



# **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

## **Hansard Verbatim Report**

**No. 49 — June 24, 2020**



**Legislative Assembly of Saskatchewan**

**Twenty-Eighth Legislature**

## **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

Mr. Fred Bradshaw, Chair  
Carrot River Valley

Mr. Warren McCall, Deputy Chair  
Regina Elphinstone-Centre

Mr. Steven Bonk  
Moosomin

Mr. David Forbes  
Saskatoon Centre

Ms. Nancy Heppner  
Martensville-Warman

Ms. Lisa Lambert  
Saskatoon Churchill-Wildwood

Mr. Hugh Nerlien  
Kelvington-Wadena

[The committee met at 15:05.]

**The Chair:** — Well good afternoon, committee members. I'm Fred Bradshaw, the Chair. This is the CCA [Crown and Central Agencies] meeting. We also have with us Hugh Nerlien, Lisa Lambert, and Cathy Sproule is substituting in for Warren McCall.

We have a document to table, CCA 88-28, SaskPower Corporation: Responses to questions raised at the September 17th, 2019 meeting. I would also like to advise the committee that pursuant to rule 145(3), chapters 11 and 23 of the Provincial Auditor of Saskatchewan 2020 report volume 1 were committed to the committee.

**General Revenue Fund  
Central Services  
Vote 13**

**Subvote (CS01)**

**The Chair:** — This afternoon, the committee will be considering the estimates and supplementary estimates for the Ministry of Central Services. We will now begin with vote 13, central management and services, subvote (CS01). Minister Cheveldayoff, please introduce your officials and make your opening comments. And officials, when you speak, could you please state your name for *Hansard*. Thank you.

**Hon. Mr. Cheveldayoff:** — Thank you very much, Mr. Chair. It's indeed a pleasure to be here this afternoon to discuss the Ministry of Central Services' budget for 2020-2021. With me this afternoon are a number of officials from the Ministry of Central Services. To my left is Mike Carr, and Mike Carr is the deputy minister. Bonnie Schmidt, assistant deputy minister, information technology division and chief information officer, is with us. Bonnie, give us a wave. Nancy Cherney is the assistant deputy minister, property management division; and Troy Smith, assistant deputy minister, corporate and commercial services division; and Michael Kindrachuk, chief of staff in my office as well.

Before I turn to the specifics of the '20-21 budget, I'd like to take a moment to touch on Central Services' mandate. As a central agency providing coordination and delivery of diverse programs and services to government ministries and agencies, its core purpose is to deliver valued services and expertise to enable partners to fulfill their commitment to those they serve — Saskatchewan people.

This purpose has been even more clear and important since the advent of COVID-19 in recent months. As we navigate this unprecedented situation, Central Services quickly adapted its service delivery to adjust to new workplace realities and support the continuity of government services. This has included supporting government employees to effectively work remotely, ensuring the Saskatchewan.ca website supported a significant increase in traffic as Saskatchewan people sought information about COVID-19, and ensuring government workspaces are safe environments maintained to the highest standards and adjusted to support the safe physical distancing for employees and customers.

Central Services has risen to the challenge, finding innovative solutions to meet the evolving needs of ministry clients. This in turn has ensured critical government services have remained available and accessible to Saskatchewan people throughout the challenging circumstances that COVID-19 has presented.

As we look ahead, the Central Services budget remains focused on meeting the needs of ministry clients to ultimately benefit the people of our province.

As a central service ministry, Central Services has a unique budget structure because government clients pay for many of the services provided using their allocated funds. For the 2020-21 year, that means more than \$372 million is budgeted to be spent by the ministry, with the majority being recovered through client billing.

The Central Services operating budget is \$31.6 million, which is an increase of 7.7 million. There are three main areas accounting for the increase. Adjustments to ensure actual expenses are reflected, IT [information technology] security, and property management appropriated maintenance.

Over the past several years, Central Services has introduced efficiencies and driven down overall costs. At the same time, it has absorbed a number of ongoing pressures on behalf of government without passing the costs on to client ministries.

This year those pressures are being addressed by correctly identifying ongoing costs and recoveries in its budget. This includes alignment of actual expenses related to air ambulance services and Wascana Centre maintenance; maintenance staff and operations that were transferred from the Provincial Capital Commission; a \$1.915 million increase to address rising costs in government buildings as a result of the federal carbon tax; a \$210,000 increase for central vehicle agency licensing costs; and a \$2.551 million increase to support actual enterprise IT costs due to inflation and incremental investments in IT security.

Central Services is always working hard to strengthen IT security, to work with ministries as ongoing to advance the IT security plan to remove unsupported technology, update or decommission old business applications, and better secure online services to reduce the risk of outages.

Due to the sensitivity of citizen and business information that our government gathers and manages, we have a vital role to protect that information. IT security is always on alert as cybercriminals become more highly skilled and use more sophisticated techniques in their efforts to breach our systems. This risk cannot go unchecked.

An additional incremental investment of \$3.2 million in IT security is budgeted to support a dedicated project that will continue through March of 2021, to modernize systems and enhance government's overall cybersecurity posture. This work will result in greater certainty about the security of the Government of Saskatchewan IT infrastructure and will be better able to detect intrusions and respond immediately to any threats. It will also position government to continue to evolve online service delivery with confidence.

The digital strategy team will continue its focus on developing the single online access point to all government services on the Saskatchewan.ca website. It'll also continue to build a trusted digital identification that ensures identity verification is done immediately online and from any location without the need for additional document transfer that creates a security risk.

The last area of additional investment I will outline is the property management division. Central Services manages 690 leased or owned properties in 151 communities across our province, with a replacement value of \$4.69 billion for the owned buildings. The ministry manages that space efficiently and cost-effectively and works with client ministries to understand their needs in order to provide them with the best options to meet those needs.

Along with space planning, there are a number of building projects under way at any given time to ensure the safe and efficient operation of facilities. On an annual basis, \$28.643 million is invested in major projects to maintain buildings. Projects are prioritized to ensure maintenance occurs to extend the life and value of the asset. A \$3.8 million increase in appropriated maintenance is budgeted for this year. This funding will allow the ministry to prepare for a number of buildings to be demolished at the old Saskatchewan Hospital North Battleford site, and address upgrades required at the Saskatchewan Polytechnic Moose Jaw campus.

Before I close, it's also important to note that Central Services provides funding for the Provincial Archives of Saskatchewan in the form of a grant. This grant amount is unchanged at \$4.363 million. Central Services is also supporting the relocation and consolidation of all archives offices into a new location at 2440 Broad Street in Regina. The new space will have essential security and environmental measures in place to protect and ensure these historic records for the future. The entire project is expected to be completed by the end of August 2020.

In closing, the 2020-21 Ministry of Central Services budget outlines its commitment to creating value for its ministry and agency clients, ultimately for the benefit of Saskatchewan people. I and my officials from Central Services will now, Mr. Chair, be pleased to answer any questions that you or any committee members may have. Thank you very much for this opportunity.

**The Chair:** — Well thank you, Minister. Are there any questions? Ms. Sproule.

[15:15]

**Ms. Sproule:** — Thank you very much. Thank you very much, Mr. Chair. Thank you, Mr. Minister, for those opening comments. I look forward to the discussion this afternoon.

Just right off the top I wanted to clarify something regarding eHealth. And I'm just wondering, for example, you have IT allocated to external clients. I'm just wondering, does the Ministry of Central Services' information technology section provide any services at all to eHealth?

**Hon. Mr. Cheveldayoff:** — Quick answer. Can't guarantee that all will be that way. But no, Central Services do not provide

eHealth with any. They're an independent agency.

**Ms. Sproule:** — Thanks. Just on that, what external clients do you allocate IT to?

**Hon. Mr. Cheveldayoff:** — Thanks very much. We have quite a number, and it's a list that we're working to obtain for you here, but I can tell you that the Provincial Capital Commission, for example is one; the Public Safety Agency; SaskBuilds; the Trade Certification Commission. In addition to what I've just mentioned, we have Sask Housing, we have Legal Aid, Sask Municipal Board as others. And again we'll undertake to have a complete list for you before we leave today.

**Ms. Sproule:** — Thank you very much, Mr. Minister. Just starting on the actual estimates themselves then, it looks like between March of 2020, when the estimates were shared with the public and then this particular version of the estimates in June, there was a \$2 million increase in your proposed budget. I'm just wondering why that change was made.

**Hon. Mr. Cheveldayoff:** — Yes indeed, the member is correct. There is a \$2 million increase between the two budgeted amounts. The increase is for infrastructure projects. Certainly one of the major projects that we're looking at is the Sask Poly project in Moose Jaw that I mentioned in my notes at the outset, and some additional repairs to Cooper Place here in Regina. So in response to COVID, as the member knows, we have a very, very aggressive infrastructure program that we're wanting to implement, and Central Services is part of that.

**Ms. Sproule:** — Can you walk the committee through the process whereby those two facilities were chosen for this infrastructure stimulus funding and maybe describe a little bit what those projects are?

**Hon. Mr. Cheveldayoff:** — To outline for the member the process, Central Services comes up with a priority list and that list is submitted to SaskBuilds and adjudicated against projects from other ministries. Then a list is forwarded to cabinet for their discussion and undertaking, and then a final list is chosen.

As far as the projects themselves that we are looking at, at the Palliser campus in Moose Jaw the mezzanine was not up to code and has to be replaced. So our project is to actually remove the existing infrastructure that's there in the existing structure and make it ready for improvements that'll take place. And those will be budgeted by Advanced Education.

At Cooper Place here in Regina, the funding and the project is regarding the computer controls of the building and to ensure that they're at, you know, leading edge and optimal capacity. We're wanting to make improvements there which will result in overall cost decreases when it comes to utility usage and things like that.

**Ms. Sproule:** — When you say SaskBuilds adjudicated the lists that were presented to them, I know you sit at the table on SaskBuilds. You're on the board. Is there a set of metrics that they would use to determine the merit of each of these applications?

**Hon. Mr. Cheveldayoff:** — For the member's information, indeed SaskBuilds does have a series of metrics and quite

elaborate evaluation criteria that they use when they compare projects from each of the ministries. They want to make sure that the projects are in line with the priorities of the overall government and also, which is very important, that they're not taxing one specific industry, for example. So you know, you wouldn't want to be doing roofs, for example, in all ministries and not have the ability to meet those needs by the private sector in the province. So SaskBuilds plays a coordinating role and ensures that ministries get the best value and the best address of the priorities of government as well.

**Ms. Sproule:** — Thank you. Would cabinet make any changes then to those recommendations?

**Hon. Mr. Cheveldayoff:** — Yes, cabinet is free to make changes to them or, you know, if there's any errors or omissions, cabinet members are able to bring those forward.

**Ms. Sproule:** — So were there any changes made to the projects that your ministry put forward?

**Hon. Mr. Cheveldayoff:** — I don't think I'm in a place to speak about what happens at the cabinet table here, but you know, we were pleased with the two projects that did receive approval. And again, you know, we had a list that was submitted and we feel it was fairly adjudicated.

**Ms. Sproule:** — You mentioned the project at the Palliser campus was for a mezzanine that was not up to code. It seems to me that that would have been part of your ordinary projects that you would do. If something's not up to code, it needs to be fixed. What was it that made this a COVID project? Because it seems to me the infrastructure spending for COVID should be looked at as over and above things that aren't up to code. I thought it was expected to be a stimulus project. So why would a mezzanine not up to code be considered a stimulus project?

**Hon. Mr. Cheveldayoff:** — So for the member's information, this project was on our list. And you know, it was to be addressed, but it was indicated that it was a priority for Advanced Education. And our portion of it is initially the replacement of the area and then Advanced Education is the one that will complete the project.

So what indeed did happen, because of the priority that Advanced Ed put on it, it moved it up in our project listing and it was able to go. And you know, that's a priority as well for us as far as we look to the recovery. So it's a project that was needed. It received a bump up in our list and it's a priority as addressed by Advanced Education.

**Ms. Sproule:** — So I just want to make sure I understand this. Your priority list is made in terms of what other ministries are identifying as their priorities. Is that generally how you come forward with your priority list?

[15:30]

**Hon. Mr. Cheveldayoff:** — The Chair is keeping you busy while I'm . . .

**Ms. Sproule:** — Yes.

**Hon. Mr. Cheveldayoff:** — . . . commiserating with my officials? For the committee's information, there's sort of two mechanisms that are used as far as our priority approach goes, and one is the priorities of our clients. So we have a client list. And the second is our own priorities, as we talked about those 690 buildings that we own or lease. So it's a balance of priorities there.

And you know, what happened in this case at Palliser was that it was on our list as a base project that needed to be done, but it was also identified for educational purposes as a priority by Advanced Education. So it met both of those criteria; therefore it was very quickly moved to the top as a priority item, and it was ready to go as well.

**Ms. Sproule:** — Thank you. In terms of some of the other projects, you've got \$7.2 million allocated for the Saskatoon Provincial Correctional Centre. Now I think on May 29th there was an announcement of 4.6 million to replace the urban camp adjacent to the correctional centre, and then on June 17th, just last week I believe, there was an announcement of construction of a \$120 million remand centre. Can you share with the committee where that 7.2 million allocation is being placed, which of course is new since March? And is the urban camp project still proceeding?

**Hon. Mr. Cheveldayoff:** — So for the committee's information, the urban camp is going ahead. And the \$7.2 million for the Sask Provincial Correctional Centre is a series of projects that include the expansion of the facility, and you know, for example, upgrades to detention doors for example, \$1.7 million; and everything to, you know, small masonry repair in the gym for \$23,000. So there's a list of smaller projects that encompass the 7.2 and then, you know, the \$120 million for the remand centre is part of the stimulus as well. And it's an entire project on its own.

**Ms. Sproule:** — Will Central Services be involved in that project of the remand centre?

**Hon. Mr. Cheveldayoff:** — Yes, indeed. We'll be a partner and we will be overseeing and we will continue to operate that as one of our facilities.

**Ms. Sproule:** — Just going back to the repairs that you described at the correctional centre for \$7.2 million. Once again, these weren't present in your estimates as of March and now they're showing up in June. And it seems to me these would be . . . I find it hard to think of repairs as stimulus spending. So why is it that these weren't in your original estimates in March? And what sort of priority are you giving on these repair projects if they can't make it unless there's stimulus spending?

**Hon. Mr. Cheveldayoff:** — Well for the committee's information, I am going to provide further detail and some clarification. The Saskatoon Provincial Correctional Centre, the \$7.2 million is specifically for the remand centre expansion. And then there's another \$8.409 million that includes various projects that I had just mentioned. So I may have confused the issue here a little bit, but for the member's clarity, Saskatoon Provincial Correctional Centre, 7.2 million is the remand centre expansion. And then those projects that I just mentioned, that comes from a different area for \$8.4 million.

**Ms. Sproule:** — That was my next question. Yes, I was going to get into the 8.4 million here in a bit. So \$120 million remand centre, 7.2 million is coming from your estimates. Where is the remaining 112.8 million located in the estimates?

**Hon. Mr. Cheveldayoff:** — All right. So the question was regarding the additional funds between the 7.2 million and the 120 million, which amounted to 112.8. That will come through the Ministry of Central Services but in future years. So this year the 7.2 will be allocated to undertake the design of the structure. Then we will come to cabinet for the additional funding to go ahead and actually award the contract and build the facility.

**Ms. Sproule:** — Thank you. And the urban camp is pegged at 4.6 million. Where are those funds in the estimates?

**The Chair:** — So for the committee's information and much like the earlier question, the urban camp, \$140,000 is allocated for the design and then the remainder of the funds will come in the next year as design is completed and additional funding is sought for the building of the facility.

**Ms. Sproule:** — Those design costs are reflected in which line item?

**Hon. Mr. Cheveldayoff:** — They are a portion of the \$8.2 million here that is identified and it's a line item within that.

