes in the RAR. That being said, the SPR is considered by DFO — and I know this — and the majority of provincial staff and qualified professionals and conservation organizations to be the best possible approach to protecting fish and fish habitat.

Why are local governments and the UBCM being urged to adopt the RAR if components of it have not been found to be scientifically defensible in all cases? That's my first question.

My second question is: why are they being urged, especially when municipalities already have bylaws in place that meet or beat the RAR — in other words, based on the previous SPR — or are moving towards SPR-based bylaws...? I'm really interested in why the province would be urging — I'm trying to find a word to use there — when we know that the SPR beats, in all cases, the RAR. Some people have already adopted it.

Again, if this information is not available today, I'll be very happy to receive it in the near future, because I recognize you may not have been expecting these questions.

[1555]

Hon. B. Penner: Certainly, I can follow up with a more detailed explanation in writing about how the RAR works. Generally, my understanding is that the intention is to rely on independent science around particular creeks and streams as to what the best approach is, rather than have a one-size-fits-all approach. That's the intention behind the RAR, but I can follow up with the member in writing and get more specifics to her.

As indicated in my first answer, we do have assurances from the DFO staff that we've been talking to

that they support the approach, and we expect to receive additional information from them in due course.

D. Thorne: The one-size-fits-all approach is probably problematic for some people, but when we know by the science that the one-size-fits-all approach is the best approach in pretty much every way scientifically, then we have to wonder why municipalities that have adopted SPR — or based on SPR to beat the RAR — are now being urged to change their bylaws and adopt the RAR. I do look forward to that information, and that's my specific question: why are these municipalities involved in discussions with Victoria when they already have their bylaws in place?

I have one more question, and I just have a small preamble about the assessment methodology. It's my understanding that the version of the assessment methodology available to the public and being used to train professionals on determining the riparian setbacks is outdated and has been revised. Is it not a concern, given decisions around setbacks and development, that they will be getting made with obsolete protocols? I'm also wondering: how can the public access this most recent version of the assessment methodology and be made aware of what has been changed?

Hon. B. Penner: I think the member has reached a certain conclusion which is based on an assumption, and I'm not sure it's necessarily supported by the science. She's of the belief, evidently, that SPR is the best thing in all cases. My understanding from the information we receive from scientists is that that may not necessarily afford the best protection in all cases. That's why there's a new model.

The training that the member's asking about is being done, in conjunction with Malaspina College, to help train ministry staff, local government staff as well as qualified environmental professionals to be called upon to assess individual creeks and streams to determine what the best type of approach is for that particular watercourse. That's the work that's ongoing.

As we find out if there are changes that need to be made, we are prepared to tweak it at the margins, but I understand that, fundamentally, the training is proceeding very well. If there are additional updates that need to be done, they will be done as a matter of course, but the process, I'm told, is well underway.

D. Thorne: Well, I'll repeat my last question: how can the public access the most recent versions of the assessment methodology and be made aware of what has been changed, if in fact there have been changes? There are many people who would like to see those changes and what is now being used for training and determining the decisions around setbacks and obsolete protocols.

I'm going to leave it there and thank the minister very much. I look forward to receiving the information that I have requested, including the last question.

[1600]

C. Wyse: So that he knows where the questions are coming from, I have a series of questions, minister, around the proposed relocation of the GVRD landfill site. Some of these questions are simply for the record.

The first question. What is the lead ministry on this project, and what other ministries are required to sign off on this project?

Hon. B. Penner: Under the legislation we have in British Columbia, the Minister of Environment must sign off on solid waste management plans put forward by municipalities. In the case of the plan by the GVRD, there's the additional review by the environmental assessment office that would take place.

C. Wyse: Thank you for the information.

This review, as the minister is aware, was sent back to be reviewed based in part upon not sufficient consultation with first nations in the first go-round. That contributed to three delays.

My question to the minister is: what steps has the province taken to ensure that the required first nations involvement in the proposed GVRD landfill occurs this time?

[1605]

Hon. B. Penner: I've had a number of meetings with people from the GVRD in relation to this issue. But more so, staff have also met with the staff of the GVRD to help them better understand what their requirements are in terms of first nations consultation. The Ministry of Aboriginal Relations and Reconciliation have been dealing directly with the GVRD, I think, at the staff-to-staff level and is providing advice as they approach first nations in the consultation process.

C. Wyse: My question to the minister is: given that he is the lead on this item, is he satisfied that due process has been granted to first nations in this go-round in dealing with the proposed relocation of the GVRD, with first nations?

Hon. B. Penner: I'm not sure I heard the member's entire question, but I think he asked, basically, how things are going. My understanding is that things are progressing reasonably well. There may still be some issues that need to be ironed out.

I received a letter not long ago from a lawyer representing the first nations indicating that things are improving in terms of the information flow. I think the extra consultation has proven to be beneficial.

C. Wyse: Once more, I thank the minister for that information.

I'll try to combine my next two questions into one. Given that two proponents for sure will likely be making presentations — from the proposed Ashcroft landfill site and likewise from the Highland Valley copper site.... One of the questions that does exist within the various communities is — and to the minister: are the

requirements that were set for the proposed Ashcroft Ranch site the same requirements that are also being assigned to the possibility of the Highland Valley copper site?

[1610]

Hon. B. Penner: Under the solid waste management plan, what the minister must consider before approving such a plan is whether adequate consultation has taken place, whether the project itself is technically feasible and whether it would be environmentally responsible.

The members have referred to the possibility of another project coming forward. I'm advised that there has been some interest expressed to the EAO about another project, but there's no formal application at this time from the project or the proponent that the member refers to. It's entirely possible that as the GVRD looks for options, as they're required to do under the solid waste management plan process, there may be other suggestions or ideas that come forward from other proponents about how best to handle the waste that's generated in the GVRD.

C. Wyse: Once more, I'm very appreciative of the information that's been provided.

What I'm looking for, though, are assurances that the requirements from the various proposals will, in essence, be a level playing field for what is put in front of the GVRD and, therefore, on to you, hon. minister.

Hon. B. Penner: In fact, the ministry is working on an ongoing basis with the GVRD to make sure that there is a level playing field out there for competing ideas about how best to handle waste from the GVRD.

C. Wyse: I'm going to try and wrap up and put my last two questions together for the minister, though I am recognizing that they are not necessarily connected. So we can go back and redo them.

Is the process on schedule? That is, is it presently being undertaken within the time frames of the EAO process for the GVRD? Leading into my secondary question: when does the minister expect a decision on this matter? As the minister is aware, this item has some time urgencies around it, and I want to know when he thinks he will be making a decision, recognizing that this other process for the GVRD has its time lines — therefore, that two-part question.

Hon. B. Penner: The GVRD, I'm told, is well aware of the time constraints and is looking at options to see whether they can get more time out of the existing landfill to allow them more time for the first nations consultation they're working on.

My comment earlier was that I've heard that some of the more recent meetings have been more constructive and positive in tone, so that's to be saluted. Hopefully, that's a sign that the process is proceeding, but it has taken time, as I understand it, to establish the proper working relationship so that constructive con-

sultation can take place. I don't have a specific time line for the member.

C. Wyse: As I've discovered here, things are often very fluid, particularly when it comes to time lines and scheduling, so I am appreciative. I'm attempting to determine from the minister.... His ministry set down the time lines of when the proposal from the GVRD was to be back in front of his ministry. What I'm attempting to determine in my question is whether that time line will be met.

[1615]

Hon. B. Penner: I've just been trying to identify specific time lines here for the member. We don't appear to have those dates in front of us, but I'd be happy to provide a more detailed update to the member in writing once we can determine where we're at in terms of those specific dates.

It did take a while to get the process started last summer. I know the ministry met with the GVRD on several occasions to explain why additional consultation was required. The Ministry of Aboriginal Relations and Reconciliation was involved, at our request, to help the GVRD fully understand and meet their obligations in terms of additional consultation. That process, I'm told, is underway, and there have been some positive comments that I've gotten back recently from representatives of the first nations as a result of those meetings. So I'm hopeful things are moving, but it may be taking longer than we initially anticipated.

C. Wyse: Normally, when I come to estimates, Chair, it would not be my intention to finish up by making a statement to the minister, but given the fact that he is going to provide me with a letter, it forces me to make this statement.

The issue that we're dealing with here is a solid waste disposal that is rapidly coming to a closure. This issue has been in front of the province and the Ministry of Environment for a very long period of time. My recollection, which would stand for correction, is that the ministry has set down the end of June for this process to be completed. I will wait to see what the results are, but assuredly, if those deadlines also fall off the track, then there are some pressures that come into place for all of the lower mainland in dealing with this issue. This issue is very significant. Though it may be taking place, in part, in the rural riding of Cariboo South, there are also some very significant issues around it.

As I wait for the response from the Minister of Environment, I do want to leave with this House the urgency around this issue — the significance of this issue, with it involving discussions with first nations and also dealing with the solid waste management disposal for approximately half the province. I would like to thank the minister for his time.

Hon. B. Penner: We do recognize that it's an important issue. The process is in the hands of the GVRD. They must make sure that they deal with this matter in

an expeditious manner. My understanding is that things are moving reasonably well.

I've indicated several times now that after their meetings with the first nations, following the help they've had from my ministry as well as the Ministry of Aboriginal Relations and Reconciliation, the GVRD has reached out and has had meetings that have been constructive with the local first nations. So that's a positive indicator — certainly a different place than where we were at about nine months ago.

[1620]

M. Farnworth: I have a few questions I'd like to ask the minister. It's on an issue that was raised a few moments ago by my colleague from Coquitlam-Maillardville concerning the Coquitlam River, a river that, as the minister probably knows, is the western boundary of my riding. It is something that I've known since I was a small boy, and I have considerable interest in its health and future well-being.

I have a number of questions. One of the questions I have is around the ministry's approach to the restoration of salmon stocks that have been extirpated from various river systems in the province. What's the ministry's policy for encouraging the restoration of extirpated salmon stocks?

Hon. B. Penner: I'm just awaiting the arrival of some additional staff. My understanding is that salmon are primarily the lead responsibility for the federal government through the Department of Fisheries and Oceans, but we do work in partnership with DFO on a number of rivers and a number of projects in assessing the most productive opportunities in terms of habitat enhancement work that can take place.

I referenced earlier the living rivers trust fund, and that program is being ramped up. There's also funding that sometimes becomes available through the Habitat Conservation Trust fund. Every year there's a list of projects that they put forward. I don't have that list here. There may well be projects coming forward for the Coquitlam River, though, if my memory serves me correctly.

I know that we've recently entered into some form of an agreement, I believe with the DFO and the Ministry of Energy and Mines, to do some kind of coordinated review about the impact that gravel operations may be having in and along the Coquitlam River. I don't have the details of that, but I'm just generally aware that there's a recent development on that front.

M. Farnworth: The minister's correct. DFO does have a lead role. I guess my question is in terms of the provincial.... The province certainly has an input, and DFO would certainly be interested in the province's views in terms of the restoration of salmon stocks.

That was a question I'm wondering about. Does the province offer an opinion? Do they let the federal government and the DFO know, for example, that they are in favour of seeing extirpated salmon species and stocks restored to some of the major river systems? I

would say that the Coquitlam is one of those, particularly on the lower mainland.

[1625]

Hon. B. Penner: My understanding is that there are some fish in the Coquitlam River but perhaps not as many as we would all like to see. I know the member used the term "extirpated." I don't know if he means that the fish are gone entirely from that river or not. Frankly, I'm not sufficiently familiar.

I'm told that the ministry does support salmon enhancement and restoration in the Coquitlam River, that we partner with the Department of Fisheries and Oceans and that we do communicate on a regular basis with DFO about what our priorities would be from a provincial perspective. Again, to go back to the member's question about the Coquitlam, we do support restoring salmon into the Coquitlam River.

M. Farnworth: I'll lay it out for the minister in this context. Yes, there are fish in the Coquitlam River. There are two species, definitively, right now: coho and chum. There's also been some re-establishment of chinook, though whether that's been successful over the long term, I think, remains to be seen.

There were originally two other species of salmon in the Coquitlam. Pink salmon have been extirpated because of gravel operations. It has been that way, I think, since the late '50s or early '60s. They spawn primarily in the lower reaches of the Coquitlam. Their habitat has basically been eliminated. The other species of salmon that was in the Coquitlam River is the sockeye. They basically became extirpated from the river in about 1914 with the construction of the Coquitlam River dam.

That's why I ask the question. If there are opportunities to reintroduce those species that were once in there, and to revitalize and continue to enhance those that are there, that's what I would like the province to be doing in terms of working with DFO.

Which brings me to the most important part, I think, of the questions that I had this afternoon: the sockeye salmon that were extirpated. It is believed that there are remnant populations behind the dam — which now function, essentially, as kokanee salmon — and that if there was a way for them to get past the dam, you could reintroduce the run, which is still there, to the river as a whole.

B.C. Hydro has done some work in terms of the dam upgrade. One of the terms around the dam upgrade was looking at the possibility of some incorporation of a fish ladder into any future upgrade work of the dam. I would ask: is the Ministry of Environment or the minister aware of this work? If so, have they given any advice to Hydro on the desirability of seeing this ladder put in place?

Hon. B. Penner: I haven't been briefed on the specific proposal that's been talked about by B.C. Hydro regarding a fish ladder, but we do work closely with the ministry. As I mentioned, we've recently entered

into some form of an arrangement or agreement to see what can be done to mitigate the impact from gravel operations, which, as the member has advised me, have been ongoing for a considerable period of time.

[1630]

I should mention, as well, that there is the Pacific Salmon Foundation, which we work in partnership with in identifying priorities for projects and for funding. This might be the type of initiative that would draw financial support from a variety of sources, as it would accomplish goals that are relevant to the mandate of not just the Ministry of Environment or the Ministry of Energy and Mines or B.C. Hydro, but perhaps others, like the Salmon Foundation and the living rivers trust fund. I don't want to speak too soon for those organizations. They'll have to make their decisions about what they want to fund. At first blush, it certainly seems like a worthwhile project.

M. Farnworth: I thank the minister for his answers. The reason I raise this with him is that Hydro has done some consultations in the past around the dam upgrade and held a series of open houses. This is an issue that has been raised, and they've said: "Oh well, we're looking at incorporating it." I want to make sure you're aware of that issue, the importance of it to those of us in the Tri-Cities and concerned about the Coquitlam.

[S. Hammell in the chair.]

I don't want it to be seen from the part of Hydro — and I'll have questions for Hydro on it later — as sort of a window-dressing exercise, as sometimes can happen, that satisfies, you know, "Yes, we're doing something," but at the same time, they're not talking with your ministry, which would clearly have considerable impact on a decision to encourage or discourage a project like that to take place.

It would be a significant project. It would be a very important environmental improvement to the Coquitlam River, which would allow the restoration of a run of salmon for which, in fact, the Coquitlam was named. I would ask the minister to be in contact with Hydro, to ask the status of this particular project with regards to the upgrade that's taking place at the dam. If he could give the information back to me, I would appreciate it.

Hon. B. Penner: I'll be glad to oblige the member, and I'll do that.

M. Farnworth: I have one final question. Local governments are dealing with streamside setbacks, and whether it's SPR or RAR, the decision on what to do is up to them. But, in a number of cases, the adoption of either of these sets of regulations can have a negative impact, particularly on small land holders. I'm wondering: does the minister believe that, in those cases where small land holders are unduly affected, that they should be compensated?

[1635]

Hon. B. Penner: I don't believe there's any ultimate difference in terms of the principle at stake between the SPR and the RAR, other than that the RAR is intended to be a bit more site-specific, based on science applied to an individual watercourse or specific proposal or project.

