



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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[The committee met at 16:04.]

Chair C. Young: — Good afternoon, committee members, and welcome to the Standing Committee on Crown and Central Agencies. I understand it's the discretion of the Chair whether or not folks are allowed to take off their jackets. The temperatures are quite warm in here. We want to make sure everybody is awake and alert, so is it the wish of the committee to allow that?

Some Hon. Members: — Agreed.

Chair C. Young: — So if you feel the need and you want to, you're welcome to take your jackets off.

All right. Before we begin, I'll let you know who is here. I'm Colleen Young, and I will be chairing meetings today for Crown and Central Agencies. And we have committee members Kevin Kasun here, Don McBean, Jordan McPhail. In for Erika Ritchie is Trent Wotherspoon, and in for Doug Steele is Alana Ross, and member James Thorsteinson is here.

Today we will be considering the estimates and supplementary estimates no. 2 for Finance until 5:30 p.m. We will then be considering four bills. We will take a recess from 6:30 to 7, and afterwards we will consider the estimates for Saskatchewan Power Corporation.

**General Revenue Fund
Finance
Vote 18**

Subvote (FI01)

Chair C. Young: — We will begin with vote 18, Finance, central management and services, subvote (FI01). Mr. Reiter is here with his officials. And I would ask officials, the first time you speak at the mike, to say your names and your positions. *Hansard*, if you look up, will turn on the mikes for you to speak. So, Minister, you can begin by introducing your officials and provide us with your opening remarks.

Hon. Jim Reiter: — Thank you, Chair. I have with me my deputy minister, Max Hendricks; also ADM [assistant deputy minister] Cullen Stewart and a number of other officials that I'll ask them to introduce themselves if they speak later tonight. And I will now read some brief opening comments into the record before we go to questions.

I'd like to thank you and the committee members for the opportunity to discuss the '26-27 budget for the Ministry of Finance. The Ministry of Finance estimates, vote 18, begins on page 55 of the Estimates book. Ministry of Finance's budget expense for '26-27 is 494.55 million, an increase of \$30.6 million, or 6.6 per cent, from the '25-26 budget.

The ministry's budget includes the following increases: \$11 million for the refundable portion of the research and development tax credit program, 7 million increase for the extension of the Saskatchewan secondary suite incentive program, \$800,000 increase for the Saskatchewan class 1 truck driver training rebate program, and \$17.5 million increase for system-wide pension and benefit costs. There is also 2.7 million

for capital renovations on Cooper Place and to relocate staff from the Public Service Commission.

I'd also like to take a moment to elaborate on some of the highlights of the '26-27 budget. This year's budget focuses on the priority areas of health care and affordability. It protects Saskatchewan families by lowering taxes to make life more affordable and protects patients by investing in the patients-first health care plan.

This budget also protects our economy and jobs. It protects communities by hiring more police officers. It protects vulnerable individuals, including our friends and family members struggling with mental health and addictions challenges. It protects communities from wildfires. It protects our education systems, students, and schools, and it protects our agriculture sector — producers, farmers, and ranchers.

The '26-27 budget provides approximately 2.5 billion in affordability measures for Saskatchewan people. This includes building on commitments introduced last year in *The Saskatchewan Affordability Act* by implementing the second year of our four-year commitment to lowering income taxes for everyone. These personal income tax cuts, combined with indexation, are providing about \$200 million in tax savings for Saskatchewan residents this year.

The personal, spousal, equivalent to spouse, and child exemptions as well as the seniors' supplement will all increase by \$500 each again this year, meaning a family of four making \$100,000 pays nearly \$4,500 less in personal income tax than they did in 2007. And the Saskatchewan low-income tax credit will be increased by another 5 per cent, which is provided to about 300,000 households that have low incomes.

This year's Ministry of Finance budget also supports strong financial management and accountability, helping ensure valued services, programs, and capital investments are sustainable today and into the future. It builds on our commitment to help make life more affordable, which includes incentives designed to make home ownership more affordable, including the PST [provincial sales tax] rebate on new home construction, the first-time homebuyers tax credit, the home renovation tax credit, and extending the Saskatchewan secondary suite incentive grant program for another year.

The secondary suite incentive has seen over 1,000 new secondary suites being added since its inception in 2023. I was pleased to be able to extend this program by another year because we know the most effective way to address the rising cost of rent is to increase supply, and that's exactly what the secondary suite incentive has been doing.

The '26-27 budget continues the Government of Saskatchewan's focus on responsible fiscal management with lower taxes and important investments in vital services while managing our finances carefully and continuing to reduce costs where possible so we can continue to deliver these services for years to come.

With that, we'd be pleased to answer any questions.

Chair C. Young: — Thank you, Minister. I'll open the floor to

questions now, and I'll recognize Mr. Wotherspoon.

Trent Wotherspoon: — Thank you. Thank you, Madam Chair, committee members, Minister, and certainly to all the officials that have joined us here tonight and those that are involved in the work under consideration here today. Certainly very thankful for the great, strong team of public servants, those that serve in Finance. Thank you for that.

I guess a question to the minister off the hop. Did you provide direction or mandate to ministers on targeted spending reduction? How much, and if so, how much was it per ministry?

Hon. Jim Reiter: — So normally sometime in June, a call for estimates goes out to individual ministries. And they're provided with the target they're asked to meet, and it'll vary by ministries and by sector.

Trent Wotherspoon: — And did you provide direction or a mandate to ministries on that front?

Hon. Jim Reiter: — It's an estimate goal that they're asked to target.

Trent Wotherspoon: — What are the planned targets for FTE [full-time equivalent] reductions? Is that 3 per cent, I believe? And is that right across all ministries, and does that also apply to the Crown corporations?

Hon. Jim Reiter: — Just for clarity, I think you're talking about that target that I talked about in the budget speech. Is that what you . . .

Trent Wotherspoon: — Right, yeah.

Hon. Jim Reiter: — But like based on attrition, that's what you're asking?

Trent Wotherspoon: — I believe so. Just wanting to know what specific mandate you've offered on this front to ministries and to the Crowns, related to FTEs as well.

Hon. Jim Reiter: — Yeah. So the overall 3 per cent, which is salary dollars, the goal here is there's going to be no pink slips issued, right. This is going to be based on attrition, having a more critical second look put when a position becomes vacant, either through retirement or if somebody decides to go to a different job.

And the targets vary by ministry as well because this isn't going to impact any front line. This won't do that. So some ministries will have a greater percentage of FTEs on the front line. So those will be impacted less, whereas a ministry like Finance, there's less front line. They would be impacted to a larger degree.

Trent Wotherspoon: — Thank you. And just to clarify, does this apply to the Crowns as well? And could you share what the current vacancy rate is within ministries and the Crowns?

Hon. Jim Reiter: — So on the Crowns, we don't have the numbers for the Crowns. But to your question, the intent is it will involve the Crowns as well, but that preliminary work is still being done.

[16:15]

Trent Wotherspoon: — Do you have the vacancy rates on ministries and specifically your own Ministry of Finance?

Hon. Jim Reiter: — I'll just get our deputy minister to get into that for you.

Max Hendricks: — So our vacancy rate for '25-26 compared to the budgeted FTE number. So we had a budgeted FTE number of 439.4. At Q3 [third quarter] our forecasted FTE usage was 417, which would mean that we were at about a 5 per cent vacancy rate.

Trent Wotherspoon: — About 5 per cent in Finance specifically. And then what are the numbers for the other ministries?

Hon. Jim Reiter: — Officials tell me we don't have them for the other ministries. Public Service Commission would have that.

Trent Wotherspoon: — I understand at one point Finance had a specific program evaluation unit that was rather robust and effective. What happened to it?

Max Hendricks: — So several years ago there used to be basically a performance management branch, office of performance planning and management, and they would review . . . Each ministry would be required to prepare a performance management plan and have it basically adjudicated by that Finance group.

The role of that area has been changed significantly since I became deputy. Now we have an office called the performance management and planning branch. And basically what they do is they assist ministries in looking at their programs and evaluating their programs to see if they're delivering, oh things like value for money or achieving the outcomes that are desired.

And we're taking a voluntary approach. We ask ministries if they would like our assistance, and so far the experience has been quite positive. Ministries have been availing themselves of their services. And so a bit different change in approach.

Trent Wotherspoon: — If you can speak to that, what's the cost and timelines on that new unit, that new process? And will the public also be consulted?

Max Hendricks: — So there are nine FTEs at various salaries. I can get the salary budget for that specific area. At this point the public hasn't been consulted, but that's not to say in the future that, you know, we won't publish some reviews or improvements that were made out of that unit. Already the Ministry of Finance talks about, in our annual report, improvement projects and what we're doing to serve citizens better and that sort of thing. So that work is led through PMAP [performance management and planning] as well. So you'd probably see it more in the form of annual reports.

Trent Wotherspoon: — What are your anticipated savings from this initiative? And will the reviews and evaluations be made public?

Max Hendricks: — So as I said in my last response, I think that the primary place that you would see the results of that work would be through improved service or avoided costs. One of the things that the unit will do is working with ministries. They agree to certain programs that we'll be kind of taking a look at just to see if they're working as effectively and efficiently as possible and provide that information through treasury board.

So it's more of a budget support tool at this point. It could evolve to where some of that information, like I said, is specifically highlighted in an annual report or something, like the number of reviews undertaken, the results, and such. But at this point it's still kind of evolving.

Trent Wotherspoon: — Thanks. And that all applies . . . Well would that also be focused on evaluating some of the economic growth-focused initiatives?

Max Hendricks: — So in developing our budget, you know, I think we look at a few things through the process, and we want to make sure that we're utilizing our tax dollars, our province's tax dollars, as effectively and efficiently as possible. So you know, one of the things . . . We obviously go through the standard treasury board process where we evaluate expense, but we also look significantly at the revenue side.

And so there are programs — I'll use an example — that are offered through Trade and Economic Development or whatever, incentive programs. And I think that, you know, over time, we take a look at those programs and see if they're delivering the desired outcomes for the, you know, tax or the revenue reduction that we see as the incentive is paid out. And so things like that happen.

We also look at our programs within the ministry to make sure that they're delivering to the public as effectively and efficiently as possible, and we assist other government ministries in doing the same.

Trent Wotherspoon: — Moving along a little bit, now we know that some school projects, for example, have had timelines extended in this budget, as a result of this budget, some school construction, school capital projects. Can the minister explain exactly how many capital projects will have their construction extended or delayed as a result of this budget? And then just break out the various projects that have been impacted.

Hon. Jim Reiter: — That question would be better put to SaskBuilds.

Trent Wotherspoon: — Do you have that information?

Hon. Jim Reiter: — I don't.

Trent Wotherspoon: — Did you review that information? I guess there's been some schools that were delayed, for example, in places like Carlyle and here in Regina on the east side, that were a consequence of the budget. Did you have that information before you as Finance minister, as you were putting this budget to rest, just to be aware of some of the delays that were going to be caused by the budget?

Hon. Jim Reiter: — Specific to the schools, the Minister of

Education would be better asked that question, and the capital projects overall come from SaskBuilds.

Trent Wotherspoon: — So they didn't lay out, as part of the budget prep or treasury board, they didn't lay out the impacts that this budget was going to have on delaying construction projects across the province, like schools?

Hon. Jim Reiter: — So Builds is given a recommended funding envelope by treasury board, and then they do the detailed work on individual projects. So we see it at a high level.

Trent Wotherspoon: — And so at that high level . . . Yeah, that makes sense. It would be surprising to me that Finance wouldn't be sort of central to all these decisions, that you wouldn't have an assessment of the implications of the budget on the capital side and what would capital projects would be impacted — I guess in this case in a negative way, being delayed.

So at the high level, what information did you receive on that front? Do you have any specific sectors you could point to? Or any more detail on some of those projects?

Hon. Jim Reiter: — So every ministry has to make individual decisions in that ministry. Finance, we absolutely can't delve into every single project, every single issue. That's what the individual ministries are for. And on capital projects, that's SaskBuilds.

Trent Wotherspoon: — Were you aware that this budget that was brought forward would delay some of these projects, like schools?

Hon. Jim Reiter: — Well that's how you're describing it. I've heard in question period the Minister of Education describe it differently. So the question would be better put to him.

Trent Wotherspoon: — Yeah, we can follow up. It's not so much the debate in here that it . . . I just hear it from the school boards who have communicated out to some of the public that there's been these extensions to these projects, and delays. So that's where the concern comes from.

Hon. Jim Reiter: — I'm sure each individual project is discussed with the school boards by SaskBuilds, and I assume Ministry of Education as well. But we don't have details on the individual projects.

Trent Wotherspoon: — No. Thanks. Let's look a little bit at debt-servicing costs. Like the debt, it's ballooned in the last number of years.

[16:30]

If we look even since 2018, it's more than doubled — \$500-and-some million for debt servicing. This budget will in fact pay over \$1.2 billion in debt-servicing costs. Again in a very short period of time, more than doubled.

I mean straight off the top I guess, is this a concern to the minister? This alarming growth of debt-servicing costs? And again these are dollars that are going to service the debt which in the end of the day aren't able to be utilized for all the other

priorities of the people of the province.

Hon. Jim Reiter: — So there's a number of things at play there, I would say. First of all as both our population and our economy grows, more people need more services. It's just proportionate. And the GDP [gross domestic product] obviously alludes to the opportunity and the ability to service that debt.

So while we're always concerned about debt levels, we keep a close eye on it, as do the bond rating agencies. And certainly we want to keep it as minimal as possible. But the bond rating agencies evaluate it very carefully, and we have the best credit rating in the country right now. That doesn't mean we take that lightly. We'll continue to be cautious with it and keep expenditures under control.

Trent Wotherspoon: — I guess just on that point I have a few more questions with respect to the debt financing costs that have ballooned. And just sort of their trajectory, which is of concern.

But with respect to the actual credit rating agencies, of course we've got Moody's, S&P Global, and Morningstar DBRS that assess our credit. When are each of those assessing our credit again and providing a statement?

Rod Balkwill: — Hi. Rod Balkwill, ADM of provincial treasury office. To your question regarding rating agencies and have they completed any reviews or have any actions pending. So they typically follow — unless things are in dire straits, and they need to take immediate action — they typically do an annual review of every province in person, and they'll meet with officials.

So S&P Global, Moody's, and DBRS Morningstar are the three that meet with us in person. And those will happen in May and June. And potentially there could be some assessments after that, but we won't know until we meet with them.

After the budget there is commentary that's presented by these rating agencies. And two of them — S&P and Moody's — did indicate that there was no imminent rating action. Both noted rising leverage remains within an acceptable range, especially in comparison with other provinces.

Trent Wotherspoon: — Thank you. And when would an assessment be made public out of that timeline likely by the rating agency?

Rod Balkwill: — So these are estimates but they all vary, and it depends on the timing of their workloads. They have committees internal to each of those organizations that meet and determine whether there's going to be a rating action. But we would expect that within four to six weeks that we would see either an affirmation of the rating as it sits or a positive outlook, negative outlook or a rating action.

Trent Wotherspoon: — So we've got the 1.2 billion that's going to just service the debt here this year. Can you highlight if there's additional debt servicing that's not captured in that number — P3 [public-private partnership] obligations, anything within the Crowns, any other debt servicing that's not captured in that number?

Max Hendricks: — The 1.2 billion that you're speaking to is

made up of several components. We have vote 12, which is Finance, and that's our kind of general GRF [General Revenue Fund] debt-servicing cost. That's at \$994 million. The interest on P3s and other GRF financing activities is 52 million, which brings the total GRF to 1.046 billion.

We have GRF interest paid to other government entities of \$50 million. And then pension liabilities, there's debt for that, which is 179 million.

In terms of other entities, there are a number of entities that also pay interest and borrow through Finance, but it's not GRF funding. We just manage it for them in some cases. And so things like the Saskatchewan Student Aid Fund that lends money to students and then that's repaid over time, and the Water Security Agency, public employee benefits plan, that sort of thing.

So that's how you get to the total of 1.2 billion. And so the GRF debt is basically \$1 billion.

Trent Wotherspoon: — You know, on the 1.219, is there additional debt that's not captured there, debt-servicing costs within the Crowns or other entities or other financing structures?

Max Hendricks: — Yeah, the Crowns handle it a bit differently. They offset debt against their net income. And so, you know, I think you'll recall from the technical briefings we referred to it as taxpayer-supported debt and self-supported debt. And so the Crowns have what we would call self-supporting debt, and they have an additional amount. And their financing charges for this fiscal year: 559 million.