**Ms. Sproule:** — The 8.409 million?

**Hon. Mr. Cheveldayoff:** — Yes.

**Ms. Sproule:** — Okay. So back in March . . . In terms of the other 5.514, was the urban camp part of that at that point or is that additional spending since March? And perhaps I could add to that, Mr. Minister. I'm just wondering, of the other itself that's up by approximately \$3 million, how much of that money . . . Sorry. I have to phrase this. Of the increase since March, what projects are reflected in the \$3 million a year increase?

[15:45]

**Hon. Mr. Cheveldayoff:** — All right, for the committee's information, the majority of the \$3 million is for correctional centre upgrades. And I've got a few examples here: the Saskatoon cultural lodge; the Prince Albert cultural lodge; in Regina, there's a kitchen facility and bathroom renovations; and there's a series of other projects as well.

**Ms. Sproule:** — I think my question was, what changes were made from March until June in terms of that list. So the list you just gave me, is that the 3 million additional that was added to the estimates?

**Hon. Mr. Cheveldayoff:** — Yes, that specifically answers that question.

**Ms. Sproule:** — That's just the 3 million. Okay, thank you. Time's going very quickly and just so you know, Mr. Minister, I have no objection if your deputy wants to answer some of these questions because there seems to be a lot of time lost in translation.

So if you could give the committee a report on the sale of the Valley View lands: how much of that land has been sold, how much they were sold for, and then how much of the land remains to be sold and what's the plan for that?

**Hon. Mr. Cheveldayoff:** — All right. Thanks very much. I appreciate the member's comments and we'll try to be as expeditious as we can with the answers. All of the parcels on offer with the Valley View Centre have received valid and acceptable bid proposals. The purchase of one of the small parcels of land was fully executed on January 31st, 2020. The Wakamow Valley Authority will be acquiring approximately 30 acres of land that they have been using for walking trails for several years. This parcel includes the ecologically sensitive lands.

And detailed sales agreements are being finalized with the remaining purchasers, and sale transactions are anticipated to be finalized and completed by the end of August. All five parcels of land were posted to RFP [request for proposal] in November of 2019, closed in December of 2019. And again, from this process one has been sold, four remaining, as they are conditionally sold with all transactions targeted for finalization at the end of August.

**Ms. Sproule:** — Thank you very much. So the one that has been completed, is that the Wakamow Valley parcel or is that a different parcel?

**Hon. Mr. Cheveldayoff:** — That's a smaller, different parcel.

**Ms. Sproule:** — Okay. Thank you. All right. I wanted to get that on the record. Just moving on . . . I'm going to probably come back to subvote 3, but I just wanted to ask a few questions about the Sask Hospital North Battleford, just in terms of some of the issues that are in place there at this point in time. Can the minister provide the committee with the projected date for the rehabilitation wing to be fully functional?

**Hon. Mr. Cheveldayoff:** — All right. We were just trying to clarify some of the terminology there. If the admittance wing is where your question is, it's been fully operational since last fall. And there are three wings left to do, but work is proceeding ahead of schedule and the indication is that all will be completed by the end of September.

**Ms. Sproule:** — So what are those three wings? What do you call them?

**Hon. Mr. Cheveldayoff:** — All right. Well the west Prairie View A wing was completed in early January 2020. This includes a 24-bed central admission unit which is operational.

The east Prairie View A wing was remediated and returned to use on January 12th, 2020. Mid-March 2020 saw completion of repairs to two more wings, and the west Prairie Central View C and the east River View B were cleared for operational use.

Rooms to be located in the west Prairie View D and east Prairie A wings have also been completed, and those units were back in service in May of 2020.

Currently work is under way in rooms in east Prairie View B and west River B wings and both are expected to be completed later

this summer. Following completion of those areas, an estimated 10 to 12 rooms remain to be remediated in west Prairie View B, west Prairie View A and west view C wings. That work is scheduled to be as quick as possible, so all remediation service can be wrapped up by the end of September.

**Ms. Sproule:** — Thank you. Do you have a total cost for this remediation work?

**Hon. Mr. Cheveldayoff:** — For the committee's information, we do not have an estimate of the cost. That cost is being borne by the APP [Access Prairie Partnerships], so it will be totally their responsibility and we don't have an outline of what that total cost is.

**Ms. Sproule:** — Are you aware of any penalties that have resulted from all the deficiencies in this facility and all the remediation that has had to happen? If there are penalties, if you could tell us how much the penalties were and for what they were assessed on.

**Hon. Mr. Cheveldayoff:** — For the committee's information, there are about in excess of \$4 million in penalties right now that we know of. There's in excess of a million dollars, 1.048 million for deficiencies, and approximately \$3.3 million to compensate for delays. And again, there will be an assessment of additional penalties calculated when everything is completed and we have a chance to look at the entire project and identify areas where penalty clauses are activated. So it is \$4.3 million right now, and with additional penalties that we would anticipate.

**Ms. Sproule:** — Thank you. What was the total cost of the roof rehabilitation?

[16:00]

**Hon. Mr. Cheveldayoff:** — So for the committee's information, the answer is similar to a previous answer given in that we don't monitor or know what the exact costs are because again, that is borne by the partnership and the lead partner in this way. And again, you know, for committee members' reference, this is one of the advantages of the P3 [public-private partnership] is that if it's not up to our standards, we can ensure that the work is being done, and that cost is borne by the company and the partnership internally.

**Ms. Sproule:** — I guess my next question is, why then, given what happened with the exterior of the building, did you not change course for the roof and ask them to choose a different product?

**Hon. Mr. Cheveldayoff:** — So for the committee's information, when the envelope was being redone, the building was not in the possession of Central Services or the Government of Saskatchewan. You know, they have an obligation to ensure that delivery of the building that meets standards, and at that time, the roof did not appear to need repair. But it was determined at a later time that the roof indeed needed to be repaired as well.

So it's a position that, you know, we did not have the building. It was a decision made by the folks of the partnership, and again, it's their job to make those decisions. And it's their job to give us a building that meets our standards, and they did not, so they have

to redo it.

**Ms. Sproule:** — As you know, there's been difficulties getting the building up to speed for use by the patients who really need to have access to that building. So are you suggesting that there's absolutely no cost to the people of Saskatchewan by having all these delays caused by the faulty construction?

**Hon. Mr. Cheveldayoff:** — We've made it a priority that the impact on the patients are as minimal as possible. As I've indicated, the intake area has been open for quite some time, and you know, there is availability there. So there are some hurdles that we are addressing, but we feel that the services offered today are certainly well, well in advance of the other facility that was there for over 100 years. This is a building that was long overdue. It's having a few hiccups. But you know, our goal is to ensure that these remediations and restitutions are done and that we have a fully functioning, operational, state-of-the-art building as soon as possible.

**Ms. Sproule:** — I think that may be arguable whether the building as it currently sits is much better for the patients than the previous one because there aren't enough patient beds. So for the patients that aren't able to be there, that may be an arguable point. In terms of concerns about the hospital roof, when did the SHA [Saskatchewan Health Authority] first raise concerns about the hospital roof?

**Hon. Mr. Cheveldayoff:** — Just to address the member's point, you know, certainly I had an opportunity to be there on opening day and to talk to many of the residents that now call the facility home. And they certainly gave me every indication . . .

**Ms. Sproule:** — It's not the residents that are there, it's the ones that aren't there.

**Hon. Mr. Cheveldayoff:** — Yes, well we'll ensure that those that aren't there, that will be there in the future, hopefully have the same experience. The SHA let us know in May of 2019 regarding the deficiencies of the roof.

**Ms. Sproule:** — And when did the building open? Was it May?

**Hon. Mr. Cheveldayoff:** — March the 8th, I believe, of 2019.

**Ms. Sproule:** — March. Thank you.

**Hon. Mr. Cheveldayoff:** — All right, just to further complete the answer, we took possession on September 6th of 2018, and then the grand opening was in early March of 2019.

**Ms. Sproule:** — Thank you. I believe a company from Calgary, Concept Electric, was given the major electrical contract by the partnership. We've heard concerns about the electrical work and an issue that took place in the roof dance floor area where electrical wiring was mounted with inappropriate mounting materials and fell. Can you share any information that you may have on this incident? And our understanding is that it resulted in the employees of Concept being ordered off the site. And just to go on, since then Concept itself as a company has gone bankrupt and it's in the news because hundreds of employees are unpaid. Were you aware of that?

**Hon. Mr. Cheveldayoff:** — So for the committee's information, we are not aware of the information that the member is bringing forward right now. We can't speculate on what may or may not have happened. If the member has that information, we'd certainly be interested in looking into it. You know, Concept Electrical may have been a subcontractor to Graham Construction. And again, as with anything else, if there has been something that we need to look into, we're happy to do that.

**Ms. Sproule:** — This may highlight the concern that we've been raising about hiring Saskatchewan firms to get the work done here in Saskatchewan. Apparently there was a gentleman who was in charge of the Concept team at the hospital and is still there now as a facility manager for SNC-Lavalin. Were you aware of that?

**Hon. Mr. Cheveldayoff:** — No. We have not been aware of that, and that's, you know, very, very specific information that certainly I was not aware of. But what I do know is that 61 per cent of the work that was done here has been done by Saskatchewan companies, and every effort was made to ensure that Saskatchewan workers and Saskatchewan companies were the benefit of these contracts. Where it wasn't possible to engage or employ Saskatchewan companies, companies from other provinces were involved. But again, 61 per cent is the number that I recall.

**Ms. Sproule:** — I'm sorry, 61 per cent is the number of Saskatchewan workers? I was looking forward to my next question. I apologize.

**Hon. Mr. Cheveldayoff:** — That reference is companies, not workers.

**Ms. Sproule:** — Thank you. When you refer to those companies, are these companies who have headquarters in Saskatchewan, or are they companies by definition that are registered in the corporate registry here but would have headquarters outside of Saskatchewan?

**Hon. Mr. Cheveldayoff:** — There would be a variety of instances, but you know, certainly our criteria's always been that they have a Saskatchewan presence. And if they operate an office here or because of the contract open up an office here, we see that as a very, very positive thing.

**Ms. Sproule:** — So let me get this right. If this is a company from Ontario or Alberta, but if they get a contract here and open an office here they would be considered a Saskatchewan company for that purpose?

**Hon. Mr. Cheveldayoff:** — For the committee's information, we'd have to get the information exactly from SaskBuilds on what exactly constitutes a Saskatchewan company. But you know, our belief is it is a presence here in Saskatchewan, that they have workers on the ground in the province and not necessarily having their head office here.

**Ms. Sproule:** — I had this discussion yesterday with officials from SaskBuilds, and they weren't really able to confirm either what exactly a Saskatchewan company would be defined as. They weren't able to confirm that if they simply registered in the corporate registry in Saskatchewan that they would be

considered a Saskatchewan company, which is something any company from the rest of Canada can do.

So I think the government may have a bit of a definitional issue here. When you are defining Saskatchewan companies, is a mailbox enough? When you say open an office for the purposes of the project, you know, I think there's a lot more clarity that should be provided. So I don't know if you can undertake to provide that definitional clarity? Certainly SaskBuilds is going to provide us with a list of the companies that they did procurement with last year. So that's something we want to check out as well.

But I think it's really problematic when we have a definition as the one you gave, where they get the contract, they're from Alberta, and then open an office here. Because I'm not sure that makes them a Saskatchewan company, especially in the sense of having the income stay in Saskatchewan, and the workers, and the skills, and the managerial skills, and everything that goes with running a company staying here in the province.

So I would appreciate if you could undertake to provide the committee with some more clarity in terms of that definition. And perhaps if you could provide us with a list of the companies that you have done contracts with, that would be helpful.

**Hon. Mr. Cheveldayoff:** — Absolutely. We don't want to give the member the runaround at all, and if there was information provided yesterday by SaskBuilds, officials from Central Services will work with SaskBuilds and provide you with that information.

I do differ with the member a little bit though. You know, if through procurement we are able to entice a company to set up in Saskatchewan, I would hope that would be for the long term and those employees would be Saskatchewan residents paying Saskatchewan taxes. And I think there is an advantage to doing just that.

[16:15]

But you know, ideally of course it would be an existing Saskatchewan company with all Saskatchewan workers that are able to compete and win these contracts. But you know, SaskBuilds has been doing a very, very good job to look at all aspects from, you know, RFPs and how we tender, and ensuring that Saskatchewan companies have the availability to be successful in those RFPs.

**Ms. Sproule:** — Are you keeping track of any of these companies that move here in terms of whether they stay in Saskatchewan after the project?

**Hon. Mr. Cheveldayoff:** — Again, I'm sure SaskBuilds would be happy to provide that information, and we will endeavour to provide that, after consultation with them, to you.

**Ms. Sproule:** — In terms of the remand centre being \$120 million price tag, I know often there's a consideration as to whether that should be done by way of a P3. That's certainly something SaskBuilds has indicated. Is your ministry looking at a possible P3 for the remand centre?

**Hon. Mr. Cheveldayoff:** — For the committee's information,



that has not been determined yet. And I think, you know, committee members will know that we're not, you know, philosophically tied to P3s. We believe that the P3 program provides some advantages, but again every project is different. We will look at all available options. And as members know, even within a P3 category there's different . . . There's design, build. There's design, build, operate. And there's various functions within the P3 continuum. But at this time that decision has not been made and analysis is taking place right now.

**Ms. Sproule:** — Thank you. We'll look forward to that determination. Your ministry's spending \$7.2 million on this. In discussion with SaskBuilds yesterday it seems that their role, as it's been established as a treasury board Crown, is to project manage most of the large construction projects in the province. So I'm just wondering if you can explain how this 7.2 million that you are spending on the project aligns with SaskBuilds' role as basically the project manager. As you know, they have the responsibility through their mandate.

So are you supplying project management to SaskBuilds with that money, or is there two separate teams that will be working on the project, or what sort of relational aspects can you share with us about the remand centre with Central Services' role and SaskBuilds' role as far as you know?

**Hon. Mr. Cheveldayoff:** — For the committee's information, this is going to be an integrated team approach where SaskBuilds and Corrections and Policing and Central Services will work together. Where SaskBuilds will be on the initial end of things, looking at the procurement, looking at the preplanning, and then it'll be over to Central Services to manage, you know, the bricks and mortar and the building and the design and the building of the actual facility itself. And that will all be done in consultation with Corrections and Policing.

**Ms. Sproule:** — So to be clear, SaskBuilds' role is limited to the procurement, and Central Services' role is in essence the construction of the facility.

**Hon. Mr. Cheveldayoff:** — Yes, that is correct for the member's information, committee's information. But again, you know, SaskBuilds will primarily be there for procurement, for preplanning, which is the initial design project in the plan. And then once a contractor is hired, Central Services will take it from there and manage that portion of the bricks and mortar construction.

**Ms. Sproule:** — And is that the same process that was followed with the joint-use schools? And the Swift Current Meadows long-term care facility? And the North Battleford hospital? Was that the same process?

**Hon. Mr. Cheveldayoff:** — So for the committee's information, no, this is a different process. The buildings that the member mentioned were P3 in the more traditional sense. And you know, this is yet to be determined what it is going to be once the procurement is decided. But you know, we will be following this approach that I've outlined earlier, where SaskBuilds will be in charge of the initial procurement and then it'll move, once the contractor's hired, to Central Services.

**Ms. Sproule:** — And would it be fair to say that's the same

process then that would be followed for the other — as you've described it in your estimates, the other — the 8.4 million for the other projects that are being managed at this point in time? So SaskBuilds will do the procurement, they will sign the contract for the construction, and then you will take it over at that point?

**Hon. Mr. Cheveldayoff:** — All right, so for the committee's information, you know, this will be a joint process. And SaskBuilds will work together with Central Services. SaskBuilds will support and assist us in making sure that we get the right supplier, and that there's, you know, fairness in it. But I think the member mentioned about signing the contracts, and that will be done by Central Services.

**Ms. Sproule:** — I confess I'm still not fully clear on the roles between SaskBuilds and Central Services. I suspect they're still evolving with the devolution of the procurement services moving from your ministry over to SaskBuilds. And certainly this is a role that Central Services filled for years, many decades in fact.