The impetus, I think initially, for the legislation called the Fish Protection Act — which I think was introduced in 1998, give or take the year — came from the Department of Fisheries and Oceans and the federal Fisheries Act, requiring that appropriate measures be taken to protect fish habitat and streams and aquatic life, etc. The province moved to show that we're doing what's reasonable and giving municipalities guidance in how to approach the situation so that developments are not approved that run afoul of the federal Fisheries Act.

That's why — with the previous questions here a while ago pertaining to what DFO thinks about this — those questions arise. DFO has, I guess, some constitutional responsibilities, and they have that legislative tool called the federal Fisheries Act, which is a very powerful tool.

The SPR — if I have that right, streamside protection regulation — versus the RAR.... Both are intended to meet the requirements of the federal Fisheries Act, and I think the RAR can do that. In many cases we'll have the result of not taking as much land away from — as he describes — a small land holder as the previous regime, although that has to be determined on a case-by-case basis by qualified environmental professionals making that determination about what the appropriate measurement or distance is from a watercourse.

N. Macdonald: The question, for the minister's information, will be on the conservation officer in Golden. The context for the question is around the commitment made to place a seasonal conservation officer in Golden.

That commitment, as the minister knows, was made in March of 2005. A seasonal conservation officer was not placed in Golden in 2005. A seasonal conservation officer has not been placed again this year in Golden. There was a seasonal conservation officer placed in Invermere to serve Golden, and that is 118 kilometres away.

Golden has had a ranger or a conservation officer since 1905 up until a few years ago. We did have two conservation officers until this government got rid of them. At that time, in the press release that announced it, the community was told that service would be maintained in terms of what the community would see. But I know that the minister has received a tremendous amount of correspondence from the community that would indicate that the community doesn't feel that service has been maintained. He'll be familiar with the rod and gun club, B.C. Wildlife and local environmental groups, as well as individuals, which would be corresponding with him.

I understand that the closing of the office created a need to re-establish a new office and that there would be complications around that, but that shouldn't be a complete barrier to bringing a conservation officer back. I know there's also difficulty around the posting of seasonal staff and that you wouldn't want that person alone. I understand that issue. But there again that issue can be dealt with by a permanent posting — something that the mayor and council and I have indicated would be appropriate.

I draw your attention to a newspaper article in Invermere. Norm Hendricks, president of the Invermere-based Lake Windermere Rod and Gun Club says:

Seems like they, the government, don't want to do anything right. We have two full-time COs here in Invermere, and we need those people in our area, but it is very difficult and costly for them to travel to Golden and back to patrol that area. Now another part-time conservation officer here; this is not where the COs are needed. Golden is where he or she should be stationed, and they should be full-time with an office and whatever is needed.

[1640]

I know that the staff in my area work very, very hard, and I know that they're very, very competent, but there is the question as to whether there are enough people and where they're placed. I've been very clear with the minister, and I appreciate the time he's taken with this. I've been very clear that there needs to be a person year-round placed in Golden. I would reach that conclusion from the following, and then the question I will have is just on how the minister reaches his conclusions as to what is needed. I would reach the conclusion just from the number of people that bring this to me and then from my own experiences.

In my front yard I've had a bear. Who do you call to deal with it? Well, that's not at all unusual to have a bear, but what we used to have were conservation officers that would come and deal with it. Now it's the RCMP that are dealing with it. I've had, as a principal, a bear and cubs in my playground. At that time I did phone in. I was told when I phoned into Victoria that they've written it down, but it didn't help me, so I didn't phone back again. So who deals with that? There again, it's the RCMP, perhaps, that are called in.

Two weekends ago somebody phoned. A deer had been hit. It was night. The deer was injured. The person wanted to know if they should take care and finish off the deer. You can't do that. It has to be somebody other than.... You know, you can't do that. They're trying to get hold of the RCMP. All of these things the conservation officer used to take care of.

Slash burning. In certain communities the conservation officer used to take care of it. Somebody's not going to come from Invermere to take care of it. Dumping garbage in the bush. Just walking around, you can see people are dumping. Because of tipping fees, gates close. In the past, the conservation officer could be phoned, and they would deal with it.

I realize it's subjective, but if you came to Golden and talked to people, every single one of them, I sus-

pect, would say that there is a need for a conservation officer that is there. Then there's also the issue of game and how the fishery is being run.

We've had these conversations before, minister. I know that the minister is well aware of this issue. The question I have for you is this one. How do you judge the need? For me, I see very clearly that there is a need. How do you judge whether the service level that the government is providing to the people of Golden is adequate?

Hon. B. Penner: The answer is: I don't make that assessment. That's actually the job of the conservation officer service to make those operational decisions about deployments in the field. It doesn't mean that I don't ask questions, though, and I certainly have. In fact, I made a visit to the Invermere conservation office some time just before the Legislature started sitting and asked the full-time conservation officers, the year-round people, where they felt it would be most appropriate to place a seasonal officer, because I wanted to see if the message from them would be the same that I was getting from staff in Victoria, and that message was the same. They felt that the most appropriate location for a seasonal conservation officer would be out of the Invermere office, where the seasonal officer would have the opportunity to have direct supervision.

There was a review done following the first year of having seasonal conservation officers in the field. Following that review, the conservation officer service came to the conclusion that, wherever possible and feasible, it would be best to have direct supervision by a year-round, experienced conservation officer when we're dealing with the seasonal conservation officers. That was the advice of the conservation officer service. That was their opinion, and that's the decision they made.

The member mentions the distance. That's about an hour and 15 minutes' driving time from Invermere to Golden, although he'll certainly know that better than I because he'll have driven that more frequently than I have. I'm told it's not outside the norm of driving distances for conservation officers — that they typically cover a large area, a wide area — and they don't simply service the area in which their office is located. They tend to cover a wider area. Nevertheless, I can understand the reason for the member's questions and appreciate his interest in this matter.

[1645]

N. Macdonald: I thank the minister. In fact, I would commend him for the visit to the Invermere office. I know we've spent a lot of time with this, and I guess we will continue to deal with it. The seasonal aspect of the job — I understand the need for them to be with experienced people. When it was first posted, that was one of the complications around having somebody, last year, placed in Golden.

The answer, to me and to the rod and gun and to other people in communities, is clear. There is a need for a permanent, full-time position. With a placement

like that, you would have the vast area of Crown land around Golden properly looked after.

With that — I know there are limitations on time — I thank the minister for the answer, and I look forward to continuing to deal with him on this matter.

S. Simpson: At this point I would let the minister know that in our last hour before we wrap up estimates, I think we're going to deal with questions around the EAO — the environmental assessment office — and issues related to toxins and pollutants. I'm guessing that that will get us pretty close to the end of the road in our next hour. Those will be the two topic areas, for his information.

The first question does relate to the EAO, and I don't know whether he'd like to just take a moment here while his staff person.... And there she is.

The first question is: could the minister explain a little bit about the budget of the EAO? When I look in the service plan, I do see that the budget goes up significantly for the size of money. It goes up from about \$4.6 million in '05-06 to \$5.75 million in '06-07. Could the minister tell us what that increase covers, since it's almost a million dollars and I see it has three FTEs. What's that money for?

[1650]

Hon. B. Penner: Because the economy is on a roll here in British Columbia, the EAO is much busier. I think — and I stand to be corrected — a few years ago we had, maybe, 15 or so applications within the environmental assessment office for a review. Today we're at about 45, and the expectation is that by the end of the year it could be a higher number than that under active review.

Accordingly, we have increased the amount of resources provided to the environmental assessment office so that they can conduct their reviews. In fiscal '04-05 the budget was \$2.897 million, with a total of 29 FTEs to do the work. Last fiscal year, 2005-2006, the number of FTEs was 34, and the budget was \$4.6 million. This year we're projecting that we will have 38 FTEs to handle the workload. The budget for this current fiscal year is, as the member can see, \$5.5 million.

S. Simpson: I appreciate that. Then, could the minister explain why the budget in '07-08 and '08-09 in fact goes down to about \$4.5 million — less than was spent in '05-06? The number of FTEs stays the same, but there's a drop-off of in excess of \$1 million in the budget. Could he explain what the expectation is? Do we expect things to slow down, or what's going to happen?

Hon. B. Penner: The short answer is that the Finance Minister is a cautious person, but the more detailed explanation is this: we have quite a number of projects right now in the environmental assessment office process. Those projects eventually come out of the process. In fact, we've got a 180-day requirement in

legislation to make decisions once that clock formally starts to when it ends.

We'll take another look at what the situation is at the end of the year to see if in fact the total number of projects actively under review has gone down. As projects go through the review process, they drop off the chart, as it were, once the EAO office has completed its work. It could be that there will continue to be new projects coming forward at the same rate or maybe even at a higher rate next year. But we'll have to wait to see this fall what our best guess is as to whether or not the workload will remain the same in future years.

S. Simpson: Could the minister tell us how the money gets spent? The fact that, essentially, the money goes back down to somewhat a little bit less than the '05-06 number in '07-08 and in '08-09.... I appreciate that the number could be adjusted in future budgets, but it goes down, and yet there's no expectation of a reduction in FTEs. What's happening with that money, and how's it getting spent if it's not affecting staffing levels?

[1655]

Hon. B. Penner: Some of the work that gets done at the EAO office is done by contractors. In future years if, in fact, we're not as busy and the projects don't require as much involvement, then we can adjust our contracts accordingly so that we don't have as many contracted resources or people working on the projects.

S. Simpson: Then, is it a fair assumption that most of this increased work that the minister is anticipating in this year because of increased applications is largely covered by contract support rather than by direct employees of the ministry? Is it the expectation in the '06-07 year that that roughly \$900,000, or close to a million dollars there, of additional money is going to go to contractors, in large part, to pay for services?

Hon. B. Penner: We're increasing spending this year by approximately, I'm guessing, \$700,000, in rough numbers, in terms of professional services — that is, hiring people on contract — and increasing spending by approximately \$300,000 to hire the extra FTEs that the member sees in the service plan.

S. Simpson: The contractors that are hired to do this work on behalf of the ministry — who are these people who are generally hired? I know that contracts are let and that different people will bid on those. Maybe the minister could tell us: how are those contractors determined, how do they come on board, and who are they?

Hon. B. Penner: I'm told that the people that are employed in the ministry, whether they're full-time FTEs or are hired on contract, are people that have project management experience. They have a range of academic credentials or academic backgrounds. People

become aware of these opportunities, I think, through the *B.C. Bid* website.

S. Simpson: Does the ministry contract individuals who come with those credentials, or will it contract environmental consulting firms — those kinds of businesses — to come and do that work?

[1700]

Hon. B. Penner: My understanding is that it tends to be individuals, but individuals may decide to incorporate and create their own business, as it were, and have themselves as the product that is their business. So those are the people that would submit bids or respond to a posting, as it were, through the *B.C. Bid* website.

S. Simpson: I've had the opportunity over the years to work with a number of environmental consultants who have worked for interests, whether it be things like the Port of Vancouver or major industries and that. I know that part of the challenge many of them have is that there aren't a lot of people who do that, who are really skilled at it. It's a growing sector, but it's not a very large sector in terms of a lot of those companies and businesses.

From speaking to some of them, I know they are very diligent, in large part. Certainly as a rule, they are. I know that a number of the smaller firms, which tend to be a couple of people working together, often get into this challenge where they're trying to keep themselves out of conflicts because they work for a range of interests — whether it be government, the province, local governments, the federal government on contractual agreements. Then they work for industry, and then they work for somebody else.

They just have to be very careful that they don't compromise themselves — not in a negligence way. They've just got to be cautious. I'm sure that has to be a bit of an issue for the ministry as well. How does the ministry deal with that? Does it have a waiver or some conditions that they need to sign in terms of who they can be working for at the time they're doing assessments for the ministry?

Hon. B. Penner: There is a screening process. I'm told the contract that individuals sign is a standard government contract, and my understanding is that people would have to disclose what other activities they would have or would be undertaking.

S. Simpson: We might touch this again, but I want to move a little bit to another issue related to the environmental assessment office. When I go to page 52 of the service plan and look at the strategies, it lists two strategies there under goal two — the two strategies at the top of the page. It talks about developing proponent guides — I think I'm on the right place — and providing tools to increase public understanding.

But then when it goes down further and talks about the actual performance measures, it has one perform-

ance measure, and it says "the proponent's overall level of satisfaction with the assessment process." It says that will be determined in '05-06, and then it will be maintained or exceeded. Has the ministry determined what that should look like — the proponent's overall level of satisfaction with the assessment process?

[1705]

Hon. B. Penner: I understand that the environmental assessment office has hired B.C. Stats to conduct an independent survey of proponents for 2005-2006, and that information should be available soon.

S. Simpson: Then I'll assume that information will form the basis of the client satisfaction survey that is spoken about in the report. I find it interesting that there's a performance measure around the proponent's overall satisfaction. The second strategy at the top of the page says "to provide tools to help increase public understanding of the process and opportunities to participate in the project reviews." Could the minister tell us why there's no performance measure to determine public or stakeholder satisfaction in the EAO process?

Hon. B. Penner: I'm told that one of the challenges is in identifying who such a survey would be sent to, whether it would be to everybody in the province who would be interested in a project. It's difficult to know exactly who is interested in a project. Typically, the EAO tends to receive letters — the majority of them from the public — opposed to a particular project, so there may be a challenge in differentiating between the public's views on a particular project and the merits of that particular project versus their views on the professionalism of the actual process or the people working in the EAO.

[1710]

S. Simpson: Just to follow up on that a little bit, it seems to me that the ministry has gone to B.C. Stats to get assistance in determining, around proponents, how best to design and measure satisfaction. I think that's a good choice. I think B.C. Stats does good work.

Has the ministry had a discussion with B.C. Stats or with anybody else who's in that business? There are lots of people around who do that kind of consultation assessment. Has the ministry had that discussion around how to determine public or stakeholder satisfaction?

Hon. B. Penner: I'd be happy to explore that opportunity or that potential a bit more. I am told that the EAO has had that discussion with agencies other than B.C. Stats as well — professional private sector firms that get involved, I guess, in the form of polling. One of the concerns identified in that discussion was similar to what I mentioned earlier. Effectively, the pool that you'd be sampling isn't entirely random.

If you're contacting only those people who have written in with their views on a project, the vast majority of those people have been writing in because they're

opposed to a project typically. Typically, those in favour of a project don't feel as motivated to comment. Nevertheless, I am interested to see what we could do in this regard, and whether a pilot or some kind of sample effort could be undertaken is something we'll endeavour to do.

S. Simpson: I appreciate that. I would encourage the minister to pursue that further. I think I understand the comment of the minister that those people who may be opposed to a project that goes through an EAO.... If in fact the environmental assessment deems the project isn't going ahead, they probably will think the process was pretty good. And if the project goes ahead, they might be less enthusiastic.

I would hope — and I think, as the minister says, and I think he's right — there are a number of businesses out there and contractors and experts who are very wise about this stuff. They've been doing it a long time, and they know how these processes work. I would expect that what the minister would want to determine is whether people felt the process was right regardless of what the result was.

Were they satisfied with the process in terms of the assessment, in terms of their ability to participate in it regardless of what the result might be? I suspect there may be some ways to do that with pilots. So I would encourage the minister to pursue that, and I'd be happy to hear more about that if the minister does move ahead with that.

I guess this relates somewhat to the same issue. There are a number of significant projects. I believe that when I read through the service plan, it talks about the major projects that the EAO is dealing with — mines, a number of other areas.

[1715]

I believe that the federal government does provide some intervenor support, but I could be corrected on that. Does the provincial environmental assessment office provide any intervenor support for those who are deemed to be legitimate intervenors?