[16:45]

Trent Wotherspoon: — And what's that number been over the last number of years? We've kind of seen the trajectory here on the GRF on the Finance numbers that are reported out here. Can you provide what that trajectory has been over the last five years, and what you've got forecast for the next five?

Hon. Jim Reiter: — So the question on the Crowns would be better put to the CIC [Crown Investments Corporation of Saskatchewan] minister, but our officials are endeavouring to get those. We'll try to have those for you tonight yet.

Trent Wotherspoon: — Thank you. But it's fair to say that on the debt-servicing costs to include the Crowns, you'd be adding that \$559 million on top of the 1.219 if you're looking at adding . . . Those costs aren't included.

Hon. Jim Reiter: — It's always been considered self-supporting debt in government. So it's been accounted for the way Max described it.

Trent Wotherspoon: — Yeah. And you've committed you'll be able to get the information though as far as the past five?

Hon. Jim Reiter: — Folks are trying right now. So we'll try and have that for you tonight if we can.

Trent Wotherspoon: — Right. Just the point being that debt has to be manageable, sustainable. If it's growing in an unsustainable way, that has consequences for the public, whether it be in a

ratepayer or a taxpayer or the public.

I guess looking then just at the debt-servicing costs that are recorded in the budget annually, we've talked about that alarming concern when you've had 500-and-some million to now over 1.219 billion over since 2018. It's a big increase.

Can you lay out what your forecast is for debt-servicing costs over the next five years?

Hon. Jim Reiter: — Yeah, I'll have that for you in a second. I would just say, though, those are your words, "the alarming increase." You know, you look at the bond rating agencies. We had that discussion. We think it's very manageable, and we'll be keeping an eye on it going forward.

So I think these numbers were shared with you and your colleagues during the technical briefing on budget day, but I'll get Max to revisit those.

Trent Wotherspoon: — I appreciate that. Thanks.

And just a comment on that to the tech briefing. We're always told that any information we receive in there we can't reference it, that it's confidential. So we always treat that as such. So sometimes it's important to follow up and have some of these matters as a point of public record or something we can point to.

Max Hendricks: — So we talked about the 1.2 billion for '26-27. For '27-28 . . . And I'm just going to preface this by, this would include our projections of new borrowing but also debt that's coming due, so refinancing. And that's 1.34 billion in '7-8 and then 1.46 billion in '28-29 and then 1.545 billion in '29-30.

Trent Wotherspoon: — And do you have anything beyond that?

Max Hendricks: — Pardon?

Trent Wotherspoon: — Do you have anything beyond that?

Max Hendricks: — We don't have anything beyond that with us. What's interesting about that is, because of our revenue growing, the actual percentage year over year is actually declining as a percentage of our overall revenue.

Trent Wotherspoon: — With respect to the actual debt itself, of course it's grown in a really big way. It's over \$43.5 billion by the end of this year. That's what the forecast has us at here right now. Now could the minister confirm what the net debt per person is in the province right now? Am I correct that it's the highest it's ever been in the history of our province?

Hon. Jim Reiter: — We're trying to get some other information, but I didn't have it available. But the per capita is very simple. It would be the 43 billion you referred to divided by the one and a quarter million and you get 34,400.

Trent Wotherspoon: — Am I correct to assess that that's the highest it's ever been in the province?

Hon. Jim Reiter: — I don't know offhand, but if you factor in inflation over the years I would assume that that's reasonable.

Trent Wotherspoon: — Yes, a significant growth in debt. Now if you're just looking at the . . . We had the numbers for the out years on debt-servicing costs. I appreciate that you've shared those. Could you just detail what the total debt forecast is for each of those years as well? So '27-28, '28-29, '29-30.

Hon. Jim Reiter: — Just so we don't waste any time on you while they're getting those numbers, Max has the question you had asked earlier. So we'll do that while they're working on this.

Max Hendricks: — Yeah, so the Crown interest on their debt, the self-supported debt, is 385 million in '21-22; 389 million in '22-23; 426 million in '23-24; and 472 million in '24-25.

Trent Wotherspoon: — Thank you for that information.

[17:00]

Rod Balkwill: — Okay, in regards to the question regarding out-years debt levels, forecast debt levels, we could give a total debt level but also mention that there's sinking funds, significant sinking funds, which are investments, high-grade investments that are maintained to help repay debt when it comes due.

So for example in '26-27, you've mentioned the 43.5 billion expected at the end of this fiscal year. There's a \$4.2 billion sinking fund associated with that, available for repayment. '27-28, 47.1 billion is the expected total gross debt with an associated \$4.8 billion sinking fund. Recall that sinking funds are contributions made every year, so it grows by the contributions that the government makes by formula plus the investment income in those funds.

'28-29, expect total debt, gross debt, to be 50.3 billion with a \$5.1 billion sinking fund. And '29-30, 53.2 billion total debt, gross debt, with a \$5.9 billion sinking fund. And that represents the total debt for Crowns, GRF operating and GRF capital.

Trent Wotherspoon: — Okay. Thanks for that. I mean that's a big increase again right, Mr. Minister, 53.5 billion that you're planning to have debt at within just a few years.

My question though to those forecasts, have those been affected at all by any . . . We hear about big cost increases for some of the power generation projects at SaskPower. Are there other capital projects that are beyond their budgets at this point that will impact these forecasts, or are these forecasts still accurate numbers? Or are some projects, are the costs coming in higher than expected, and will the numbers be higher?

Hon. Jim Reiter: — So it includes the current year plus three years, including the full capital plan for the Crowns.

Trent Wotherspoon: — There haven't been any . . . Sorry, I just missed off the top. There haven't been any changes in the last number of weeks since this budget was put to rest that have caused cost escalation or impacts on those forecast numbers?

Hon. Jim Reiter: — It's all based on projections. So not to my knowledge.

Trent Wotherspoon: — You haven't had any . . . On the power gen side, costs haven't been higher on the capital side there

reported back to you?

Hon. Jim Reiter: — Nothing that my officials or I are aware of. Those questions would be better put to the CIC minister.

Trent Wotherspoon: — Well that guy's tricky sometimes, but we'll take the question over there. Thanks for the response.

With respect to the actual budget and borrowing program, I see here it's noted that there'll be an additional 5.335 billion, which is certainly a significant increase in borrowing from the '25-26 budget of just over 4 billion. Now I understand that 1.7 billion is repayments or debt that's rolling over, and the remainder is 2.6 billion which is considered new debt. So a couple questions here. But specifically, what markets do you expect to tap in '26-27 for that debt?

Rod Balkwill: — You're correct. The province started borrowing for this year actually pretty quickly. We've got 5.3 billion to borrow in the markets and about 1.7 of that, as you mentioned, is refinancing existing debt. The rest of it is new debt for capital and some operating needs.

I'm probably talking more in generalities in terms of where we're going to access the funding. And I think by that, you mean what currencies would we be borrowing in. And the province has the ability to borrow, obviously in Canadian dollars and repay in Canadian dollars, but also in all major currencies. Australian dollar, pound sterling, euro, US [United States] dollar are all eligible for us to borrow in, and we have in the past in US dollars, euros, and Swiss francs. So we expect that we will be borrowing about 25 per cent of that 5.3 billion in those foreign currencies.

And that was something we started back in 2022 when we were borrowing purely in Canadian dollars. But we found that expanding into foreign currencies just broadened the investor base significantly, meaning more demand for the Saskatchewan bonds which lowers our interest rates and also protects in times of turmoil. If markets were to close, that you have many more access points to borrow.

And this year we've started pretty early. We've done about 1.3 billion already with some of that offshore in Swiss francs. But we do expect that 75 per cent will be in the domestic Canadian market.

Yeah, and one final point. It's important to note that all of that foreign currency borrowing is hedged through the derivative markets to ensure that the amount that's owed back is in Canadian dollars.

Trent Wotherspoon: — Okay, thank you for that information. Could you break out a little bit of what the anticipated structure of the debt is? How much of it will be short term, sort of less than 5 years; medium term, 5 to 15; and long term, 15 plus, or however you'd break out those different tranches?

Rod Balkwill: — So in terms of the actual terms of the borrowing, it's really market dependent in terms of, you know, the actual end results. And so it's hard to say ahead of time, and we don't disclose that ahead of time for market reasons.

But generally we do borrow longer term, either 10 years and 30

years, the bulk of our borrowing. And that's because of the needs of the borrowing is to finance capital projects, whether they're in executive government or in the Crown corporations. So you would expect to see probably most of it in 10 and 30 years, and a rough rule of thumb could be 50 per cent in 30 years, 50 per cent in 10 years.

[17:15]

The other benefit of that is it does give us cost certainty. It's a risk management tool to lock in interest rates for a long period of time so we have good visibility of what we're dealing with in terms of budgeting and also protect against any kind of refinancing risk if the markets were to be disrupted and you couldn't borrow. I think that's about it on that. Thanks.

Trent Wotherspoon: — Thanks. And are you able to share at this time what the average interest rate that you're planning to use as far as your assumption on new debt for both the GRF and the Crowns?

Rod Balkwill: — The rate we're using for new borrowings, the interest rate on any new borrowings — so the 5.3 billion — we expect that most of that would be borrowed at about 4.5 per cent. So that would be the average rate of a 10-year and a 30-year bond issuance. Currently those rates are pretty close to that at the moment.

There is some short-term debt that we do borrow for one year or less just for cash management purposes. It's under 5 per cent of the total debt outstanding, and we expect that to be at two and a half per cent.

Trent Wotherspoon: — Okay, thanks for that information. And what's the current effective interest rate on outstanding debt right now? Am I correct that it was 3.5 per cent for 2025? Maybe just, yeah, whatever the numbers are.

Rod Balkwill: — A clarification, if I could. Do you mean the book value of the debt, the interest rate that the existing debt, we're paying on that?

Trent Wotherspoon: — That's right.

Rod Balkwill: — It's not a market rate of it but . . .

Trent Wotherspoon: — No, the rate right now that we're paying on the debt that we hold.

Rod Balkwill: — Thank you.

Okay. So the average interest rate on the debt on the books at the moment — including Crown corporations, so on the 43.5 billion — is 3.463 per cent.

Trent Wotherspoon: — And that's up about, what, 0.1 per cent from last year or the year prior. Is that correct?

Rod Balkwill: — We're showing that the average interest rate is down very small from last year. So it was 3.474.

Trent Wotherspoon: — Okay. And most of the new debt we're taking on is probably going to be around that 4.5 per cent, that

rate. Of course that will get worked in through time with our . . . A one percentage change in the total debt is . . . I believe you've got it reported in the budget even there.

Is that a \$40 million impact or something like that? Can you just clarify or confirm that number?

Rod Balkwill: — We'll get that for you.

You mentioned the sensitivities for a 1 per cent increase in interest rate, so I'll just clarify. So if interest rates were to increase on April 1st of the fiscal year by one full percentage point, the impact on the new debt that we're borrowing would increase interest costs by \$40 million in the current year.

Trent Wotherspoon: — I see. On the new debt, right?

Rod Balkwill: — Correct.

Trent Wotherspoon: — Okay. Thanks for that information as well. Maybe just shifting gears a little bit. Obviously, I mean debt's a concern. We've talked about it. I don't need to . . . I mean we've got up over 53 billion is where the debt's headed here from this forecast in just the next few years and the debt-servicing costs growing in a significant way as well. But I want to move on to some of the other areas here.

I guess, looking at some of the revenue items, looking at . . . I mean obviously we've had this awful conflict in the Middle East. It's had a real quick and significant impact fiscally on our province and provinces and countries around the world. But certainly for us it's in our oil prices, up right now, for this period of time with the Strait of Hormuz and the lack of flow of oil. And then you see on the household side and for farms, big increases obviously to fertilizer and gas on those fronts.

But focusing on the revenue side, of course WTI [West Texas Intermediate] was forecast at \$59 I believe in this budget, and we've debated these matters here over the years. And I think it's important to be prudent and cautious in a number, because that's your foundation in your budget. That being said, we've had this extraordinary situation occur. I'm interested in what you've got forecast for the first fiscal month here of additional revenues for the month as a result of the price of oil.

Hon. Jim Reiter: — So to your point, as you laid out sort of the geopolitical situation, as you know, WTI is so volatile. If memory serves correct, I think shortly after question period today I checked, and I think it was about 95, \$96 a barrel. And then later this afternoon they announced an extension of the ceasefire, and I just looked right now and it's showing just over \$90 — \$90.36. So it's very volatile.

And to answer your question about for the first month . . . And we're not through the first month yet, right? I mean we still got a week and a half to go. And our officials generally sort of try to reconcile that on a quarterly basis. So the short answer to your question, we recognize the volatility. It's significantly higher than we had budgeted, but we don't have an estimate. We don't try to reconcile it every day or anything. It's done by quarter, so we don't have that number for you for April.

Trent Wotherspoon: — So you have no modelling? I mean, we

sort of see . . . What's the average of WTI been so far this month? It's been up, kind of sustained over the \$90 mark anyway, so \$30 or so over budget. I mean we can kind of break down the math. We know what that would mean for the annual. So I suspect your officials are tracking this. Not to suggest that the price is going to sustain at this price all of this year.

[17:30]

I think the current situation, the past number of years have caused us to know that there's a whole lot that we can't predict, but we do know what the oil price has been each of these days so far through April.

Hon. Jim Reiter: — So as you know, the dollar amount they have pegged for revenue is \$16 million for every dollar of WTI. But again you can see . . . I mean you can do the rough math, but it's been so volatile. It's changing frequently during the day, let alone by the week or the month. We're three weeks into the fiscal year; it would impossible to ask officials to have an updated balance.

Trent Wotherspoon: — But I suspect they're tracking sort of, you know, some of what this looks like. And I know you've got an exceptional team on that front. Certainly it's up significantly this month, and then we know what the impact has been of course for families and for farms and for businesses. I mean that gas price has been real challenging.

And then on the farm front of course, you couple in the fertilizer price on top of the gas price — both that have gone sky-high as a result of this conflict. It's certainly creating a lot of pressure for households and farms and businesses.

We've long been consistent in speaking out against the inequity, the unfairness of equalization for this province. And you know, the case is a little different, but for other Western provinces as well. But particularly this province. I'm interested in what undertakings you've taken in the last year and what you've planned to do in the current year ahead of us to make the case to fix equalization in a way that represents fairness for the province of Saskatchewan.

Hon. Jim Reiter: — So you know, obviously we have concerns about equalization and the way it's handled in this country. I think it's simply . . . I mean you can just look next door at Manitoba. You know, roughly the same size, lots of comparabilities. We get no equalization; they get I think it's like \$5 billion right now. So you can see, in my view, the inequity in that.

So there's a couple things that have been or will be happening. Later this year, it's a regular review, I understand, the federal Finance ministers do of federal transfers. And I'll obviously be raising the issue of equalization at that. But probably more current and potentially more impactful is Newfoundland is challenging equalization. I'm sure you're aware of that. Saskatchewan has intervener status at that and is supporting Newfoundland in their challenge.

Trent Wotherspoon: — Yeah, it's a critically important file to the people of the province. And it's an inequity and an unfairness that we face, and it shorts the people of this province who have a

heavier burden than those in other jurisdictions. So it's one that we have to be really, you know, consistent with. And I think that the province really needs to lead the way. And the relationship with other provinces on this front in leading that discussion with the federal government and at those federal-provincial tables.

I'd urge priority on this front. We've seen sort of an on-again, off-again approach from your government over the years where it was suggested it was a priority and then was just not addressed. And the lawsuit, of course, was scrapped by your government. And we've had many years on the in-between here where we haven't received fiscal fairness for the people of the province.

I'm interested around the Trans Mountain project and pipeline capacity. Obviously it's always in our interest to make sure we have strong markets, competitive markets for energy, for oil. We know that Trans Mountain project opened up some market, the movement of more product which is positive for this province.

Could you speak to what the impact has been on the differential between WTI, WCS [Western Canadian Select], and any other way that you've measured improvements that have been brought and what sort of fiscal impacts that looks like for the province of Saskatchewan?

Hon. Jim Reiter: — You know, if I could before I get into that, I was just going to say, Mr. Wotherspoon, we were talking about the volatility of WTI. I just looked again and in the time we were talking it had jumped around about another \$3. Like it's just incredibly volatile.

Trent Wotherspoon: — Faster than the Bruins in a third period.

Hon. Jim Reiter: — You should check the score. I think they've dropped the puck already.

So since Trans Mountain — so it would be early '24, correct? — the differential at that time between WTI and Western Canadian Select was about 20 to 30 per cent. And right now it's about 12 to 15. So you can see the impact that's had. So that's obviously good. The smaller that differential, the better it is for us.