So I think the questions about the devolution of some of this to a treasury board Crown raises questions for the public. And certainly, is there a duplication of services? And I know that this is something I think we need to continue to explore as it evolves. But it's still a mystery to me why a treasury board Crown had to be created to do the work that your ministry has done well in the past. I guess there's no question there, so I apologize for that, Mr. Minister. You may have a comment, but I want to move on to Pine Grove Correctional Centre now, if we could?

I noticed in this year's budget you are allocating \$1.7 million for the Pine Grove Correctional Centre. The only thing we've seen announcements for so far is new razor wire, and then I think there's some tenders on SaskTenders website: a cultural building, paving the parking lot, and upgrading the doors and the detention hardware. These were all in the last fiscal year. So I'm just wondering if you could share with the committee this new allocation, what its purpose is, and what the project will be.

**Hon. Mr. Cheveldayoff:** — They said, Minister, it's on that paper that we gave you earlier. So I have to go look for the paper and hopefully I didn't destroy it. But the paper's there, so you know . . . So we found the paper and now we're getting more information.

[16:30]

I have a list. I don't know if the writing's getting smaller or I'm just getting older, but they have an answer for us here. But the category is called tenant improvements. So it'd be initiated by Corrections and Policing on the improvements that they indeed want. And you know, our information is similar to what the member in her question talked about as far as the cultural lodge, the wire. There's also improvements in the laundry area, door controls, intercom security. So it would be a variety of tenant improvements initiated by what indeed is the tenant to us. Again, if the member wants, you know, an entire complete list, I'll undertake to get that for you.

**Ms. Sproule:** — I guess my question is three of those projects were tendered in the last fiscal year, '19-20, and I'm just wondering if this 1.7 million is an addition to the projects that have already been tendered.

**Hon. Mr. Cheveldayoff:** — So this is a new commitment of resources, and this may be in the second year of a two-year project or the second year of a three-year project, but these are additional resources.

**Ms. Sproule:** — Yes, because in the '19-20 estimates, there was no allocation and yet the tenders went out in the '19-20 fiscal year. So I'm just kind of confused why you would be tendering when there was no allocation in the previous fiscal year. Do I have that right?

**Hon. Mr. Cheveldayoff:** — So for the committee's information, we would receive information from our partner that they want to go ahead with a procurement, with an RFP. We would undertake that they have the money to go ahead with it. And then it would be up to them to go to treasury board and ensure that they have the resources for the full spend. So that's why it may appear that way to the member and how it comes to be. But again, the onus is on them to go to treasury board and find the resources for the full spend.

**Ms. Sproule:** — Okay.

**Hon. Mr. Cheveldayoff:** — If the member would indulge me, I just have some additional information that I've received that a definition of a Saskatchewan company — again this comes from SaskBuilds, I believe — that the company:

1. Located in Saskatchewan
2. Employs Saskatchewan people
3. Pays Saskatchewan taxes
4. Sources their supplies from Saskatchewan-based business based upon capacity, quality and availability.

So that is the definition of a Saskatchewan company as presented by SaskBuilds.

**Ms. Sproule:** — Right. It's the definition of location. And when I asked the question, does location mean are you registered in the corporate registry or do you have a physical location, they weren't able to answer that. So that's the concern. Any company from Alberta can employ Saskatchewan people and source materials here, but I don't think that would make it a Saskatchewan company. So I think the location is the definitional issue that we have right now. And I'm glad your chief of staff was able to provide you with that information from SaskBuilds. But that was the discussion is, what does "located" mean?

**Hon. Mr. Cheveldayoff:** — Okay. Yes, fair enough.

**Ms. Sproule:** — So we're still working on it.

**Hon. Mr. Cheveldayoff:** — We'll go back to my original undertaking to provide you with that information with the, you know, specific emphasis on the location.

**Ms. Sproule:** — Thank you.

Okay. In terms of Pine Grove then, again I just want to make sure I understand the roles of all the parties. So is SaskBuilds doing the procurement for that? And then they'll arrange, at which point — I'm not sure how you do the procurement without signing a contract — but you're saying you sign the contract once

they procure the contractor? And so they would handle the choice of contractor, you will sign a contract, and then SaskBuilds will procure all the materials as well? Or is that something that Central Services does?

Just sort of maybe walk me through this one more time in terms of the Pine Grove. How will this . . . And I guess, of course, Corrections is always at the table as well. What is the flow between those three agencies?

**Hon. Mr. Cheveldayoff:** — So for the committee's information and to clarify, the work that SaskBuilds does is as a facilitator. They make sure that we're following the right process, and they indeed are the experts as far as it comes to following that process and ensuring that procurement. And they obviously have a lens towards Saskatchewan companies and ensuring that we in every indication try to ensure that Saskatchewan companies are able to apply and have the wherewithal to do it. In that instance, Central Services, we are the subject experts and we will define, you know, what exactly is needed and will work with SaskBuilds together.

And you know, to the member's earlier comments, I think sure it's a work in progress and there's improvements that are constantly being done by SaskBuilds. But I think we have found that it is advantageous to have those experts in SaskBuilds as facilitators to ensure that procurement takes place. And then we fall in behind that as the subject experts to make sure that the project proceeds with the expertise that we provide.

**Ms. Sproule:** — So they're expert facilitators? That's what they bring to the table?

**Hon. Mr. Cheveldayoff:** — So yes, SaskBuilds is, you know, expert facilitators. They have expertise in project design, expertise in procurement, and they would take a project to market on our behalf. So that's the expertise that they do provide.

**Ms. Sproule:** — But obviously the procurement expertise came from Central Services because you moved all your staff last year from Central Services in procurement over to SaskBuilds. So that's how they got the expertise was from your ministry.

I don't know. I just think it's creating silos. And what is Central Services' role? Why can't SaskBuilds just deal directly with the client, which in this case would be Corrections? Obviously they have their expertise in terms of design as well, and you say you're subject experts, but I'm not really clear what subject you're expert in. Maybe you could share that with me.

**Hon. Mr. Cheveldayoff:** — You're right that a number of the individuals were moved over from Central Services to SaskBuilds. Many of them, you know, had multiple tasks that they were undertaking in Central Services and now are able to be experts in the area of procurement. So I think having those experts in one area where they, you know, all day long deal with different ministries and ensure that they are able to help ministries with that professionalism that they provide. So I believe that this is a good approach. It's working well. As the member indicated, I do sit on the board of SaskBuilds, and I hear examples, meeting after meeting, of the success that they're having in this designed operation.

**Ms. Sproule:** — All right, I'm going to move on. Sask Polytechnic, looks like 4 million is going in this year out of 12 million, looks like was the announcement on May 29th. And this was rolled into an announcement regarding upgrades at the Griffiths Stadium at the U of S [University of Saskatchewan], and the U of R [University of Regina] college of Kinesiology is getting a new roof. Would Central Services project manage the two projects at the universities?

**Hon. Mr. Cheveldayoff:** — For the committee's information, we have no role to play with the operation of these facilities on the university campuses. They have their own experts and their own expertise that they undertake to oversee these projects.

**Ms. Sproule:** — Okay, thank you. Do you know when the tender will be issued for Sask Polytechnic? And is that being issued by SaskBuilds or Central Services?

[16:45]

**Hon. Mr. Cheveldayoff:** — All right, to answer the question, the RFP will be posted in the next little while. I understand it's very near the end of the process. And, you know, SaskBuilds will provide that information to SaskTenders. And it should be under way shortly.

**Ms. Sproule:** — Thank you. So 12 million is the total cost, and it's 4 million this year? Or is there other funds that will flow into this project?

**Hon. Mr. Cheveldayoff:** — We understand 4 million is earmarked for this year and the balance for next year.

**Ms. Sproule:** — For next year. Okay, thank you. I'm just going to move on now to subvote 5, which is transportation and other services. If you could share with the committee how many new vehicles were leased or purchased in '19-20? And how many are planned for lease or purchase in '20-21, and what types of vehicles?

**Hon. Mr. Cheveldayoff:** — All right. We have a number of vehicles that are purchased. One Corvette for member Bradshaw. You always got to get in good with the Chair. No, for those watching, that was a joke. No Corvettes have been purchased.

What we have here is, in '19-20 we bought 250 vehicles, and 60 per cent were trucks and 40 per cent cars. And as has been our operations over the last number of years, we haven't leased any vehicles. So the member asked what was bought and what was leased. So 250 were bought in '19-20, and in '20-21, again we're going to be purchasing same ratio: 60 per cent trucks, 40 per cent cars, 250 vehicles.

**Ms. Sproule:** — All right, thank you. Of the new vehicles procured last year, how many were procured from outside of Saskatchewan?

**Hon. Mr. Cheveldayoff:** — For the committee's information, the way that vehicles are procured in Saskatchewan, it's a joint agreement with Alberta, British Columbia, Manitoba, and Saskatchewan. We procure vehicles directly from the manufacturer and then those are brought in through local dealers for their fit-up. And there is an advantage to those dealerships in

Saskatchewan for the work that they do.

And then certainly over time, the maintenance and service is quite an advantage to them as well. But this is a cost-effective way to go directly to the manufacturer, and with the four Western provinces the volume that is needed ensures that those costs are as low as possible.

**Ms. Sproule:** — So this is under the New West Partnership, correct? I think you referenced that in 2018 in committee, because you said "the procurement, the New West Partnership that we have, that we're able to procure vehicles at a lower rate." So I'm assuming that that's what you're referring to.

In terms of the Saskatchewan dealers, like were all 250 of these vehicles brought in from Saskatchewan dealers then, is what you're saying?

**Hon. Mr. Cheveldayoff:** — Yes, they're transported to the local dealers and then we work through the local dealers, so all 250 vehicles flowed through Saskatchewan dealers.

**Ms. Sproule:** — Just so I understand the process then, you purchase them from the manufacturer, and then the manufacturer ships them to Saskatchewan and drops them off at a lot somewhere that you would arrange, I assume through RFPs. And what is the role of the dealer? Do they charge a normal fee that they would charge for any vehicle then on top of that, or do you just pay them a lot fee for dropping it off? Just wondering what the advantage is for the dealers in this circumstance, because you're buying them directly from the manufacturer.

**Hon. Mr. Cheveldayoff:** — For the committee's information, there is a fit-up fee that is paid directly by the manufacturer to the dealers and the dealerships get credit for the sale of those vehicles, which helps their business as well. And we are only notified once the dealership has completed their fit-up and then we're able to pick them up in a ready-to-go state.

So again, we're trying to balance the lowest cost possible and providing any incremental value that is put in to ensure that Saskatchewan companies are able to realize on that. And then again, as I mentioned earlier, the maintenance and service that they provide is quite an advantage for those dealerships as well.

**Ms. Sproule:** — Yes, you wouldn't want to ship them to Ontario for maintenance. If I went and bought a vehicle from a dealer though, I would pay more and the dealer would make more money off me than he does off the government, right?

**Hon. Mr. Cheveldayoff:** — I believe on volume pricing and stuff like that that they're able to sharpen the pencil a little bit more. And if you and I were to go in we would probably be paying a little bit more.

**Ms. Sproule:** — One vehicle.

**Hon. Mr. Cheveldayoff:** — Like to share between us?

**Ms. Sproule:** — No, no. I'm not sharing with you.

**Hon. Mr. Cheveldayoff:** — Oh, no? I was interested.

**Ms. Sproule:** — I'm only buying one vehicle at a time.

**Hon. Mr. Cheveldayoff:** — Let the notes know that I was interested.

**Ms. Sproule:** — Nice try, Mr. Minister. Just moving on, what kind of emphasis is being placed on low- or no-emission or electric vehicles and do you have a strategy around that?

**Hon. Mr. Cheveldayoff:** — For the committee's information, yes we are putting emphasis on hybrid vehicles certainly because, you know, we're able to operate them. We have a pilot vehicle that is an electric vehicle here in the city and we anticipate that there will be more electrical vehicles purchased. And you know, it's encouraging to see. I don't know if the member's been at the Co-op in Davidson for example. They're, you know, moving in that direction as well. So I think the future's exciting as far as that goes and we're, you know, going to be on top of it as well. We see that's the direction of the future here.

**Ms. Sproule:** — Thank you. I don't know if you've been out to the GTH [Global Transportation Hub], but where the office was, there are seven electric vehicle plug-ins. So if you do have an EV [electric vehicle] and want a charge, you can go out to the GTH.

Just going back on the dealership . . .

**Hon. Mr. Cheveldayoff:** — Let it be noted the member is promoting the GTH.

**Ms. Sproule:** — There you go. I never thought that would be said, Mr. Minister. Good one.

**Hon. Mr. Cheveldayoff:** — Oh, wait till I tell Mr. Meili tomorrow.

**Ms. Sproule:** — Going back to the dealership and the maintenance contract, how do you determine which dealers get those maintenance contracts for your fleet?

**Hon. Mr. Cheveldayoff:** — So for the committee's information, a variety of repair shops are used, and you know, certainly they're across Saskatchewan. They're in different jurisdictions. We allow the user of the vehicle to choose, you know, the closest and approved place for maintenance and service. If it's something to do with warranty work, though, we insist that it goes back to the dealer where it was originally purchased through, and the work is done at those approved facilities.

**Ms. Sproule:** — I guess my question, though, was how are those dealers chosen to begin with, the ones that you have the warranties with? Is there an RFP?

[17:00]

**Hon. Mr. Cheveldayoff:** — For the committee's information, the manufacturers choose the delivering dealer based on our request for where we want the vehicles delivered and such. But our experience is it's a wide variety of dealers across the province that benefit from this.

**Ms. Sproule:** — All right. Just moving on; time is quickly passing. Last week, I think June 14th, there was an

announcement that the government's selling the executive air facilities at Regina International Airport. And I think bids closed on Monday, June 15th. But the catch is similar to Valley View, where the buildings must be moved or demolished. So was there a successful bid on those properties and how much were they sold for?

**Hon. Mr. Cheveldayoff:** — Thank you very much. The member's correct that the bids closed, I believe, on the 15th of June. And you know, we're just 10 or 11 days after that here. So they're reviewing the bids at this point in time and, you know, taking it all under consideration. Nothing's been awarded yet.

**Ms. Sproule:** — Thank you. I do want some IT questions, and I feel bad because I have a lot, but I won't get to them all. So I know that you were in PAC [Public Accounts Committee] earlier this year in April with the auditor's report. And one of the things I think that your deputy minister indicated there is that you were working to automate some of the processes for August of this year. I'm just wondering if you could give us an update on that automation.

**Hon. Mr. Cheveldayoff:** — Officials are asking for a little bit of a clarification in reference to exactly what was taking place at that PAC meeting. As minister I don't go to the PAC meetings, so I can't help.

**Ms. Sproule:** — I apologize. I didn't ask a very clear question. The auditor was talking about the ministry needing to ". . . develop and maintain comprehensive procedures and guidelines to support the development and operation of secure web applications." There, I heard . . . The penny dropped. Okay.

**A Member:** — I see some nodding heads.

**Ms. Sproule:** — So I guess it's in relation to secure web application. There was a web application where Central Services did not complete the security assessment until eight weeks after it was put into use. And so I believe you indicated that you were working to automate some of those processes.

**Hon. Mr. Cheveldayoff:** — Thanks very much. I've got an enthusiastic answer here. So the evaluation process has been undertaken with the secure web application. It's all been implemented as discussed, and there's an audit procedure that's in place to ensure that it's doing what it's supposed to do. So, that's one area that looks like it's been done, and now we're just overseeing it and auditing it to make sure it's doing everything it's supposed to do.

**Ms. Sproule:** — Thank you. At that same meeting you had indicated you were making progress on identifying higher-risk web application vulnerabilities and you indicated — I think it was Deputy Minister Carr said — that by March 31st of 2020 work was targeted to be completed to place all web-facing applications behind a web application firewall to enhance security. Were you able to achieve that work and get it done?