Hon. B. Penner: I'm advised that when there is a comprehensive Canadian Environmental Assessment Act review, the federal government does provide the opportunity for individuals to apply for intervenor funding. The provincial system is somewhat different. We do, through the EAO, at times make funding available for first nations to assist them with capacity or commenting on specific proposals, but that tends to be the extent of the funding for intervenors through the EAO process provincially.

S. Simpson: I did notice in the report that there's certainly a consideration for first nations and some opportunities to provide resources so they can ensure that their interests are reflected in the work of the EAO and the work they do.

There are, as the minister will know, of course, numbers of other groups that also have legitimate concerns about how projects may unfold. They may not

necessarily be first nations. They may not, quite frankly, have resources or access to resources that allow them to participate or to do the job they have to do and should do. It's a job that, quite honestly, I believe the environmental assessment office would find important — that when it's trying to balance all the interests, it hears from those people who have a thoughtful view that may not be shared by the proponent.

The problem, of course, is that these proponents are often large. They have lots of resources. I believe the minister talked about the Ashlu project and that Ledcor put somewhere around \$6 million into the process in order to accomplish its objectives. That's a lot of money in one of these, as the minister noted.

Have the province and the ministry given any consideration to some kind of intervener support — that pool of resources — that interveners could apply to when they have a legitimate concern that should be reflected, and they can't afford to resource it themselves?

Hon. B. Penner: It has not been the policy of the EAO to provide intervener funding except for the circumstances that are already identified, in certain situations pertaining to first nations consultation. I'm told that we don't receive letters, or certainly not very many letters, from members of the public requesting intervener funding. But even if they did, at this point we're not in a position to offer that funding.

[1720]

S. Simpson: I appreciate that the ministry doesn't get letters and things. I know some of the organizations that have spoken to me might seek to avail themselves of that. They're fully aware that there is no program to avail themselves of, so they don't inquire when there's no reason to. I'm sure you would be getting letters if you had a pot of money for them to look at.

I appreciate that the fund doesn't exist there, and I can understand reasons why it may not. But does the minister think there are any circumstances he can see...? When I look at some of these, there are some very significant projects that the office deals with, which have broad-ranging impacts, and there could be many more as we head forward.

[S. Hawkins in the chair.]

Are there circumstances where the minister thinks that some kind of intervener support — other than for first nations, which the minister has already acknowledged there is support for — may be warranted, in his view?

Hon. B. Penner: I'm of the view that there are ample opportunities for the public to comment through the EAO process. It can be as simple as sending an e-mail or letter or attending a public meeting or an open house and does not require an individual to retain counsel or hire experts in order to contact the EA office when a review is underway. It would be difficult to say

that one project should receive intervener funding but not others. How would that distinction be made? In any event, the EA office is not in a position to offer that type of funding.

S. Simpson: Knowing we're getting close, I won't pursue that any further. I think we're done with the environmental assessment office.

Now I'd like to move to the question of toxics and pollutants. Could the minister speak a little bit around the issue of pulp mill sludge? Could the minister tell us what the status of the pulp mill sludge issue is in terms of using it as a soil enhancement?

[1725]

Hon. B. Penner: The member is probably aware that the Ministry of Environment put out the proposed soil enhancement code of practice for public comment last fall. Initially, there was a 30-day consultation period where the public had an opportunity to comment. That was extended by 15 days. So in total, there was a 45-day response period that ended on December 15, 2005.

More than 150 submissions were received during that time. Approximately 80 citizens, eight environmental groups, nine farm groups and five first nations submitted their comments for consideration. There were also representations made in the form of 14 submissions from industry and also comments from municipalities and other agencies of government, including provincial ministries.

We're currently reviewing the comments received, and we're expecting to post the written responses, or may post... The note doesn't make a lot of sense here, in the writing. I think what it says is that we will be posting those responses on the Internet.

That's the status of that matter, and I look forward to the member's next question.

S. Simpson: One of the issues here, as I understand it, is the question of the numbers of toxins — and I can stand corrected here — or the list of materials which, should they be included in a sludge material or a soil enhancement or whatever we're calling it, would not be allowed. Is there a list? Does the ministry have a list saying that if any of these materials are deemed to be in that mix, then this is not allowable?

Hon. B. Penner: I understand that many of the toxins have already been identified through some other processes and other regulations, but we have established an interministry working group with the Ministry of Health as well as the Ministry of Agriculture and Lands to further identify additional toxins that would be prescribed and prohibited for use in the regulation.

S. Simpson: I would assume that list will be determined before any final decisions are made on allowing this project to go ahead around soil enhancements. The list will be determined and made clear before this project moves ahead?

Hon. B. Penner: The short answer is yes. The ministry will consult again with people once this preliminary list is identified and the acceptable levels are set. This consultation will include posting that information on the website so everyone has access to it.

[1730]

S. Simpson: I appreciate that. I'm glad to hear that the ministry is going to put that list out there and let people make comment about whether it's complete enough and whether the levels are the appropriate thing before the ministry finalizes that list and allows things to move forward.

The next question I have that relates to pollution matters relates to Sierra Legal and the question about the polluters' list that we've discussed previously in question period. Could the minister tell us whether there's been any further discussion around this question of a list and the provision of that list or costs from back when this was a question period topic?

Hon. B. Penner: The work is progressing in the ministry for the compliance and enforcement summary. It's my expectation then that that will be a quarterly production. It may be web-based and may also come out in paper format. That decision hasn't been made yet, but certainly, it would be my goal to make sure it is available in electronic format, because that's one of the most cost-effective and timely ways we can make that information available. It's also then broadly available, given how common it is for people now to have Internet access.

S. Simpson: I'm pleased to hear that. I think an electronic version makes good sense. It's pretty accessible to anybody who wants it. Could the minister tell us a little bit about what his expectations are — I understand it's not complete — about what kind of information will be made available?

Hon. B. Penner: As I indicated — but I can elaborate a bit more here — the essence of the enforcement and compliance summary will be to report to the public on the tickets issued, convictions obtained and compliance orders made by the Ministry of Environment. We want to let people know the outcomes of the investigations and prosecutions that are undertaken on behalf of the ministry and to report to the public on a quarterly basis.

I also envision there might be something akin to an annual report or an annual summary that will get into some more of the detail or the flavour of what's behind the statistics and the specific sections. That's still a work in progress. I can imagine it would be interesting to delve into a little bit more depth on some of those statistics to find out what the actual complexities are out in the field and what actions the ministry staff had to take.

S. Simpson: So what we can anticipate here is a list that will tell us that these are the interests deemed, for

whatever reason, to have not been in compliance, and this is the result of that — whether it's a charge, a ticket, a warning, whatever it is that's appropriate? We'll have a list that says: "Here are the folks in this quarter that were not in compliance, and here's what we did about it." Is that accurate?

Hon. B. Penner: That's pretty close. In addition to what I mentioned, there are things called administrative sanctions now, administrative penalties that we're starting to implement to try and expedite the consequence, rather than waiting for the court process, which can take years and years to wind its way through.

[1735]

Under the Wildlife Act, for example, there are administrative sanctions that we can impose to limit or restrict people's hunting and angling opportunities if they're found to be violating the rules and regulations. Actions taken in terms of administrative sanctions would also be included. There are also provisions under the Environmental Management Act for pollution prevention and abatement orders that we will report on.

S. Simpson: A question in relation to hydrometric water monitoring. I know that the minister made the commitment here in the House during question period that the provincial government would provide the million dollars of funding necessary to keep the 50 stations open and would intervene with the federal minister to do that, and I appreciate that. However, I do believe the minister made the comment at the time it was discussed here that it was a one-year commitment.

Could the minister tell us what work or efforts have been done to ensure there is a longer-term commitment around hydrometric water monitoring?

Hon. B. Penner: The member is correct. I did have an opportunity in my first meeting with the federal Environment Minister to raise this issue on behalf of British Columbia. The minister, as the member noted, was receptive to our request and said that the federal government's intentions in terms of closing, I believe it was an additional 50 hydrometric monitoring stations — somewhere between 30 and 50 stations — effective April 1, 2006, would be put in abeyance.

Since that time I've had a chance to talk to her again about the topic. She's continuing to work with her officials but expresses support, anyway, for the position I've taken — that these stations are important for British Columbia. In the meantime my deputy minister, Mr. Trumpy, has met with his federal counterpart in a one-on-one setting with the deputy minister from the federal department of environment, and they've had ongoing discussions about what can be done to maintain hydrometric monitoring in British Columbia.

It may be of interest to note here — just to put some numbers on in terms of the relative contributions between the province and the federal government — that the federal share overall has shrunk as a percentage. I

don't have the precise percentages, but if I had a calculator or if you have a calculator, you could work them out.

The total provincial government share in 2000-2001 was \$684,000 before you add the B.C. Hydro contributions of \$784,000, and the federal government funding was \$1.59 million. In the current fiscal, the most recent fiscal, we're looking at total provincial government funding of \$2.2 million, with 869,000 additional dollars coming from B.C. Hydro and the federal contribution being \$1.69 million. The total cost of operating the system has gone up, but the federal share has not reflected that to the same degree. That's where some of the cost pressures are coming from.

I believe that hydrometric monitoring is very important in British Columbia. We certainly have a diverse geography and topography, so it's important that we get that information.

S. Simpson: I'm pleased to hear that from the minister, and I would agree with him. It is very important. As I'm sure the minister would acknowledge, as we face climate change, it's having different effects on our water systems. It becomes increasingly important that we understand the science behind what is and isn't happening with our water sources. This monitoring system is critical to that.

[1740]

I certainly would encourage the minister to do everything possible to ensure long-term support for maintaining the 450 or so stations that are currently in place, including the 50 that he spoke about. In fact, the Water Highway B.C. people, who I'm sure he's met with, have encouraged that we look at whether there's actually a need for a few more. That may or may not be appropriate, but I think it's an important discussion.

I have a request for information here. I don't necessarily believe the minister has the resources to provide it right now. I'd be happy to get this in writing from him. It's in regard to a question around the Douglas fir ecosystem on south Vancouver Island.

In particular, he may know that the Forest Practices Board released a report based on a complaint in August of 2005. It was called *Logging and Conservation of Endangered Plant Communities on Vancouver Island*. At that time the Forest Practices Board made strong recommendations around assessing red-listed plant communities before any further logging proceeded in the south Island area. Particularly, it was speaking of the Douglas fir, I believe.

What I would be interested in is whether the ministry has responded to that recommendation and what the position of the Ministry of Environment is in relation to the question of the Douglas fir ecosystem on south Vancouver Island? I appreciate that he may not have that information at this time. If he doesn't, we will be standing down, and we'll be done.

Hon. B. Penner: I am somewhat familiar with this issue. It has been brought to my attention. We've had some discussions internally about it.

The ministry is currently carrying out an assessment of the protection of rare ecosystems on the east coast of Vancouver Island. I think that's the area that the member is referring to....

Interjection.

Hon. B. Penner: The southern part of Vancouver Island.

Our long-term goal is to develop wildlife habitat areas on Crown land and to develop cooperative arrangements on the private land that is prevalent on the southern part of Vancouver Island. That continues to be a work-in-progress. The ministry is aware of that situation, and I have been advised internally that it is something we're working on in conjunction with the Ministry of Forests.

Vote 28: ministry operations, \$152,559,000 — approved.

Hon. B. Penner: We need more money than that. Accordingly, I would like to move Vote 29.

Vote 29: environmental assessment office, \$5,575,000 — approved.

Hon. B. Penner: In the interests of obtaining even more funding, I move Vote 48.

Vote 48: Environmental Appeal Board and Forest Appeals Commission, \$1,961,000 — approved.

Hon. B. Penner: Madam Speaker, I move that the committee report resolutions.

Motion approved.

The committee rose at 5:45 p.m.

The House resumed; Mr. Speaker in the chair.

Committee of Supply (Section B), having reported resolutions, 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.

Mr. Speaker: Hon. members, I hope that everybody has a good time for the next couple of weeks in their ridings. It's a great time to be home with your family, at Easter, and I'm sure that everybody will enjoy their next two weeks spent at home.

Motion approved.

Mr. Speaker: This House stands adjourned until April 24 at 10 a.m.

The House adjourned at 5:46 p.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); H. Bloy in the chair.

The committee met at 2:59 p.m.

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

C. Evans: Just reiterating how I think this will go, for the benefit of the minister's staff. I have a few more questions related to oil and gas, specifically. Then I think we would like to go to alternate energy, and then we would like to go to Columbia Power Corp. I believe that those three subjects should round out the day.

[1500]

I have some concern that we might finish before quarter to six or 20 to six and lose the debate. But I just hope — through the Chair to the minister — he gets it that I'm trying to accommodate staff and guess where we'll work out at the end of the day. I sure hope we don't have to rag the puck and waste time just to fill in all of the time.

I want to ask: can we just proceed in a logical fashion and worry less about exactly what time we finish? Or should I be exceedingly careful, at risk of losing the estimates, if we don't last till 20 minutes to six?

Hon. R. Neufeld: No, we won't lose the estimates. I commit that to the member. In fact, I appreciate that you're working with us to make sure we don't have to have staff sitting here waiting all the time. If we finish a bit early, I don't think either one of us will go to jail if we recess the estimates process.

C. Evans: Because I'm working with other people, I'm not positive. That's why I have to ask.

A colleague has been asking considerable questions concerning the correspondence between the Oil and Gas Commission advisory committee and Richard Koechl and Linda Haugen. I just have one more question concerning that correspondence. I think the minister is aware of which I speak. It's July 20, 2005 — page 4.

I may have missed this. It may have been canvassed. I just want to hear the answer myself. The advisory committee has a sentence in the second paragraph. The advisory committee therefore recommends

that the Oil and Gas Commission bring this — the question of explaining deferral — to the attention of the Ministry of Energy and Mines, and encourage the Ministry of Energy and Mines to provide the applicants with a full explanation.

My question to the minister: is the minister satisfied that the full explanation that people requested about how deferral works has been provided to residents or will be provided through the consultation process that it is presently engaged in?

Hon. R. Neufeld: Yes, I've had an opportunity to read the paragraph that the member was referring to prior to lunch. Yes, Mr. Rick Koechl has been advised. That was the items I read into the record before lunch. They have been advised, in fact, on more than one occasion what the process is. We also went further to actually advise the regional district as to what the process was. I don't think the regional district one was a result of this letter, because this letter from the Oil and Gas advisory committee is directly to Rick Koechl. I'm sure that at some point in time — without having to go and dig out the letters — there was a request from the regional district also for clarification, and we did that.

C. Evans: Now I would like to go to the question of abandoned wells that the minister introduced yesterday or the day before. The minister pointed out that when he became minister, there were wells that were orphaned. Just to get this back on the record, would the minister like to repeat how many orphaned wells have now been reclaimed and whether or not we presently have orphaned wells in the province?

[1505]

Hon. R. Neufeld: Also, there was another question that I want to put on the record for the member or for the official opposition critic — the member that was asking questions about the particular well — in reference to Mr. Koechl's concerns about when it was drilled. I said it was drilled quite a while ago, but I would find out when it was drilled. On that well, the tenure was originally sold in 1955. The well that is in question — that particular one — was drilled in 1966. There was a re-entry into that same well in October of 2005. That's just for the member's information.

Yes, we have put in place, to your other question, an orphan well fund. Orphaned wells are wells that — it's exactly what it says — no one owns. Some company has gone broke or something at some point in time in the past — and there were not, probably, the same rules in place that are in place today — and they were left. They were left on both Crown land and on private land, so we committed to work to a process with industry where we could actually start cleaning up these sites.