Trent Wotherspoon: — Yeah. No, it's obviously important to reduce that discount, tighten that spread, and get the best return we can for the people of the province on our energy. Do you have an annual fiscal impact number you could share on that front beyond the percentages? What does that mean in revenues?

Cullen Stewart: — Thanks for the question. Cullen Stewart, assistant deputy minister, fiscal policy division. So in the '26-27 budget, the tighter the differential by each percentage point would be an additional about \$10 million in oil royalty revenue.

Trent Wotherspoon: — One per cent in the . . .

Cullen Stewart: — One per cent tighter, yeah, gets an additional \$10 million approximately.

Trent Wotherspoon: — Gotcha. So if that differential was closed entirely . . . Right now 12 per cent, so you're saying that'd be about \$120 million?

Cullen Stewart: — Approximately, yes.

Trent Wotherspoon: — Thanks for that information. The Sask revenue agency, of course we've expressed a high level of frustration with kind of this focus of your government to build a more redundant tax system that requires businesses and farms to file twice and drive up the cost of tax filing if we went down that path.

Last year I asked you this question. I've called on your government to scrap this idea for a long time. Last year I asked you where this was at, and you couldn't rule out moving forward on this front. Where are you at on that project now?

Hon. Jim Reiter: — I was just checking with officials to make sure there wasn't some work being done I wasn't aware of. But it hasn't been a priority. Actually the last discussion I had on this topic was last year with you in estimates.

Trent Wotherspoon: — All right. Well I think you should put that baby to rest. It was a bad idea from the get-go, and it pulls resources away from what's needed. Any time that's being spent on that idea is, you know, dollars and time that's not being spent on priorities for the people of the province. And you know, the business community and the farm community has been so clear on it. They're just not into, you know, a more redundant tax system with a second set of filing and additional costs.

Like, man, right now all the pressures businesses and farms are facing, I just think you should make a very clear commitment that that's done and there's not going to be another dollar wasted in consideration and we're not going to leave that lingering question for the business and farming community. Would you care to make that commitment today or could you make that commitment?

Hon. Jim Reiter: — I will note your opinion.

Trent Wotherspoon: — Okay. Moving along here. We've talked about the fact that revenues are up in this quick way, right, because of this conflict. And of course there's volatility there; we don't know what the future holds. At the same time of course for households and farms and businesses it's been, you know, gas prices that have been sent soaring, fertilizer prices for farms. And so we've said that while these revenues are coming in in an unplanned and significant way, there needs to be some of those revenues used to suspend the fuel tax, give a break on that front.

I guess my question to you, is there some active consideration? I know we've pushed each day in this legislature. We've put the public push, and we'll continue to. But my question to the minister is, is there some active consideration of providing gas tax relief?

Hon. Jim Reiter: — Our focus has been — as we debate this every day in question period — our focus has been not on temporary relief, it's been on permanent, longer term. You've heard me say it many times. It's been on a number of suite of incentives, but mostly on income tax, letting people keep more of their own tax dollars to begin with.

[17:45]

On the tax front, you can see we just spoke earlier about the volatility of it. It's fluctuating wildly and as you referred to it, the

extra revenue — or as you've referred to it in question period, the windfall — that \$16 million per barrel is only there if it stays at that level for an entire year. And I mean, just was going to say over the last three weeks is that it fluctuated wildly. I mean, it fluctuated wildly today. It's impossible to get a read on that. So we focus more on letting people keep more of their own money to begin with.

Trent Wotherspoon: — Yeah, I would just say that this is an extraordinary situation. And the hardship, the pressures that households and farms, businesses are facing are real and it's a real big escalation in there in their costs. And then you'll certainly, what we would be . . . You know, we know that in this last month here we're not talking about something permanent, you know, that creates a long-lasting budget consequence. We're talking about passing along some of those additional dollars to provide a break at a time where families could really use it.

And if you look at like . . . We're the highest in the nation on mortgage delinquency, got some really troubling numbers at the household level around bankruptcy within the province. We have the highest level of financial anxiety reported at the household level of anywhere in the country. So it's just, you know, adding these additional costs on to that situation that was already so strained ends up having a real serious financial impact at the household level.

And actually if we go further in that direction where households aren't able to make ends meet, and you've got mortgages that are not able to be obligated to, if you've got bankruptcy, there's significant cost impacts for the province as well and for us economically. So we continue to urge action.

One thing I just want to make sure. We've been clear, of course that we would like to see action around gas and diesel and of course marked fuel to assist a bit on the farm front.

But something that I want to just make clear as well, is the minister aware that it's a fairly small revenue component within the gas tax or the fuel tax of the province. It's the propane component, and that's specifically the motor fuel tax. And it's utilized — it's called propane motor fuel tax — but it's actually utilized as backup power generation in a lot of rural farms, homes, and also hospitals and some other environments like that. It's there as well in the power gen backup side for oil batteries, as an example.

And what I've learned is that we're — I think the highest? — tied to be the highest tax rate on that propane motor fuel tax. And we also are the only province to have a very convoluted sort of rebate structure on that.

I guess could the minister speak to how much revenue is collected on this front? I think the tax rate now is 9 per cent, again pretty much the highest in the country. And is he looking to make a change on this front? It seems to be out of line with the rest of the country in causing cost impacts for rural community members and industry.

Hon. Jim Reiter: — So the revenue for that's approximately \$6 million a year. And you're right on the 9 per cent. Alberta's is higher; it's 9.4, I'm told. But the rest are generally lower than that. But to get to the point of your question, we review all those

sorts of things every year in the budget cycle. And as cliché as this sounds, the next budget cycle's going to be starting right away. So it'll be reviewed.

Trent Wotherspoon: — I just identified, I know it's a much smaller revenue item, but the impact's pretty significant for farms and businesses and infrastructure that may not have other options, right. And so I think, you know, certainly I want to make sure my call is inclusive. When we're talking about some corresponding suspension of the fuel tax, certainly we'd need to make sure that it was also suspended to pass along some savings.

I'll move along a little bit here. There was changes to corporate capital tax related to Crown corporations in this budget. Well I guess we'll have legislation in a minute here. If those changes weren't made, what would have been the impact? How much larger would have the deficit been?

Hon. Jim Reiter: — It would have been a wash because of the summaries. So it saves the Crown. But again, it's neutral to the deficit. And you'll be seeing the bill to do that is on deck for tonight yet as well.

Trent Wotherspoon: — Right. You bet. With respect to the PST that's collected, it's of course been added by your government to a whole bunch of goods and services that it wasn't on in the past, that were previously exempt. You see the increase in the PST revenues on that front in a significant way.

But just looking at one component of that. What's the PST amount that's applied to municipal construction and labour? What's collected last year? What's forecast this year?

Again, this has been a real point of frustration because it's taxing another level of government, passing that back to property taxpayers by way of higher property taxes in allowing that tax dollar to go less far in building out some of the infrastructure that our municipalities critically need, both urban and rural.

Hon. Jim Reiter: — Well we'll get those numbers for you in just a second here, but I just have to address your preface to that question. I get this is politics, and you're going to make your point. But I don't agree with the way you portrayed that as expanding it to a whole . . . whatever verbiage you used.

But any changes to the PST in that regard happened a long time ago. And we'll get to the answer in a second on the dollar amount on PST on municipal construction. But you're also going to hear my point of view on municipal revenue sharing at that point.

Trent Wotherspoon: — Well no, let's stay . . . We only have a little bit of time here, so let's just answer the questions. And as far the actual PST, I mean the changes were made in 2017, Minister. You were here as a minister, not Finance at the time. And the impact. I mean you ended up having it stuck as a government on construction labour, on restaurants, kids clothes . . .

Hon. Jim Reiter: — And I stand . . .

Trent Wotherspoon: — On you know, some basic grocery items, on insurance, on used cars the year after. And collecting now over \$3 billion. And that's each and every year out of the

pockets of the people of the province. So we can get into a debate, but I'd prefer an answer to the question on how much is collected off the municipal sector in this very inappropriate way.

Hon. Jim Reiter: — And you'd get an answer quicker if your questions didn't take so long. So to your point, my point I was making to you is you made it sound like there was recently a huge amount of changes to PST. That's not the case, as you know. I stand by those decisions we made at the time.

We need revenue to do all those other things that you address. You talk about health care and social services and highways and education. Revenue has to come from somewhere for those, so government has to get tax revenue somewhere. And I will get back in just a minute on the numbers for the PST on municipal construction.

So officials are telling me that they don't have that breakdown because what happens on a company-by-company sector is they do that and they remit it. They don't report that this was for private, this was for a municipality, this was for provincial. They don't do it that way. But again to the point, and you know this full well, that on the PST municipalities get three-quarters of one point PST back in revenue sharing.

There is no other province that has that kind of a deal for municipalities. I come from that municipal sector. And I was Government Relations minister, I don't know, shortly after that was implemented, and I literally had ministers from other provinces saying, what are you guys doing? Now we're getting pressure to do that same kind of deal. People I know in the municipal sector are very happy with that.

Trent Wotherspoon: — Yeah, I remember. I mean I was a part of that as well, and it was an important measure to have that there for operations. It was never supposed to be intended for kind of the capital projects, but certainly municipal revenue sharing is something that's important. I would note that it used to be 1 per cent; it's now been walked back a number of years ago and it's less than that now.

And I would identify as well that in that period — and we don't have to go debate the last number of years — but just to point to the financial pressures that municipalities are facing, and then the tax increases that people and businesses are facing . . . There was the grants-in-lieu that were ripped up, right, shorted municipalities of those dollars. And then the PST was then imposed, 6 per cent on top of needed construction project and work across municipalities. So I certainly, you know, recognize that our municipalities are in a tight fiscal situation and it's households and businesses that are seeing some pretty big tax increases as a result.

I'd like to move along just a bit. Do you have PST numbers for the other areas that we identified where the expansion of the PST occurred? Onto kids' clothes; restaurant; some of the groceries; insurance; the construction, the broad global number on construction labour, then, if you don't have it broken out for municipalities; used cars. If we can get an update on what's budgeted in each of those areas for the current fiscal year.

Hon. Jim Reiter: — While that's being looked on, I would just again agree to disagree on the way you described that situation. I

just, I couldn't agree more. Like you talking about walking it back. The reason that was done was because the base of the PST was expanded. It wasn't a financial walk-back by any stretch. So obviously you can portray those things the way you want, but I just want it on record that I disagree with the way you describe that.

So the very minute detail you're talking about, officials tell me we don't have that. The revenue estimates by sector on PST, it's broader than that. The sectors they use, for example, are agriculture; cannabis; communications; construction; food and restaurants; health; insurance; machinery and equipment; manufacturing; mining; motor recreation vehicle; oil and gas; retail, which much of what you're asking about would fall under, I assume; services; transportation; utility.

[18:00]

Trent Wotherspoon: — And there's no ability to get us that information, to break it out and provide it outside of this committee?

Hon. Jim Reiter: — Sorry, which specifically?

Trent Wotherspoon: — Like specifically like the insurance and children's clothes and restaurants, used cars.

Hon. Jim Reiter: — Yeah, so I can't commit to that. I don't know if they're going to be able to do that. When retail remits, they don't remit based on that minute sort of detail on what type of product it was.

Trent Wotherspoon: — Okay. Well if there's a way that your team can look at those numbers and to break that out and supply that, that's good. It'd certainly be . . .

Hon. Jim Reiter: — I'll ask them to look at that.

Trent Wotherspoon: — Thanks. Thanks very much. Moving along a little bit, just with respect to the state of the industrial carbon tax structure your government had organized. And you know, there's still in this budget, I believe on page 74 . . . records a \$384.5 million contribution to the SMR [small modular reactor] fund for '25-26. No '26-27 contribution. I guess my question is, was there real cash in that, or is that some sort of another accounting entry or some sort of contingent liability? Help me understand what's happening there.

Cullen Stewart: — So to address your question with regard to '25-26, the Small Modular Reactor Investment Fund had an opening balance at the beginning of the '25-26 fiscal year of 580.9 million, and it closed the year at 909 million. So that's the opening balance obviously for '26-27 as well. And the forecast for '26-27 is for that to go to 932 million by the end of the '26-27 fiscal year.

So that would be investment income retained in the small modular reactor fund, but no new contributions from OBPS [output-based performance standards] payments from the electricity sector in '26-27.

Trent Wotherspoon: — Thanks for that. With that, the 384.5 million and then the contribution from last year that was

recorded and also the total then the \$909 million, that represents real cash?

Cullen Stewart: — That's the closing balance in '25-26 is, yeah, the size of the fund, yeah.

Trent Wotherspoon: — And is there any contingent liabilities associated with that? That's been fully funded? Those dollars are there?

Cullen Stewart: — With respect to your question, there is a small accounts receivable still outstanding that we anticipate to collect in the first quarter, and that will be then all reflected in Public Accounts when it's released for '25-26 near the end of June or early July.

Trent Wotherspoon: — I just have about 10 more questions here.

Chair C. Young: — Not happening. Having reached our agreed-upon time for consideration of these estimates we will now adjourn consideration of the estimates and supplementary estimates no. 2 for Finance. Minister, do you have any closing remarks you want to make at this point in time?

Hon. Jim Reiter: — I would just thank you, Chair, and I would thank all the staff and the committee members. I thank Mr. Wotherspoon for the respectful questioning tonight. And I would like to thank all the Finance officials for their good work not just tonight, but through the entire budget process.

Chair C. Young: — Mr. Wotherspoon, do you have any closing remarks on this portion?

Trent Wotherspoon: — Thanks, Madam Chair, committee members. Certainly thanks to the minister for time here tonight and undertaking to maybe get us some other information as well on a couple of those fronts. But thanks to the officials that have joined you here today and all those officials that are involved in this work. I think the Finance team of public servants is second to none, and to all of you I say thank you.

Chair C. Young: — We are to take a short recess. Are we switching out ministry folks for the bills?

Hon. Jim Reiter: — Can we just take five?

Chair C. Young: — Yes. So we'll shorten that to five minutes just to switch out a few and then we can proceed with the bills.

[The committee recessed for a period of time.]

Bill No. 49 — *The Income Tax Amendment Act, 2026*

Clause 1

Chair C. Young: — All right. Welcome back, everyone. We will now move to consideration of Bill 49, *The Income Tax Amendment Act, 2026* beginning with consideration of clause 1, short title. Minister Reiter is here with his officials. And you can introduce them if you choose to and make opening remarks.

Hon. Jim Reiter: — Thank you, Chair. I have the same officials

with me, so I'll just proceed. Some brief opening comments and I'll go to questions.

[18:15]

These amendments to *The Income Tax Amendment Act* will support the new initiatives that were announced in our '26-27 provincial budget. Changes reflect our government's continued focus on making life more affordable and supporting economic growth. They also ensure that our tax system remains efficient, clear, and aligned with the Canada Revenue Agency administrative requirements.

Amendments also include that the volunteer first responders tax credit will be doubled from 3,000 to \$6,000 effective January 1st, 2026. As a result, the maximum annual income tax benefit will increase from 315 to \$630. These personal income tax credits are available to volunteer firefighters, volunteer search and rescue personnel, and volunteer emergency medical first responders. Over 4,000 volunteers in Saskatchewan claim these tax credits every year.

Also included is a five-year extension to companies eligible for the Saskatchewan chemical fertilizer incentive that receive conditional approval by December 31st, '26 to meet the minimum \$10 million capital investment threshold by December 31st, 2031. The Saskatchewan chemical fertilizer incentive provides a non-refundable, non-transferable, 15 per cent corporation income tax credit on capital expenditures valued at \$10 million or more for newly constructed or expanded eligible chemical fertilizer production facilities in Saskatchewan.

In addition, this legislation includes some minor technical amendments at the request of the Canada Revenue Agency. For example, we are adding the finalized indexed tax credit amounts for the 2026 taxation year, and we are making updates to tax credit formulas to ensure indexation adjustments are applied smoothly in the coming years.

Whether it's helping individuals and families with affordability, supporting our volunteer first responders who protect Saskatchewan, or ensuring our tax system remains fair and effective, these changes provide a brighter future for our province. These legislative amendments reflect our government's commitment to deliver for Saskatchewan. Happy to take questions.

Chair C. Young: — Thank you, Minister. I'll open the floor to questions from committee members, and I'll recognize Mr. Wotherspoon.

Trent Wotherspoon: — Thanks. If you're able to just break out each of the changes and the fiscal impact of each of them.