**Hon. Mr. Cheveldayoff:** — Yes, that's been achieved and is fully operational.

**Ms. Sproule:** — All right. Thank you, Mr. Chair, for your benevolence this evening, and I hope you enjoy your new

Corvette.

And, yes, I do have many more questions, but I am aware that our time has elapsed. So I want to thank the minister and officials for a productive discussion today. And it's my last time with Central Services, so just want to say a shout-out to the officials and all the good work that you do. It's much appreciated by the people. Thank you.

**Hon. Mr. Cheveldayoff:** — Mr. Chair, if I may, I just want to respond to the member and thank her for, well these two hours and the number of years where we've had a chance to go back and forth together.

And as I indicated earlier, I had a chance to be in opposition a number of years ago, and I know it's a lot of work. It's a lot of research, and I can tell by the types of questions that you ask that you have done your research. And I think you can be very proud of the job that you've done in estimates over the years. So thank you for that.

**Ms. Sproule:** — I appreciate it. Thank you.

**The Chair:** — Well thank you, Minister, and everyone for being here. We will now recess until 6 o'clock.

[The committee recessed from 17:07 until 18:16.]

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Power Corporation  
Vote 152**

**Subvote (PW01)**

**The Chair:** — Well welcome back committee members. Sitting with us tonight we have Lisa Lambert and Steven Bonk, and substituting for Warren McCall we have Cathy Sproule. This evening the committee will be considering the lending and investing activities for SaskPower. We will now begin our consideration with vote 152, Saskatchewan Power Corporation, loans, subvote (PW01). Minister Duncan, could you please introduce your officials and make your opening comments.

**Hon. Mr. Duncan:** — Thank you very much, Mr. Chair. Good evening to you and to the committee members. We're pleased to be here this evening. I'm joined this evening, to my right is Mike Marsh, president and CEO [chief executive officer]. Seated behind us are Rachelle Verret Morphy, vice-president, corporate and regulatory affairs; Troy King, vice-president, finance and business performance and CFO [chief financial officer]; and Tim Eckel, vice-president, asset management, planning and sustainability.

We're pleased to be here to discuss SaskPower's borrowing requirements for the 2020-2021 fiscal year. As with those in Saskatchewan, Canada, and around the world, these past few months have been challenging times for SaskPower. SaskPower plays a critical role in Saskatchewan life and it's always imperative that we provide a reliable and secure source of electricity to those in our province.

Responding to the COVID-19 pandemic required SaskPower to

immediately shift the majority of its workforce to work remotely. In fact we increased the system capacity for employees working from home from around 400 to more than 2,300 during the initial phase of the pandemic. We also implemented new processes and procedures to ensure the health and safety of our employees, customers, and communities.

Our operational areas covering transmission, distribution, and power production have seamlessly continued to deliver electric power to our homes, businesses, and industries throughout this crisis. Customers are front of mind during this extraordinary time. We recognize the hardships that they are experiencing due to this global pandemic. As a result SaskPower joined with other Government of Saskatchewan Crown utilities in waiving interest on customer bills for a six-month period. This interest-waiver program is an important step in helping residents, farms, and businesses weather the economic fallout from COVID-19.

While the impacts of the pandemic will be felt around the world for some time, choices made over the past year at SaskPower have put the Crown corporation in a solid position to face them. SaskPower followed 2018-2019 with another strong financial performance this past fiscal year, details of which will be released shortly when the corporation's '19-20 annual report is tabled.

Going forward we're entering a more difficult and uncertain period. Impacts of Saskatchewan reduced electricity load, lower sales, and the costs associated with SaskPower's COVID-19 interest-waiver program are a few examples of the potential financial challenges SaskPower is facing. However I believe SaskPower is in an excellent position to respond to the emerging challenges of the pandemic while also continuing to move forward SaskPower's long-term strategy around energy transition.

Our objectives are clear. We must continue to manage our spending so that our finances are focused on the areas of greatest need and potential rate increases are minimized. This must occur while we maintain our vision for a cleaner energy future with a commitment to reduce carbon emissions by 40 per cent from 2005 levels by 2030. This work will be ongoing as we strive to mitigate the financial impact of the pandemic to our customers and while we continue to ensure that Saskatchewan has reliable, sustainable, and cost-effective power.

Mr. Chair, with those opening comments, we're pleased to take your questions. Thank you.

**The Chair:** — Well thank you, Minister. Are there any questions? Ms. Sproule.

**Ms. Sproule:** — Thank you very much, Mr. Chair. Thank you, Mr. Minister. Just wanted to address a couple of things off the top from your opening comments, just to get a sense of the impact of COVID on the corporation. You mentioned the deferral of power bill payments. I just wonder if you could give the committee a little bit of detail in terms of how many customers are taking advantage of that. And I know there's some rumours going around that people think it's not actually a deferral; it's just a "don't have to pay." So is there concerns about people's repayment plans and indeed will some people be able to repay? So just kind of get a sense of the size of the impact on your

finances.

**Mr. Marsh:** — Certainly. I'll ask Troy King, CFO, to answer the question.

**Mr. King:** — Okay. Troy King, CFO with SaskPower. Thank you for the question. On the interest-waiver program, we don't have a specific tally on customers because they're not required to contact us and apply for the program. It's automatic. Basically they just take advantage of it by not making a payment.

The way we're tracking it right now is by looking at our arrears or how many of our accounts receivable have grown since the announcement of that program. So right now, just by looking at that as of the end of May, which is the most recent data we have, it's about \$17 million is what it appears to be that the receivables have grown. So just by extrapolating that, we're looking at about \$42 million at the end of September.

In terms of your question on the cost, there's really two costs related to this program. One is financing charges. The corporation has to finance these receivables through both the initial six-month period and through the 12-month repayment period. And those costs are actually quite minimal. We originally estimated it to be around \$2 million potentially for additional interest costs. However because of the situation happening with COVID, interest rates have dropped, and so dramatically, we're actually expecting our finance charges to be lower this year than we originally budgeted. So they're not really material.

The second one is the one you've already touched on, the potential for bad debts. And certainly that is a risk as we go forward. So we do have a collection plan in place. It's going to start in August with us contacting customers who are in arrears, provide them with reminders that they are in arrears and that the repayment program is going to start in September.

And this is really a program that we use with all of our customers that are in arrears. It's personal contact, setting up payment plans with them, letting them know that we're aware that they're in arrears, and setting up plans for them to recover it. So there's likely to be some amount of that that's going to become uncollectable. But we're going to be working as hard as we can to try and ensure we can collect as much of that as possible.

**Ms. Sproule:** — Thank you. I have to say I think the program is worthy and important and has been a real source of comfort and relief for folks that are struggling. So I want to say kudos to the corporation for putting it in place and good luck with the recovery.

Mr. Minister, you also mentioned — and I didn't get the third one — some of the difficulties that you're facing as a corporation during this time. You said lower sales. I think you said reduced amount of power that's being used. But there was a third one, and just wondered if you could elaborate a little bit on that in terms of why there are lower sales and sort of what the impact of those three things are going to be on the corporation's finances.

**Hon. Mr. Duncan:** — I believe I referenced the impacts of Saskatchewan's reduced electricity load, lower sales, and the costs associated with the interest-waiver program.

**Ms. Sproule:** — Oh, okay.

**Hon. Mr. Duncan:** — Yes. And I think the lower sales is really just a function of both, I think, the effects of COVID-19 in terms of businesses that were closed, restrictions that were put on the economy as we kind of were first dealing with the pandemic. So obviously a number of businesses weren't open in the province.

And at the same time we've had, you know, significant reduction in demand, for instance, from the oil and gas sector, as at the same time they were going through and have been through a period of soft prices to the point where I think in the midst of this we had for a day a negative price of oil. And we've had a number of wells that have been shut-in across the province. So we certainly are forecasting, for now, lower sales through this period.

**Ms. Sproule:** — Any sense yet of that impact? I know you're able to tell me about the waiver program, but any sense of the impact on these reduced power load issues?

**Mr. King:** — Yes, we're tracking that on a monthly basis as our data comes in. Right now, as of the end of May we saw our total load down about 10 per cent compared to last year at this point in time. So when we try to extrapolate what that impact is going to be, we're trying to make some assumptions about when we think the economy's going to start to recover.

Obviously the province is opening up. We're hoping that we'll start seeing that 10 per cent continue to decrease as we move forward. Our best estimate right now, we're assuming about an 8 per cent overall load reduction throughout the fiscal year as a result of both COVID-19 and, as the minister mentioned, what's happening with oil prices as well.

**Ms. Sproule:** — Okay, thank you. In terms of the borrowing that's described in the Estimates — I just want to get the right page — there was a change, I believe, from the March version of the Estimates to the ones that we have in front of us today. And I'm just wondering first of all, just to talk a little bit . . . I have to find the March version, which I know is in here somewhere. If we could talk a little bit about those changes and then maybe talk about the numbers as a global number. I just want to find them. Here we are.

So looks like on page 147, back in March the anticipated lending, investing activities was 277.8 million. Since then that's been increased in the last three months to 424.6 million. Now that may be attributable to some of the things you just described, but I'm just wondering if you could explain sort of the difference between those two figures from March till June.

**Mr. King:** — You bet. So if we can start with the March numbers, I'll start and explain that one and then talk about the change to the most recent forecast. So the original \$277.8 million is made up of, we're assuming, about . . . We had a budget of \$214 million for the coming fiscal year. On top of that we add on about \$482.4 million in operating cash that we add to it. So that's things like depreciation, other items that deduct net income but actually provide cash to the organization. So a total of 696.7 million to be provided through operations. We have a debt repayment coming due next year of \$128.8 million, and then we have capital spending of 845.7. So the total or the net of that is

\$277.8 million.

So that's our original estimate. The revised amount of 424.6 is primarily made up of the change to net income. So we have \$142 million reduction in net income, so down to \$72.3 million from 214.3. And then the remaining five is just a number of other working capital adjustments plus the interest-waiver program.

**Ms. Sproule:** — Okay. And then the next page there's the schedule of debt, so that's page 149. And I believe that has changed since March as well in terms of your estimated specific gross debt, which is now up a couple hundred million dollars. Is that the same difference as the previous number?

**Mr. King:** — Yes, those should be related.

**Ms. Sproule:** — The math isn't there.

**Mr. King:** — Yes.

**Ms. Sproule:** — Okay. I think that applies then throughout . . .

**Mr. King:** — Yes. It's sinking funds in here which is why you're probably having trouble with your math.

**Ms. Sproule:** — Oh there's lots of reasons for trouble with my math. But 151 is your borrowing requirements. Those are also up . . . Oh that's the same figure again, isn't it?

**Mr. King:** — Yes.

**Ms. Sproule:** — Yes. Loan repayments, I believe that might be changed as well. Just let me find it, page 152. No, that's the same, right? I guess the only question there is that your forecast has changed. Back in March it was 75 million and now it's down to 50 million for '19-20.

**Mr. King:** — Yes. So that's mainly short-term financing, and we're using more of that short-term money. We were holding more cash at the end of the year than we did in the past, so that number came down.

**Ms. Sproule:** — Okay. So you are anticipating then borrowing this year, \$424.6 million?

**Mr. King:** — That's correct.

**Ms. Sproule:** — And you gave a figure for cash. I didn't write down all the numbers right away because you were going fast. So your revenue for this year would be 424.6 in terms of borrowing, and then you gave me some other numbers just . . .

**Mr. King:** — I started with the original 277.8. So we had a net income of 214.3, so I started with that. And then I had a number of other cash items that aren't on the income statement of 482.4, for a total of 696.7. And then I subtracted from that the debt repayment, the 128.8, and then our capital budget of 845.7. And that came to the original 277.8.

**Ms. Sproule:** — All right.

**Mr. King:** — And then from there we took away the 142, plus an additional 5 in other.

**Ms. Sproule:** — That's fine, thank you.

**Mr. King:** — Okay.

**Ms. Sproule:** — Just lots of numbers. Anyways, in terms of the capital budget then — I know it's not mentioned in the Estimates — but could you break that down a little bit in terms of what you're looking at for this year?

**Mr. King:** — Yes, just give me a minute. I'm not sure how detailed you want me to go on that number. We have 384.9 million in total sustainment spent. So that's capital that we invest to maintain our existing infrastructure, whether it be on generation, transmission, distribution assets. To that, we also have \$397.9 million in, we'll call it, growth and compliance. So that is for new assets or for customer connects, capital work. And then we have 62 million in our, what we call, strategic and other investments, for a total of 845.7 million.

**Ms. Sproule:** — Okay. Just maybe give us an idea of what would be in the strategic and other investments.

**Mr. King:** — Sure. We have a 14.6 million for our AMI [advanced metering infrastructure] program. We have 4.8 million in our fuel supply. So that'll often be for things like land, purchasing land for coal. We have the logistics warehouse complex of \$26 million. And we have \$17.5 million in technology and security.

**Ms. Sproule:** — Okay. Thank you. I think that's good for the moment. We'll get into some of these more specifically.

In committee last year we talked about the greenhouse gas emissions information production order, which I believe was issued on October 31st, 2018. And that set out the quantification reporting verification requirements for covered facilities like SaskPower.

Now I know it took effect on January 1st, 2019. Last year in committee there was a reference that because SaskPower is responsible under that system — under the output-based pricing system — to make payments, you were calculating that amount at the time last year in May. And it was due this month, actually, June of 2020. That would be when you have to make your first payment. So I guess my question is, first of all, have you made that payment yet? And if so, how much?

**Mr. King:** — So with respect to the federal carbon tax, we have not remitted the tax that we've collected at this point. The federal government has changed the due dates on them. Now — and I think it's partly driven by the COVID-19 situation — but we are not required to remit the carbon tax that we've collected until April 1st of 2021.

**Ms. Sproule:** — This was for calendar year of 2019, so you should know how much would be due to be remitted. Do you have that figure?

**Mr. King:** — Yes, I do. So for the calendar year, I'm just going to break it down. There's a total of \$63 million of carbon tax expense related to our generation facilities. We don't necessarily track the carbon tax that we pay on fuel for our vehicles and things like that nature, so it's on our generation facilities that we

focus on.

So there's \$63 million total of expense for the year. \$53 million is what's due to the federal government that we'll be paying in April — April 1 of 2021. There's \$6 million that we have to pay to the independent power producers who provide us with electrical power using natural gas, so we need to remit it to them. They're the collector and then they will submit that to Ottawa. So they haven't asked for that yet, and we'll be paying it sometime before April 1st of 2021. And then there's \$4 million that we had to pay of Part I tax related to natural gas purchases that we paid to SaskEnergy itself. And SaskEnergy collects and remits on a monthly basis, so that \$4 million would already be submitted.

**Ms. Sproule:** — Okay. You had mentioned last year something about different thresholds for different types of generation sources. I think you just referred to that in terms of natural gas for IPPs [independent power producer]. Are these thresholds public? Is that something we can get a copy of?

**Mr. King:** — Yes, absolutely. Yes.

**Ms. Sproule:** — Are they online or is it something you can provide?

**Mr. King:** — They're online.

**Ms. Sproule:** — They're online. Okay. Just going a little further on that, Mr. King, you indicated last year that you were putting it into a separate account last year and then you were going to finalize it, and if there was an over-collection you would refund it to the customers through a reduction in what you collected, I guess. So was there an overage at all that needs to be refunded to customers?

**Mr. King:** — No, there's not. There's actually a shortage. So in our annual report that will be coming out in early July, we'll have the detailed table on it. But I'll just give you an update on what it is.

So as of the end of the calendar year, we were still short \$13 million. We had under-collected. In terms of the rate rider that we implemented, we looked to recover that \$13 million through that rate rider. As of March the balance has improved, and we are at a \$6 million under-collected position right now. So the way it's tracking, we should be able to recover that during the year, hopefully over-collect a little bit and be able to reduce the amount that we have to increase it the following year.