I'll say that I think one well is in the Kootenays. It dates back to the early 1900s. That's how far back some of it goes, but we have done surface work on 12 of the

wells that are on private land. Government put up \$1.6 million, I believe, to do those initial ones.

The orphan well fund is a piece of legislation where industry is actually taxed on their production — all industry — and it goes into a fund. That fund will reach, I believe, \$1 million. It will continue to be replenished, as time goes on, to actually reclaim sites — 12 of them on private land — and not just wells, but pipelines.

Another added feature to it is that landowners — the present landowner, anyhow — who did not receive the rent will actually be able to receive the rent back for what he or she didn't receive because of a company going broke. So they've done the work, they've plugged the wells, they have done the surface work, and they're now working on contamination issues around some of the sites to make sure that they do the final cleanup right.

C. Evans: The minister advises that 12 orphan wells have been reclaimed. Are there further orphan wells to be reclaimed?

Hon. R. Neufeld: Interestingly enough, where the member comes from in the Kootenays there are 24 wells that have been.... At least, that they believe they know of. Remembering that these wells were drilled in the early 1900s — records are a little hard to go back into, but the ministry is working hard on doing that so that we can actually okay them all. They are all on Crown land. We have to go in and assess those to find out if, in fact, we should be going in and doing anything to them. So that assessment is taking place.

The staff tell me that they're not aware of any more in the northeast, but that doesn't mean that there aren't any there, because they have been drilling in the northeast for an awful lot of years also. There could be some in some remote places, but they will continue to search for them. The ones that we wanted to target were the ones that were on private land, first, and that's the first 12 that we targeted.

C. Evans: The cost, in round figures, for cleanup of the first 12 is...?

[1510]

Hon. R. Neufeld: Spent to date is \$931,000 on those 12 wells. There's \$100,000 set aside for the fees to be paid back to the landowners. We're hopeful that that covers it, and then \$570,000 is still there to continue with what I talked about with the soil contamination and those kinds of things. The staff says they're not sure whether that full \$569,000 will be spent or whether it will be, in fact, sufficient to do all the work, because they're still identifying what they have to do.

C. Evans: I don't have to ask a question, because I'm absolutely sure that if the remaining orphaned wells are in the Kootenays and they have \$500,000 left, they'll be spending it in the Kootenays. I'm pretty sure.

My question for the minister is: now that we've resolved the question of orphaned wells in the northeast inherited by the ministry, am I correct in believing that bonding is the process which assures the ministry that a new lessee or operator does not abandon the site either owing money or failing to reclaim the site?

Hon. R. Neufeld: In regards to the 24 leases in the Kootenays that are on Crown land, I'm told that they are starting to work on identifying what they have to do, where they're at and what the logistics are, I guess, around doing that.

I think the member understands quite well that it may take a little bit of time. Those wells will be cleaned up out of the orphan well fund. The initial \$1.6 million that we spoke about earlier was to deal with the orphan wells that were left on private land in northeastern British Columbia.

From now on.... There is a deposit that oil companies have to make before they get a licence to drill a well, and that deposit is kept on file in case something happens to go wrong. But also with the new orphan well fund, we're hopeful that there are no more companies that go broke. With the better way, now, of assessing who is actually on the land base, again through the Oil and Gas Commission, it makes it a lot easier to actually follow some of these things through or some of these well sites through. So in fact, if something does happen, those leases will be able to be cleaned up. All of industry contributes to this regardless of who are you, whether you're a large company or a small company.

C. Evans: The minister uses the word "deposit." I had used the word "bond." I'm assuming that they are one and the same. Is the deposit that a company puts forward, when they drill a well, adequate to clean up the site should it be abandoned by that company?

[1515]

Hon. R. Neufeld: No, the deposit or bond, whichever you want to refer to, probably wouldn't cover — in fact, I know it wouldn't cover — the cleanup costs. But as I said, if a company does go broke and creates an orphan well, the orphan well fund that everybody contributes to will actually be able to resolve that issue. There is a form of bonding where everybody that produces gas or oil in the province of British Columbia pays into a system that would be used in case something like that happened.

C. Evans: Presuming that it doesn't happen, does the orphan well fund continue to accrue capital, or is it capped at a level?

Hon. R. Neufeld: The question, again.... Let me remember. Maybe the member could ask me that question again. I'm sorry. I lost it during a thought.

C. Evans: I just wanted to know.... Every company pays into a fund in case they go broke or abandon a site. I wondered: if they continue to pay in, does that

pile of capital continue to get bigger, or is it capped at what is perceived to be a sufficient amount?

Hon. R. Neufeld: Sorry about that. Yes, it is capped at a million dollars. We had to put a number on it at some place. There's an assessment against production of oil and gas that goes into that fund to build it up to the million dollars. If it goes below that, the legislation allows it to be topped up again to the million dollars.

C. Evans: I want to move to some questions about the Oil and Gas Commission and the makeup of the Oil and Gas Commission. It is my understanding that the Oil and Gas Commission is funded by a tax on either the royalty system or the sale of leases. Is that correct?

Hon. R. Neufeld: It's funded on fees and a levy on production of both oil and gas.

C. Evans: Does the minister or the ministry know whether that is the same funding system as in Alberta and Saskatchewan?

Hon. R. Neufeld: I can't comment on Saskatchewan. We don't know, in fact, whether they even have a commission that looks after their operations.

In Alberta the AEUB is actually responsible. It is funded partially by government and partially by industry. The reason is because it has a broader mandate that deals with not just oil and gas but electricity and a whole host of other things.

C. Evans: I'm sure that the minister has grappled with this question. The commission does its job best when it's perceived as being most independent. I wonder if the minister or the ministry has considered increasing its independence by funding it through general revenue rather than by a charge on the production of oil and gas.

Hon. R. Neufeld: This is the way the commission was created in 1998, I believe, under the last administration. Industry actually pays the full cost. I believe that the industry should pay the full cost of the body that regulates it, that moves their processes forward. We will continue to do that.

[1520]

C. Evans: I know that this is how it was funded from the beginning. I'm quite pleased with the setup of the Oil and Gas Commission. That doesn't mean that because I was part of the government that set it up I can't think there are ways to make it better.

If I can speak metaphorically, hon. Chair, the Oil and Gas Commission are the folks who we perceive take politics out of the dispensation of land, and they serve an independent regulatory function a little bit like the Agricultural Land Commission. The Agricultural Land Commission is not funded by the sale of agricultural land; it is funded by general revenue. General revenue gets money by taxing the land or the pro-

duction of farmers or the capital gains if land is removed, but the fund that funds it is not increased or decreased by selling or not selling agricultural land.

Therefore, I would ask if the minister might not — in spite of the fact that it was created under two governments ago — reconsider or consider bolstering the commission's perceived independence by funding it from general revenue. It would cost general revenue nothing, obviously, since the royalties and the lease funds flow into general revenue, but it would assist the public to see that the commission itself is not funded by the extent to which it sells leases.

Hon. R. Neufeld: First off, the Oil and Gas Commission is the regulator. The Oil and Gas Commission does not sell leases, does not sell land or the right to drill on land. What the Oil and Gas Commission does is regulate the industry and give the authority to drill wells under certain conditions if certain conditions are met.

Actually, the Ministry of Energy, Mines and Petroleum Resources, through the titles division, is responsible for disposition of land.

C. Evans: I wonder if the minister would put on the record the membership, the makeup, of the board of the Oil and Gas Commission.

Hon. R. Neufeld: The deputy minister is the chair, the commissioner is the vice-chair, and an independent person, John Bechtold, is the third. There are three people on the board.

C. Evans: Returning to my Agricultural Land Commission metaphor, the perceived independence of the commission by the general public is paramount in order that they be seen as a neutral regulatory body, and I wonder if the minister has considered his deputy as chair complicating that perception of independence.

Hon. R. Neufeld: The board actually is.... There is a fiduciary responsibility. They do not look at different applications or approve or not approve different applications.

C. Evans: The independent person on the board is chosen by whom?

Hon. R. Neufeld: Appointed by government — by the minister.

C. Evans: Are there names submitted by the region; for example, by regional districts for the minister to choose from?

[1525]

Hon. R. Neufeld: Yes, we have a board resourcing process in British Columbia to look at appointments to all public bodies across the province, including the Oil and Gas Commission, including the advisory committee to the Oil and Gas Commission. They're vetted

through that process and then appointed by government through OIC.

C. Evans: I understand that there is a provincewide process to choose members of boards and commissions. However, given that the commission's focus is in northeastern British Columbia, I was sort of wondering. Let me speak metaphorically. The Columbia Basin Trust, which is also appointed by the province, picks some of its members from a list supplied by regional districts and a tribal council in order to assure that local government has some comfort and a window into the commission.

Has the minister considered enhancing the openness of the commission by inviting local government to propose names to appoint to the commission?

Hon. R. Neufeld: Yes, we actually ask regularly for names to be put forward of people that are interested to sit on different boards and commission. Because I live there, I have some good contacts with people in northeastern British Columbia that I can also put forward to the board resourcing.

C. Evans: I have to be elsewhere for a little while, and that concludes my questions about the commission. We will return to the subject of alternate energy for the next period of time.

G. Robertson: Before we get deeply into alternative energy, I had some questions related to the B.C. energy plan — the integrated electricity plan. Are the minister and staff ready to take those questions?

Hon. R. Neufeld: The integrated electricity plan is a plan from B.C. Hydro that was delivered to the B.C. Utilities Commission by agreement from the official opposition critic. We said we'd go to alternative energy, and B.C. Hydro would be done when we return back the next following Monday. So we can canvass those items at that time, if that is okay with the member. We just made that agreement a while ago. You weren't here, but it was by request from the official opposition.

G. Robertson: They're fairly general, high-level questions that aren't specific to Hydro. Want to give them a shot?

Interjection.

G. Robertson: Okay. With reference to the March 29 press release from B.C. Hydro on the integrated electricity plan, I'll just outline the basics and then ask a question related to it.

B.C. Hydro talks in this release about their desire to "engage the people of B.C. in a dialogue...by reaching out," to get the public's "insights and ideas on how to best deal with the choices and challenges that must be addressed to meet our long-term electricity needs." What surprised me with this is that, as far as I know, there's been no public notice from the government

about this broader revision of B.C.'s energy plan, which has been underway since the end of 2005, I believe. I'm curious what the government is doing in terms of public notice and public process so far for this plan.

Hon. R. Neufeld: Well, two separate things, so we don't confuse them. Government sets the policy through an energy plan. We have an energy plan as government that was released in November of 2003, and the public knows about it. I wouldn't say everybody, but most people do. B.C. Hydro is to actually work within that policy direction from that energy plan.

[1530]

[D. Hayer in the chair.]

The IEP is a requirement from the B.C. Utilities Commission on B.C. Hydro and other.... Fortis has to do the same thing — provide the Utilities Commission with how they intend to meet their growing needs and the needs that they are experiencing today, well into the future. So there are two separate things. The B.C. Hydro IEP is not a government of British Columbia energy plan. It's designed to give the commission some information that complies with the 2002 — I said 2003; I'm sorry — energy plan.

G. Robertson: Thank you for that clarification between the IEP with B.C. Hydro and the bigger energy plan that the ministry's undertaking. My question, then, is more specific to the energy plan. Is the minister committed to an open, public process in building the energy plan for B.C.?

Hon. R. Neufeld: Certainly, we are. In fact, to revisit the energy plan that we have now. It was widely announced by press release in November of '05 that we were reviewing the energy plan. The IEP process that Hydro goes through was actually announced probably a year before that, and it spent a lot of time travelling the province and meeting with people in different areas.

Yes, we intend to get all the information we possibly can to update the energy plan, and we are working on that.

G. Robertson: It didn't sound like there was a clear commitment there in terms of public process on the B.C. energy plan. To date, as I understand it, the energy plan has not had a public process. It's had closed-door meetings by invitation. What I'm looking for is clarity on the nature of the public process that will unfold for the energy plan.

Hon. R. Neufeld: Actually, as the first energy plan was put together.... No, it's not put together behind closed doors. There is a lot of consultation that goes on. In fact, the ministry will meet with special interest groups. We have met just within the last week with about 20 different environmental groups in regards to input into the energy plan. They will actually work

with experts, as far as energy is concerned, depending on what kind of energy it is — whether it's fossil fuel or alternative energy or hydro or any of those kinds of things.

We now have and will be able to use B.C. Hydro's IEP as information from the Crown. The Progress Board did a report here last fall that was made public, which dealt to a large degree with energy. That's pretty public. They go out and get that information.

The Competition Council is putting forward a report that will actually deal to a degree with energy as it relates to British Columbia. I want to emphasize again: no, it's not behind closed doors.

G. Robertson: Is there a specific plan regarding a public process and open consultations that will take place around the province for the energy plan?

[1535]

Hon. R. Neufeld: If you're asking: are there different communities that we would go to and hold open houses? No. There aren't. We will work with different groups that are identified across the province to get their input, and hopefully, we'll be able to move ahead from that process to creating an energy plan or an update — the first energy plan, I might say, that British Columbia ever had.

G. Robertson: My interpretation of the minister's answer is that at this point there is no commitment to a public process — open consultations that take place in communities around the province. The minister has referred, specifically, to consulting with expert witnesses or stakeholder groups to build the input. Am I correct that there is no commitment right now to open public meetings for input on the energy plan?

Hon. R. Neufeld: Again, I want to stress that we'll have open meetings with those people, those ones that I have identified so far. If others come forward.... For instance, the environmental organizations, the ENGOS, were invited to bring whoever they wanted to, and to actually have input into it and not just one meeting. I assume they'll probably have more with that group. So there is a lot of public process going on around how we develop the plan.

Now, I remind the member that when I talked about B.C. Hydro's IEP, they had 18 open house meetings across the whole province to gather their information. We'll use that report to help us actually move forward with doing any changes to the energy plan, if in fact, there are some.

G. Robertson: Well, I understand that the IEP had open consultations and a public process to solicit feedback and input and build the strongest possible plan in terms of an integrated electricity plan. The difference here is that the energy plan is a lot more than electricity. Whatever has come forward from the IEP is useful and constructive and, certainly, warrants being included in the energy plan in terms of input.

The energy plan itself is about a lot more than that. It's about oil, gas and coal. It's about many of the issues that we covered yesterday related to support for the oil and gas industries, support for alternative energy, the direction of the province, and the direction of the ministry in terms of supporting the industries and growing them so that they continue to contribute robustly to our economy. The energy plan is about energy use in transportation. It's about energy efficiency. It covers a very, very broad spectrum beyond the integrated electricity plan, for which there was appropriate public process.

My concern here is that an equivalent or even greater public process.... Considering that the scope and scale of the energy plan are vast and significantly beyond that of an integrated electricity plan, we need a significantly more robust public process to gather input and feedback, for the province to make the wisest and shrewdest decisions in terms of B.C. energy's future.

I'm concerned that there isn't a specific commitment, to date, to include the people of B.C. openly. There's a filtering process taking place here. I understand the minister has good contacts and has certainly reached out to a lot of the stakeholders with regards to the energy sector broadly.

However, one can't discount the input of the people of British Columbia more broadly — people in communities and people who are affected by energy policy, regardless of the fact that they're directly involved or they run organizations or they're industry players.

I'm curious what the rationale is to not pursue a public process for the energy plan. Is there a reason why there won't be public consultation in the energy plan process?

[1540]

Hon. R. Neufeld: I appreciate what you're saying. I think I was forthright with the member in saying we're meeting with those groups and whoever those groups want to bring into the process. We will meet with anybody in the province, if they show some interest that they want to meet.