Hon. Jim Reiter: — So I'm going to answer the first two of that, and then the third one I'm going to get Cullen to speak to. That's the alignment with the CRA [Canada Revenue Agency], some of the details there.

So on the other two, Mr. Wotherspoon, the chemical fertilizer one, that's going to depend totally on the number of eligible projects going forward, so we don't have a set dollar amount on that. On the volunteer first responders one, that had been a

\$1.3 million cost, so now with it being doubled it'll go to 2.6 million. And that's a reduction in income tax because they're getting that tax credit. So that'll show as a reduction of revenue as opposed to an expense.

I'll get Cullen to talk about the alignment with the CRA.

Cullen Stewart: — Thank you, Minister. With respect to the personal income tax credits — the basic personal exemption, spousal exemption, etc. — the Canada Revenue Agency had requested while we had *The Income Tax Act* open to hardware in, if you will, the newest numbers for those tax credit enhancements. So they get enhanced every year by \$500 over and above indexation.

We obviously don't know the indexation amount until later in the year. So they said for ease of administration for themselves and companies like TurboTax, while we had the Act open, if we just hardware the new numbers in then that would help them with the administrative clarity. So no net new fiscal impact from that.

Trent Wotherspoon: — Thanks. And with respect to the . . . Yeah, I guess just the volunteer firefighter tax credit, certainly this is a recognition for the incredible service of so many across this province who are there to respond and save lives and save land and protect communities. And we certainly have seen in the last number of years, you know, how important that is, whether you're dealing with wildfire in the North or whether you're dealing with that in the South in the prairies or in an individual community.

And of course they're responding to far more than just fires as well. They're responding to all the emergencies often, you know, saving a life in a situation along . . . you know, whether that's a highway traffic accident or anything else that's out there. So I just want to say thank you so much to all these volunteer firefighters and fire chiefs for their leadership across the province. I think this is, you know, a good measure.

And I know this isn't part of this bill's consideration here right now, but I just put on the record, we've met with them as well though. And there's been all sorts of changes around equipment that's required, and much of the equipment that they utilize and depend on and that they fundraise for has been rendered obsolete. Real challenges right now for them to make sure they have equipment that meets the standards by way of safety equipment even and certainly pumper trucks and all of the equipment that they require. And so we just hear a huge challenge right now for the volunteer fire services across this province.

And you know, again they operate through the goodwill of community and through charity and bake sales. And they really are going to require some additional, some actual dedicated funding to make sure that they can meet the standards that have been imposed on them and to make sure that they're safe and are able to do the job, the tasks that they rise to.

I just flag that because I've just met with them coming out of SARM [Saskatchewan Association of Rural Municipalities] and SUMA [Saskatchewan Urban Municipalities Association] and in some of the communities, and they're really facing a difficult spot. And I'd urge the minister to look at some of the models that are being used in the other provinces. I understand that the

volunteer services are funded with . . . have sort of grant mechanisms or funding structures in place to allow them to make sure they have the equipment that they need to be safe and to allow them to do the job.

With respect to the chemical fertilizer incentive, this is separate from the other bill that we're going to be considering tonight. Is that correct?

Hon. Jim Reiter: — Yes. There's a legislation amendment to this legislation. Basically there's amendments required to two separate statutes. So this one's under Finance's purview and the other one is under Trade and Economic Development.

Trent Wotherspoon: — Just on the chemical fertilizer incentive, I understand that uptake's going to dictate what sort of fiscal impact there is. Could you give us a bit of a forecast on what you've modelled, the different scenarios that you've modelled for fiscal impacts?

Hon. Jim Reiter: — I think in this case, if I could, Mr. Wotherspoon, I think that question would be better put to Minister Kaeding. They're more into the minutiae on this program.

Trent Wotherspoon: — I have no further questions at this time.

Chair C. Young: — Okay, seeing no more questions, we will proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 16 inclusive agreed to.]

Chair C. Young: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Income Tax Amendment Act, 2026*.

I would ask a member to move that we report Bill No. 49, *The Income Tax Amendment Act, 2026* without amendment.

James Thorsteinson: — I'll so move.

Chair C. Young: — MLA [Member of the Legislative Assembly] Thorsteinson moves. Is that agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried. I'm going to reserve any closing remarks. We'll just move on to consideration of the next bill and then we'll do all of them at the very end, if you don't mind.

Bill No. 50 — *The Financial Administration Amendment Act, 2026*

Clause 1

Chair C. Young: — Okay, we will move on to consideration of

Bill No. 50, *The Financial Administration Amendment Act, 2026* beginning with the consideration of clause 1, short title. Minister Reiter, if you would like to make any opening remarks on this bill.

Hon. Jim Reiter: — Thank you, Chair. Just briefly, the amendments to *The Financial Administration Amendment Act* will implement the on-reserve cannabis refund program that was announced in the '26-27 budget. Amendments include First Nations and strengthens ability to support Indigenous-led economic development and ensures that First Nations can fully participate in and benefit from provincial initiatives. This helps foster diversification and positions Saskatchewan to take advantage of new economic opportunities.

With clear authority to structure financial assistance, government can pursue strategic partnerships with high economic potential. Ultimately this enables more focused investments that deliver strong measurable outcomes. Happy to take any questions.

Chair C. Young: — Thank you, Minister. I'll open the floor to questions from committee members. I recognize Mr. Wotherspoon.

Trent Wotherspoon: — Thanks very much. Who's been consulted on this legislation? And have any concerns been expressed to the minister with respect to it?

Hon. Jim Reiter: — The officials are telling me, so this was actually initially . . . this program's been under way for a number of years. And it was SLGA [Saskatchewan Liquor and Gaming Authority] that initiated it originally. I would think, I'm assuming, that any consultation would have been done at that time.

Cullen, I'm just going to get you to speak to the technical amendment. This is purely a technical amendment that was requested, correct? I'll get you to . . .

Cullen Stewart: — Correct. So this program was initially announced a couple of years ago. SLGA had approached First Nations on-reserve cannabis store owners, and discussing bringing the stores into the legal regulatory framework that they have for cannabis retailers. Some of those First Nations requested, you know, some sort of cannabis excise duty-sharing as a sign of goodwill and to incent them to do that. So SLGA approached Finance, and we ultimately brought a cabinet decision . . . [inaudible] . . . approved.

In looking to stand up the program this past year, the Ministry of Justice had identified that there probably should be a technical amendment in this Act just to give, you know, the clear powers to stand up this program.

[18:30]

So we've done that now through this budget bill. And that will allow us to enter agreements with First Nations and begin having these grants provided to them for the half of the cannabis excise duty at their stores as long as they're in, you know, agreement with SLGA that they're within the regulatory framework.

Trent Wotherspoon: — So this will be a bit of an incentive or

to respect that enterprise, create a bit of equity in this program for First Nations enterprise as well. Is that correct?

Cullen Stewart: — That's correct. There's a few different First Nations that have expressed interest in this program. And so that's why we're making this budget bill amendment, to be able to stand it up and begin entering those agreements and operating the grant program.

Trent Wotherspoon: — Would the technical amendment allow . . . So you've spoken about the one program with the intent of what you're going to do and the change that was required. Does the change then empower the ministry to do things or build out different programs that it hasn't been able to in the past beyond that?

Hon. Jim Reiter: — Sorry. For clarity, beyond the cannabis on-reserve one?

Trent Wotherspoon: — Correct.

Cullen Stewart: — Thank you for the question. So it's intended just to be at this time utilized for this program, but possibly in the future it would give, you know, authority to stand up other programs. None that are being contemplated presently. But you know, it was just the Ministry of Justice felt this was a good opportunity to, you know, clarify the Act and the powers that it provides the Minister of Finance.

Trent Wotherspoon: — What do we have for cannabis revenues right now to the province?

Cullen Stewart: — Cannabis excise duty revenues are approximately 30 million overall.

Trent Wotherspoon: — And what's that look like in the last five years as the industry's developed a bit?

Cullen Stewart: — So over the last number of years it's been growing by about 3 million annually, so the last year actuals we have is about \$35 million. So it's on a slow upward trajectory.

Trent Wotherspoon: — I have no further questions with this legislation.

Chair C. Young: — Thank you. Seeing no further questions we will proceed to vote on the clauses. Clause 1, short title, is that approved?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 7 inclusive agreed to.]

Chair C. Young: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Financial Administration Amendment Act, 2026*.

I would ask a member to move that we report Bill No. 50, *The Financial Administration Amendment Act, 2026* without

amendment. MLA Kasun moves. Is that agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried.

Bill No. 51 — *The Corporation Capital Tax Amendment Act, 2026*

Clause 1

Chair C. Young: — Minister, we will now take due consideration of Bill No. 51, *The Corporation Capital Tax Amendment Act, 2026* beginning with consideration of clause 1. Minister, if you would like to begin with opening remarks on the bill.

Hon. Jim Reiter: — These amendments to *The Corporation Capital Tax Amendment Act* will align Saskatchewan's corporation capital tax framework with other provinces and help to support growth and competitiveness for Crown corporations and small financial institutions. Saskatchewan is currently the only jurisdiction that applies corporation capital tax to Crown corporations and small financial institutions and has the lowest corporation capital tax rate on large financial institutions.

The tax rate increase to large financial institutions is expected to generate approximately \$40 million of revenue annually. The elimination of corporation capital tax on small financial institutions accounts for less than \$1 million in corporation capital tax annual revenues. The elimination of corporation capital tax for Crowns has no overall financial impact as the Crown corporations are included in the summary budget.

In addition the bill proposes to remove old and obsolete tax provisions, removing red tape. With that, I'll be happy to take questions.

Chair C. Young: — Thank you, Minister. I'll open the floor to questions from committee members now. I recognize Mr. Wotherspoon.

Trent Wotherspoon: — Thanks. I remember going through this a bit with some of your officials a little while back to get a sense of it. I understand that it's fiscally neutral on the budget here this year. Share with me again how much of an increase has been imposed on the large financial institutions and how much more revenue that hauls in.

Hon. Jim Reiter: — It went from 4 per cent. This will move it from 4 per cent to 6 per cent. And when that's annualized it's expected to be about \$40 million.

Trent Wotherspoon: — And who's paying this? This is the big banks basically, is that right? The credit unions are excluded, correct?

Hon. Jim Reiter: — That's right, yes. They're excluded, yes.

Trent Wotherspoon: — Yeah, you've probably heard some concern from those . . . You know, I'm not that sympathetic with the big banks. They play an important role, but I'm not that sympathetic with them. That being said, have they expressed

concern to you with respect to these changes that have been made?

Hon. Jim Reiter: — We haven't heard anything yet. That's not to say it won't be coming though.

Trent Wotherspoon: — Yeah, and what motivated this decision? This improves sort of the cash position, the income position for the Crowns, correct?

Hon. Jim Reiter: — It was just described to me this way, and I think this is a good way of describing, is it's kind of a legacy from before we had the summary financial statements and we did strictly the GRF. And right now, so to your point, it saves the cash for the Crowns but in the summaries it's a wash.

Trent Wotherspoon: — And so I mean it takes additional money from the big banks and it saves this amount for the Crown . . .

Hon. Jim Reiter: — Sorry, yeah. I was speaking just purely of the Crowns when I made that comment. And then the rest of the bill, to your point, the tax on the big banks will be higher, and then it eliminates the tax on the small financial institutions.

Trent Wotherspoon: — So is this a revenue-neutral bill or are the . . .

Hon. Jim Reiter: — No, it would definitely . . . So it would be, on the Crowns, there's no impact. With the large banks it would be \$40 million extra revenue for the province, and then you could reduce that by under a million dollars because we're excluding the tax on the small financial institutions. So between 39 and 40 million.

Trent Wotherspoon: — And the motivation on the big banks, you would've been looking for a place to raise some additional revenue and saw this as a reasonable measure to do that?

Hon. Jim Reiter: — I would just add to that, I would say also our folks did a jurisdictional scan of all the other provinces, what they're doing, and it's kind of all over the place. But after we looked at that, we felt this was a reasonable place to land.

Trent Wotherspoon: — And what are the other provinces doing? So we'll be 6 per cent. What's the tax on the big banks, the corporate capital tax on the big banks in the other provinces?

Cullen Stewart: — So with respect to looking at other jurisdictions, the smaller province all have CCT [corporation capital tax] on large financial institutions. So Nova Scotia has raised theirs to 6 per cent this year, Newfoundland is at 6 per cent, New Brunswick and PEI [Prince Edward Island] are at 5 per cent, and Manitoba's at 6 per cent. With respect though to some of the larger provinces like BC [British Columbia], Quebec, and Ontario, all have payroll taxes that the large financial institutions would pay. Saskatchewan doesn't impose a payroll tax.

So we would also look at CIT [corporate income tax] rates. Saskatchewan has one of the lowest general rates for corporate income tax in Canada. So looking at the collection of different taxes that these large financial institutions would pay at the provincial level, I think we're still very competitive at the

6 per cent CCT.

Trent Wotherspoon: — And sorry, can you just highlight again, Manitoba and Alberta, what are they?

Cullen Stewart: — Manitoba is 6 per cent, and the four largest provinces don't have CCT on large financial institutions. They're typically seen as competing for those headquarters, so they don't typically have them. Canada has one and then the six smallest provinces have one.

Trent Wotherspoon: — Are you giving up on securing the headquarters to RBC [Royal Bank of Canada] here in Regina?

Hon. Jim Reiter: — We're always willing to talk to corporations about moving head offices here to Saskatchewan.

Trent Wotherspoon: — You know, I don't really have any further questions. I mean, to provoke just that final comment there, the whole head office situation, not . . . Outside of this legislation, just since it was raised, you know. Certainly that's a worthy initiative always, because we've really had an eroded head office presence in this province over the last number of years, and something to work towards. But with respect to the actual bill here and the change that's been made, I have no further questions.

Chair C. Young: — Seeing no more questions, we will proceed to vote on the clauses.

Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 15 inclusive agreed to.]

Chair C. Young: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Corporation Capital Tax Amendment Act, 2026*.

I would now ask a member to move that we report Bill No. 51, *The Corporation Capital Tax Amendment Act, 2026* without amendment. MLA Thorsteinson moves. Is that agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried. We will move on to consideration of Bill No. 53, the Saskatchewan . . . This is where we need a break. Do you guys want any closing comments on these bills? I guess not. Okay. They're shaking hands, so it's all good. Sorry. Let's take a couple of minutes here to switch out.

[18:45]

[The committee recessed for a period of time.]

Bill No. 53 — *The Saskatchewan Chemical Fertilizer Incentive Amendment Act, 2026*

Clause 1

Chair C. Young: — All right, we will move on to consideration of Bill No. 53, *The Saskatchewan Chemical Fertilizer Incentive Amendment Act, 2026*, beginning with considerations on clause 1, short title.

Mr. Kaeding is here with his officials. And I would ask that officials introduce themselves the first time they talk at the mike and don't touch the mikes. But, Minister, if you want to introduce the officials that have joined you and make your opening remarks.

Hon. Warren Kaeding: — Good. Thank you, Madam Chair. I'm pleased to be here today to discuss *The Saskatchewan Chemical Fertilizer Incentive Amendment Act, 2026*. Joining me today is Jodi Banks, our deputy minister; Aaron Wirth, our ADM of strategic policy and competitiveness; Kareen Holtby — oh, up there — executive director of strategic policy and analysis; and Krystal Medwid, our executive director of corporate services; and Michelle Lang, our chief of staff.

The Saskatchewan chemical fertilizer incentive or SCFI is a non-refundable tax credit on capital expenditures for newly constructed or expanded chemical fertilizer production facilities in Saskatchewan that are non-potash related. So this legislation supports continued investment in one of Saskatchewan's most strategic sectors, that being fertilizer production.

The program encourages investment and stimulates chemical fertilizer manufacturing in the very capital-intensive, highly competitive sector. And the program's going to continue to accept applications through the end of 2026. Proponents with conditional approval prior to that date will have up to five years now to make the necessary capital investments to access credit.

Madam Chair, since the launch of the SCFI in July of 2020, the SCFI program has incentivized an estimated \$1.7 billion in capital expenditures, and this has supported thousands of jobs and significant tax revenues.

Under the amendments, the Act will continue to help our economy grow by extending the eligibility date for capital expenditures by five years. They establish a clear and predictable application window. This incentive supports our commitment to delivering a strong, competitive Saskatchewan economy, an economy that delivers and protects people who call Saskatchewan home.

Statistics Canada's latest GDP numbers indicate that Saskatchewan's 2024 real GDP reached an all-time high of \$83.6 billion. That's an increase of 2.5 billion or 3.1 per cent, and this ranks Saskatchewan second in the nation for real GDP growth and above the national average of 1.7 per cent. And it's because of incentives like the SCFI that our province is seeing these results.