**Ms. Sproule:** — Right. Was that shortage due to the fact that you didn't start collecting it until April 1st?

**Mr. King:** — Yes. That had a part to do with it.

**Ms. Sproule:** — So the first quarter hadn't shown up.

**Mr. King:** — It was partially that, and it was partially what we'd estimated in terms of emissions, different from what the actual was.

**Ms. Sproule:** — I know we discussed the choice of April 1st last year as a somewhat interesting choice, so I won't get into that

again. And in your third quarter report on page 7, your financial report, and again this is probably something you'll report in your annual report which is coming soon:

SaskPower accumulates differences between the federal carbon charge revenue collected from customers and the federal carbon tax owing to the federal government in a [something called the] Federal Carbon Tax Variance Account [this is still quoting from your third quarter]. The balance in the FCTVA, which is not included in SaskPower's financial statements, is either recovered from, or refunded to, customers as part of future federal carbon charge rates.

So I think you've already answered this in terms of how much was collected in 2019 — that was my first question — 63 million.

**Mr. King:** — Sorry, 63 million was the expense.

**Ms. Sproule:** — Oh okay. You were 13 million short.

**Mr. King:** — We collected \$49 million.

**Ms. Sproule:** — Forty-nine, right. And then this is now referring to . . . Let me read it. It's a quote from CKOM, and it's about this year's calculation for the carbon tax. This was in late December. You were estimating then that residential customers will pay an average of \$22 more in 2020 while farmers can expect to pay \$60 more next year. And you said the federal government has scheduled annual increases until January 2022 when the carbon tax is to reach \$50 per tonne.

So according to SaskPower, it'll have to collect 122 million in 2020. So I guess the question here is, are you on track to collect 122 million this year for the new version of the tax? Is that what the customer bills have been adjusted . . .

**Mr. King:** — Yes, we're actually . . . It's the 122 plus that \$13-million shortfall. So we should be whole by the end of this fiscal year.

**Ms. Sproule:** — Okay. So you'll be collecting every month of this year?

**Mr. King:** — Yes.

**Ms. Sproule:** — Yes. I don't get SaskPower bills because I'm a city of Saskatoon customer, so I don't see the numbers.

**Mr. King:** — Oh okay.

**Hon. Mr. Duncan:** — And the difference between what was estimated to be collected for 2019 and 2020, keep in mind it's a combination of both the carbon tax going up from 20 to \$30 as well as the threshold coming down. And the threshold coming down in terms of that difference that SaskPower pays between that threshold and what their actual emissions are for their generation, the threshold reduction for 2020 is actually the greatest of all the threshold reductions from now until 2030. So it drops, that threshold drops 150 tonnes in 2020, and then going forward I think it's about 38 tonnes per year until 2030.

**Ms. Sproule:** — Do you have a financial impact for that 150



tonnes this year? That's separate from the carbon tax, right?

**Hon. Mr. Duncan:** — No. So that's . . .

**Ms. Sproule:** — Sorry, I'm rusty on this. You may have to . . .

**Hon. Mr. Duncan:** — No, no, it's okay. So basically the federal government, through the output-based performances from the electricity regulations, they allow for a threshold at which utilities can emit, and then anything over that threshold and their actual emissions, that's actually what we pay on. So we pay \$20 per tonne on that difference. And this year we're paying \$30 a tonne on that difference.

The threshold though each year is going to get lower. So assuming that the emissions profile doesn't necessarily change for the next 10 years, but the threshold is going to get lower. So we're going to essentially be paying on more emissions at a higher amount each year. But until at least 2022 when we get to \$50, and then we don't know after that.

**Ms. Sproule:** — Right. And that's when much of your solar will come online too, or some of it is coming online. Sorry, I'm just assuming that, you know, you'll reduce your emissions. You're in the process of reducing emissions as well. So the threshold won't have as much of an impact as you reduce your emissions.

**Mr. King:** — Yes, that's correct.

**Ms. Sproule:** — Which is the goal, I guess, overall.

**Hon. Mr. Duncan:** — So we'll end up at 2030 . . . And I think Mr. Eckel mentioned that the thresholds are online and we can help provide that. It's all public information. But I think 2030, the threshold essentially bottoms out at 370, which this year I think it's going from 800 . . . it was 800 last year, down to 650 this year. And then it'll drop 38 tonnes each year until 2030.

**Ms. Sproule:** — Okay.

**Hon. Mr. Duncan:** — But it's a function of the 20 to 30 jump this year as well as the reduction of 150 tonnes on that threshold that's causing us essentially to double the amount that we have to collect.

**Ms. Sproule:** — And that's what you're recovering from your customers.

**Hon. Mr. Duncan:** — Right.

**Ms. Sproule:** — Right. In terms of the funds that were collected last year — and you're still gathering up the last 13 million — are you able to earn interest on that account? Is that something you can invest and earn interest on?

[18:45]

**Mr. King:** — Absolutely. What we do is we just keep that money in a separate account. And it earns interest, and that interest is credit against that fuel tax variance account. So that goes to the credit of the customers; we don't try and recover that from them.

The other piece that we adjust within there is we take out

adjustments for any exports that we make or any energy that we use internally. So we take that away from the calculation. It's still an expense but it doesn't go into the fuel cost variance account.

**Ms. Sproule:** — Okay. So, I'm sorry. You answer very quickly. In terms of what happened with the interest then on that account, could you repeat again how you've . . .

**Mr. King:** — So we take the money and we just hold it in a regular savings account at the Royal Bank. It earns interest, and that interest that we earn on it, we credit that against the balance of the fuel cost variance account. So that \$13 million I was referring to that we were short, we credit against that so that we do not have to recover that in the future from our customers. They get credit for that interest.

**Ms. Sproule:** — So it's going back to the customers essentially.

**Mr. King:** — Yes.

**Ms. Sproule:** — Okay. How much interest did you earn in 2019?

**Mr. King:** — I don't have the number. It was about \$300,000.

**Ms. Sproule:** — All right. Rate increases, there was an announcement, news release on December 13th. And then in Global News there was also a story, people are seeing — we mentioned this already — the \$22-a-year increase for carbon tax. And then SaskPower's third quarter report, page 7, well I guess we've already discussed that. That was the 12 million or 13 million short. Sorry, we've already addressed that. I just have to take a minute here.

Okay. In terms of fuel for your fleet then, I'm moving on, what was the cost of the carbon tax to SaskPower in 2019 specifically for fuel for the fleet of vehicles?

**Mr. King:** — For our vehicles, not for our generation facilities?

**Ms. Sproule:** — Yes, just the vehicles.

**Mr. King:** — I don't have that number with me right now. It's something we'd have to dig up. We focus really on the generation side.

**Ms. Sproule:** — Okay.

**Mr. King:** — But yes, we could look that up.

**Ms. Sproule:** — So you wouldn't have a number then just for the cost of operating your own buildings as well?

**Mr. King:** — No, I don't have that number with me.

**Ms. Sproule:** — Okay. I think, Minister Duncan, you were interviewed in October of 2018, that's quite a while ago, saying that you were looking at additional costs of fuel for running the fleet of SaskPower vehicles, as well as the costs of operating buildings on top of the emissions by burning coal and natural gas to generate power.

At that time you were able to give an estimate of what you thought it would cost, and you said your early numbers you were

working on between now and 2022 is between 900 million and 1 billion that SaskPower would need to manage. And in the first year in 2019, your estimate at this point was 141 million. So was that close to the actual cost? Like I know you don't have the numbers with you right now, but 141 million, was that close to it?

**Mr. King:** — I think you're referring to the generation facilities. That would not be from our vehicles and our buildings.

**Ms. Sproule:** — That wasn't from the vehicles. That was for the generation facilities?

**Mr. King:** — Yes.

**Ms. Sproule:** — Okay.

**Hon. Mr. Duncan:** — I would just say I would agree with that, the numbers that you quoted there. And I don't remember the interview from October 2018, but that's more in line with the estimates that we have based on the thresholds and what we know where the carbon tax could go. I think we're forecasting about 1.8 billion, somewhere in that range, that it could cost.

**Ms. Sproule:** — Okay, I think I'm going to leave that for the moment. Just quickly going over to CCS [carbon capture and storage] Boundary dam, and I know I have your latest update. That's the old one.

Maybe while I'm looking for that particular document, you could just share with the committee just the results and what's happening at the carbon capture and sequestration unit at Boundary dam 3.

**Mr. Marsh:** — Sure. I'll just give the summary of where things are at for the year, year to date. Well I'll give you 2019 first: 2019 we captured 616 119 tonnes of carbon. In 2020, year to date as of the end of May, 294 364 tonnes. We have operated in the past year for a 12-month period from May through May, and we captured 732 000 tonnes during that period. So a continuous operation which we're very happy to see on that facility.

To date we have captured 3.4 million tonnes of carbon dioxide, and we continue to look at operating this facility well into the future. Next year there will be an overhaul in 2021, and that will happen in the spring of 2021. We don't know the number of weeks quite yet. So operationally we're still producing CO<sub>2</sub> from that facility.

**Ms. Sproule:** — And what sort of issues are you encountering these days in terms of amine? Is it working? Are you happy with the solution you're using now?

**Mr. Marsh:** — The operational issues at the carbon capture plant continue to be the same. I would characterize it now on a much more stable mode than it was in the first few years of operation. We continue to spend money on amine costs, and those show up in our fuel and purchase power expense. But the plant is operating at a much more stable level in 2020. And we can also say that we captured, the captured CO<sub>2</sub> yielded about 40.5 million in net revenue since 2014. So that's the sale of the CO<sub>2</sub> to the offtaker.

**Ms. Sproule:** — So it's six years already? It's been . . .

**Mr. Marsh:** — Five.

**Ms. Sproule:** — Six in October.

**Mr. Marsh:** — It'll be six in October, correct. Yes, five and a half years.

**Ms. Sproule:** — Yes, 40 million. In terms of the downturn in the economy, the oil economy right now, do you find that Cenovus is — or whatever they're called now, I forget — Whitecap is asking for less CO<sub>2</sub>, or are they still asking for the same amount prior to COVID, or prior to the downturn in the price?

**Mr. Marsh:** — We continue to engage with Whitecap. And we're still under contract with them, so until that contract runs out, we will continue with the contract rate that we have. I will say the market is low. Every other offtaker who may be interested is certainly looking for a very low price.

**Ms. Sproule:** — Right. Have you entered into any other contracts with offtakers?

**Mr. Marsh:** — No, we have not. Not till that's done.

**Ms. Sproule:** — Okay. I'm again going from memory so you may have to refresh my memory, but in terms of the arrangement with Cenovus, when does that contract end?

**Mr. Marsh:** — The contract with Cenovus was a 10-year contract, so it essentially ends in 2024.

**Ms. Sproule:** — Okay, right. In the agreement with Cenovus, if they decide not to take the CO<sub>2</sub> on a particular day, are you still injecting it in the Aquestore site, or do you just turn the plant off?

**Mr. Marsh:** — No. We continue to inject in Aquestore each and every day.

**Ms. Sproule:** — So what would the total amount of tonnes, CO<sub>2</sub> that has been injected in the last year?

**Mr. Marsh:** — Injected into Aquestore? I don't have that in my notes right here. Just excuse me for a while. To date we understand it's slightly over 300 000 tonnes of CO<sub>2</sub> has been injected into the Aquestore well.

**Ms. Sproule:** — That's since 2014 or . . .

**Mr. Marsh:** — That's 2014.

**Ms. Sproule:** — Yes. Any issues in terms of that process, injecting it?

**Mr. Marsh:** — No. That Aquestore well is working very good. Like any other facility, it requires maintenance, and a year and a half ago, we did some maintenance on that well. But it continues to operate quite fine.

**Ms. Sproule:** — Okay. Do you know if this technology has been sold or is being used in other parts of the same formation? Because if I understand that formation, then where the CO<sub>2</sub> is

being injected actually goes all the way to Edmonton. Like it's a huge area. Is there any other injection that's going on that you know of?

**Mr. Marsh:** — I don't believe there's any injection in the same formation, and even any of the injection sites in Alberta that have recently been announced are in a slightly higher formation. But none that I'm aware of in the formation that the Aquistore enters.

**Ms. Sproule:** — So no fear of it filling up in the future.

**Mr. Marsh:** — No. There's an unlimited capacity for that Aquistore to continue to take CO<sub>2</sub> in the Estevan area.

**Ms. Sproule:** — Okay. In terms of continuing with further CCS or CCSU [carbon capture, storage, and utilization], have you made any further decisions in terms of the Shand power station?

**Mr. Marsh:** — Not at this time. Right now we continue to look at options that take us out to 2030 and beyond. Carbon capture is still a possibility for the Shand power station, but we haven't made a final decision on that yet. I think we indicated last year that it would be the early part of this decade, so I would suspect sometime in the next couple of years there would be a decision made on that. We need a significant lead time if we're going to build another facility like Boundary dam 3.

**Ms. Sproule:** — Any discussions in terms of converting Shand to a natural gas plant? Would that be possible in that area?

**Mr. Marsh:** — We have looked at the potential to convert, but the facilities in Saskatchewan burn what's called lignite coal. Now lignite coal requires a certain type of equipment in order to burn that and it doesn't lend itself well to converting to natural gas. In addition, the cost of providing a natural gas pipeline to actually supply enough gas that you could burn in those facilities would be very expensive. So we've ruled out the conversion of those facilities. We can operate them to the end of this decade, and right now we're continuing to look at, as these retire, we are converting with natural gas. That's why Chinook was built and that's why the Moose Jaw plant has been put on the boards for 2024.

**Ms. Sproule:** — Just going back to the unit at Boundary dam, what's the annual output? The numbers I have is that in 2016 you had 792 000 tonnes captured. 2017 was quite a bit lower at 507 000 tonnes; and then I believe in '18-19 it was around 625 000 tonnes; and then this year was . . . 2019, sorry, 616 000 tonnes. So that is not the best year, and I know there was a shutdown in the spring because of the flood at Boundary dam. Was that the reason why it's as low as it is?

**Mr. Marsh:** — Well it's a combination of a number of things. It's a combination of the outages that are required at the plant, the power station — I'll say it that way — and the outages that are required on the carbon capture facility alone. So when the power station is not running, you can't capture carbon. When the carbon capture plant is not running, you can't capture carbon. And the combination of that over the last five years has shown us that on average we're 600-plus-thousand tonnes. We achieved that 800 000 tonnes in the 2016 year, or very close to that 800 000. But we are finding that the operating of that plant at the capacity that is required by the offtaker is right around that

600 000.

**Ms. Sproule:** — I think at one point we had said it could offtake one million tonnes, so that's sort of the peak possibility. Was that . . .

[19:00]

**Mr. Marsh:** — That was the defined tonnes when this plant was first announced. There was technical issues — and we've discussed these prior — that have just not enabled us to capture the full capacity of that plant. That would be if that plant could operate at full capacity every hour of the day throughout the entire year. And that is just simply not practical, and that's why the numbers are showing the way they are.

**Ms. Sproule:** — When you say technical issues, does that include the offtaking by Whitecap energy? That's one of the technical issues?

**Mr. Marsh:** — Well that would be considered a business issue. If they only want 1500 tonnes or 2000 tonnes a day, then that's all we provide. And that's all we would produce.

The offtaker nominates an amount that we have to meet. And they nominate that in the week ahead. And so we would gear our production facilities to make sure we met that commitment. In some cases where they have nominated low, that's when we would continue to capture CO<sub>2</sub> and push the excess into the Aquistore facility. When they nominate high, then all the production coming off that plant would go to Whitecap.

**Ms. Sproule:** — That's what I was trying to talk about earlier, but I forgot the word "nominate." But anyways, if they nominate low for a continued period of time and production's down on their facilities, would you ever just dial back the amount of carbon that you sequester? Or do you just put it all in the Aquistore?

**Mr. Marsh:** — No, we do dial it back. We tend to dial back the production capacity of that plant to follow the offtaker's requirements for the most part. And we would inject somewhat extra from time to time. But we're not going to run the plant at full capacity and inject it into an Aquistore where we don't receive any revenue for it. Part of the business model for this was to earn revenue as we produce CO<sub>2</sub>.