It's interesting that the member talks, the way he is right now, about heartfelt.... You know, that we have to do this, but.... He's real interested in alternative energy. But you know what? I've not received one letter. I've not encountered that member in the hallway in this building where he's talked to me about: "I want to actually be part of this. I'd like to give you some information. I'd like to do some of these things." If the member wishes to be involved.... I encourage the NDP to get involved. Actually, we'll have some meetings with the NDP, all those kind of things.

We're open to getting information to build an energy plan. If you want to contribute something, we're quite willing to listen. We're listening right now, and I hope you'll lay it out on the table.

G. Robertson: I'm glad the minister is opening his doors in such an open-hearted fashion. However, my privilege is to be in here and do this, to be elected by

the people of Vancouver-Fairview to ask these questions — to bring the concerns of the people that I represent — here.

That said, by virtue of being one person, I'm a filter for my own constituency. It's important that those people also have an avenue to get their input to government, to make sure that the decisions that the energy plan will no doubt trigger in terms of government policy have had input from the people of B.C. It's the people of B.C. who are affected by emissions of greenhouse gases that are related to the energy plan, the people of B.C. who will be paying more for oil and natural gas in the future in their heating bills, at the gas pumps.

We have significant issues related to the energy plan that will no doubt affect people every day in dollars that they spend and the lifestyle that they lead. Those people deserve to have input on that. I'm asking the member to offer that same red carpet to the people of B.C. and to commit to an open public process, just so there is that degree of accountability and transparency where there are meetings around the province. People who don't happen to know someone, don't happen to get through the woodwork.... They hear about meetings that are taking place and get invited. People see an ad in the paper and are concerned about the price of gas or air pollution or whatever it happens to be and can come to a meeting and express those concerns.

I would love to have a commitment from the minister that there are some public meetings held so that that kind of input can go into the energy plan.

Hon. R. Neufeld: Again, I'll say what I've already said: we'll have meetings with people who want to have a meaningful meeting with us. In fact, we have reports that have received a lot of information from around the province that will inform us on how we move forward with the energy plan.

As I said, I welcome the input from the official opposition as to what they think should be in and out of the energy plan. I welcome the input from people all over the province. As I said earlier, if people approach me, approach us or approach the ministry and want to meet with us, we'll meet with them.

G. Robertson: So as I stand here, I'm approaching the minister on behalf of my constituents, the people that I represent, to have an open public meeting in my riding, specifically. Maybe we'll just start there. Will the minister commit to having a public meeting for people in my constituency, specifically, who are not here to voice that but have placed me here to do that work?

[1545]

Hon. R. Neufeld: You know, I guess we can.... It's your time, so I don't care. I think I've laid it out to the member pretty clearly if people have some input that they want to put in.

We're not going out across the province and to every corner of the province and holding public meet-

ings on the update to an energy plan that's already in place. We will contact those that are in regular contact with the ministry — as I said, the ENGOS. I know that the member may not like that, but that's exactly what we're doing. We have some reports that will help inform us about the energy plan.

I'm really pleased that this member is interested in an energy plan. I can say that in 2001 when I got the job, there was absolutely no interest from the NDP party in working together with us to put together an energy plan. In fact, I had no contact with them. They didn't talk to us at all, although it was public. It should have been known to the people in this building, what was going on. We contacted a broad cross-section of people, from consumers....

There are organizations, actually, out there that represent consumers. Do they represent every consumer? Probably not. Can you meet with every consumer of electricity? There are 1.6 million of them across the province — just Hydro's customers. We will continue to do the best we can to meet with as many people as we possibly can as we look at reviewing the energy plan that we have in place now.

M. Karagianis: If I may, I'd actually like to talk about biodiesel. Is that in fact under the minister's responsibility?

Hon. R. Neufeld: Yes. In fact, the Ministry of Environment just recently gave some money out of their budget to further the development of biodiesel in British Columbia. About a year ago I was in Vancouver along with Mayor Larry Campbell. There were two things happening.

One was the hydrogen cars. The four hydrogen cars were being announced that we're part of, along with the federal government and Fuel Cells Canada. At the same time, the city of Vancouver committed to start a pilot project. They had worked with our ministry, our alternative energy branch, to commit to using biodiesel in their vehicles for a time.

We also work with the federal government not just with biodiesel but to secure funding for the development of ethanol. I believe it's about a \$10 million or \$11 million grant that came. I don't think it's actually arrived yet, but it's.... There's a company in Kelowna that wanted to put up an ethanol plant which would use grain — actually, much of that grown in British Columbia. I don't think that plant has actually started yet, unfortunately, but it's there.

We've also been able to get the Ministry of Finance to remove the motor fuel tax exemptions that exist on other fuels from biodiesel and ethanol and other alternative fuels, so the ministry does work with that to a degree.

M. Karagianis: I'm glad to hear that, and I have, actually, watched some of the progress here. The minister may not know, but I'm a huge proponent of increased biodiesel access by the public.

Given the fact that the Minister of Environment has put some money into a plan, some federal dollars com-

ing for ethanol expansion, does the government actually have a biodiesel plan or a biofuel plan somewhere in the three-to-five-year plan?

[1550]

Hon. R. Neufeld: The alternative fuels, biodiesel and ethanol.... Although we do some out of this ministry, most of the responsibility is with the Ministry of Environment on those things. I can't tell you that we have a five-year plan on biodiesel. I know that I've met with the agricultural industry in more than one area of the province — but, specifically, at home — that would like us to start doing something to actually encourage that, simply because grain prices are so low. That's not simply, but it's one of the reasons, I should say. Also, it's good for the environment. As a government, we'll be looking at that and seeing what we can do to encourage that growth in the province.

M. Karagianis: I'm not sure if you're aware that there was an announcement today that came out of Washington State. It's a new biodiesel plan and implementation guideline — quite an aggressive plan — coming there. One of the things I did note is that they have a biofuel advisory committee that they've put in place to help them implement it.

Would the government be open to putting some kind of similar body in place to look at formulating a plan for biofuel?

Hon. R. Neufeld: I would be fine with that — no problem with that happening. We'd have to work it between both ministries and find out who would actually lead that. What we try to do, as I said to the last member, is use some experts from the field. I assume that's what the member is talking about — to get some good, expert opinion on how you could do it and how you could get it happening in the province. Yeah, we'd be quite willing to look into that.

M. Karagianis: I'm glad to hear that. I'll actually do some investigation to find out what the complement is of who sits on their advisory body. I suspect it might take a combination of expertise and, obviously, some political will.

In many parts of the U. S. now they are putting in place legislation that looks at fairly aggressive biofuel expansion. Again, would that be something that this government might consider — actually putting some requirement for biodiesel expansion in the marketplace?

Hon. R. Neufeld: I can't speak for government, saying that we would do something like that, although I agree. It sounds like a good idea. It's a little difficult for us to do that individually. It's something like ethanol — for instance, a mandatory blend of ethanol in the gasoline.

We've been of the opinion in British Columbia that we need to get the federal government involved across Canada to actually put mandatory ethanol blends in

place, and some of that is just plain logistics. Most of our gasoline and diesel fuel is either manufactured — in fact, almost all of it is manufactured — in Edmonton or south of the border in the U.S. So it's a little hard for the province to say, "This is what we demand," when we have very little of the refining capability here.

I talk to the federal government on a regular basis about trying to get a mandatory blend of ethanol. I'm sure that with the advent of biodiesel today.... Everybody's talking about biodiesel and how it can help us, and I'm sure it will in the future. It won't replace, but it will certainly form part of the needs so that we may be able to look at things like that. But we would like to get the federal government engaged so we're all doing the same thing.

[1555]

M. Karagianis: I realize that this does need to be a multi-jurisdictional push.

Currently, one of the problems that is occurring with a voluntary market shift to biofuel is that it's very difficult to acquire retail access to any kind of biofuel. Here on the Island in particular, the only place you can access biofuel is through a bulk seller. For the individual consumer, it's very difficult.

One question I would ask the minister is whether or not the ministry and the minister could be instrumental in helping to shift that. A way to get people to voluntarily move towards biofuel — and many people want to — is to make that accessible. That's something that government could show some significant leadership on. So I would ask the minister whether that might be a role that he would see himself taking.

Hon. R. Neufeld: Certainly. It's much the same as propane. In fact, in Canada propane is accessible pretty well everywhere, but not in the U.S. It's a little more difficult to get propane down there, as I understand, at a service station.

That has to be something that works with the industry, with the people that actually have the service stations around the province. We can, certainly, talk to the industry from the ministry, encouraging them to do those kinds of things. I think it's so fledgling now that it's going to take a little while to get more caught on — that, actually, the public demands it. The public can actually start doing some of that.

I would encourage the member, maybe, to have the public start writing to their favourite service station — whoever that happens to be; there's a multitude of them — and say, "Look, we want access to biodiesel or ethanol-blended fuels. What will you do? Can you do that? I'd like to, actually, continue to buy it" — at wherever, at PetroCan, Esso or whichever service station it is.

I think it's going to take a bit of that, because it also has to be a bit commercial to make it work at the end of the day. We have to put our government money and B.C. Hydro money into fuelling stations for hydrogen — not so much for the public, but to start a process of what you actually have to do to have fuelling stations

for hydrogen for vehicles. So that kind of work is ongoing. I'm proud to say that that's happening within the ministry as we move forward.

M. Karagianis: I think it's terrific that we, as a province, have moved towards trying to lead the way with alternatives here. I do know, from speaking with the industry and pushing very hard for some more retail distribution here.... In fact, I do hear about it, because I've talked about biofuel, and I'm known on the south Island here as having a keen interest. I've heard from lots of consumers, I've pushed on some of the distributors, and they will be giving some consideration to that.

I often think that government also has to sometimes lead a little bit, you know, and anticipate that this is a direction not only that the market will go but that, in fact, government would encourage consumers to go. We talk about alternative energy, but I think that we really do need to be much more aggressive on alternatives to fossil fuels. Until such time as we can perfect electric cars or hydrogen technology so that it's easy and affordable, I think that the next best thing for us is biofuels.

The minister mentioned early on that there were some tax incentives here for ethanol production. Can some of that be translated into the retail end of it? Is that a way that we can encourage more retail distribution? Is that tax applicable at that stage? Is that an opportunity that retail distributors of biofuel could actually see as a way to take advantage and have more incentive to put retail outlets in?

Hon. R. Neufeld: To the member: some good points. I can agree with pretty well all the points that the member brings forward, because I think that these are things we have to look to in the future for all of us, and especially for our children.

[1600]

When I said that there is no road tax or fuel tax on ethanol and biodiesel, that's actually a way of encouraging the industry to say: "Hey, you know what? I could have a new product on line called biodiesel or ethanol-blended fuel, and it could be 10-percent blended." It actually makes a difference at the pumps, because you're not charging that 14 cents a litre for gasoline — for taxes, not for the products but for the taxes.

That's a way. I'm sure the industry is thinking about that. I'm sure that's how Husky has done a lot of work across Canada and in British Columbia. Husky does have ethanol-blended fuel. That's because they have a refinery in Prince George, and they splash it in Prince George. I'm not sure how they do it in other areas. They may purchase their fuel from some other refiner across the border. They may mix it at the service station or maybe when they load the truck. I'm not exactly sure.

Some good points that the member brings forward. I commit to her that we'll continue to work forward on these kinds of issues — hydrogen fuel, biodiesel and ethanol, all those kinds of things that can start reducing our reliance on fossil fuels.

G. Robertson: While we're on the topic of biofuels or carriers, I'd just like to address hydrogen and what the ministry's current activities are supporting hydrogen. Can the minister just summarize the current support in terms of dollars and FTEs, staff people, that are working on hydrogen?

Hon. R. Neufeld: The industry received from my ministry a \$2 million grant in March of 2005 — to Fuel Cells Canada to jump-start the critical elements of this strategy. We have one designated person in the alternative energy branch that works full-time with hydrogen, although there are a number of people who work in that branch who at different times may actually work on hydrogen. More than \$110 million in investment activity in hydrogen and fuel cells in British Columbia has been announced since the award of the provincial grant — the \$2 million that I referred to — including more than \$30 million from the federal government.

I also want to say that the ministry invested in the five Ford Focus cars that are prototypes that are working in Vancouver and Victoria. I just can't remember the dollar amount that that was, but I'm sure the staff will get that for me. It's \$300,000 in that program.

B.C. Hydro has five full-time employees. They've spent about \$1.5 million a year and have actually, through working with the federal government in partnering, secured about \$39 million. So Hydro has spent about \$6½ million over the last number of years on the development of hydrogen.

[1605]

G. Robertson: A question on the source of the energy for the hydrogen. Does the ministry have a policy in terms of the source of energy used to generate the hydrogen that will be used in government-supported initiatives?

Hon. R. Neufeld: No. I think B.C. Hydro uses natural gas as a feedstock.

G. Robertson: It's a little ironic seeing a commitment to grow the hydrogen in this industry and to support a new fuel that no doubt has great promise in terms of eliminating greenhouse gas emissions, certainly from the transportation infrastructure. However, if that hydrogen is generated from natural gas as it now is, the math is not favourable. The greenhouse gas emissions continue. We're just switching fuels and, in fact, losing efficiency in the process.

Is there any discussion right now about ensuring that it's clean hydrogen — ensuring that the hydrogen that is generated to support the government initiatives around hydrogen fuel are, in fact, greenhouse gas-free?

Hon. R. Neufeld: I'm sure — and you and I have had this discussion before, in fact a year ago, last year — natural gas is the cleanest-burning fuel that we know of today that's in abundance to do many things for us. As far as I know, we will continue to use natural gas as a feedstock until something else comes along

that is better — that we can actually do affordably and have enough of to do it.

I know what the member says about using natural gas to make hydrogen, but at the end of the day, there are also things coming forward in sequestration of CO₂, where it can actually be re-injected into the earth. At some point in time I'm sure that's going to be something that we're going to have to do also.

G. Robertson: I agree there are very promising technologies with sequestration; unfortunately, they are earlier in development, as is much of the renewable energy industry, so counting on that as our answer to reduce or eliminate greenhouse gas emissions is.... It's a little early in the game to do that. However, we do have — as the minister stated repeatedly — a fantastic greenhouse-gas-emission-free energy system here in B.C. Through our hydroelectric power, potential is there, one would assume, to generate the hydrogen from the existing sources, which are 90-percent clean.

I'm curious why — if there's a commitment to hydrogen in terms of a concept and in terms of the necessity to shift our transportation emissions to fuels like hydrogen and eliminate greenhouse gas emissions — there isn't a comparable commitment to generate that hydrogen from clean sources that we already have in play right now, rather than regressing to burning fossil fuels in order to generate that hydrogen. It seems like there's a double standard here between committing to a clean technology that's emerging right now but not committing to using clean power to generate that technology.

Hon. R. Neufeld: Interesting observation from the member. Yesterday the member stood here and said that I want everyone to know and I want to put on record that we agree with the development of natural gas across the province. We fully support the development of natural gas across the province. The critic felt the need to actually reinforce that yesterday, a couple of times — and in fact again this morning — and now we see the member for Vancouver-Fairview saying we shouldn't be using natural gas.

Yesterday we went through a long debate with the member for Vancouver-Fairview about royalty rates and that we weren't getting enough for the product. Today the opposition critic was telling us that we should reduce the royalty rates for large oil companies to encourage more drilling. I find it interesting to listen to the discussion, and I'm fascinated by it. I appreciate the member's talking about using other fuels to create hydrogen.