Madam Chair, we are aware of additional interest in using the SCFI to make significant capital investments in our province. New investments generated by the program will bring in new corporate income and property tax revenues, new jobs and associated personal income tax revenues, and more opportunities for local suppliers and services. Programs like the SCFI help

deliver these results by supporting investment, growth, and opportunity. With that, we welcome any questions the committee may have for us. Thank you.

Chair C. Young: — Thank you, Minister. And now I'll open the floor to questions from committee members, and I'll recognize Mr. Wotherspoon.

Trent Wotherspoon: — Well thanks very much, Madam Chair. Thanks, Mr. Minister, and officials that have joined us here tonight and that are involved in this work. I don't have a bunch of questions. You've already answered a few of them.

I guess with respect, certainly this is a very important industry, these are valued projects, important investments. You highlighted that to date the subscription to this program has allowed for \$1.7 billion in investments to be made in this space. What was the value of the incentive? What was the fiscal impact to secure that \$1.7 billion in investment?

Hon. Warren Kaeding: — So the \$1.7 billion referring to conditional approvals, projects that are just, you know, on the go now, being constructed. So what we're estimating is about a net fiscal benefit around \$120 million. So with that is going to come significant construction jobs, certainly a number of operational jobs when they come to completion.

Ultimately government doesn't have any significant expense to them until these become profitable, when they're fully operational, become profitable. And then when they're in that net income position, then the tax credits will start taking effect. So we've given them a pretty wide window to be able to realize those.

Trent Wotherspoon: — And this will extend the period . . . This will also then welcome new applicants into this program, correct? So this will allow those that have already been accepted into the program to fulfill their projects and realize the credit that they've been approved for, but it will allow new applicants as well. Is there a limit that's placed on that annually on a going-forward basis, or any thresholds that are in place?

Hon. Warren Kaeding: — No, there's no limit at all. But certainly with the world dynamics changing as they are with, you know, with the Strait of Hormuz and how fertilizer movement has shifted, I would say we are going to likely see some pretty significant interest now in what we've got to offer here for development in the fertilizer industry.

I know we talk about we haven't really seen a new nitrogen production facility in probably 50 years, certainly in Canada but if not in North America. So we know a lot of those are coming to end of life or certainly need rebuilding or enhancements or efficiency upgrades. So we do expect the program will be very attractive to those currently in that space and to new entrants as well.

Trent Wotherspoon: — So certainly the investment climate's such a challenged situation in some of these markets that have conflict and that are significantly disrupted. Of course right now producers are seeing the other side of that as well, right. I mean big increases to fertilizer costs as they're heading into seeding here right now.

It's without doubt that it's valued for us to build these industries and these investments here in the province. Do you also see a benefit that could be realized for producers by way of buffering them or providing some relief? I mean we see the volatility right now. And certainly producers, it's been sharp for producers.

Hon. Warren Kaeding: — I think you're right. As we see fertilizer moving from almost opposite sides of the globe, freight is certainly an equation. And then risk is also part of that equation. And that's ultimately what we're seeing now starting to drive fertilizer prices up.

And pretty safe to predict that when you've got local sourced, local supply, local inputs that are going into that — you've taken freight out of the equation; you've taken some risk out of the equation — so prices would certainly be probably more attractive locally. The closer it is to source, the cheaper it would be to the buyer.

Trent Wotherspoon: — Yeah, certainly I see the value in the industry. And it's a matter of sort of some security on some of these fronts as well, much like energy security. I'm not sure; I hope that with the growth on some of these fronts that we're able to better position our producers to be able to benefit from some of that manufacturing and some of the resources that we're blessed with here in this province as well.

So 1.7 billion is what's on the books so far that's been approved through the program. How much of that has actually been spent at this point?

Hon. Warren Kaeding: — So the process that we go through is certainly the initial application then kind of a final application. Then you'll get a conditional approval, and then ultimately get issued a certificate of eligibility where they get to start claiming the tax credit.

So we've got one that's fully completed and now going through the certificate of eligibility. Northern Nutrients is one that, I believe, based around Saskatoon, producing fertilizer there. And then we've got one that we drive by. As you're driving to Moose Jaw, you see the big wooden structure there, Hawk's Agro, a big significant fertilizer storage facility that has conditional approval for it. And not handling fertilizer yet, but certainly as they do then will get full eligibility.

Then we've got other companies. A couple of companies in particular that, you know, very much have that conditional approval and now just going through the various stages of development. And then hopefully get off the ground and start contributing.

Trent Wotherspoon: — Thanks again. And just to clarify then, how much has actually been invested at this point? How much has been spent on the projects that have been advanced or that are advancing?

Hon. Warren Kaeding: — So the total capital expenditure to date would be 60 million between those two projects.

[19:00]

Trent Wotherspoon: — And you've got 1.7 billion on the

books. What's your timeline that you anticipate that investment occurring?

Hon. Warren Kaeding: — It's variable, as they're in different stages of development and evolution through their planning process, so they've got, oh boy, is it now up to 10 years to . . . Aaron, maybe do you want to just talk about kind of the window you've got to make that in.

Aaron Wirth: — It's Aaron Wirth, the assistant deputy minister of strategic policy and competitiveness. So yeah, they would have a 5-year window to make those capital investments, and the capital investment requirement is \$10 million.

Trent Wotherspoon: — I don't have any further questions at this time, Madam Chair.

Chair C. Young: — All right. Seeing no further questions, we will proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 8 inclusive agreed to.]

Chair C. Young: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Saskatchewan Chemical Fertilizer Incentive Amendment Act, 2026*.

I would ask a member to move that we report Bill No. 53, *The Saskatchewan Chemical Fertilizer Incentive Amendment Act, 2026* without amendment. MLA Kasun moves. Is that agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried. Minister, if you would like to make any closing remarks before we finish.

Hon. Warren Kaeding: — Certainly. Would like to thank the officials that spend an awful lot of time working on the market development side of this and exploring all the opportunities that we currently have in the province and that we know we're going to have in the future. Certainly I'd like to thank committee members and *Hansard* and their officials for the work they've put into tonight.

Chair C. Young: — Mr. Wotherspoon, do you have any closing comments including from the previous bills?

Trent Wotherspoon: — Yeah, just real quickly. Of course we've had the Finance estimates and then we had some budget bills there, Finance bills, and now we have this bill here.

So thanks to the Chair. Thanks to the committee members. Thanks to the minister here tonight on this front. Thanks to all the officials that have joined you here tonight and that are involved in this work, and you know, that includes Arlie too.

Chair C. Young: — All right. Thank you. We will do a short recess now just to change out.

[The committee recessed for a period of time.]

Chair C. Young: — All right. Welcome back, committee members. And before we begin this evening, I will be allowing permission — it has been quite warm in here; we have left the doors open to try to let it cool down — but you're welcome to take your jackets off if you need to.

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

Chair C. Young: — So welcome back, committee members. We will now move on to consideration of the estimates and supplementary estimates no. 2 for Saskatchewan Power Corporation. We will begin with vote 152, Saskatchewan Power Corporation.

Minister Harrison is here with his officials. I'll ask you to say your names and titles the first time you speak at the mikes, and *Hansard* will turn them on for you. So, Minister, you can introduce your officials if you choose or wait till they speak at the mike, and begin with your opening remarks.

Hon. Jeremy Harrison: — Sure. Well thanks very much, Madam Chair. Thanks to committee members for being here. Thanks, Madam Chair, as well for the accommodation, given the warm temperature here in the Chamber which seems to have actually warmed up over the course of the day and into the early evening here.

But introducing my officials, to my right, needing no introduction, Rupen Pandya, our CEO [chief executive officer] of SaskPower, president and CEO of SaskPower. Around the room — and I'll just read the list and folks can maybe put their hand up if they so wish — Troy King, executive vice-president, chief strategy, technology, and financial officer; Rachele Verret Morphy, executive vice-president, legal and corporate services and general counsel; Rhea Brown, executive vice-president, customer experience and procurement; Kory Hayko, executive vice-president and chief operating officer; Gregg Milbrandt, vice-president, asset strategy and planning; Ryan Neufeld, vice-president, engineering and construction; Scott Chomos, director, business planning and rate design; my chief of staff, Emma Keogan. And as well from CIC, Kent Campbell, president and CEO, and Richard Davis, senior advisor to the president.

As I alluded to I think yesterday and today in the Assembly, at the end of my remarks I'll be making an announcement, and I want to acknowledge and thank the SaskPower employees who are going to be tuning in. And I know that there are probably hundreds who are actually watching right now, and I appreciate them doing that. And I'll be speaking a lot through estimates to our employees and our great team at SaskPower.

So, Madam Chair, we are pleased to be here today to discuss consideration of estimates for SaskPower for the 2026-27 fiscal year. SaskPower is responsible for serving more than 550,000 customer accounts within Saskatchewan. SaskPower, a Crown

corporation that quite literally powers our province, our economy, and our future, is the backbone of modern life in Saskatchewan. It heats homes in February. It enables farmers to produce, miners to operate, and businesses to grow.

And because of that, the responsibility we carry to ensure SaskPower is reliable, affordable, and dependable is one we take very, very seriously. To serve these customers, the company maintains more than 160 000 circuit kilometres of power lines and 6191 megawatts of generating capacity, including 2549 megawatts of natural gas, 1528 megawatts of coal, 863 megawatts of hydro, 818 megawatts of wind, and 110 megawatts of solar, including 80 megawatts of customer-generated and 30 megawatts of utility-scale solar.

This past fiscal year was a defining one for SaskPower and for Saskatchewan's electricity system more broadly. It was a year shaped by generationally significant long-term decisions and the need to act decisively, often on more than one front at the same time. Operational challenges, including severe wildfires in northern Saskatchewan, unfolded alongside major strategic investments in generation, transmission, and workforce readiness.

At the same time, expectations around reliability, affordability, and energy security remained front and centre for SaskPower and government alike. Our government's approach to SaskPower is grounded in two core principles: reliability and affordability. SaskPower continued to focus on a clear objective: delivering reliable, affordable power today while building the system Saskatchewan will depend on decades from now.

Let me begin with reliability, because everything else is secondary if you can't keep the system running. Saskatchewan is not like other jurisdictions. We live in a winter province where minus 40 is not a hypothetical; it's a reality. At those temperatures, the consequences of failure are not inconvenience; they are serious. So our approach has been straightforward. We build a system that works in Saskatchewan and for Saskatchewan. That's why our government continues to invest in firm, dispatchable generation. That also means not gambling on technologies that cannot carry the load. Renewables do have a role, but they cannot replace baseload power.

[19:15]

The second piece of this is affordability. It's why we took action to remove the carbon tax from power bills, putting real savings back into the pockets of Saskatchewan people. And it's why we continue to push back against federal policies that would dramatically increase electricity costs in this province. Because the reality is this: the fastest way to make power unaffordable is to impose unrealistic timelines and technologies that are not yet ready at scale. We will not allow that to happen.

We're taking an approach that is practical, pragmatic, and realistic. Our approach is not about ideology. It's about ensuring we can meet growing demand, because demand is growing. From mining expansion to value-added agriculture to data centres and AI [artificial intelligence] infrastructure, Saskatchewan is seeing major economic opportunity and investment, and none of it happens without power.

In June 2025 I wrote directly to SaskPower employees, setting out the province's decision to extend coal-fired generation beyond the unconstitutionally federally imposed 2030 phase-out date. That direction was reinforced in October of 2025 with the release of the *Saskatchewan First Energy Security Strategy and Supply Plan*. The strategy establishes energy security as the government's top priority. It confirms a diversified supply mix, recognizes coal generation as a necessary bridge while nuclear capacity is developed, and emphasizes the importance of expanding the province's transmission system.

It also underscores that delivering this agenda requires partnerships, particularly to grow a skilled workforce, advance major capital projects, and strengthen Indigenous participation across procurement, training, and employment. SaskPower has aligned its planning and execution directly with this framework.

Acting on this direction from government, SaskPower has launched the coal life extension project in 2025. The objective is clear: keep existing coal assets operating safely and reliably through to 2050 as Saskatchewan transitions to nuclear baseload power. Work is now under way to do the necessary assessment work on our coal facilities to determine and finalize refurbishment plans and the scope of work required for each of our coal-fired generating stations.

Reliable generation must be supported by a resilient grid. In February the government released *Strengthening Saskatchewan's Grid: Transmission to Power Communities and Growth*, which complements the energy security strategy and outlines SaskPower's long-term transmission priorities. We're making these significant investments in transmission and distribution because as our economy grows, so too does the need to move power across the province efficiently and reliably. From rural communities to northern development to major industrial projects, SaskPower is upgrading infrastructure to meet the demands of today and tomorrow.

SaskPower is reinforcing existing infrastructure, enabling load growth across the province, expanding the grid into the North, and increasing interconnections with neighbouring jurisdictions to enhance resilience and market access.

SaskPower has already begun executing the largest transmission expansion program in decades. A central project is the north-south transmission interconnection which will link the province's southern system with the northern grid for the first time.

Preliminary planning, design, and engagement with Indigenous rights holders and the public has begun. Procurement planning and initial industry engagement is well under way as well, with formal procurement expected in 2026.

This work is complemented by several other critical northern transmission projects, including the Island Falls capacitor installations to support wheel power through Manitoba, the Taylor Bay project to serve mining development in the far North, and the McIlvenna Bay customer connection for the Foran copper project which was just energized very recently this year and will ensure future industrial activity in the North.

Nuclear energy remains the foundation of Saskatchewan's long-term electricity strategy in the pathway to achieving carbon

neutrality by 2050. I want to spend some time on nuclear because this is one of the most important decisions we are making for the long-term future of our grid.

In January the province announced that SaskPower will also begin evaluating large nuclear technologies. We'll build on the experience gained from the SMR process and work closely with well-established electrical utility Bruce Power which we just announced last week, which has decades of experience in nuclear generation.

Recently SaskPower signed that memorandum of understanding with Bruce Power to inform Saskatchewan's assessment of large-scale reactor technology. This is a significant step forward. Bruce Power operates one of the largest nuclear generating sites in the world. They bring decades of experience in safe, reliable, emissions-free baseload power.

And what this agreement does is simple. It gives Saskatchewan access to that expertise as we evaluate what large-scale nuclear could mean for our province. Nuclear offers something no other non-emitting technology can — reliable, around-the-clock power regardless of weather. It's not intermittent. It's not dependent on other jurisdictions. It's proven, and for a province like Saskatchewan, that matters.

During 2025-26 SaskPower made tangible progress in preparing for that future. In the shorter term, site selection for Saskatchewan's first SMR facility is expected in 2026-27. To prepare Saskatchewan for nuclear investments, we're directed toward workforce development, education, and institutional capacity. This includes funding the establishment of Canada's first small modular reactor safety, licensing, and testing centre at the University of Regina, featuring two reactor test loops designed to simulate operating conditions.

SaskPower also hosted Western Canada's first Nuclear Energy Management School in partnership with the International Atomic Energy Agency and the University of Saskatchewan, strengthening leadership and regulatory expertise within the sector.

Meaningful Indigenous engagement has been integral throughout the company's work on nuclear. SaskPower conducted and continues to undertake significant consultation with Indigenous Nations on the SMR siting process. Internationally Saskatchewan's nuclear leadership continues to gain recognition with participation in global forums and the hosting of the Canadian Nuclear Association's first-ever CNA West conference in Saskatoon.

Throughout 2025-26 SaskPower continued to deliver major infrastructure projects to support growth and reliability. Capital spending for the year is forecast at \$1.7 billion, reflecting a strong pipeline of sustainment, growth, and strategic investments. Completed projects include the Descherm Lake microgrid, the province's first independent solar battery diesel system, expansions at the Ermine and Yellowhead power stations, and the reconstruction of critical transmission infrastructure serving Uranium City.

In the south of the province, progress continued at the new natural gas-fired Aspen power station near Lanigan. It's now

more than two-thirds complete and on track for commercial operation in December of 2027. Construction activity has generated significant local employment and procurement benefits with the workforce expected to peak this year. In parallel, during the last year SaskPower advanced new power purchase agreements with industrial, renewable, and independent power producers across the province; continued to explore a replacement facility for the Meadow Lake power station; and continued development work on additional solar and gas generation options.

SaskPower's procurement activities continue to deliver significant economic benefits for Saskatchewan. By the third quarter more than \$730 million in commitments had been awarded to Saskatchewan-based suppliers, with Indigenous procurement exceeding \$150 million year to date. The Aspen power station illustrates this progress particularly well, with local Indigenous- and women-owned businesses participation significantly exceeding targets.