**Ms. Sproule:** — Despite the fact that you could reduce emissions by injecting it into Aquistore.

**Mr. Marsh:** — There's no doubt that as we look to the future, and with the increase in carbon tax, every tonne of CO<sub>2</sub> becomes more valuable to put away.

**Ms. Sproule:** — Okay. Did you pay any penalties to Whitecap in '19-20?

**Mr. Marsh:** — I'll ask Troy King to answer that question.

**Mr. King:** — So for the fiscal year '19-20, SaskPower earned CO<sub>2</sub> revenues of \$15.8 million and we had shortfall payments of 5.4 million for a net revenue of 10.4.

**Ms. Sproule:** — So the penalties were 5.4 million?

**Mr. King:** — Yes, that was the shortfall.

**Ms. Sproule:** — Semantics. Okay, thanks for that. In terms of the contract, you said it's over in five years. Are you starting negotiations for a renewal at this point in time, once that's . . .

**Mr. Marsh:** — I would say we're always in negotiations and discussions with Whitecap on production capacities, on nominations, and certainly future discussions on whether the contract would be extended.

**Hon. Mr. Duncan:** — I think I'll maybe just add to that to say that Whitecap does . . . So they do receive CO<sub>2</sub> from Boundary dam 3. They also do continue to receive CO<sub>2</sub> at the same time from the United States. And with certain policy changes in the United States — the 45Q tax credit that is being used to incentivize additional carbon capture, and there's a tax credit available — there's the likelihood that there could be more CO<sub>2</sub> coming onto the marketplace in the United States.

And I think Whitecap's view is that they need to make some decisions on kind of whether or not they're going to lock in to some long-term contracts based on the availability of CO<sub>2</sub>. And so there's between Whitecap and SaskPower, certainly as the CEO has said, ongoing discussions about the future availability of CO<sub>2</sub>.

**Ms. Sproule:** — If those incentives took place in the United States, obviously Whitecap would be more inclined to purchase their CO<sub>2</sub> from their American . . .

**Hon. Mr. Duncan:** — I think that's hard for me to say, hard for SaskPower to say. You know, I don't know all the details in terms of what projects are moving forward. I just know that there is a tax credit, the 45Q tax credit that certainly a company like Whitecap is looking at to see who may be getting into the carbon capture business in the United States.

And because they have the existing pipeline from the United States that goes right to the Weyburn field, to the Weyburn unit, you know, I think they're trying to see what our future plans are and they're also looking to see what might be available out of the United States. I think it's fair to say their priority would be to source the majority of their carbon dioxide from Canadian sources, but they also have business decisions to make and we do as well.

**Ms. Sproule:** — I'm not sure. We just passed a bill on a tax incentive for chemical fertilizer. Is this something the government might consider as an incentive for this type of sale? I don't know what 45Q means but it sounds good, you know.

**Hon. Mr. Duncan:** — I think that it's something that we should be looking at because it's more than just a coal-fired power plant that can capture carbon dioxide. And certainly my understanding is that the applications of 45Q will likely not necessarily be solely coal-fired generation. So there may be other large industrial emitters in Saskatchewan that could have an interest in capturing carbon dioxide and selling it. Right now though, without a . . . And 45Q's at a national level, so it's not a state incentive. But it is certainly something that has been communicated to the federal

government that it's . . . We certainly would have an interest in seeing the federal government explore a 45Q-like incentive in Canada.

**Ms. Sproule:** — I want to talk about flare gas a little bit later, but would that be an option for capturing carbon if those flares were captured? And I mean, I know there's methane and I know there's got to be carbon in the natural gas. So is that one of the options you're thinking of, or are you talking about large industrial facilities?

**Hon. Mr. Duncan:** — No, I'm thinking more larger industrial facilities like cement plants, natural gas, frankly, or large facilities that use a lot of natural gas, that sort of thing. The flare gas, I don't think it's an application that carbon capture necessarily would be applicable for. You know, there's lots in the flare stream that would be . . . There's other applications I would say for flare gas rather than trying to . . .

**Ms. Sproule:** — Power generation.

**Hon. Mr. Duncan:** — Right.

**Ms. Sproule:** — All right. Yes, I'll hopefully get to that in a bit. We had talked about a potential insurance payment coming out of the flooding at BD3 [Boundary dam 3] last year, and wondering if you've been able to resolve that with your insurance company.

**Mr. King:** — So yes, we've been able to resolve it. So we were able to collect that insurance that we were looking to and we made a submission for.

**Ms. Sproule:** — I think you mentioned there would be 3.2 you were hoping would be collected from the insurance company. Is that what you secured?

**Mr. King:** — Yes.

**Ms. Sproule:** — Now when you say there was 5.4 in shortfalls, is that in addition to that 3.2 million? Would it have been higher if you didn't have the insurance?

**Mr. King:** — No. Our revenues that we recorded would have been a bit lower if I didn't have that insurance. We put it on the revenue side.

**Ms. Sproule:** — It's on the revenue side. Okay. Thank you. Okay, I'll try this one. There was an *Estevan Mercury* story that said, "SaskPower's game plan when it embarked on the CCS facility was first and foremost to prove the technology to show it would work as intended." And that was attributed to Howard Matthews who was vice-president at the time. In 2016 in committee Minister Boyd said, "The mandate provided by the Government . . . to SaskPower was to advance the technology." So just to clarify the game plan, was it to prove the technology or was it to advance the technology?

**Hon. Mr. Duncan:** — I guess not being the minister at the time, but I think I kind of see them as one and the same. If you can prove the technology, it would help to advance the deployment around the world. So I don't see that necessarily as a difference between the two.

**Ms. Sproule:** — Okay. And then this is shifted now. Now according to this *Estevan Mercury* story, the focus is now around cost reduction and trying to get costs for CCS as low as possible. So the quote was, “The whole point of this is with reliability and cost improvements to give the best information we can to the decision makers going forward.” So in terms of CCS, is there still an ability to lower costs?

And I know you mentioned the amine, you’re still struggling with that. So what sort of plans or techniques are you looking at to lower costs? And do you have a timeline on, sort of, making that cost reduction analysis before you determine Shand. You indicated when Shand would be determined, but are there things you’re looking at in terms of lowering costs?

**Mr. Marsh:** — I would say on the existing carbon capture facility, we continue to look at every possible way to lower our operating costs, whether it’s reduction in amine, whether it’s improved performance of some of the equipment to just improve the overall production rate. But I would think that the bigger improvement comes when you look at an advancement in the technology, and this is where the knowledge centre has come in over the past few years. And the knowledge centre has looked at other options to improve the amine technology process that is really the core of the carbon capture facilities on coal-fired generation.

And you are aware that last year they issued a report on the Shand study that was done. It was publicly announced and there was some background work done on different amine technology — I would call it the next generation of amine technology — that might be used in carbon capture facilities. And that work is helping to inform us as we look to the future. We continue to explore every option we can on the existing plant, but a significant change would have to be made in order to lower the cost sufficiently.

As you are aware, natural gas is the commodity that has been very low in price recently, is resulting in the retirement of tens of thousands of megawatts of conventional coal in the United States. And competing against a natural gas generation facility is very, very difficult today in this low commodity environment.

**Ms. Sproule:** — Thank you. Just moving on to the schedule of debt again. Sorry, I’m bouncing back to the Estimates book. The 2019-20 forecasted public debt was \$6.398 billion. In your third quarter report, you show your public debt at \$7.290 billion. So I’m just wondering about the discrepancy. It may have to do with sinking funds, but I’m . . .

**Mr. King:** — I didn’t catch the page you are on there.

**Ms. Sproule:** — It’s 149.

**Mr. King:** — 149.

**Ms. Sproule:** — In the forecast public debt.

**Mr. King:** — And you’re comparing it to which page in the quarterly report?

**Ms. Sproule:** — I don’t have the page number. I’d have to find it.

[19:15]

**Mr. King:** — Okay. Without doing the reconciliation, you’re right. The sinking funds will be the biggest piece of that variance. And if you look on page 149 you can see that the sinking fund estimates are included there in the third column. But yes, our debt levels that we reported would be on the gross.

**Ms. Sproule:** — The ones in the third quarter?

**Mr. King:** — Yes, and we would also have in our debt, in addition to what’s reported in here, we show some of our long-term PPAs [power purchase agreement] as a debt obligation in our financials. So they’re not from the province themselves, but they’re just obligations that we have.

**Ms. Sproule:** — Okay thank you for that. Now I’m going to move on again to the GTH logistics warehouse that was recently announced June 1st.

Looks like an RFP for earthworks is posted and you’re expecting that work to begin in the fall of 2020, and then you will issue an RFP for a construction general contractor in 2021. This will be awarded through your procurement process, and construction costs:

are estimated at approximately \$100 million. The costs for constructing and operating . . . will be lower in terms of maintenance requirements and avoidance of costly renovations to existing facilities . . .

So if I understand that properly, 100 million, does that include the price you paid for the land, the 25 million for the land?

**Mr. Marsh:** — Are you referring to the media release?

**Ms. Sproule:** — There was a news release that said costs were approximately \$100 million.

**Mr. Marsh:** — I don’t believe the cost of the property was included in that number, but I’d have to confirm that. If I saw the document . . .

**Ms. Sproule:** — Okay. So it could be 125 million.

**Mr. Marsh:** — Yes.

**Ms. Sproule:** — Total. So is that cheaper than maintaining existing facilities? Like how does that jive?

**Mr. Marsh:** — Okay, the GTH project is part of a bigger, longer term strategy that we have been working on for almost a decade now.

We have owned or leased several buildings on several different properties in the city of Regina. At one point I think we were at 25 or 26 facilities, and many of those are way beyond the end of their life. Some of them in the downtown core, for example at 6th and Lorne, some of the buildings there were there in the Second World War. We have a warehouse facility down there, which means large trucks and semi-trailers come into the downtown core of Regina to offload equipment.

Those facilities are obsolete. They require extensive maintenance or a rebuild, and the cost to build a new facility is, in our estimation, less than to try and keep renovating the old facility.

So we're not only taking obsolete buildings, we're also combining a number of buildings into one location so we get a lot better, I don't want to use the word, productivity, but certainly efficiency because we're not driving around the city from facility to facility.

So that's really the two key points. As we consolidate these facilities, in the end we're going to have only four or five in the city of Regina. Our operating costs have been estimated to drop by approximately \$1 million annually once these consolidations take place over the next four or five, six years.

**Ms. Sproule:** — Thank you for that. I'm just wondering: is it possible to get the business case for coming to that 1 million annual saving?

**Mr. Marsh:** — We'll have to look into that. You know, we can provide you probably a summary. The actual business case, I would have to confirm that.

**Ms. Sproule:** — Okay. I'll leave that for you to consider, and if you can provide it to the committee through tabling. Yes. Back in 2016, at that time there was no plan to build on the GTH lot. At that time you were trying to contain your capital costs and rate increases for customers, so you were deferring capital spending at that time. Given the COVID realities, is this the right time for this construction?

**Mr. Marsh:** — We believe it is. The planning has reached a point where, you know, we've reduced a lot of the parameters. Over the last couple of years we've managed to bring the cost of this facility in at a number that we can justify, and now is probably as good a time as any, given the fact that we're . . . You know, a project like this would be very valuable for the construction community; it would employ a lot of people during construction. And I think, as part of our overall capital plan, we are not adding anything to our capital plan. We continue to prioritize and defer where we can, but it's still within our capital program and still within the business plan that we've developed for this year.

**Ms. Sproule:** — Okay. One of the things in your press release from May 31st was the statement from Grant Ring that, "The Logistics Warehouse will bring together employees currently located across five locations in Regina and Lumsden." And there will be, as you said, operational efficiencies and stronger collaboration across business groups. Can you share with committee whether there will be any FTE [full-time equivalent] or job losses as a result of the amalgamation of the five facilities?

**Mr. Marsh:** — No. These facilities service our transmission and distribution, our field operations, and there is no plan in place to reduce body count or FTEs at this time for those divisions.

**Ms. Sproule:** — That's the first time I've heard somebody refer to it as body count, but anyways.

**Mr. Marsh:** — People count.

**Ms. Sproule:** — People count. I've been watching too much

*Grey's Anatomy*. Anyways, where and how specifically do you think the new operational efficiencies will come about?

**Mr. Marsh:** — Well as I've indicated, having facilities located in one area just allows for closer collaboration, less driving time in the city. For example, we'll have our warehouse there. We're going to have our lay-down area in that particular area. We're going to have a fleet service and operations building in that area. All of these facilities today are located in different parts of Regina. The fleet and the materials warehouse are relatively close, but again they're in obsolete and outdated facilities today. So it is time.

I believe at a previous committee meeting I spoke on the fact that the logistics warehouse is being located in an area of development for Regina, as they expand north and west. The road access now is very good. The people that work in those facilities are going to be loading trucks and shipping to other SaskPower locations in the province: Saskatoon and Melfort, Yorkton, P.A. [Prince Albert], and everywhere there's a major job in the province. So the access is good. The access for trucks coming in is good. And there is an opportunity as well to sell that property once we vacate it, and that can be turned over to developers for other development in the city of Regina.

**Ms. Sproule:** — Okay. In the news release you also mentioned the recent purchase of a downtown office building as well as renovations to the company's downtown head office and research facility at the Saskatchewan Science Centre. Why did you need to purchase another downtown office building? Can you tell us when it was purchased and was it a planned purchase?

**Mr. Marsh:** — Yes, it was a planned purchase in the sense that it fit our plan to consolidate. And this building happened to come up for sale. It's a block south of the head office building at SaskPower today. It's the former credit union building. That building is in the process of being renovated and it will form part of the building facilities in the downtown Regina core for SaskPower head office employees.

Again, we still continue to lease space in other properties. And when those leases come off, we want to be able to move our employees into a new facility that's in close proximity to the main head office building. And again, all of these together will result in approximately a million dollars in savings annually for operating costs.

**Ms. Sproule:** — I believe that's the Affinity Credit Union building?

**Mr. Marsh:** — Yes.

**Ms. Sproule:** — Because I went to bank there the other day and it's closed. So that's why. So is anybody occupying it right now?

**Mr. Marsh:** — I don't think anybody is there. There could be somebody on the other floor, I'm sorry, I don't know. I don't think so. We were in the process of vacating any tenants so renovations could begin this year.

**Ms. Sproule:** — So when are you planning on moving in?

**Mr. Marsh:** — I think the renovations on this are a two- to

three-year timeline. So it will be 2023, '24.

**Ms. Sproule:** — And the head office, are there renovations happening there as well?

**Mr. Marsh:** — Yes, there are.

**Ms. Sproule:** — Are those the ones that we talked about several years ago?

**Mr. Marsh:** — Yes.

**Ms. Sproule:** — They're just going ahead?

**Mr. Marsh:** — Yes.

**Ms. Sproule:** — And there's a research facility at the Science Centre. Is there significant renovations there too?

**Mr. Marsh:** — Not significant, no. There's some minor modifications to some of the office space that exists to bring it up to current standards, but that's not going to require a major upgrade.

**Ms. Sproule:** — And do you have numbers for the renovations for the head office? Do you know what that's going to cost?

**Mr. Marsh:** — I believe we had indicated in a statement to committee previously that those renovations are approximately \$150 million over a five- to six-year period. We're doing three floors at a time, so the impact on our annual capital is smaller than it would be if we did it in one big shot, so about 30 to \$40 million annually as we renovate this building.

**Ms. Sproule:** — Thank you. Natural gas plant, Moose Jaw. Recently, I think February, there was a news release. It's taking another significant step towards reality as the project enters the RFP phase. I believe you have shortlisted Burns & McDonnell Canada and Kiewit Construction Services ULC. Have you finalized that competitive process?

**Mr. Marsh:** — No, at this time that process is not finalized. That will continue into the fall-time. We expect to award something later in 2020.