[1610]

Let me put it this way. We now import 12 percent of our electricity. Yes, I said yesterday that we have a wonderful system. Over 90 percent of electricity generated is from clean sources. I'll go through it again. I did yesterday a number of times. We're proud of it in British Columbia. In fact, we are some of the lesser greenhouse gas emitters across Canada. We have a great electrical system, but we have consumed all that elec-

tricity, and we now have to import electricity from other jurisdictions.

Now the member is saying that we should use a lot of electricity to actually create hydrogen. Well, I wonder if the member is going to tell me how we go about generating all this electricity that it will take to actually make hydrogen. As I understand, it takes a lot of electricity to make hydrogen. The cost is greater, compared to using natural gas.

Maybe the party the member represents would like to tell us what rivers they'd like to dam or where they'd like to go to generate all this electricity. I know the member will stand up and say: wind. Well, wind is part of it. But wind isn't everything. You know what? Wind has an effect on the land base. Wind has an effect on people also. There are environmental issues around the generation of electricity from wind.

It's always nice to try and talk about what we should be doing. I think what we have to do is get down to reality and start talking about what we're trying to do today. Every day we're trying to do things better. I don't care what government is in here. When it comes to these kinds of issues, I'm sure that they all try to do things a little bit better. But there comes a time when you have to make those decisions. When you're the government that has to make the decisions, some of those decisions are pretty tough.

It will be interesting, actually, when the bids come in on the next call or on the call that Hydro just made. I'm sure we'll have a good cross-section of different kinds of generation for the province to start moving away from being in a deficit position, which we've been put into because not a lot happened in ten years in the '90s. It will be interesting to see what the NDP actually favour and what they want to do and how that will affect electricity rates. Every time you build something new, it costs more money.

We want to work hard on conservation. Conservation is our number-one issue. In fact, we beefed up Power Smart when we got into office. The energy plan that we put in place in 2002 actually beefed up the Power Smart program of the province. We think that's a great way to move forward. In fact, this ministry worked on an efficiency plan for houses so that people can start having some information about how they can start building their houses so they consume a lot less energy, that being mostly electrical energy.

That's where we're moving forward to, and in the interim, for the small amount of hydrogen that's being — how shall I say? — manufactured in the province, we are using natural gas, the cleanest fuel that we actually know. It's used in a variety of products.

It's always interesting to hear people say that we shouldn't use it. But, you know, when you go to the grocery store and you buy your four litres of milk, guess what. It's in a plastic jug. That comes from natural gas. Or if you go buy juice in a little jug and it's in plastic, that's a product of natural gas. We use it in our lives all over. We'll use it as a feedstock to make hydrogen for the foreseeable future, until something else comes along that we can use so it will be cheaper.

G. Robertson: I would like to clarify and thank the minister for his comments. My concern is that my statements yesterday regarding the tax credits and incentives to the oil and gas industry are being misconstrued or twisted, and I'm being played off the other members of the opposition.

[1615]

We're committed to supporting the industries that exist here in B.C. on a level playing field. The concerns are really about: is it a level playing field? Are all of the sectors in the industries that are generating power right now or that have the potential to generate power being treated equally? The questions are really ranging from: do very profitable oil and gas companies...? How much incentive and credit do they need to fully exploit the wells, versus how much does a new, say, wind energy industry need in terms of support to get going? And how are we going to facilitate that if that's the direction that we need to go?

I think I'm not alone in terms of standing up and saying: "Yes, let's generate hydrogen using wind power." I think there was a recent B.C. Hydro survey done. My recollection of the results from that was that 94 percent of respondents in B.C. supported or strongly supported wind power. There's an unbelievable level of public support and approval for moving, in terms of our energy generation, to an alternative power so that we aren't impacting future generations in a really damaging way.

That question, then, I want to direct back to the minister again. Related to the energy plan and this subject of greenhouse gas emissions and Kyoto commitments, I'm curious if the minister is committed within his look at revising the energy plan that there is a timetable, that there are actions on greenhouse gas reductions so that the province can meet its Kyoto targets. Within the energy plan, is there a commitment to meet those targets?

Hon. R. Neufeld: Actually, on the greenhouse gas issue, there is a plan in British Columbia. It's on the website. It's been there for well over a year. It's handled by the Ministry of Environment, so I would suggest — I think his estimates are on — that you might want to question him a little bit about greenhouse gas and Kyoto standards.

I can tell you that unless the member has some insight into the federal government that I don't have, I haven't heard a firm commitment out of the present federal government about what they're going to do about greenhouse gases. We want to reduce greenhouse gases as much as we can. That's why transportation issues are part of the energy plan, as we move forward, that we'll attempt to work on.

Hydrogen is one of those. A member mentioned biodiesel. That's another one. Ethanol is another one. But I want to get the member to understand that you can't just say "energy" and relate it all to: "We can create it all with wind energy." You can create a lot of electricity with wind. But you have a hard time creating a lot of jet fuel to fly the airplanes and diesel fuel to run

the equipment with wind and electricity. There is a distinct difference, and there is a mixing of those two from a lot of different sources. They are two totally different kinds of energy. I just want to put that on the record that now....

I mean, the globe is globally powered by fossil fuels. Is it moving away from that? I believe it is. Over time, it probably will be. In fact, if you believe Dr. Geoffrey Ballard, the inventor of the fuel cell.... He said that for the next 50-plus years, maybe even longer, we'll still be relying on fossil fuels for all of our uses as we use them today. We will likely use them quite differently ten years, 20 years, 30 years, 40 years, 50 years down the road, but we will still be using them.

The idea that we just can switch, like that, to some other form of energy is a type of utopia that's actually not realistic.

[1620]

G. Robertson: Well, I certainly don't harbour any illusions that we can flip a switch in terms of our energy use or energy production. These are monumental tasks for us, to shift to fuels, to generating power and to the efficient use of power so that we are taking care of our environment, so that we are managing resources for the long term.

What it comes down to is: are we going to lead, or are we going to follow? That's the question here. With renewable energy and all the technologies associated, we see incredible leadership coming out of Europe right now. We see hundreds of thousands of jobs being created. We see not a flip of the switch, but a very, very rapid movement in terms of leadership on renewable energy. Basically, countries in Europe right now have grabbed it, and they're going to own it.

Our inability to take action on that, to make sure that our industries that are attempting to gear up and to show leadership in these arenas, are able to do that and are supported by government to do that.... Certainly, I encourage this government to do that in the same way and in an equal fashion to how they are supporting all the other energy-based industries.

Again I'll just raise this question. The minister referred the issue of greenhouse gas emissions, as related to the energy plan, to the Environment Minister. I want to be clear here that there's a direct linkage in terms of the energy plan and the ministry's commitment to building that plan on B.C.'s greenhouse gas emissions over the many years to come and fulfilling our commitments. We do have very real commitments. Unfortunately, we don't have strong, quantitative commitments here in B.C. to greenhouse gas emissions and to limiting them and reducing them.

What we have is a commitment to be third place in Canada on per-capita emissions, which is not a strong target. That said, it's a commitment. Fulfilling this commitment needs to be incorporated in the objectives of B.C.'s energy plan. If it's not built into B.C.'s energy plan, there's no way we're going to keep up with the other provinces. Provinces four and five right now are working hard at taking over third and second place

and jumping ahead of B.C. My concern is that we're slipping when other provinces are surging forward, following the lead of Europe again.

I'll ask the minister again for a commitment in developing the energy plan to tie that directly to B.C.'s commitment to maintain or improve on the commitment to be third or better in the country on per-capita greenhouse gas emissions. Will that be built into the energy plan?

Hon. R. Neufeld: Interesting comments from the member opposite, comparing us to Europe. It's always interesting to hear the opposition talk about how everybody else is doing so well, but we're terrible. It doesn't matter whether you're talking about health care or you're talking about energy or you're talking about electrical generation, you always get the negative-Nelly approach from those folks across the way.

I tend to have a lot more faith in British Columbia. Actually, I quite like living in the province because it is so clean. We have some great things going for us.

When the member talks about the Kyoto plan.... Maybe we should actually talk a little bit about the Kyoto plan hypothetically. The Kyoto plan, as I understand, is a plan where you can buy credits worldwide. In fact, the federal government will take your tax dollars and the Kyoto plan that was put forward, and they'll spend billions of dollars buying credits in other countries that have failed economies, all those kinds of things — Russia, some of those places. They'll buy those billions of dollars worth of credits and say: "Oh, by the way." The industry can buy those credits from the federal government and just continue to do what they're doing — and that's put greenhouse gas emissions in the air.

I don't know. Maybe the NDP thinks that's a good way to spend taxpayers' dollars. I think there's a better way, actually, to spend taxpayers' dollars than that. I think we should be doing that research at home. I think we should be looking at home to our own universities, to our own young people, to our own people in British Columbia — our bright, young people that can actually help us deal with these issues about greenhouse gases.

[1625]

I'd rather keep those billions of dollars in our systems at home in Canada to be able to deal with our greenhouse gas issues. What I hear is that the federal government is starting to think the same way today. They're starting to think that just spending billions of dollars overseas someplace to some nameless, faceless country out there — and just continuing to actually pollute — is the way to go. It would be interesting to find out if that's what the NDP think is the right way to do this.

I think that we should look at dealing with greenhouse gases right here in British Columbia. One way is working with clean coal. There are ways that you can use coal for generational electricity, redeposit the CO₂ deep in the earth or use it for enhanced oil recovery, and have very little emissions. I mean, there are those

things that are happening. I think it would be better if we looked at that.

I think we are leaders in Canada. I think, as I spoke yesterday, that all the electricity that B.C. Hydro has brought on-stream since 2000 has been clean, not emitting any greenhouse gases. We have the highest target in British Columbia all across Canada for providers of electricity: 50 percent must come from clean sources. I think that's great. No other province has that.

I know maybe the NDP doesn't agree that we should do those kinds of things. I'm interested to hear if they think that's a bad plan, and maybe they do. Maybe they think we shouldn't do that. Maybe they think we should use a lot more electricity for other purposes and import more electricity. I'm not exactly sure.

The one thing that maybe I'd like to put on the record too, for the members, is.... I hear about Europe a lot. I hear from members of the opposition how Europe is doing so well. Maybe we should look at reality a bit about what actually happens in Europe. I'll use Denmark, because it's used as the poster child in many cases. In their electricity production, 47 percent of their electricity is generated by coal; 10 percent by diesel fuel; 24 percent by natural gas; 3 percent by biomass gas; 3 percent by waste; 1 percent by hydro; and wind and other sources, 12 percent.

Let's look at Germany, another one that we hear all the time. I don't know; I hear it from people. Maybe I'm presuming that the member opposite is thinking about Germany also; 51 percent of their electricity is generated by coal as we speak today; 1 percent by diesel fuel; 10 percent by natural gas; 1 percent by biomass; 30 percent nuclear; 5 percent hydro; 1 percent solar; 3 percent wind.

[H. Bloy in the chair.]

Let's look at the cost of that electricity in those two jurisdictions. Denmark: 28.5 cents U.S. per kilowatt hour. That's U.S. dollars. Ours is seven cents, last I checked. Germany is 14 cents — again, U.S. dollars, compared to our seven cents. So there are some differences.

I appreciate what the member says — that they are building wind in some of those places. There is a reason why they're doing it, when you look at the amount of electricity they generate with coal in trying to reduce their greenhouse gas emissions. When you look at how almost 50 percent in both of those jurisdictions is generated by coal, and when you add up the other — the gas in Denmark — I mean, 47, 57, almost 80 percent is from fossil fuel generation of electricity.

Yes, I understand why they're putting up lots of wind generation and other sources of electricity, but I'd like to remind the member that there's a cost to that. There's a reason why they're doing it.

G. Robertson: Question to the minister: a provincial task force on alternative energy was recently struck. When is it expected to report?

[1630]

Hon. R. Neufeld: There has been. It's not a government-led report. If the member is referring to the alternative energy report done by Mossadiq Umedaly, I understand that it has been deposited with government, and we will be using that to help us in the energy plan.

G. Robertson: Is it safe to assume, then, that the public will not see that report directly — that it will not be released to the public, but it'll be buried within the energy plan? Or is it going to be released to the public?

Hon. R. Neufeld: That decision hasn't been made. It's to help inform government on how we deal with alternative energies, moving forward, not just with the energy plan but with a host of other things.

G. Robertson: I think it would be.... The action taken to strike a task force on alternative energy is laudable, and I think it was an excellent lineup in terms of the members put on that task force. The work that they've done, I'm sure, is worthy of sharing with the public. So I will encourage, on behalf of my colleagues and myself, that the results of that task force's work and the report do get released to the public so that we're able to all be more informed as we bring forward our comments on the energy plan with the minister.

I have some questions specifically on wind. I want to pick up again on the minister's comments comparing B.C. to Europe in terms of wind technology and wind generation. A company called Sea Breeze — I'm sure the minister knows this — has approval to build a 450-megawatt wind farm but has not managed to reach an agreement yet with B.C. Hydro, as far as I know, to buy the power. Instead, the company last month applied to the National Energy Board for permission to build a 550-megawatt undersea power cable from Victoria across the Strait of Juan de Fuca to Port Angeles so they can sell the power to the U.S. market.

The question I have here is about whether we're doing enough to encourage these alternative energy producers to set up shop here in B.C., to supply their power here in B.C. Can we help them set up shop to sell into the grid in the States? How can we facilitate these new industries to grow and flourish here?

Hon. R. Neufeld: Actually, yesterday and, I think, earlier today — or maybe it was yesterday — we talked about the tax incentives that we put in place in the province for the wind energy producers.

I've also stated that since the year 2000 B.C. Hydro has been able to purchase all their energy clean. I think we should be proud of that. There was one project that was in there that didn't quite make it. They tried awfully hard but for commercial reasons couldn't build the project.

We have looked at wind energy and reducing sales tax on towers and the generators. There's no royalty for the wind for ten years, to give them royalty-free.... Run of the rivers have much the same. They have a reduced

water rental rate, a reduced — in fact, eliminated — sales tax on their penstocks. So I know the province has done an awful lot to encourage the alternative energy, all kinds of it, in the province.

I am aware of Sea Breeze, and I'm aware of some of the things they talk about. Sea Breeze has bid into the last call for B.C. Hydro, which was just put out last November — 2,500 gigawatt hours, and I'm hopeful that they'll come out with a contract with B.C. Hydro for the purchase of wind energy.

[1635]

G. Robertson: Well, the record speaks for itself. Although, we do have some incentives or tax credits in play for the wind industry, which are much needed. Unfortunately, we don't have any yet; we have no power generated by wind at this time in the province. Alberta, Manitoba, Quebec, New Brunswick and P.E.I. are all well ahead of us in terms of developing wind power.

The first of our projects, Seabreeze Power Corp.'s project on northern Vancouver Island and the Nai Kun wind farm up on Haida Gwaii.... They're in the works. It's not a record to be proud of. Although we have those incentives or tax credits in play, we've got a long way to go to get these producers on line and actually contributing in a meaningful way.

My question, shifting over to another form of alternative energy, is on tidal energy. Certainly those of us who have spent some years plying the waters along the coast of B.C. understand the amount of energy that surges through, back and forth, each day with the tides. The United Kingdom is blessed with the same resource, and it's been pouring millions of pounds into developing tidal energy in recognition of its value as an emerging technology. How much money are we currently spending on tidal energy research and on moving that industry forward here in B.C.?

Hon. R. Neufeld: Actually, we have been working with a tidal project in the province of British Columbia. It was announced last year. We have granted \$190,000 to Pearson College to work with EnCana Corp., which contributed \$3 million, and another company that actually put forward the prototype to test how tidal power will work just off Race Rocks. I think that's very good.