Across government, Crown collaboration efforts also delivered meaningful results. SaskPower played a leading role in achieving cost savings that surpassed provincial targets supported by joint initiatives with fellow Crown corporations and ministries.

Despite declining trends across North America, SaskPower again ranked first nationally in customer satisfaction amongst major utilities, performing strongly across every measured category. Independent benchmarking also placed SaskPower at the top of Canadian utilities for overall customer experience.

I want to take some time to talk about something that's too often overlooked in discussions like this and that's the people — skilled, dedicated, Saskatchewan people who show up every single day in all conditions to keep this province running.

It's not something that people always think about. They flip a switch and expect the power to be there, and that doesn't happen by accident. That happens because of the people at SaskPower, people working in conditions that most of us would avoid. They're out there in the middle of winter. They're out there during storms. And in Saskatchewan, that matters.

So when a line goes down, somebody is going out to fix it, usually right away, usually in the dark, and often in conditions that are far from ideal. Take line work. That's skilled, technical, high-risk work, working at heights, working around high voltage, and working in conditions where there is no room for mistakes. And they do it well. They do it consistently. They do it professionally every single day.

It's the same story in our generating stations. There are people who have spent years, decades learning those systems. They know how to operate them. They know how to respond under pressure. They know what it takes to keep them running safely and reliably. That kind of experience matters. You don't replace that overnight. You don't replicate it with theory. It comes from doing the work. And those facilities have been delivering reliable power day in and day out for this province because of the people inside them.

There's a level of professionalism in this workforce that's worth acknowledging in a very real way. And thanks so much to all of

them, and through Rupen, thank you so much to our team and to all of the folks who work for SaskPower. These folks understand what's at stake. They understand that people rely on this system, and they take that work extremely seriously.

As we look ahead, that workforce becomes even more important. 1,400 folks in Coronach and Estevan, that workforce is as important as they continue to work on our existing assets. As the system evolves and we add new generation and progress towards a nuclear future, that work requires people — skilled people, trained people, those who can understand the system and operate it safely. That's why we continue to invest in our workforce through training, apprenticeships, and skills development. We're fortunate to have that workforce and we're fortunate to have industry partners who believe in this work.

We have industry partners who are excited and preparing for their role in the nuclear supply chain. Partners like SIMSA [Saskatchewan Industrial and Mining Suppliers Association] play that critical role. Saskatchewan Industrial and Mining Suppliers Association represents hundreds of Saskatchewan companies that provide goods and services across industrial sectors. They've been very clear: they want Saskatchewan companies to be part of the nuclear opportunity. And that is a shared goal.

In March 2025 the Government of Saskatchewan committed \$286,000 over two years to SIMSA under a new contract to enable Saskatchewan-based industrial suppliers to become qualified in nuclear supply chains. With funding support from the Government of Saskatchewan, SIMSA has also been delivering supply chain workshops, training, and education to help Saskatchewan businesses build knowledge and capacity in nuclear technology.

Nuclear power is not just about electricity. It's an economic development opportunity. It's about building a new long-term industrial supply chain that creates opportunities for local and Indigenous companies and workers.

For the majority of my time, I've focused on reliability and energy security. And for my remaining time, I'd like to turn to the focus of affordability. Across Canada electrical utilities are facing significant rate pressures. SaskPower must make investments in the reliability and security of the electricity grid while balancing fuel and operating costs.

SaskPower's committed to balancing the need for significant infrastructure investments as well, while also ensuring long-term reliability and affordability for power customers. To that end, efficiency programming at SaskPower is in place to mitigate the impact of rising cost pressures on customer rates. SaskPower's ongoing focus on efficiency has seen \$888 million in savings in the previous eight years. The corporation is targeting an additional \$30 million in savings over the next two years.

As noted earlier, the key focus of the energy security strategy is the affordability of electricity for communities in Saskatchewan. SaskPower has a number of efficiency programs and targeted affordability initiatives to help ensure rates are kept as low as possible. In 2025-26 SaskPower utilized approximately \$12 million of external funding to support affordability programming, which include programs specifically designed for

lower income customers who need the most support with their power bills as well as Indigenous customers, who face unique challenges including reliance on electric heat in northern Saskatchewan.

[19:30]

The energy assistance program, which is a free program for income-qualified customers and includes a home walk-through, energy coaching, and the installation of several energy-saving products, which is a smart thermostat upgrade, low-flow water measures, a drying rack, and LED [light-emitting diode] lighting. Customers can save up to an estimated \$230 per year on their electricity, gas, and water bills via this program.

The northern First Nations home retrofit program. First Nations that use electric heat as their primary heating source are eligible to receive no-cost home retrofits such as upgraded insulation, window and door replacements, and LED lights. Participating First Nations receive education around energy efficiency to increase knowledge and awareness of their energy use. Participants living in an electrically heated home can save an average of \$500 per year on their power bills.

The Indigenous new homes rebate program, where financial support is offered to eligible Indigenous communities to help make new home builds more energy efficient during the construction phase. Homes constructed with the Indigenous new homes rebate could save between 1,000 to \$3,000 annually on their power bills based on the energy performance standards of the home build. The rebate is open to eligible Indigenous communities in northern Saskatchewan who rely on electric heat as their primary heating source.

Energy efficiency discounts program — that's SaskPower in collaboration with SaskEnergy — partners annually with local retailers across Saskatchewan to offer point-of-purchase discounts on a variety of energy-efficient products.

Home efficiency retrofit rebate, also in partnership with SaskEnergy, is a program that offers rebates to eligible Saskatchewan homeowners to enhance their home's efficiency with high-performance windows, doors, insulation, and air sealing retrofits.

The commercial energy optimization program, which is a program that provides commercial customers with support for managing their power costs by offering expertise, education, and financial incentives for identifying energy efficiency opportunities and implementing energy efficiency improvement projects. This program leverages funding from NRCan's [Natural Resources Canada] deep retrofit accelerator initiative, which is part of SaskEnergy's commercial space and water heating rebate program.

SaskPower provides rebates on a prescriptive list of high-efficiency HVAC [heating, ventilating, and air conditioning] equipment to encourage business customers to select the most efficient equipment for their needs and to reduce cost.

In addition to customer programs, SaskPower offers special care and flexibility to customers who are struggling to keep up with bill payments. We offer online energy assessments for homes.

This free tool on saskpower.com provides customers with energy savings tips based on an online evaluation of power and natural gas consumption.

Payment deferral. SaskPower may permit customers to defer a lump sum owing and make payments toward that balance at any time during the deferral period. Customers must continue to pay their current monthly bills during this time.

Instalment payment plan. SaskPower works with customers with outstanding balances to establish structured monthly payment arrangements, enabling them to resolve their areas over a specified period. To make it easier, eligible customers can create their own instalment plan online via chat or through a phone call to SaskPower.

Equalization payment plan or budget billing. This plan makes it easier for customers to budget their power bills by allowing the customer to pay the same amount each month and avoid unexpected high bills.

Indigenous organization support. SaskPower established the Indigenous customer support care group that continues to support all 70 Nations with things like billing questions, setting up payment arrangements, sharing information about SaskPower programs, and working directly with Indigenous communities to address their concerns.

SaskPower expects its affordability programs in 2025-26 to have saved up to \$1 million for customers in continued savings year over year. But perhaps the most impactful affordability initiative related to SaskPower is this government's decision to remove the carbon tax from SaskPower bills entirely. In April 2025, the province directed SaskPower to stop collecting the federal carbon tax from SaskPower customers. Removing the federal carbon tax rate resulted in the equivalent of an 11.7 per cent rate decrease on each customer's bill on a system-wide basis.

In the 2026-27 provincial budget, government announced that SaskPower will invest approximately \$1.7 million to support Saskatchewan's electricity system to meet increasing demand and ensure long-term reliability and energy security. This includes significant investment in the following areas: sustainment, which includes the maintenance and repairs to existing generation, transmission, and distribution assets; growth compliance and resiliency, which includes transmission and distribution growth to increase grid capacity and connect new customers to the system as well as new generation; and strategic investments, which includes upgrades and improvements to supply chain, technology, and other projects.

For the upcoming year, generation investment will include the comprehensive coal modernization program, ongoing investment in SaskPower's existing hydro and natural gas generation fleet, including routine maintenance and work toward life extensions to ensure reliable operation until their planned retirement dates.

With respect to transmission, SaskPower will invest significantly to support growing provincial electricity demand, the integration of new generation, improved energy security, and ongoing economic development across Saskatchewan. Planning efforts remain focused on accommodating a diversified mix of future generation supply options, while responding to evolving

regulatory requirements and shifting customer expectations.

Work has also been previously announced to connect natural gas generation facilities in the Lanigan and Meadow Lake areas. SaskPower is also continuing to invest in the development of new substations and the upgrading of existing facilities across the southern portion of the transmission system. These investments are crucial to support significant residential and commercial growth occurring in the province's major load centres.

Substation projects, including new builds, transformer additions, and targeted capacity expansions ensure adequate infrastructure is in place to meet rising demand in rapidly growing communities and to maintain system reliability as load growth accelerates.

As SaskPower's transmission facilities approach end of life, ongoing asset sustainment investment will be required to ensure the continued reliable operation of the transmission system. These investments include critical asset management programs and initiatives designed to effectively mitigate risk to SaskPower's operations and maintain system performance over the long term.

Saskatchewan's distribution lines provide a vital link between our transmission facilities and our lower voltage customers. SaskPower installs 28,000 to 30,000 wood distribution poles per year through various programs, including through the construction of new customer services, system growth, rural rebuilds, and individual pole replacement programs. On average, our distribution lines are approximately 37 years old, and there's a need for ongoing investment to maintain and replace this infrastructure.

Several programs have been planned to address growth and sustainment of system capabilities throughout the province. Some examples of this work include the distribution customer connect program to provide new service for residential, commercial, and oil field sites in the province. Sustainment programs to replace aging rural infrastructure, including line rebuilds, wood pole replacement, testing, and replacement of rural underground infrastructure; the replacement and life extension of aging infrastructure such as wood poles, underground cables in urban centres, and other apparatus on the network.

All of this work will continue in 2026-27 while SaskPower is also focusing on grid modernization to utilize automated metering technology, integrate steadily growing distributed energy resources, and increasing automation and support.

And with that, the announcement that we were very much looking forward to. And we'll take questions obviously after this, but we really are pleased to announce that, for the first time, announcing for the first time, that Boundary dam 4, unit Boundary dam 4 is going to be officially returning to service by May of 2026. April 17th we flipped the burner, lit the boiler for the very first time in nearly two years. And I would say as well, just an amazing amount of work that has gone into this project from our SaskPower team.

I think we passed the pressure testing, and TSASK [Technical Safety Authority of Saskatchewan] recertification process has been concluded. The fuel interlock testing was concluded as well,

right prior to the test firing last week. I think we were flushing the boiler over the weekend, is what was occurring next. And we're going to be moving into the spinning of the turbine this week.

So I really want to thank — and he can't be here tonight — Howard Matthews, and through him, his team. Jody Waloshin, who led the project on the ground at Boundary dam, did a remarkable job. Literally hundreds of people who worked on this. I want to thank a number of them personally and specifically name some of the participants. Boilermakers 555 were very involved in this. Obviously IBEW [International Brotherhood of Electrical Workers] 2067, Millwrights 1021, pipefitters UA [United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry] 179, insulators 119, scaffolder Local 1985, Ironworkers 771 played a role in this as well, and our team.

And I'm going to just list off about 10 or 15, and then we'll move to questions. But Jody Waloshin, who is the project lead on BD4 [Boundary dam 4], Jeremy Ruddick. I want to thank Brett Goudy, Kevin Curtis, Charles Adeola, Mitchell Grimes, Eric Jorgenson, Lane Wallace, Kent Packet, Jeff Adamcewicz, Tyrel Mattei, Jesse Gervais, Mark Loverton, Jeff Dupuis, Ryan Lang, William Keturakis, and Tim McLean. And there were many, many more. I have the list, and I'm going to get around to thanking all of them as well.

But it's really a remarkable story. And we're going to have an opportunity . . . I think I'll ask maybe Gregg at some point here in the evening to talk in a bit more detail. Because I think really it's a very illustrative example of what we can do with the incredible people that we have in this organization to do amazing things and do it in an incredibly efficient way as well. I'll leave that news for Gregg to talk about.

But with that, Madam Chair, I will turn it back to you.

Chair C. Young: — Thank you, Minister. And I will make note for the records that Aleana Young is chitting in for Erika Ritchie this evening. So I will open the floor to questions from committee members, and I'll recognize Ms. Young.

Aleana Young: — Why thank you so much, Madam Chair. Through you, Madam Chair, what's the total estimated capital cost of the government's electricity plan?

Chair C. Young: — It was through me?

Hon. Jeremy Harrison: — Well we'll have a consultation here and provide a response. Thanks.

Chair C. Young: — Yes.

[19:45]

Hon. Jeremy Harrison: — So thanks, Madam Chair. So what we're going to ask the committee's indulgence to do . . . So I'll provide you some overall introductory remarks, Rupen's going to provide some thoughts, and then Troy is going to have some of the detailed figures here for the next year going ahead here.

So what I would say by way of introduction, Madam Chair, is

really we've taken, as I said in my introductory comments, generationally significant decisions with regard to the energy security strategy and what that path is going to be as we go forward with SaskPower. And thank the team for all of the work that went into that as well.

Really the prioritization was energy security, making sure that we are able in this province to have our own power produced here, that we're going to be self-sufficient in that space using resources now and into the future that are available right here in Saskatchewan and owned by the Saskatchewan public. That really was the cornerstone of the energy security plan.

Along with that work, obviously going to be making, you know, significant and real investments into transmission. The north and south grid connection is really very, very significant and a very large investment that will be made starting this year on some of the procurement, longer lead items on the procurement front. So that really is what has underpinned that approach.

And we've, you know, used the number publicly — the company and I have — in the costs avoided by taking this path compared to the alternative paths, which is \$21 billion in savings by going down this path. So that really is in addition though to the underlying policy rationale as to why we went in this direction.

So with that I'll maybe turn it to Rupen and then ask Troy to maybe get into some more detail.

Rupen Pandya: — Thank you, Minister. Rupen Pandya, president and chief executive officer of SaskPower. Maybe I'll just make some brief comments about comments I'd made in 2023 alongside the Premier about the financial, logistical, and technological challenges with respect to achieving the clean electricity regulations requirements around net zero. At the time I'd noted that those compliance costs in Saskatchewan were inequitable insofar as the geography in this province doesn't afford us significant opportunity for additional hydro unlike British Columbia, Manitoba, Quebec, Newfoundland.

And so in terms of compliance costs with respect to decarbonizing energy going forward, that pathway is significant and severe in Saskatchewan. And so one of the areas that I've been advocating in Ottawa, along with federal ministers, is that there needs to be a more practical pathway for Saskatchewan to achieve the goal of net zero moving forward. And you know, I think that there is a plan that we have in place that looks at real issues with respect to supply chain constraints.

So right now, for example, gas turbine and gensets for gas facilities are 52 months to delivery and then another two years for install. So we're talking about a seven-year build just to get 300 megawatts of combined cycle gas back into our system. And so our plan as it has evolved is to ensure that we have every available megawatt of electricity that is available to the grid as we continue to make the planned investments to allow us to move forward.

So maybe on that note I'll turn it over to Mr. King, and he can walk through some of those investments.

Troy King: — Hi. I'm Troy King, executive vice-president, strategy, technology, and finance. So I'll just talk about the . . .

When we talk about our total cost, we usually break it down into three categories. There's our operating costs, there's our fuel costs, and then there's our capital costs. So then capital costs are made up of depreciation, finance charges, taxes, and other costs.

So starting with the capital plan for '25-26, we got a total budget of \$1.787 billion. 688 is in sustainment spend, broken down by generation, transmission, and distribution. On the compliance side we have \$1.137 billion of spend, again broken down by generation, transmission, distribution, as well as customer connects. And then total strategic and other investments of \$114 million. Netted off that is grant funding that we've received of about \$152 million for a total of 1.787 billion.

In '26-27 our sustainment spend is going to be \$710 million. Growth and compliance will be 1 billion and 57. Strategic and other will be 73. And for grant funding, we anticipate receiving \$148 million. On the fuel side, our fuel budget for '25-26 is just over a billion dollars, and netted off that will be the clean electricity transition grant that we get from the provincial government. And on the OM & A [operating, maintenance, and administration] side, we're spending \$947 million this year. We go to '26-27, fuel purchase power is going to be \$1.124 billion, and our OM & A spend is going to be 987 million.