**Ms. Sproule:** — Now I think I saw something in a letter you wrote that there were no Saskatchewan-based EPC [engineering, procurement, and construction] firms that submitted a proposal?

**Mr. Marsh:** — On this particular project, yes.

**Ms. Sproule:** — Are there Saskatchewan-based EPC firms?

**Mr. Marsh:** — Not usually that can undertake a project of this size. EPC is used for many-sized construction projects, some of them much, much smaller. But on a specialized project like a power station, these constructors are in the business and they build facilities all over North America. And they're the ones that were shortlisted for this particular power station.

**Ms. Sproule:** — And Swift Current was Burns & McDonnell?

**Mr. Marsh:** — Burns & McDonnell.

**Ms. Sproule:** — Okay. In terms of procurement and workers, do you have any conditions in the RFP regarding using Saskatchewan products and workers?

**Mr. Marsh:** — We have the same terms in our contracts that we would have for other contracts. We don't specify a specific amount but we certainly, as we evaluate these proposals we will look carefully at, you know, how they're issuing their subcontracts to the subtrades, how they're procuring their material. And we continue to work with both of them today as they prepare their final proposals and look at how they can access the labour market in Saskatchewan, access vendors for materials and equipment.

**Ms. Sproule:** — I have a letter that you wrote on April 7th, and you referred to the Swift Current contract that 44 per cent of the manpower came from Saskatchewan skilled trade workers. I'd like to see it higher. I don't know if that's reasonable but, you know, can it be 88 per cent? Like, what's holding back getting that number higher?

[19:30]

**Mr. Marsh:** — I think the easiest way to explain it is these major industrial complexes — whether it's the Co-op Refinery in Regina, whether it's a SaskPower generating facility, whether it's a potash mine — when they undertake major expansions, they use construction trades from across Canada. And those union halls are accessed locally by the contractor when they're in Saskatchewan. So they would access the pipefitters or ironworkers, painters, labourers through those halls. And those halls hire from across the country. In most cases in a power station, a large number of pipefitters are required, for example. Large number of ironworkers, we don't have that many of those workers here in Saskatchewan. So on a large industrial complex, that's precisely what happens.

On a lot of the smaller aspects, whether it's building structures, whether it's, you know, general construction, painting, electrical installation, in some cases a lot of those subcontracts were let to Saskatchewan contractors.

**Ms. Sproule:** — So is 44 per cent a number you're comfortable with then?

**Mr. Marsh:** — I believe that Burns & Mac did a very good job in accessing the content that was available in Saskatchewan. We are working with them and are encouraging them to do whatever they can with respect to the Moose Jaw plant. I will tell you that the mayor of Swift Current was very happy with the outcome for his community and for the number of suppliers, vendors, and businesses that were accessed during that construction of that project. And the mayor of Moose Jaw continues to look forward to this facility coming to his community as well.

**Ms. Sproule:** — Yes.

**Hon. Mr. Duncan:** — I'll maybe add to that. Just that, there were a number of subcontractor forums in the Chinook project in Swift Current, in Regina, in Saskatoon all throughout September and October of 2016. Sixteen out of 17 awarded subcontracts maintained local content; 18 of 25 awarded site services maintained local content.

And I think, as Mr. Marsh has indicated — particularly on those trades, the pipefitters and ironworkers — the local hiring halls, for whatever at that time when they're doing the hiring, they're going to make sure that those local hiring halls in the province, whoever's available is going to get hired.

And just there's a limited number; those tradespeople in the province could have been working on other projects at that time. And you know, I think those unions would have a hard time justifying to their own members why they didn't hire Saskatchewan workers that were available. The fact is either they weren't available or we just don't have the numbers to sustain a project like this.

**Ms. Sproule:** — If I understand correctly though, some other trade unions, it may not been the pipefitters or the ironworkers, were concerned about the lack of opportunity at the Chinook plant and they were very public about that over the term of the construction. So maybe pipefitters are hard to find, but I'm not sure that all of those trades were hard to find in Saskatchewan. And there seemed to be an expression of concern, certainly from trade unions, that there wasn't enough local hiring going on. So I'm not sure how you match that up with what you're saying about the pipefitters.

**Mr. Marsh:** — You know, the timing of these projects certainly are dependent on the local market conditions. So if there are other major projects happening in Canada, a lot of these workers get drawn to other sites and they may have a different opportunity. I can only say that we will continue to work with whichever one of these contractors is successful and we will work to encourage the maximum amount of Saskatchewan content that we can.

**Ms. Sproule:** — Okay. Did you do a value-for-money report on the Moose Jaw power plant?

**Mr. Marsh:** — Okay, just to refresh my memory on this as well, we did a value-for-money on the Swift Current plant. For the Moose Jaw plant, CIC [Crown Investments Corporation of Saskatchewan] was involved. They brought in a consultant called Navigant. Navigant looked at the conditions that this power plant would be built under to see if there was any significant changes between the time the Moose Jaw plant is being constructed and the Swift Current one. and it was felt that there was not enough significant change that would warrant a full value-for-money analysis. We issued the RFQ [request for quotation] and the RFP to the market. So we didn't single source anybody. We went to the marketplace and we invited proposals. And at the present time the two shortlisted are Burns & Mac and Kiewit.

**Ms. Sproule:** — Just explain perhaps maybe, Mr. Minister, why CIC would get involved and provide a consultant in this circumstance.

**Hon. Mr. Duncan:** — Well I guess ultimately the CIC board has to weigh in to make a recommendation to cabinet on the direction that, in this case, SaskPower is going. I think that because of the relatively short amount of time between the Chinook project and when SaskPower was going to go forward with the Moose Jaw project — you know, not a large amount of time — I think it was felt that there wasn't, you know, that much that would have changed to justify a full value-for-money.

Certainly SaskPower wanted to move forward because we knew likely that federal regulations were going to be changing that were going to change those thresholds, and we wanted to move as quickly as possible. SaskPower wanted to move as quickly as possible to try to get in under both the pre-C69 environmental assessment rules, as well as any changing thresholds on natural gas-fired facilities. And so, you know, the thought was to go forward with a consultant to essentially confirm that not enough had changed to take the time to do the full value-for-money process.

**Ms. Sproule:** — So basically a fast-track approach, given that the time frame enabled it?

**Hon. Mr. Duncan:** — No, I think more just to confirm the belief that not enough had changed in the marketplace that a full value-for-money was warranted. And that was the advice that Navigant came back with: that it would be fair for SaskPower and for CIC to proceed forward without a value-for-money, based on those circumstances.

**Ms. Sproule:** — And, Mr. Minister, I wonder if you'll refresh my memory. I know last year we talked about some serious concerns you had about the thresholds and the changing thresholds that the federal government was imposing. Has that been resolved for the Moose Jaw power plant?

**Hon. Mr. Duncan:** — It's been resolved, all right.

**Ms. Sproule:** — Okay.

**Hon. Mr. Duncan:** — Threshold is zero, so every single tonne of carbon dioxide will be subject to the carbon tax.

**Ms. Sproule:** — And what's the impact on your original plan to get that in before there was a threshold? Financially, what is that going to mean for Power?

**Hon. Mr. Duncan:** — \$50 million a year.

**Ms. Sproule:** — Which will be passed on to the ratepayers at some point, presumably, that extra cost. It has to be. Yes.

**Hon. Mr. Duncan:** — Yes.

**Ms. Sproule:** — Is there a rate review in the near future? I think you had one in January and it was . . . I'm sorry. I'm not up on this.

**Hon. Mr. Duncan:** — No, we're not proposing to go forward with a rate application.

**Ms. Sproule:** — At this point in time?

**Hon. Mr. Duncan:** — Right.

**Ms. Sproule:** — When will be Moose Jaw plant be completed?

**Mr. Marsh:** — Right now we're targeting 2024-25: end of '24, beginning of '25.

**Ms. Sproule:** — Four years. And the Swift Current plant is in a better situation — right? — because the threshold is higher?



**Hon. Mr. Duncan:** — There is, yes, that's . . .

**Ms. Sproule:** — There is a threshold?

**Hon. Mr. Duncan:** — Yes, and it is 370 tonnes.

**Ms. Sproule:** — Okay. Sorry, I'm just not up on the lingo here. The name of the Moose Jaw plant is going to be the Great Plains power plant. How was that chosen?

**Mr. Marsh:** — That's correct. Well that name was chosen by, we went to a number of people internally and externally to get names and we went through a selection process with an internal committee. We took it through our board of directors, and ultimately it was approved to be called the Great Plains.

**Ms. Sproule:** — Was there any thought of using perhaps an Indigenous name?

**Mr. Marsh:** — Yes, that was considered. In this particular case it was felt that the Great Plains was more suited in this case. As we look at facilities that are in other jurisdictions, if you recall, we were talking about a northern hydro station a few years ago and that was going to be called Tazi Twé. In this particular case the name Great Plains was chosen.

**Ms. Sproule:** — Okay. Speaking of that one, is it still mothballed?

**Mr. Marsh:** — Yes, it's still on hold. No movement on . . . [inaudible] . . . so dropped considerably.

**Ms. Sproule:** — All right. Back in committee, again from last year, this is on First Nations issues. Shawn Schmidt had said that there was a task force that was struck to work with Southend and understand some of the concerns. A number of bills — this was with the power bills — they wanted you to do further analysis. So at that time you had begun the process and you were doing, I think, similar things with Black Lake, looking for opportunities to manage consumption, insulation, ensuring the envelope of the home was efficient as possible. I think last year when we talked about it, it was Southend but you were meeting with other First Nations at that time. So I'm just wondering if you could give us an update on this. What were the results of that task force; and have any of those issues been resolved?

**Mr. Marsh:** — Okay. We continue to have the task group put together to work with northern communities on electrical rates, work on energy conservation programs, work on a number of different things. Right now that work is on hold due to COVID and the fact nobody can go to the North for any discussions or meetings, but as soon as we're able to we'll be re-engaging in the North.

**Ms. Sproule:** — Right. I think with the deferral program that's going to have a significant impact too on folks' ability to pay their bills. Just a couple other . . . on Indigenous issues. I'm just wondering if in terms of, for example the Moose Jaw build, is there any talk about Indigenous procurement or Indigenous workforce with the RFP and the folks that are going to be constructing it?

**Mr. Marsh:** — Yes, as a matter of fact there have been meetings

already with the two short-listed proponents with Indigenous communities who may have opportunities on that facility. And we continue to, I would say, work very hard on our Indigenous and First Nations procurement program in Saskatchewan. And not only for our regular spend on OM & A and capital but for a new construction project like this as well, we're going to be doing whatever we can to engage people from First Nations communities.

I do know that on the Swift Current plant, there was a few from the local Nekaneet First Nation that were employed during construction, and we continue to have a very strong relationship with Nekaneet. And we expect to continue that with First Nations communities in Moose Jaw.

**Ms. Sproule:** — Yes. I'm trying to think of the nearest First Nation to Moose Jaw.

[19:45]

**Mr. Marsh:** — There's a number that still look at that land as traditional territory, so there's more than one First Nation community that's involved in that particular area. And we'll be working with all of them. Yes.

**Ms. Sproule:** — Right, it's Treaty 6.

**Mr. Marsh:** — I think it's Treaty 4.

**Ms. Sproule:** — Treaty 4.

**Mr. Marsh:** — Yes.

**Ms. Sproule:** — I'm in Treaty 6. Yes, I'm just not sure of the nearest reserve. And I'm thinking maybe Wood Mountain might be, but there could be some closer to Regina. Anyways, that's irrelevant. Thank you for that.

Muskeg River cogeneration station, you sold your stake there this spring for 40 million. What was the business rationale for selling off this public . . .

**Mr. Marsh:** — I'm going to ask Troy King, our CFO, to answer that question.

**Ms. Sproule:** — Okay.

**Mr. King:** — So the Muskeg River station is a facility that was in Alberta, and it provided energy to the oil sands projects up north. The reason we looked to sell is really twofold. One, an opportunity came about as a result of Atco selling off their interests in all of their gas holdings. So that allowed us to do two things. One, we were able to purchase the Cory, the remaining 50 per cent of the Cory facility. And then once the new buyer took over, we were able to work with them to sell off our 30 per cent.

Now the reason we . . . On a business purpose, we really wanted to repatriate the money that we had invested in Alberta and bring that back to Saskatchewan. The investment was doing fine. However, there is risk in that. Certainly you're dealing with the oil sands and you're subject to risk, with respect to future oil and gas prices. So we saw that opportunity to recover all of our

money that we'd put in with a small gain upon sale, and so we decided to move ahead with that sale.

**Ms. Sproule:** — So you purchased it in 2001. And what was the purchase price?

**Mr. King:** — The purchase price at the time, I believe, was about \$26 million.

**Ms. Sproule:** — And then adjust for inflation. And you said you purchased Cory?

**Mr. King:** — Yes.

**Ms. Sproule:** — Like, the Cory regeneration?

**Mr. King:** — Cogeneration facility.

**Ms. Sproule:** — So is that 100 per cent owned by SaskPower now?

**Mr. King:** — Yes.

**Ms. Sproule:** — And when did that happen?

**Mr. King:** — That happened about a year ago, about June of last year.

**Ms. Sproule:** — Okay, I missed it. So you purchased a portion of Cory in June of last year, and then you were able to sell this portion to Atco? I'm sorry, I just missed the relationship of Atco to Muskeg River.

**Mr. King:** — Atco was the original partner with us. They owned 70 per cent of it. We owned 30 per cent. So when they sold all their gas holdings — and they sold it to a US [United States] firm — once that sale was made, we took that opportunity to talk to that firm whether they wanted to buy our 30 per cent as well. And that's something they were interested in doing.

**Ms. Sproule:** — That's Heartland Generation?

**Mr. King:** — Yes.

**Ms. Sproule:** — Heartland, Great Plains, I don't know. All right. So basically repatriation, and it was the timing, the opportunity that came up.

**Mr. King:** — Right.

**Ms. Sproule:** — Okay. Oh, First Nations Power Authority. I know that the goal was anticipating that they would be able to get some flare-gas power generation happening. Has anything proceeded on that front as far as you know?

**Mr. Marsh:** — Yes. First Nations Power Authority continues to work on two of the set-asides that we have with them and what we call opportunity agreements. One is for 10 megawatts and the other is for another 10 megawatts, for which they are negotiating right now. So we're very close to seeing those two projects go ahead.

**Ms. Sproule:** — I know I had a list of all the other small power

projects, and a number of those were flare gas as well. I think I talked about this a little bit last year too. It's the program you have for small production of power. Are any of those close to producing power yet?

**Mr. Marsh:** — You're probably referring to our power generation partners program.

**Ms. Sproule:** — Yes.

**Mr. Marsh:** — And there were a number of proponents that bid into that and were successful. Some of them have dropped off. I'm not exactly sure how many. But most of them are staying in and continuing on their timeline to get those projects up and running.

**Ms. Sproule:** — So if I understand correctly there was 38 approved in early 2019 and then you approved more, I don't know how many, in 2020. So the ones that are dropping off, would they have been from the 2019 program?

**Mr. Marsh:** — Most of them were probably the prior program. Yes.

**Ms. Sproule:** — And in terms of the companies, I want to be clear on this, First Nations Power Authority is working with, I assume, the same producers or potential producers of power. Is there a competitive aspect to this? Are they able to get a better deal through your program than they would through the First Nations Power Authority?

**Mr. Marsh:** — Every project is a little bit different. I think the projects that the First Nations Power Authority are undertaking are significantly larger than under the PGPP [power generation partner program] program. And it's going to require, you know, a partner who has flare gas to provide, land to put a facility on, and a developer to help pull it all together. So these programs were set up to help proponents bid into a pool, an opportunity to generate electricity from flare gas or wind or whatever at different sizes. So the PGPP is, I believe, up to 5 megawatts. So the First Nations Power Authority are looking at two 10-megawatt projects right now. So a little different scale, a little different pricing mechanism for that.