I want to go back a little bit to what the member said about wind power. I guess I can understand from him that if we add some wind towers, he'd be happy. You know, there have been numerous bids put out by B.C. Hydro for all types of energy. The energy that they have been able to get on behalf of all British Columbians — that's you and that's me — at the lowest cost, unfortunately, hasn't been wind.

If the member is saying that we should pay a lot more for different sources, I'm interested to know that. But I'm also interested to know why you have some adverse dislike for other clean sources of electricity, because you don't speak of them. I mean, tidal energy is in its infancy. When you look at British Columbia and the opportunities we have to generate all kinds of sources of electricity, sometimes we get fixated on one.

I'm not saying that it shouldn't be part of the makeup of our electricity generation. It should be.

You know what? I want to remind the members a little bit about what took place in the ten years that they were here. Was there a wind project? No. Did they ask for a wind project? No. Did they say they would pay more for wind? No. No to everything. All of a sudden today they got religion on wind...

Interjection.

The Chair: Member.

Hon. R. Neufeld: ...including the member for Yale-Lillooet. He was a member of that government in the '90s. Not once did they come forward with an actual call for just wind. Yet all of a sudden, in the last little while, it seems to be that all we want to do is have wind.

I think what we need to do for the people in the province is continue to get as much energy as we possibly can from clean sources. I might add that B.C. Hydro is doing a good job of doing that and keeping our rates as low as we possibly can. If that's not acceptable to the opposition, to the NDP, I'd like them to say that.

[1640]

G. Robertson: I have a few questions specifically on IPPs. I'm curious as to how many IPPs have a prepurchase agreement with B.C. Hydro at this time.

Interjection.

G. Robertson: I'll try again here. How many IPPs have prepurchase agreements with B.C. Hydro at this time?

Hon. R. Neufeld: It's 58 contracts; 38 are on line, and 20 are in different stages of construction.

G. Robertson: How much energy do the existing prepurchase agreements provide?

Hon. R. Neufeld: Some 8,700 gigawatt hours.

G. Robertson: What is the cost to the public of these agreements?

Hon. R. Neufeld: Again, we're getting into Hydro questions, and I think the official opposition critic said we'd leave those for another day. I'll try to answer as many of those questions as I can with the people I have here.

Most of those contracts will be at, on average, somewhere around 5½ cents.

G. Robertson: Could the minister explain the current situation with regard to the ministry's efforts to get the Squamish regional district on board with the run-of-the-river project on the Ashlu River?

Hon. R. Neufeld: As I understand, Ledcor has an application that is before the regional district, the

SLRD, for rezoning. We'll see what happens. Actually, that project has been around for a long time. In fact, it goes back probably ten or 15 years.

G. Robertson: Is the ministry involved in any way in working with the Squamish regional district to facilitate that project coming on line?

Hon. R. Neufeld: The ministry actually has had discussions with the SLRD to talk to them about issues around that project, yes.

G. Robertson: At what stage is the IPP project at Christina Lake?

Hon. R. Neufeld: The status is that the project is in the EA process. They don't have a contract with B.C. Hydro.

C. Evans: I just would like to continue on the point of the project at Christina Lake for half a second. It is my impression — and I've been there and looked at it — that if this project goes ahead, it may damage the opportunity for other IPPs to proceed. It is going to perhaps consume, and at least interfere with, the local swimming hole right alongside the road and acts as somewhat of an insult to the local population.

[1645]

I wonder whether or not the adjudication process by which the ministry considers these projects includes some consideration of the opinion of the chamber of commerce, the local municipality and the regional district. What weight would be given to the opinion of those local organizations?

Hon. R. Neufeld: I'm going to be brief here. I'm a signatory at the end of the EA process, so I'm going to be very careful about what I say. The EA process is a process that is in place in the province of British Columbia. I think everybody agrees that it's a good process. I'm sure they will take into consideration all the information that's given to them in regards to any issue that they're dealing with across the province.

C. Evans: I appreciate the minister's brevity. I have no question relating to whether or not the project will succeed or fail. My question, repeated, is: is there a matrix, a weighting procedure, that I can understand that tells me what percentage of the judgment is given to community opinion?

Hon. R. Neufeld: The process is ongoing with the environmental assessment office. To my knowledge, they have meetings where they encourage all that input into that process and would consider it, I'm sure.

G. Robertson: One last question that I have is, again, back to the energy plan that the minister and I were discussing earlier. Are there plans to include provisions, such as are seen in Ontario, where B.C. Hydro or some agency will be required to buy electricity from

homeowners, from businesses, any individual or organization who installs green power generating capacity, such as solar or wind? Is that envisioned within the energy plan?

Hon. R. Neufeld: The energy plan that was released in November of 2002 challenged Hydro to do that. It's called net metering. Actually, it's in place. Is it fully in place yet? I'm not sure, but I believe that for the commercial operations, it is. And it is in place under residential too. So we are moving forward with that.

We want to continue to enhance that, because I think it's a great program to have in place, where people, if they want to generate electricity and have some excess, whether it's through solar panels or however they want to do it, can actually sell it back into the system. There's a reckoning with the Crown, whether it's Hydro or Fortis or whoever the provider of the electricity is across the province. I think that's an innovative thing that took place as long ago as November of 2002.

G. Robertson: I'm curious if, in the revision that's taking place right now, the cap that is currently.... I understand there's a cap on the amount of electricity that, through net metering, can be sold back into the grid. Is there a potential for that cap being raised so that people with bigger installations are able to add their power to the grid?

Hon. R. Neufeld: Certainly, we'll be reviewing that to see how we can make it better. In response to that, it triggered my memory about what else was in the 2002 energy plan as it relates to natural gas, to domestic consumers. We asked in the energy plan for the Utilities Commission to look at processes of how other companies could start selling gas into the system, so you didn't have to be a Terasen or you didn't have to be a PNG to actually service communities.

[1650]

You could actually start your own company, buy your gas and sell it through the pipes. Obviously, there's a cost for the pipes. The companies are guaranteed a rate of return on their capital costs, but I think that also starts to increase the competition in what we have for natural gas. Large consumers have been able to do that for a long time — buy directly from large forest companies, as an example — but it was never available to the average residential consumer.

C. Evans: Just for the interest of the staff, we have a little bit more on alternative energy and Kyoto, and then we're going to shift to CPC for the remaining part of the talk.

H. Lali: I hope you'll bear with me. I've got the flu, so I can't raise my voice too much.

Minister, I hope you can hear me. I can't hear myself speaking.

I just want to go back to the exchange that took place a little while ago. I heard the minister complaining that the NDP never raised any of these issues in

terms of clean energy and alternate sources of energy when we were in office. You know, if I go back, the hon. member was a member of the Social Credit Party, and there actually wasn't even a thing on their radar.

Obviously, as the need arose in the 1990s — and of course, in the '80s — for clean air, clean technologies, clean energy, it was the NDP, in connection with the federal government, that started looking at the Kyoto accord in seriousness. We're very happy that the Kyoto accord was passed by the federal Liberal party. Obviously, times change, and you've got to change with them. Trying to put some of these issues on the table and having the minister push back and complain.... Well, forward-thinking is not something that the minister should be balking at.

I heard the minister talk about carbon credits a little earlier. Quite frankly, I don't think the minister has any clue what he was talking about when it comes to carbon credit. I know the staff sitting beside him know what they're talking about. I'm sure they try to explain to the minister, but from the exchange that I heard, I don't think the minister has any clue how....

The Chair: Member, member. I would like you to ask a question. Make your statement, but do not make a personal attack on the minister.

H. Lali: Continuing on, I'm just going to explain how the carbon credit system works to get it on the record. The minister said that companies can just go out and buy, and if that's a good thing or not.... You can go out and buy carbon credits from other companies or other countries and not do anything here.

The whole idea behind the Kyoto accord when countries signed on was to make sure that not only do we clean our own house, but we help other countries along to clean house as well, because we also share the same land, the same water and the same air. We all have to drink the same water. We all have to breathe the same air. So whether India is polluting or China or Canada, somewhere along the line with the way the winds work, we're all going to be affected as a result of that. That's why the whole idea is to make sure that the greenhouse gases are brought down. Canada, as a signatory, has said that we're going to bring it below 6 percent from the 1990 level.

How the carbon credits work, for the information of the minister, is that if you have a company here in British Columbia which is in the business of developing clean power and clean technologies, yes, you can get carbon credits in accordance with the Kyoto accord by doing things here in British Columbia. But because we're all one world, that same company can go to a place like India or China or the United States — these three countries are the biggest polluters in the world right now — to help those countries develop industry there and supply our clean technology to those countries. So as a result of doing that, you gain carbon credits.

[1655]

Who buys the carbon credits? You have investment companies. You have, for the information of the minis-

ter, international banks like Rabobank International who, because they want to invest and want to be able to fund those multimillion dollar projects — those clean projects in a country like India or wherever — because they want their business, they are willing to actually buy those carbon credits from the company that is selling the machinery, and that company happens to be located in British Columbia. That's how the trading of the carbon credits takes place.

So I just want to ask the minister: does the minister now agree, now that he should clearly understand how carbon credits work, that the Kyoto accord is a good thing, and that the trading of carbon credits is also a good thing for the advancement of clean power generation right here in British Columbia?

Hon. R. Neufeld: Well, I appreciate the little lesson from the member opposite on Kyoto credits and how they work. I appreciate that. We have a different viewpoint on it. I'm not going to stand here and argue it. I mean, if you want to talk to the minister responsible, I suggest you go over to the big House and talk to the Minister of Environment.

But going back to the Social Credit days.... It's interesting how he says that Social Credit didn't have anything to do with clean energy. My goodness. How short the memory is — or none, for memory. I mean, the dams that we have.... Ninety percent of our electricity comes from clean sources. All that was built. The last dam was put in place in, I believe, 1985. That's when the Socreds were here. You should think about that before you say those kinds of things, member. I think it would bode you well.

If you want to go into the 1990s and look at it, you should look at it seriously. You know, you talk about how that was the only time clean air came to be an issue in the generation of electricity. Well, tell me why you were authors of so many gas-fired plants in the province in the '90s. I don't know. I can't figure that out.

When you mention India.... It's an interesting place for you to mention, because it was the NDP government, part of what you were part of.... I should say, "Through the chair," and not point the finger, but it was actually the NDP government that instructed B.C. Hydro to build a gas-fired plant in India. That's all about clean air and clean energy — isn't it?

We can talk about all those things as much as we want. I'm not saying that what the NDP did during the ten years was all wrong, because they did build some clean energy. There's no doubt about it. But to stand here and say that the Socreds never built any, that it was only under their tenure that anything happened, giving no credit to what's taken place since 2000.... On the 8,700 gigawatt hours that we just put forward.... I mean, that's almost twice as much as what a Site C puts out.

It's interesting to listen to some of the arguments moving forward. If the official opposition critic wants to talk about Kyoto, or his members want to talk about Kyoto, they should actually go next door to the other House and talk to the Minister of Environment.

H. Lali: The minister obviously didn't answer my question. The discussion here is about alternate energy sources. He is the minister responsible for energy. It is his purview. The obvious reason, I think, he isn't answering the question is because I don't think he fully understands.

He brought up — not the member opposite, but the hon. minister — the issue about the carbon credits. He put it on the table. Now he's telling me to go to the next room and go talk to the minister responsible for hydro, when he is the minister responsible for energy, and we're talking about alternate energy sources. He knows he can talk about the Social Credit; I'm talking about alternate energy sources. We're not talking about B.C. Hydro or electrical generation from hydro or the fossil fuel-based energies. It's alternate energy sources. It is also known as non-conventional energy sources. I think the minister should know that.

Again, my question to the minister was on carbon credits. He brought up the issue. Does he or does he not think that the Kyoto accord, which he talked about, and the trading of carbon credits, which he talked about, are important things, are very, very important in terms of actually advancing the creation of technologies that are alternate energy sources or non-conventional energy sources that clean our air, our water and also our land?

[1700]

That's the question that's before the minister. It's a part of his ministry, unless the minister doesn't understand that. That's the question. It's a part of his ministry. He should answer it, hon. Chair, because it is definitely a part of his portfolio.

Hon. R. Neufeld: To the member: I know he just arrived in the House. Actually, the member for Vancouver-Fairview had talked about Kyoto and its application in British Columbia. I responded to the member for Vancouver-Fairview about what I thought we should do with money for credits in the province or in Canada.

I think, actually, instead of.... I mean, we're hypothetically different, obviously — totally different — on a whole bunch of things. That's for sure. You know, I'm from the school that thinks that we have bright people in British Columbia, that we have universities that are capable of actually creating brighter people yet in the province. I think we have youngsters in British Columbia that can help all of us deal with greenhouse gas issues and deal with all the issues. It's not just greenhouse gas.

What I was saying.... I guess the member is totally, diabolically opposed to actually using that knowledge that we have in British Columbia and developing that knowledge in British Columbia and Canada. The member says that I said something about going over next door; you should. You should go talk to the Ministry of Environment if you want to talk about the Kyoto accord in depth. You should go do that.

The member also said that B.C. Hydro was the Minister of Environment's responsibility. Actually, B.C. Hydro is this minister's responsibility. We're very proud....

H. Lali: Answer the question. Answer the question.

Hon. R. Neufeld: I've answered the question for you, member.

H. Lali: You don't have a clue.

The Chair: Could everyone come through the Chair and show respect for all members of the House. Thank you.

Hon. R. Neufeld: To the member: I'm proud of the fact.... I mean, I know the NDP is not proud of the fact, but I actually am proud of the fact that B.C. Hydro has been able to generate all of its electricity from the year 2000 forward as clean electricity. The NDP may not like that, and I'm glad they're on the record as saying that they don't like that. I'm glad that they're saying those kinds of things, but I think we're doing a great job in the province. The Crown, B.C. Hydro and Fortis are doing a great job for us in actually generating clean, green electricity in British Columbia, and we'll continue to work towards doing that.

C. Evans: Thank you to the member and the minister for the interesting dialogue. I'd like to ask a couple questions about Columbia Power Corp., and maybe we could shift staff at this time.

We're shifting the estimates of the Ministry of Energy to the Columbia Power Corp. I want to start with some questions about the project in Castlegar, the power plant alongside the Keenleyside Dam. So my first question for the minister is: was the project in Castlegar finished on time and on budget?

[1705]

Hon. R. Neufeld: To the member: I'll just introduce Ed Pietraszek, from Columbia Power Corp., and Randy Smith. So I'll.... Just give me a minute.

Yes, it was on time and on budget.

C. Evans: What year was it finished?

Hon. R. Neufeld: In 2002.

C. Evans: Was there a bonus that accrued to the Crown for early completion of the project?

Hon. R. Neufeld: As I'm told, the bonus was to the contractor.

C. Evans: Was there an award given for the project in Castlegar?

Hon. R. Neufeld: A Blue Planet Award and a consulting engineers award.

C. Evans: Since that time there has been some problem with the intake, which will require some repairs. Will those repairs cost Columbia Power money, and if so, how much?

Hon. R. Neufeld: As I understand, the responsibility for the repairs has not yet been determined and will be done once the repairs are completed.

C. Evans: Is that a determination by the courts?

Hon. R. Neufeld: It could be.

C. Evans: Is there a net benefit that has yet accrued to the Crown — an annual infusion of money from the Castlegar project?

Hon. R. Neufeld: I believe this is the answer, but if I'm wrong, you can ask me again. The gentleman tells me that there have been profits since it started generating in 2002 — if that answers the question.

C. Evans: That is the answer to the question, but if it's possible, I'd like a ballpark figure. I think that the project does make money for the Crown on an annual basis, and I just wonder what that amount tends to be.