Aleana Young: — Thank you, Madam Chair. Respectfully that wasn't an answer to the question that was asked. And I would note for the record that the minister and officials are unable or unwilling to provide a figure to the committee, unable to provide a total cost estimate for the government's electricity plan, which I think will be disappointing to the 557,000 customers relying on SaskPower and relying on some basic transparency and accountability when it comes to important questions like this.

Is the total cost, total capital cost of the government's electricity strategy, is it greater than \$30 billion?

Hon. Jeremy Harrison: — So maybe, Madam Chair, if I could, we're going to do some additional conversation here. But I would just say, I mean, I find it pretty disrespectful to officials, what we just heard there. I mean, feel free to attack me. Like, go ahead. Fine. But don't go after the officials here. I mean, these folks are professional, hard-working people who are utterly committed to this province. So let's just leave it at that, and we'll do a bit of a consultation.

Chair C. Young: — I would agree, Minister. The officials did provide figures. They may not be exactly what you were looking for, but you are welcome to re-ask your question if you choose, if you didn't feel you got the right answer, rather than attack them for what they provided to you.

Aleana Young: — Madam Chair, I don't think that's remotely accurate or fair. It's not an attack, Madam Chair. This estimates committee, as well as all members on this committee, have an important function to fulfill for the Chamber, for the legislature. I'm able to ask questions. The minister is able to not provide answers. These are important. I suspect these should be figures that the minister and his team here would have at their fingers. It shouldn't take us 50-odd minutes to not get an answer to a single question, Madam Chair.

Chair C. Young: — Ms. Young, if you would like to repeat your

question, to be a little more clear, you are more than welcome to. But they did converse and they did come up with figures. They may not be what you were looking for, and that's what I'm saying. You're welcome to re-ask the question in another way, rather than ramble on.

Aleana Young: — Thanks, Madam Chair. I would take your advice as to how to make this question clearer in terms of what the total estimated capital cost of the government's electricity plan is.

Hon. Jeremy Harrison: — So thanks, Madam Chair. So the question is a hard one to answer with a direct number. The reason being is one of the, you know, most significant components of our plan going forward is going to be that transition to nuclear. And you know, we've talked about this a bit. I've talked about this even last night. I've talked about it publicly on different occasions.

But we are working through what ownership arrangements are going to look like with nuclear. We haven't, you know, made a final determination as to technology as far as large-scale. We haven't made decisions with regard to mix of nuclear generation. Small and large, small or large, large and small — there are a number of different options that we're going to be working through.

And you know, I've been criticized for this. But we've been very forthright in saying, when it comes to nuclear, we are going to be looking at options for equity ownership that will include things like Indigenous equity ownership, which is something I have been very, very clear that we are committed to as government. We're going to work through what that looks like though, and we don't have the answer.

You know, we've been working with the First Nations Natural Resource Centre of Excellence on this very, very closely, which is the organization tasked by the FSIN [Federation of Sovereign Indigenous Nations] with being the lead on behalf of the province's First Nations. So that was our partner in this.

You know, how will that look as far as the equity ownership component? How is that financed? There are a number of different options. We look around the world. In fact I was talking to the president of the Canadian Nuclear Association just today, had a great meeting talking about the work that CNA is doing with regard to nuclear, the structure of nuclear power production and power plants that are being constructed around the world right now.

[20:00]

Sizewell C project in the UK [United Kingdom] is a great example, which was a project that was, at one point, 100 per cent privately financed. The UK government has since moved into a minority ownership position in that project. But there is a, I would say, rapidly evolving landscape with regard to how nuclear power projects are going to be financed and how the ownership structure is going to work.

I've been clear in saying that I envision SaskPower being the operator, which is why we are putting the work and resources that we are into SaskNuclear, preparing for that eventuality. But how

that ownership structure is going to look is very much a question that's open.

And we've been working with the Government of Canada as well who have been, I would say, very open to the discussion about what the path on nuclear is going to look like as well. They've been partners with the Ontario government through OPG [Ontario Power Generation] on the Darlington SMR project, which is continuing apace right now. And which obviously we are a partner also with OPG on the technology, along with a couple of other jurisdictions as well. So we're keeping a very close eye on that.

A second SMR project is under way right now. The Tennessee Valley Authority is undertaking that project at Clinch River. I actually think our vice-president is down there right now. I spoke to him this morning. He was touring Clinch River today.

So all of that means that there is a very high degree of variability in what any sort of financial projections would look like, given that we have some very real and significant discussions about what that's going to be into the future, including with the Government of Canada.

The other thing I would say though, I don't think this is a negative thing at all. I actually really do look at this — and Minister Hodgson and I have talked about this at length — I really look at this as a space that is nationally unifying, where we have different parts of the country that can align and agree on an objective, which is producing nuclear baseload power generation for our citizens, zero-emissions power using uranium from Canada, and very specifically from Saskatchewan, to generate that zero-emissions power over not just the next couple of decades but over literally a century.

And we're going to see nuclear power units with the life extensions at Darlington, at Pickering. You know these units are going to be in service for 80 years. It's a remarkable thing. You know, obviously very high upfront though capital costs to get from construction and degeneration, but you know, very manageable over time and fuel costs. So that really has kind of been the historic challenge with nuclear though.

So I would say, very productive discussions with the Government of Canada. Very productive discussions with partners, you know, keeping an open mind as to what these relationships and partnerships are going to look like as we move to nuclear power generation.

But that really makes it impossible to provide any sort of highly specific number, given the fact that we have not made these decisions yet, and we have not reached agreement on what the structures are going to look like. So I think that would be just kind of on the nuclear part. I'm not sure if Rupen or Troy want to add.

Aleana Young: — Thank you, Madam Chair. I asked for a cost estimate. This is a simple question. There should be a pretty straightforward answer to this. Respectfully, like what's the working cost estimate for SaskPower? We're talking about tens of billions of dollars. Surely there's a rough estimate that can be provided to the people of Saskatchewan.

Hon. Jeremy Harrison: — Madam Chair, I kind of went through what I think are some very, you know, real reasons why, between the work with the Government of Canada, work with our partners — particularly given the fact that in the long term, nuclear is going to be the primary baseload power generation source in this province — there are a tremendous number of variables in all of that. I think, you know, I explained some of them in detail during my last response.

But even with regard to particular designs, I mean, we actually do not know what the actual price tag is going to be, even on the BWRX-300. I mean these are in progress, first-of-a-kind projects. You know, what we know with nuclear as well is the first of a kind, you know, it's going to be significantly more expensive than the nth of a kind, whether that be 9 or 12 or 15.

And those are only answers that were going to become apparent as we partner with OPG on the BWRX project, for example. We'll have a clearer picture of what those costs are going to be as these projects get closer to completion. And then we'll have a better cost estimate as well once we have an established supply chain. That's what really drives down cost in these nuclear projects, and they do in other parts of the economy as well. You need to have an established supply chain, which is a big part of what we have worked on as well. I'll have a chance to probably talk about a bit of that. I referenced some of it in my opening comments with regard to our partnership with the industrial mining association, supply chain association, who've done great work in this. But it's how we capture that supply chain as well.

But the other example of this would be . . . Yeah, we're going through a technology selection process, and we're not making any announcements until SaskPower concludes that process and makes a recommendation.

But you know, there are two competing designs in that space. AtkinsRéalis Monark design, really, you know, hasn't been completed as a design yet. We had some additional information provided by the company, and I think they announced it publicly there, their power rating assessment which just yesterday was released by AtkinsRéalis, 925 per reactor, which was, I think, a bit of a surprise to the industry.

And then you have obviously the Westinghouse AP1000 design, which is a 1000- to 1100-megawatt reactor design, which is going to be deployed across the United States. There are operating units in Vogtle right now. But there are going to be, you know, 10 more units at least which are being significantly funded and supported by the national government of the United States, which is going to mean that there is a well-established supply chain in that AP1000 space.

So what does that actually mean for the cost per unit? Yeah, we don't know. And that again is why it really is very, very challenging for the company to make long-term assessments, certainty with regard to cost, because they simply are not knowable costs. Which is why we are paying very, very close attention to what's going on at Darlington, why we're paying very, very close attention to what TVA [Tennessee Valley Authority] is doing at Clinch River to the point where we literally have our vice-president of nuclear on the ground right now in that jurisdiction, having toured that facility today. Why we're paying not just very close attention, but working very closely with the

companies who are proponents of large-scale nuclear designs about what those costs are going to be as we go forward, particularly on nth-of-a-kind units with an established supply chain.

So all of those things, you know, reasonable people understand that because you have these unknowable parts of the equation, we can't give a specific answer. We're working as hard as we can to provide that certainty, and that certainty will be there when we are in a position to make those decisions. But we haven't made those decisions yet, which means that we really can't provide that.

Aleana Young: — Thank you, Madam Chair. I think the minister was clear. He doesn't have a cost estimate. He can't provide one because he doesn't know the cost. Saskatchewan people are being asked . . .

Chair C. Young: — Ms. Young, that's not what he said. He said they didn't have cost estimates at this time because everything . . . The question you asked is pretty futuristic, actually based on projects that aren't even in play or the supply chain.

So if you have questions that are pertaining to the estimates and supplementary estimates that are before us tonight, I suggest then you proceed.

Aleana Young: — Madam Chair, it's too beautiful a day to be crabby. But I think the average person would expect that the Government of Saskatchewan, that SaskPower would have business plans. They would be presented to cabinet. They would be approved.

The minister has said he is unable to provide a cost estimate, and meanwhile people of Saskatchewan will continue to pay, and he's asking them for a blank cheque. That's fine. I can move on with some specific questions.

Chair C. Young: — Minister, if you would like to respond.

Hon. Jeremy Harrison: — Yeah. You know, politics is politics. And you know, obviously the member wants to be political. Look, we're here with a team of great officials here. And what I'm really interested tonight in doing is talking of the hundreds of SaskPower employees who are doing great work, who are not interested in political games, who are interested in what their future is going to look like.

And we're talking about real people and real lives and real families whose decisions that are being made here by these folks who have their best interests at heart and who think about that every day. That is what we are here to talk about, and talk about the future for those folks for our company and ultimately for the people of the province.

Aleana Young: — Thank you. Yeah, the SaskPower employees who I do appreciate are also concerned about the company-wide call telling them to tighten their belt, and that there need to be cost savings found across the organization due to some of the consequences of what we're talking about here tonight.

Madam Chair, as it pertains to the government's full refurbishment project, what is the cost for that work that the

minister can provide? How much is the coal refurbishment project going to cost?

Hon. Jeremy Harrison: — Sure. Well you know, we'll have some of these folks maybe speak to some of the details of that. But firstly what I want to say is just thank you to our folks who have, you know, really had a high degree of uncertainty about what their future was going to look like, particularly our employees who were working in Estevan, who were working at Coronach, the UMWA [United Mineworks of America] employees who were engaged on the mining side.

There was a great deal of uncertainty really engendered by unconstitutional federal intrusion into provincial policy-making. So what we did, and one of the first things I did as minister after the election, was make very clear our government's position, which had been a continuing one, but really underlining that the regulations that were putting in jeopardy those individuals' jobs were regulations that are unconstitutional. And they are I think almost undebatably unconstitutional.

And predicated on the unconstitutionality of those federal initiatives, we made the decision that was in the best interests of the province, predicated on energy security first and foremost but also on long-term affordability and reliability of our power grid. Meaning that we were going to have one-third of our baseload power, which is what comprises our coal firing, one-third of our baseload power generation; that we were going to keep that power generation in service; that we were going to have certainty on the fuel source, which is literally located within miles of the plants themselves; that we know we have a multi-100-year supply of that fuel source that we own, that the people of the province own.

I know what the cost is of coal because we own it, and it's zero. I know what the cost is going to be in 10 years because we own it, and it's zero. I know what the cost is going to be in 2050 because we own it, and it's zero. And you know, we pay partners to do the mining of that resource, but we have a very, very clear understanding of what the cost of that resource, of that fuel source, is going to be for the company out over the next 25 years.

And you know, we have taken an all-of-the-above approach, but we were not going to shut down one-third of our baseload and put that into a combination of intermittent renewals and imported natural gas. That's the option. Meaning we would be . . . Right now I think we're importing about 90 to 92 per cent of our natural gas. I wish that wasn't the case, but that is the case. We are very blessed in a lot of ways with natural resources, but you know, low-cost gas is not one of the areas. So we're importing gas.

We would be making ourselves entirely dependent on exports from outside of the province. We're not going to be doing that, so that was the policy rationale that we made with regard to the coal life extensions.

[20:15]

And I can tell you this, Madam Chair: 22 years in elected office now, I have never been so sure that a decision is the right one than making the decision to extend the life of our coal-fired power plants. I've never been so sure a decision's the right one. It's the right decision for this province. It's the right decision for

the company.

It's the right decision for our employees. Fourteen hundred of them were dependent on continuing in operation with these facilities, many of whom are multi . . . I can tell you this, too, having spent time at Boundary dam in Coronach, for generational employees whose fathers worked there, whose grandfathers, whose mothers worked at these plants, they committed their lives to producing power for this province. And I have an enormous respect for them.

And, you know, I've said before too, like, there are a lot of days in public life where . . . There are a handful of days that really make up for a lot of the other days. And when I've had the opportunity to go down to Coronach and Estevan and spend time with our staff who do this work every day, those are the days that make up for a whole lot of other days, and really inspirational.

So I am very proud of the decision that we have taken. I'm very proud of the government. I'm very proud of SaskPower. And I'm very proud of the work that's being done right now on the refurbishment project, including what I just announced earlier on with regard to the returning to life of Boundary dam 4 which is a remarkable, really a remarkable achievement.

And I might ask Gregg, actually if you maybe want to come down and speak to some of the, some of the details around that and speaking to the costs as well. Gregg can speak to the cost of the Boundary dam return to service which I think will provide some indication about what that path going forward is. And then we'll maybe speak in a bit more detail about the more macro elements around them. But I'll turn it over to Gregg.

Aleana Young: — Thank you. And pardon me, Mr. Milbrandt. It was a very specific question again, Madam Chair. I appreciate the reminder of how we got here. I'm looking for a figure, just a single number.

Hon. Jeremy Harrison: — You know, Madam Chair, that's where we're going to get to. But I want to make sure that the employees who are watching here have a really good understanding of the work that's going in and also recognizing the work that the employees have done. And also around that, we'll be speaking to cost.

Gregg Milbrandt: — Thank you, Minister. Yeah, I'd like to take some time today to obviously highlight some of the key work that's happened here at Boundary dam over the last six to seven, almost eight months now restoring the operation of Boundary dam unit 4. So really from the fall of 2025 and the spring of 2026, SaskPower executed a targeted project intended to return Boundary dam unit 4 to a safe, compliant, and operable condition following extended lay-up and expiry of pressure equipment certification in November 2024. The work was inspection driven and progressed on two parallel, independent tracks: mechanical restoration and regulatory recertification.

The project is a culmination of Boundary dam maintenance staff, other specialty groups within SaskPower, 28 external vendors and service providers coming together for a combined nearly 62,000 labour hours to date. These groups have coordinated their efforts across approximately 360 different work scopes under 40 operating permits, working in close quarters to one another, and

delivering the project with zero lost time injuries.

Of the contracted services and material spend, approximately 82 per cent of that was Saskatchewan-based, 15 per cent within Canada, and 3 per cent outside of Canada. This relatively modest investment focused on effort restoring up to 150 megawatts of dispatchable baseload capacity to the Saskatchewan system. Compared to the time and capital required to procure and install new generation, BD4's return provides strong near-term capacity value by leveraging existing infrastructure and while meeting current safety and regulatory requirements.

So a little bit of background on BD4. So it was added to the system alongside BD3 in 1970. The two units comprise of what was known today as B plant in Boundary dam, sharing a common control room and operating staff. The unit operated reliably for SaskPower, undergoing routine maintenance and planned capital injections over the course of 50 years. BD4's last major overhaul to the turbine/generator occurred in 2014, and the last minor overhaul was completed in 2017.

Based on typical maintenance cycles, the next minor overhaul window would have been completed in the fall of 2019. However as the unit approached planned retirement decision, no further investment was injected into the unit. The unit was operated from '17 to '19 in its normal operating capacity, and was operated in the same manner for two more years, despite not completing the regular two-year overhaul activities.