**Ms. Sproule:** — Is there any power on the grid right now that is being generated from flare gas?

**Mr. Marsh:** — Yes. At the present time there's just one facility generating approximately 1 megawatt of electricity from flare gas near the Shaunavon area.

**Ms. Sproule:** — That's not very much.

**Mr. Marsh:** — No.

**Ms. Sproule:** — Maybe this is more of a government question, but in terms of that type of emissions, we know how bad they are. And I know back in, I think it was 2015 or maybe even earlier, there was guidelines produced to incentivize or maybe encourage producers of oil and gas to use that off-gassing to create something of value from it. Obviously there's been no uptake whatsoever in terms of power generation.

Are there any sort of incentives that either through the government or through SaskPower that could get these things going? And I mean, even the First Nations Power Authority, how many years have they been at it? It's been a long while. I don't know if these are really complex plants that take six years to build or, you know, how could you increase that number?

**Hon. Mr. Duncan:** — Yes. So I would say that the methane action plan that has recently been released by Energy and Resources is a part of this picture in terms of giving the oil industry, I think, some direction to do something other than just vent and flare their gases. Certainly there are regulations that had been put in place the last couple of years, and I can't remember the directives off the top of my head, but certainly there is a mandate to reduce the amount of flaring and venting.

So the power generation partner program, I think, allocated 25 megawatts in each of the first two years, and you know, I think the original intent was at least a three-year program. So you know, I'm not sure that's come forward quite yet, but you know, it's something that we'll be looking at, whether to pursue the third year or not. It does take a couple of years to get these projects online.

So we haven't yet seen the first year of the successful proponents come forward yet that were awarded just in 2019, but after certainly the first two move forward, you know, that in theory would create about 50 megawatts of electricity. So yes, we only have the one currently, 1 megawatt. It is a low number, but that's certainly not the intent. And we think that this program will help to facilitate more flare gas being used to generate electricity.

**Ms. Sproule:** — You mentioned that some of the 2019 applicants have dropped off. Do you know how much in total in terms of megawatts that has cancelled or dropped out?

**Mr. Marsh:** — Three of 25.

**Ms. Sproule:** — Okay, so we're down to 22 so far. And any idea why they're dropping off? Is it because of lack of capacity, or just the price of gas?

**Mr. Marsh:** — It's lack of capacity to undertake a project perhaps, finding a suitable partner for these projects. Pulling the business and financial package together is probably the biggest thing for some of these small enterprises. So all of those together I mean, over the course of time, one or more of them are going to drop off. And with the price of oil the way it is, I think a lot of companies are holding on to their cash as much as they can. So undertaking another project is maybe not the best time for them right now.

**Hon. Mr. Duncan:** — Certainly in 2019, and I think fair to say in 2020 as well, there were more applicants than there was space in the program. So there is a lot of interest in this. Companies know they have to do something with their flare gas. This is a means to address that issue. But as the president has said, for individual businesses, you know, it's unfortunate we've seen the 3 megawatts back out. But you know, I think we'll be pretty close to fully subscribed once the projects do get going.

**Ms. Sproule:** — Yes. In terms of the same program with the solar generation, I think there was 10 megawatts approved in 2019,

another 10 megawatts this year. Have you seen a drop-off in any of the applicants for that program, the solar?

**Mr. Marsh:** — No, to our knowledge they're all proceeding, the solar ones are.

**Hon. Mr. Duncan:** — So if I could just add, if there is a third year to go forward, both between the solar part of the program as well as the flare gas, this will generate anywhere between 70 and 105 megawatts of electricity. So you know, pretty important programs.

**Ms. Sproule:** — It is. When will you determine whether you will go ahead with the third year? I was on your web page today and it just said it's shut down right now and a determination will be made.

**Mr. Marsh:** — Yes. We're going through our internal governance with our board right now and bringing back the proposal to the board. Once it clears that, then we'll be bringing it forward to the next level. So I would expect in the fall time we're going to release this if we go ahead with it.

**Ms. Sproule:** — Okay. Just on the solar side, I noticed that a large number of the applicants are First Nations or tribal councils or different iterations of First Nation businesses. I guess they're not carbon neutral applications, but I was wondering if there's a competition there with the First Nations Power Authority. Or is the First Nations Power Authority working with folks on the solar side, or are they solely looking at flare gas at this point?

**Mr. Marsh:** — We're not aware of individual projects that the First Nations Power Authority are working on. They may be working with some of those proponents on a smaller scale; we don't know. That would be their decision.

[20:00]

**Ms. Sproule:** — Yes. And this year's set of applicants looks to be more from the corporate — oil and gas, energy even — field. Like Baytex Energy has applied and received two applications; Weyburn Security Company, solar; and then some individuals as well. So it's definitely a different group I think than the first year's applicants.

One company I did ask about last year — and I received your reply to my questions; I think they were just tabled — was the CGW Golden Wheat International Trading. And as far as I know, that's a canola oil producer. When people apply, what is the screening? And I may have talked about this last year, but how are groups screened to become successful applicants? Like what sort of business experience do they need to be able to . . .

**Mr. Marsh:** — I'll ask Tim Eckel, VP [vice-president] of planning, to perhaps shed some light on that aspect.

**Mr. Eckel:** — Okay. Tim Eckel. Under the PGPP program, they submit . . . We indicate what the maximum price we will offer, and then they submit their bids. Based on the price they offer and just on their program that they're proposing, we evaluate that and then we select the successful proponents.

**Ms. Sproule:** — So I guess if a canola oil company applied, what

would you look for to ensure that they would be able to have the capacity to deliver a solar power project?

**Mr. Eckel:** — It would just be basically the price they're willing to sell the energy for and their finances, I guess. As a company, can they actually do the project they propose.

**Ms. Sproule:** — Okay, thank you. The revised metering program, is there any updates on the uptake of that?

**Mr. Marsh:** — Yes, I have that.

**Hon. Mr. Duncan:** — So we have received a number of applications under the revised program since it was launched late last year. Don't have complete numbers. Obviously June is still in progress. But May we had 25 applications; April we had 17. And at the beginning of the fiscal . . . I guess that was the beginning of the fiscal year, 25 and 17 so far in this fiscal year.

**Ms. Sproule:** — That would be a disappointing number.

**Hon. Mr. Duncan:** — Well it certainly is more in line with the numbers historically that we would have seen prior to the last two years. So if you keep in mind in the last two years, last year we had . . . obviously we had set a cap on the former program, and companies I think were pretty well aware that they were getting close to the cap. And then at some point last year, the federal government, on some projects, allowed for an additional 25 per cent top-up on the capital cost rebate that was paid out. So essentially up to 45 per cent of projects, the capital was being paid for between the province and the federal government.

And I would say, in the previous year to that, that was the previous program that we were kind of getting close to that cap as well. So you know, 25 in May certainly, you know, I'd say is significantly lower than the 122 that we had last year in May, but considering some of the things that I've mentioned . . . But you know, we had 19 in May of 2017-2018. We had 23 in May of 2016-2017. So you know, I think for a variety of reasons the last two years certainly were outliers on the historic growth that we've seen on the program.

**Ms. Sproule:** — And can you remind me what month the new program started?

**Hon. Mr. Duncan:** — November.

**Ms. Sproule:** — So what were the numbers for the months of November, December, January, February, March?

**Hon. Mr. Duncan:** — November, 22; December, 2; January, 12; February, 7; March, 11; April, 17; and May, 25.

**Ms. Sproule:** — All right, thank you. This is not the metering program, but just generally in terms of solar generation power to the grid, what were the numbers for last year in terms of how much power came on the grid for solar generation, and then for wind?

**Hon. Mr. Duncan:** — Are you talking big and small projects?

**Ms. Sproule:** — Yes, total. Total.

**Mr. Marsh:** — I could go through the wind projects that we have under way. Correct. You want just the ones that came on stream?

**Ms. Sproule:** — On stream. Yes.

**Mr. Marsh:** — Okay, 20 megawatts at the western red lily project on the wind side. Okay, the only number we have is we accepted 14 megawatts of solar under the program. We're not sure how much of that got installed in the year.

**Ms. Sproule:** — Under the reverse metering?

**Mr. Marsh:** — Yes, the net metering program.

**Ms. Sproule:** — And that's it for solar right now in the province?

**Mr. Marsh:** — That's it for solar in that particular program. Then we have other projects in development.

**Ms. Sproule:** — So but there's none on the grid right now?

**Mr. Marsh:** — No. So in total, though, just to put it in perspective, we have 35 megawatts of solar total on the grid today.

**Ms. Sproule:** — Okay.

**Mr. Marsh:** — Over the past number of years.

**Ms. Sproule:** — I'm looking at your power system map and there's no solar mentioned on here.

**Mr. Marsh:** — No.

**Ms. Sproule:** — But there is small independent power producers. Would that be included in that 61 megawatts? Or is it just not a big enough number to . . .

**Mr. Marsh:** — It's not a big enough number yet to show. Most of those are the larger facilities that we have on our grid.

**Ms. Sproule:** — Yes.

**Hon. Mr. Duncan:** — But most of the solar would be the 2,000-plus net metering existing customers that are . . .

**Ms. Sproule:** — Residential or . . .

**Hon. Mr. Duncan:** — Yes.

**Ms. Sproule:** — Or small farms. I know it's in this pack of paper here somewhere, but I was looking back and it's 2016 or maybe around that time where there was aspirations to have a lot more solar on the grid by now. Do you have any thoughts on why it seems to be taking longer than was anticipated?

**Mr. Marsh:** — I think the very short answer there is the cost of solar continues to track much higher than the cost of wind energy as an intermittent source of energy. And therefore any time we would undertake to buy another 10 megawatts, for example, of solar, if it's 50 per cent higher than wind or 100 per cent higher, then that impacts rates. So we look very carefully at how we are going ahead with our wind program and our solar program, and

we're taking advantage of the drop in market prices for solar.

And that's why we have two 10-megawatt projects now that have been announced: the one last year, as you indicated, with Saturn solar, and the one that was just announced recently with Kruger in the province.

**Ms. Sproule:** — So those are the two main ones then. Kruger was announced today, I think, was the news article I saw.

**Mr. Marsh:** — Yes, that's correct.

**Ms. Sproule:** — And then, the other one is where?

**Mr. Marsh:** — Saturn solar, it's in the southwest part of the province.

**Ms. Sproule:** — All right. I know the Environmental Society has . . . I don't think they're anywhere near 5 megawatts or anything, but they're . . .

**Mr. Marsh:** — They're looking at a project in Saskatoon.

**Ms. Sproule:** — Well they are located in Saskatoon and up at Ness Creek too. I think they have a number of installations in Saskatoon, that's with the city. But I think the one at Ness Creek is feeding in like the other ones you were referring to, right?

**Mr. Marsh:** — Yes.

**Ms. Sproule:** — Okay, thank you. Blackouts. I get my Twitter feed and I see when the blackouts happen. What is the deferred maintenance cost for power infrastructure in terms of the ongoing blackouts?

**Mr. Marsh:** — Deferred maintenance cost.

**Ms. Sproule:** — I didn't write this question. So as I read it I was wondering what I was asking you.

**Mr. Marsh:** — I'm sorry, we don't quite understand how that question can be answered.

**Ms. Sproule:** — Yes, I'm sorry I didn't . . .

**Mr. Marsh:** — We could give you an idea of the maintenance or what we are spending on maintenance for our distribution system.

**Ms. Sproule:** — Okay, let's start with that then.

**Mr. Marsh:** — Yes. So I'll ask Tim Eckel to come up and talk about it again.

**Mr. Eckel:** — Okay. With regards to, like I guess, capital maintenance or sustainment, on a distribution system we're going to be spending about 110 million a year just reinforcing the existing system. In addition we do spend a significant amount of . . . just regular maintenance inspections, those types of things, which is probably close to \$10 million. And then we have a vegetation management program on top of that, which we plan to spend close to 9 million this year on a distribution system, maintain that.

**Ms. Sproule:** — I guess the question then would be, are you deferring any maintenance from year to year?

**Mr. Eckel:** — No. We're maintaining our sustainment and our maintenance programs regardless of COVID and all that.

**Ms. Sproule:** — Okay. Just then a question about blackouts or power outages. How many were there province-wide last year, and is that a higher or lower number than average?

**Mr. Eckel:** — I don't have the total number in front of me. I know, tree-related outages, for example, I know there was about 2,000 last year, which is approximately on par with what we've been experiencing. In recent years we've increased our vegetation management program, so we are trying to get ahead of that. And in addition we've obtained some federal funding for northern Saskatchewan to help widen our right-of-ways so that large trees that fall into the right-of-way will be cleared back. So we're advancing that program as well.

**Ms. Sproule:** — What kind of other outages do you track in addition to trees?

**Mr. Eckel:** — Could be wildlife, squirrels.

**Ms. Sproule:** — Squirrels.

**Mr. Eckel:** — Yes, the birds and squirrels and the wildlife outages. We have planned maintenance, lightning strikes, vegetation related, and also external, so things like vehicle hits on street-light standards and power poles, those types of things, farm contacts.

**Ms. Sproule:** — I think it's SaskPower that has a billboard near Davidson where there's an auger going right through the billboard.

**Mr. Eckel:** — Yes.

**Ms. Sproule:** — I know a couple people that lost their lives doing that. All right. Well you know, I think, Mr. Chair, we're . . .

**The Chair:** — You've got time for one more.

**Ms. Sproule:** — One more. I'm out of questions.

**Mr. Marsh:** — Ms. Sproule, if I may, Troy has just handed me . . . He'd given you a number that is slightly out. He told the committee our original investment in Muskeg was 26 million. The correct figure is 24 million.

**Ms. Sproule:** — 24 million. Thank you for correcting that.

I do believe, Mr. Chair, I just will make a couple comments at this point before we close. I've been the critic for SaskPower since 2013, if you can believe it, so this is my eighth committee with SaskPower in terms of the estimates. And then as I was mentioning earlier, I've had many, many committees for annual reports and, of course, the carbon capture project where . . . That's before you guys came along even.

So I have been happy and pleased to be the critic for SaskPower because I have found it to be incredibly interesting, a very

impressive Crown asset, and certainly something the people of Saskatchewan can be very, very proud of. So for all of you folks who have given your careers to SaskPower, thank you very much. We benefit from that and we appreciate it. And, Mr. Minister, you've been a good minister to have along for the ride, so I appreciate that as well.

But this is my end as a committee for my entire political career. So thanks, and good luck on the other side.

**The Chair:** — That's great. Minister.

**Hon. Mr. Duncan:** — Thank you very much, Mr. Chair. And I want to thank the committee and, Ms. Sproule, I want to thank you for your questions this evening and for your service to your caucus and to your province. I do want to join with you in thanking, not only the officials that you see here this evening, but obviously the hundreds if not thousands of SaskPower employees that work across this province and dedicate their working careers to the people of this province.

[20:15]

And I want to particularly thank the management team during what has been a very trying time for all of the province and for the company, and for the way that they were able to transition a significant number of employees to working from home and did so in a very seamless way, from where I sit. And so I'm grateful for that, grateful for everything else that they do as well. And so we thank you for your time this evening.

**The Chair:** — Well thank you, Minister. And thank you, Cathy, for all the times you've put in here. I say Cathy because I don't have to be formal and call you Ms. Sproule any more, I guess in a sense. But thank you for all your time in here, and may you certainly enjoy your retirement as you, like I said before, fiddle around all the time.

**Ms. Sproule:** — I will. I'm looking forward to it.

**The Chair:** — So enjoy your music and your retirement.

**Ms. Sproule:** — Thank you. Thank you very much.

**The Chair:** — Seeing we have no more further business today . . . Oh, just a minute. Seeing we have reached our agreed-upon time for questioning, we'll adjourn our consideration for vote 152, Saskatchewan Power Corporation.

And seeing that we have no more business today, I will ask a member to move a motion for adjournment. Lisa Lambert has so moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee stands adjourned to the call of the Chair.

[The committee adjourned at 20:16.]