Hon. R. Neufeld: They're digging out that information.

C. Evans: Thanks.

I'll move on to another question. I have a briefing note here that says — and I don't know if this is true; so that's my question — that the Auditor General has stated that Columbia Power Corp. last year produced the best annual report of any Crown corporation for a joint-venture project. Is that true?

Hon. R. Neufeld: One of the best.

C. Evans: I was in Castlegar with some representatives of Seattle City Light who were asking if it was possible to purchase power from Columbia Power as green energy and pay a dividend for it under some requirement in their territory that a certain amount of their energy be green or environmentally benign.

[1710]

My question is: has Columbia Power managed to make any power sales in which the Castlegar project received a premium on the value of electricity because of the environmental standards?

Hon. R. Neufeld: As I understand, all the power has been sold to B.C. Hydro.

C. Evans: Ergo, I would guess that there is no premium based on the environmental standard from B.C. Hydro. Is that correct?

Hon. R. Neufeld: Not under that contract.

C. Evans: Historically, over the course of the last few years, there's tended to be sort of a rancorous disconnect between the interests of the Columbia Basin Trust and the Columbia Power Corporation. I know this calls for a subjective opinion of the minister, but

my question would be: is that era over and a more amenable partnership developing?

Hon. R. Neufeld: Yes, as I understand, there have been some good relationships with the trust. I think everybody is working together well.

In answer to the question about how many dollars, I'm told that the profits to the province are approximately \$6.5 million annually for Arrow Lakes.

C. Evans: We've established that the province is now making \$6.5 million on the first of three projects. So we'll move to the idea of the second project. It's my understanding that the Columbia Power Corporation purchased the Brilliant Dam. Can the minister explain to us who owns the Brilliant Dam?

Hon. R. Neufeld: The dam is owned by the Brilliant Power Corporation, which is owned jointly, 50 percent by the trust and 50 percent by Columbia Power Corporation.

C. Evans: There's a construction project going on there. I think it's called the Brilliant upgrade. Can the minister tell us whether this project is proceeding on time?

Hon. R. Neufeld: I'm informed that the Brilliant expansion, which was to be completed in August of '06, will not be completed until May of '07.

C. Evans: That's missing by some six months. Is the project going to be over budget?

Hon. R. Neufeld: Actually, the delay will be, I believe, about ten months. I'm informed that it's on budget at the present time, but because of the delay they're not sure how it will come out at the end.

C. Evans: Has the power that will be produced by the Brilliant project been sold?

Hon. R. Neufeld: Forty percent to B.C. Hydro, and the balance has not been sold yet.

C. Evans: Is there an estimated value that will accrue to the Crown when the project is complete and 100 percent of the power is sold?

[1715]

Hon. R. Neufeld: They'll do some hypothetical work in trying to figure out what that would be. I would assume and hope there would be a profit to the Crown and a profit for Columbia Basin Trust at the end of the project.

C. Evans: We'll get that onto the record when staff come up with the number.

Now I want to back up a little bit and talk about the original vision with which these projects began, because there's a third project left to go. When the Co-

lumbia Basin Trust and Columbia Power Corp. began, there were three projects — one next to the Keenleyside Dam in Castlegar, one at Brilliant next to Castlegar and one at Waneta near Trail.

There was a discussion in the region of the construction of these three dams, and the region — both municipally and also the construction workers themselves — rejected the notion of building all three projects at the front end because of the boom-and-bust cycle that we had experienced when the Duncan Dam and the Keenleyside Dam and later Revelstoke were all crammed together. The Kootenays experienced a boom in construction and then a decrease in jobs following.

It was decided after considerable planning that the jobs would be spread out over an entire decade so that the workforce could build first Keenleyside and then Brilliant and then Waneta, and there would essentially be ten years of good work for a couple of hundred construction workers.

When Brilliant concludes, it is my hope that we will proceed to Waneta. My next question is: is it the expectation of the minister that the Waneta dam...? No, I think the more correct question is: has the minister received an application to construct the Waneta dam?

Hon. R. Neufeld: The environmental assessment application was filed March 31, just a few days ago, for the Waneta plant.

C. Evans: I understand that the minister cannot comment on the success or failure of the environmental assessment application. However, should it pass the environmental assessment, is it the opinion of the minister that this project, too, would make money for the Crown and should proceed?

Hon. R. Neufeld: I'm told that once the fixed-build contract costs come through, those determinations could be made. That would be after the environmental assessment process.

C. Evans: Is the Waneta project intended to be built on the design-build model of the Keenleyside project, or does Columbia Power intend to be their own contractor and own designer?

Hon. R. Neufeld: They're anticipating a design-build contract model, same as Keenleyside.

The question that the member had about the Brilliant expansion: I'm told it's \$2.1 million annually to the province, and the other 50 percent to the Columbia Basin Trust.

C. Evans: It's my understanding now that Brilliant will be finished by next May. Whether it's on budget or over budget, we can't determine until that time. But once it's finished, it will pay \$2.1 million to the Crown. Is there a ballpark guess, should the Waneta project go forward and be constructed, of what the Crown would accrue on an annual basis?

[1720]

Hon. R. Neufeld: Again, they can do some hypothetical numbers, but until, I guess, you find out what the contract costs are, what the amortization of it is and what the electricity prices are, you're kind of looking at a crystal ball trying to figure all that out for a ways out. But once they finish the environmental assessment process, then they'll start in that other part of it that we talked about here a while ago.

The member is well aware that it's a way bigger project than the last one by actually quite a bit — another 300 megawatts about. It's a fair-sized project. In fact, I would say that if it's not going to make money, the chances are it's probably not going to go ahead. I would think anyone would deal with it that way. So it would be built on the pretext that it's going to actually return investment to the basin and the province.

C. Evans: The Waneta project has had to do extensive work to deal with the question of sturgeon in the region of the project. Is the minister of the opinion that the project will be benign — neutral — in its effect on the sturgeon population?

Hon. R. Neufeld: I'm getting dangerously close here because of the EA process, so I'm going to say that what I'm told is that the corporation has reviewed it and says it won't hurt the sturgeon stock.

C. Evans: That's great. It's in the environmental review. We think it's relatively benign. It won't get built unless it makes money. It's considerably bigger than the projects that are already there, and they make a profit, an annual profit, for the Crown already.

It feels to me like we're on the border of the possibility of another great partnership between a Crown corporation and a regional trust in a project that is not a grant or a handout from the Crown but a partnership.

My next question for the minister is: how many people work for Columbia Power Corp.? How many of those jobs are in Victoria, and how many of them are in the region?

Hon. R. Neufeld: I'm told 45 in total; 16 of those are in Victoria, and 29 of those are in Castlegar.

C. Evans: That's a great mix. Wouldn't it be neat if that relationship — about one-third here and two-thirds in the regions — was a model for ministries, Crown corporations and agencies of the Crown? I just think the minister should be congratulated for managing to assure the wealth generation to the Crown that Victoria needs to run the province and, at the same time, for putting human beings in good jobs in the region that generates the wealth.

[1725]

I wonder now that if the Auditor General says it's the way to go and if we prove that it makes money for the Crown, if it would be possible for the minister to recommend in energy projects of the future that there might be considered a regional component of owner-

ship on the Columbia Basin Trust-Columbia Power Corp. model?

Hon. R. Neufeld: That's purely hypothetical. I'm not going to comment on that. I'm not saying that the process that has taken place in the Columbia basin with that arrangement hasn't been good. I think it has been good. But to just arbitrarily say: "Yeah, we'll take that out to other places...." I couldn't commit to that. I wouldn't want to commit to that. But I want the member to understand that when I say that, that doesn't mean that I disagree with what took place.

C. Evans: I would like to move into a relatively hypothetical, future-based mode, and I understand that that's difficult for the minister. He can tell me if my questions are out of line. But thus far, the Columbia Basin Trust represents a region that extends from Golden to Alberta and west almost to the Okanagan, just shy of Grand Forks. All of the projects that we've been discussing here in estimates are located within a 50-mile area.

It might be a good idea in terms of buy-in if projects took place in the north end of the region or in the eastern trench. My question is: is Columbia Power Corp. considering in its planning opportunities for power generation from any source in other regions of its territory than the Trail and Castlegar area?

Hon. R. Neufeld: I am informed that the Columbia Power Corp. has done a small project in Revelstoke and also worked on a co-gen with the pulp mill in Skookumchuck.

C. Evans: That's right. I should have read those things into the record, and I did know about those things. Those have happened in the past. What I'm wondering is.... We've been canvassing now for two days the idea that there might be wind, there might be geothermal.... There are hot springs all over the region. There are various IPPs being proposed here and there. There's excellent fall in the creeks and rivers in the Kootenays that might generate projects.

Is Columbia Power Corp. considering further investment in other parts of the region after Waneta?

Hon. R. Neufeld: A bit of this is future policy, but I would assume that Columbia Power Corp. would look at other projects in the area and generate more electricity. Obviously, in British Columbia we need some more. So we have to look at those on an individual basis. But hypothetically, yeah, we would.

C. Evans: Good. Great. At what point in the Waneta project does Columbia Power Corp. desire to sell the power? My question is not future-based. It is my understanding that it is sometimes easier to build a project if you presell the power. Is Columbia Power Corp. attempting to presell the production at Waneta?

Hon. R. Neufeld: I'm informed that they will attempt to presell the electricity. They're looking at....

Fortis is obviously going to need more electricity as that part of their service area is growing. Also, they're looking at the call in 2007 that B.C. Hydro is anticipating on putting out — the 5,000-gigawatt-hour one that I talked about.

[1730]

C. Evans: Mining and smelting in the Kootenays is really dependent on available, large amounts of power at an affordable price. Is there any possibility that Cominco might be a buyer of Waneta power?

Hon. R. Neufeld: I'm informed from the Crown that Cominco doesn't need it, that they have sufficient electricity. That doesn't mean if something else happens — I guess, some more plants may be built by Teck — that they may consume more, but at the present time they have sufficient of their own.

C. Evans: Waneta and Brilliant and Keenleyside all produce power without flooding any new land — actually, Brilliant and Keenleyside do. Will Waneta require the flooding of any additional territory?

Hon. R. Neufeld: No.

C. Evans: Is there any place that you can sell power in British Columbia or in the western United States where there is a premium paid on the value of the power if it's produced without flooding land or burning hydrocarbons?

Hon. R. Neufeld: The member spoke earlier about Seattle City Light. There are places that will pay a premium for green electricity. There's no doubt about that. In fact, B.C. Hydro is looking at that in their calls for electricity so that companies can bid in and either leave the green credit with Hydro or keep the green credit and do with it what they want to. So there are some options there for people that want to bid into the process.

If they were to sell it — let's say Waneta, for instance — into the U.S., they'd have to arrange for some transmission of some sort to get it into the U.S. All those are, I think, discussions that Columbia Power Corp. will have amongst themselves to maximize in the best available way the production of electricity from that site if, in fact, it happens.

C. Evans: Good. All the projects thus far, in my whole lifetime on the Columbia and both Waneta and Keenleyside, have been built under the terms of the Allied Hydro agreement and the local-hire provision. Is that the expectation at Waneta?

Hon. R. Neufeld: The corporation tells me that yes, it is.

C. Evans: The news is getting better and better. These are the best estimates I've ever participated in. It sounds like it's a go to me.

Interjections.

C. Evans: You guys are making me lose my train of thought, and we're going to lose the end of the deal here.

So if the environmental assessment is a go, when is it Columbia Power's desire to start the Waneta project?

Hon. R. Neufeld: These numbers aren't absolute, because one doesn't know how long an environmental assessment process is going to take, so you try to guess the best possible date you can. Sometime in 2008 is a possibility, but I don't want to mislead the member by saying it's going to be right at the first of 2008. It all depends on a whole bunch of other things and, also, starting to look at construction costs and what they will actually be at the time, what the markets are — all those kinds of things.

C. Evans: It's my understanding that construction costs, we heard in the House, were going up. No, I think we heard at a meeting with engineers that they were going up 1 percent per month.

[1735]

Is Columbia Power Corp. building in an expectation of the rising construction costs in their planning? And do they expect that the value of the power will also increase, therefore making it as likely in 2008 as it is today that it could be built at an affordable price?

Hon. R. Neufeld: They are taking into account the average cost increases that we're experiencing in British Columbia for construction and what the engineers tell them. Guessing about the hydro rates in 2008 is, you know, not that easy to do. Who knows? They may be higher; they could be lower.

Since I got this job, there are two things that I know of that are highly volatile. One is the price of electricity in the market, and the other is the price of natural gas in the market. They're highly volatile. In fact, I think the member will agree with me that even somewhere in the late '90s it started getting pretty volatile, depending on what was happening south of the border and those kinds of things.

All things being equal, it makes money. I assume that the corporation will do all the due diligence that they have to do after the environmental assessment to actually put in place a plan that will reflect closer to that time what the power rates are and deal with it then.

C. Evans: Two more questions. We could try to get this done by 20 to, as per our agreement.

The Keenleyside and Brilliant projects were partnerships — I think 50-50 — between the trust and the corporation. If the trust decided not to participate in Waneta, would Columbia Power Corp. consider proceeding on their own?

Hon. R. Neufeld: A completely hypothetical question. I wouldn't want to comment on that, on behalf of the Crown, at this time without first knowing some of

the costs and all those things that go along with it. We're talking about some pretty hypothetical things in regards to the project, but there would be an awful lot of issues that would have to be dealt with before one would think about that.

C. Evans: I'll try and ask a question that's not hypothetical at all. Would it be legal for Columbia Power Corp. to decide to build a project with another partner besides the trust? For instance, they might partner up with Fortis, or they might partner up with B.C. Hydro, or they might partner up with a private partner that we haven't heard of yet. Is it legal for Columbia Power Corp. to build a project with someone besides the trust?

Hon. R. Neufeld: If they were to do that, they'd have to get agreement, I guess, from the trust to do it, because the trust gets half the expansion rights. So there'd have to be some agreement — a meeting of the minds, I guess — to say that that would happen.

C. Evans: Now there's a lot of talk, ideological talk, on both sides about what is a P3. I don't get where the Columbia Power Corp. and its projects, which you can tell I'm quite a fan of, fit in the vocabulary of the times. Is the design-build methodology used by Columbia Power Corp. considered a P3 by the government?

Hon. R. Neufeld: They're built by the private sector; they're financed by the private sector. Because there's government involved and the private sector involved, I guess you could define it as a P3, giving an answer to that question in just half a minute. That's probably the best I can give you. I don't know whether it would really qualify as a P3, but if you use that rationale, it probably could.

C. Evans: Great. Do you realize what just happened here, hon. Chair? We just got the opposition and the

government, the two different ideologies and everything, together. We now agree. My favourite projects fit within the government's favourite model of how to build them. I've been working here for weeks and weeks in this session. I haven't seen another example where there is such a perfect opportunity for something positive to happen. I'm very pleased by that, and I hope that it means that the next project proceeds.

I observe, hon. Chair, that if we call the estimates, the government would actually lose at this moment, the opposition having more members....

[1740]

Interjections.

C. Evans: No, team, we could beat 'em. But I'm not going to do it because....

Interjections.

C. Evans: You've got no sense of humour.

The Chair: Noting the time, member.

C. Evans: That's what I meant to say, actually. What am I supposed to say here?

Hon. R. Neufeld: I think you're almost ready to wrap up this part of it. Are you done with Columbia Power Corp., so they don't have to come back when we do come back on the Monday? That's all I wanted to know.

The Chair: Noting the time.

Hon. R. Neufeld: I move that we rise, report progress and ask leave to sit again.

Motion approved.

The committee rose at 5:41 p.m.

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