After a four-year run cycle, the unit was transitioned to a low-use operating strategy. By end of '21 BD4 was placed into lay-up mode and was operated only when system conditions required it for emergency and backup needs, the limited runs at reduced output. In October of 2022 one of the two boiler feed pumps failed, and attempts to repair were not successful. Decision was made to de-rate the unit from 150 megawatts to 65 instead of rebuilding both boiler feed pumps.

The unit remained in lay-up mode with a 65 megawatt capacity until the pressure equipment certification ultimately expired in November of 2024. This necessitated a full inspection, repair, and recertification prior to any sustained return to service.

Upon release of the Saskatchewan energy security strategy, BD4 was identified as an obvious candidate, a return-to-service investment that could be completed in a short time frame with existing resources without long-lead components.

Planning and execution of the project has been a collaborative effort across many internal SaskPower teams and supplier community across Saskatchewan. The coordination of all this effort at site has been managed by Jody Waloshin, as mentioned by the minister, a senior Boundary dam management employee and a past co-worker of mine and a key member of the Boundary dam facility through the course of his career.

As the minister mentioned, you can't forget about the people. And Boundary dam is made up of many folks. And of course, all folks across the facility participated in its restoration, including mechanical maintenance departments, electrical maintenance, instrumentation maintenance, the labs, B plant operation teams. Of course the admin staff, utility folks, and many folks within the

storage functions. Specialized groups across generation also supported the repair and restoration, including the combustion boiler turbine generator equipment, and they all had a steady site presence throughout the project.

The project has received support from many others across centrally based groups within the company including coal modernization team, generation asset management, engineering south, quality assurance, procurement, finance, project delivery, system tests, apparatus maintenance, and various others.

As with any SaskPower project, our unionized workforce plays a very key role in the success of the project. Our various maintenance contractors, such as Balzer's Canada, Aluma Systems, pull from the union halls around the province such as the boilermakers, millwrights, pipefitters, scaffolders, insulators, and others as well. And of course, lastly and definitely but not least are IBEW Local 2067. Our IBEW staff are at the centre of most of our internal workgroups and are a key part of our successful execution from the first phase of the project to the last.

The return-to-service scope was driven by inspection findings typical of an aging thermal asset returning from extended lay-up. Work was prioritized to restore pressure boundary integrity, rotating equipment reliability, protection-and-control system readiness required for restart and regulatory approval.

Internal boiler inspections identified several code-related deficiencies required to meet our quality management program under TSASK's authority. Corrective work included more than 433 code shield repairs, approximately 40 tube cutouts, and 77 pad welds to restore the boiler pressure integrity. Verification activities included non-destructive examination followed by a leak integrity test and completion of mandatory fuel/interlocks in preparation for controlled firing and return of the boiler to service.

The feedwater train was restored to support reliable unit operation. Work included the condensate extraction pump rebuilds and major work on the de-aerator after inspections revealed extensive cracking at shell-to-head welds.

To reduce risk and satisfying regulatory inspections, a remedy was revised from repair assumptions to replacement of the affected de-aerator components. This included fabrication, engineering review approval, controlled insulation, and post-work inspection and testing. Boiler feed pumps and their 4160-volt motors were fully rebuilt as well. Due to obsolescence this included some reverse engineering and custom fabricated components, followed by functional checks to confirm readiness for operation as well. The work on the feed pumps was also a significant part of this project as the health of these assets were one of the major contributing factors to preventing BD4 from recertification and continuing to run beyond November 2024.

The high-pressure piping and safety system programs include the inspection of our main steam lines, high-pressure piping to confirm continued fitness for service, and to satisfy the TSASK certification requirements. And of course additional testing will follow once the unit reaches full load.

Steam turbine mechanical systems. Work included rebuilds of turbine stop valves, control valves, bearing inspections, oil system cleaning and restoration. As commissioning approached, the turbine was placed on barring gear to address shaft bowing risk, which follows extended lay-up periods. Mandatory verification included routine trip tests to confirm mechanical protection functions prior to synchronization. Additional testing is required after synchronization so the unit can return or can be operated safely.

Generator protection readiness was also confirmed through a series of inspections, and functional tests. Work included attention to generator hydrogen coolers, completion of our generator air leak tests, verification of excitation and stability functions as well. Protection and interlock readiness was also validated through mandatory protection system trip tests and fuel/interlock verifications. And some additional testing mandated by the North American reliability corporation will be done once the unit has synced to the grid.

Work was also completed as on key combustion support equipment to enable stable firing and safe operation. Scope included repairs on pulverizers, combustion components, pulverizer motors, coal piping, and burner components. Pulverizer inspections, routine inspections, and rebuilds will continue as part of ongoing maintenance on the unit once it's back in service. Routine maintenance was performed on all combustion air fans and their corresponding 4160 motors, including extensive work on the primary air fans.

BD4 control system was equipped with an older generator control, which is no longer in use in the rest of our fleet. Significant effort went into inspecting and testing the control system components, verifying spares, and in some cases sourcing replacement components. The control system is in working order right now, and there are sufficient spares to ensure reliable operation in the near term.

In parallel the mechanical components operations staff completed their own readiness activities including start-up and emergency procedure reviews, requalifications where required, and commissioning support to ensure the unit could be returned to service in a controlled manner.

As for next steps, the team successfully established fire in the boiler, as mentioned, this April 17th and is currently flushing and refilling. And we are firing the boiler here today. Once that unit has reached temperature, we will begin to emit steam through the valves and begin to stretch out the turbine. Once the unit then rolls off and we reach 3,600 rpm [revolutions per minute], equipment will be operating within expected parameters. We will officially connect BD4 back to the system. At that point online tests will commence which will complete the recertification of the unit.

In conclusion BD4's return-to-service project is a significant milestone. Over 62,000 labour hours were invested to complete inspection-driven boiler and pressure part repairs, address critical feed water and turbine risks, and to re-establish electrical protection readiness while maintaining zero lost-time injuries. The major repair, inspection, and certification activities and commissioning is under way. BD4 is targeted to return in

May, returning 150 megawatts of baseload power to the system and delivering meaningful near-term capacity value using existing infrastructure.

Aleana Young: — Excuse me, Madam Chair.

Chair C. Young: — Can you find an answer to the member's question in all that.

Hon. Jeremy Harrison: — Yeah, so that's precisely what we're doing. So I just want to say thanks, Gregg, for providing the update. In all of that, Madam Chair, we're \$7.6 million to return 150 megawatts of coal-fired power to the grid — 150 megawatts for \$7.6 million. And I would say compare that, Madam Chair, as well . . .

Aleana Young: — Madam Chair, that wasn't my question. I'm sorry, Minister. My question was about the coal refurbishment project as a whole. In its submission to the Saskatchewan rate review panel SaskPower said that external consultants had estimated the cost at \$2.6 billion.

And now I understand SaskPower has hired a number of external consultants — Hatch engineering, Klohn Crippen Berger, Rockford Engineering. I also appreciate that board approvals are going forward at the moment for all the coal units, with BD6 going forward in March 2026, Poplar River 2 in June, Poplar River 1 in September, and Shand in December of this year.

So my question was what is the total cost of the coal refurbishment project undertaken by SaskPower? Is it the \$2.6 billion that SaskPower put in its submission to the rate review panel? Yes or no?

[20:30]

Hon. Jeremy Harrison: — Thanks very much, Madam Chair. Appreciate it. So in the interrogatories we obviously provided detail on that answer which the member is quoting. So SaskPower provided that information very proactively, Madam Chair. And that's over the course of the entire project.

So that includes the refurbishment of Boundary dam 4. It includes the life extensions for 5, for 6, for Boundary dam 0, which is what we call the overall building and infrastructure that is common to all of the units for Poplar River 1, for Poplar River 2, for Poplar River 0, which also is the overall facility-shared spaces, and for Shand and for Boundary dam 3 as well. So that includes the entire project. And I would say by way of comparison, \$2.6 billion for over 1500 megawatts of power.

We are estimating right now if we were to build another Aspen power station, which we're going to hit budget, I think it'll be about \$1.7 billion just on the capex [capital expense] at Aspen. We need four more of those. We need four more Aspens to replace the 1528 megawatts of coal-fired generation. We're estimating for one of those four plants, \$2.5 billion — for one. We need four. Our coal refurbishment, \$2.6 billion. I think everybody gets the math.

Aleana Young: — Thank you, Madam Chair. So to be crystal clear, that \$2.6 billion, that is the total cost that the minister is standing behind for the entirety of the coal refurbishment work?

Hon. Jeremy Harrison: — That is the estimate that we have been provided. That's the planning number that we're using. So we're, you know, going to be working through that obviously over the course of the rebuild. We're going to do everything we can to keep that number at that \$2.6 billion range.

But like I said, when you are doing the comparative analysis, \$2.5 billion for a gas plant that you would need four of to replace our entire coal fleet that we're refurbishing for 2.6. And in addition to that I would say, Madam Chair, we know where the coal is coming from, we know what it costs, and we know who owns it because it's owned by the people of the province.

Any new gas generation that we're bringing onto the grid — and we are going to be bringing more gas generation onto the grid — we're not producing that gas here. We're having to import that gas. And I would say as well as far as the commodity price risk going forward — which is why we have taken an all-of-the-above approach on power generation — but the commodity price risk is a real thing. You know, we've had the advantage of having basically landlocked natural gas. I mean that's been the advantage in keeping the price down.

What we are seeing now though — and I would say that this is a really a very positive thing for the country — but the ability to move natural gas to the coast, where it's liquefied, and then export it from Canada into other jurisdictions, meaning you're getting the global commodity price at that point rather than the landlocked western North American price, which at this point right now is about . . . it's over 10 times higher. Depends. I didn't look at the LNG [liquefied natural gas] price today, but it's been around \$18 an MMBtu [million British thermal units] for the last number of weeks.

So \$18. If we were paying the world price for natural gas, if we were importing at \$18, which is the plan that the members . . . I'm not going to get into their plan because it's not really relevant, but if we were paying the \$18 multiplied . . .

Aleana Young: — Sorry, Madam Chair, I just want to go back to something the minister said. Pardon me. You said that the \$2.6 billion was the estimate that you were provided. Is this the figure that was provided to you by those three consulting firms that I listed?

Hon. Jeremy Harrison: — That's what we submitted to the rate review panel. That's the estimate that we have been provided, and that's the planning assumption that we're working off of.

Aleana Young: — And forgive me, who were you provided that estimate by?

Hon. Jeremy Harrison: — I'm not sure if that was a . . . And sorry. We can have a discussion here.

All right. Thanks. Thanks very much, Madam Chair. So what I can tell the committee with regard to the planning estimate, the \$2.6 billion referenced and submitted as a part of the rate review process, that was a number that SaskPower and CIC worked on collaboratively together and provided.

I can talk about some of the assessment work that's being done as well, Madam Chair. So I'm going to turn it to Gregg maybe to

speak to that.

[20:45]

Aleana Young: — Okay, that's sufficient, Madam Chair.

Hon. Jeremy Harrison: — Well this is the question.

Aleana Young: — I'm curious what level of estimate is the \$2.6 billion? And how many steps of estimates are left in that process?

Hon. Jeremy Harrison: — Thanks, Madam Chair. We're just going to talk to the companies who are doing some of the assessment work as well, which I think is important for the committee to understand also.

Aleana Young: — Madam Chair, I'd be happy just to accept their names, the company names. I don't need their bios. I can google it at a later time.

Hon. Jeremy Harrison: — What's that? I didn't hear that. Sorry.

Chair C. Young: — She just wants to you to provide the company names.

Gregg Milbrandt: — Sure. So the folks that are working, or the companies that are working currently on the assessments, this includes the assessments beginning with BD6 and BD0 system, as mentioned, are currently in flight. Our Poplar 1, Poplar 2, have also started at Shand and will be continuing back to BD3 — sorry, 3, 4, and 5. Those are Hatch, so they are supporting the assessment work; KCB, which is Klohn Crippen Berger, which is supporting the work; and then Rockford Engineering out of Regina is also supporting the work.

Aleana Young: — Thank you. So those same three firms that I'd listed?

Gregg Milbrandt: — Yeah, they're supplying the assessment work.

Aleana Young: — Yeah, great. And for the level of estimate, what level of estimate is being used for that \$2.6 billion? Are we using phase 3 estimates? Phase 4? If not, when will phase 4 estimates be in? What impact do you see them having on that figure? And if there is an impact, will an updated figure be provided and when?

Hon. Jeremy Harrison: — So I'm going to ask Rupen and Gregg to maybe speak to that.

A Member: — Your mike is to your left.

Rupen Pandya: — Oh, I am sorry. Oh my goodness, my apologies. My apologies. Rupen Pandya, president and CEO of SaskPower. So the estimate that's provided to the Saskatchewan rate review panel, the 2.629 that the minister has referenced that's included in the interrogatives is a class 5 estimate — that's plus 100, minus 50.

And I think, Member, not to take any more time of yours, but just because you had already referenced the process for each of the assessments, that's also laid out in the interrogative as well.

Aleana Young: — Thank you. And in regards to Hatch, KCB, and Rockford, recognizing you had three firms and you have a figure of \$2.6 billion, is that the figure that each of those firms provided to SaskPower? Or did they provide a different cost estimate? And if so, what cost estimate was provided by each firm?

Rupen Pandya: — Thank you. So Hatch, KCB, and Rockford are doing current estimates. And so I think the interrogative lays out that each of the generators will be going through detailed assessment. And as that detailed assessment occurs, the class of estimate will move from a class 5 to class 4, ultimately a class 3 estimate. And typically a class 3 estimate is the estimate that we'll use for construction, a major construction operation.

Aleana Young: — Thank you. So when are class 4 estimates expected for each of those units?

Rupen Pandya: — Thank you for the question, Member. So the class 5 estimates would move to class 4 estimates on BD6 and BD common. That work is currently in governance. So there's a coal modernization work team that would then escalate it to an operations team inside of SaskPower that would escalate it to an executive team that would escalate to CIC and ultimately up to cabinet. And so that's currently in governance. This, by the way, is all included in the Saskatchewan rate review panel interrogative.

The movement from a class 5 to a class 4 estimate for PR0 [Poplar River 0], which is a common plant, and PR2 will be completed in April of 2026. It's currently 60 per cent complete. PR1, that assessment is to be completed in September of 2026. It's 15 per cent complete. Shand common and Shand 1 assessment to be completed in December of 2026. It's 5 per cent complete.

And then ultimately we'll return back to BD3, which is our carbon capture facility; BD4, which has just had first firing; BD5 for condition assessments to be completed in April of 2027.

Aleana Young: — And as those later estimates come in, updated costs will be provided publicly?

Hon. Jeremy Harrison: — So thanks, Madam Chair. Thanks to the officials. You know, obviously there is a governance process, Madam Chair, which you are well aware of, where the SaskPower board would provide their consideration, contemplation, and approval. There would be a process with the CIC board as well, Madam Chair.

And then the public reporting. There's a number of different mechanisms for public reporting but I would say that, you know, one of the most obvious is through the annual report process, which last year we did in Saskatoon. Really looking forward to this year. We're going to be doing that in Meadow Lake. The annual reports are going to be released, which I had announced as a part of the annual reports last year.

And I can tell you the community is very, very excited and looking forward to having Crown CEOs meeting with the city and with our First Nations leadership as well, and being able to

actually see first-hand — and I know Rupen and others have already — but see first-hand some of the great projects under way, including, which I have not had a chance to mention yet, the biomass power facility in Meadow Lake, which has been led by the Meadow Lake Tribal Council. Done a really remarkable job. First of a kind in Saskatchewan. Putting baseload power, biomass generation onto the SaskPower grid for the first time.

So annual reports, that will be done this year in Meadow Lake.

Aleana Young: — Thank you. In terms of the public reporting of potential capital cost increases as that estimates process moves forward, am I hearing the minister say that will be provided during annual reports this year? Or is he updating us on the fact that annual reports will happen this year? I'm unclear. I'm looking to find out when, if costs change as we move through the phases of estimates for the work, when that information will be made available to the public and the rate review panel.

Hon. Jeremy Harrison: — Yeah. Thanks, Madam Chair. Just to address the member's question with regard to annual reporting, obviously there are annual reports that we do every year. Last year we did the annual reports in the city of Saskatoon which, you know, I think was a really useful endeavour and event. This year the annual reports are going to be in the city of Meadow Lake. That is where we're going to be releasing the annual reports. It will be the opportunity at that point for, you know, questions with regard to the annual report there.

Aleana Young: — Thanks, Madam Chair. I'd note for the record that I didn't get an answer to my question, which was quite specific.

Hon. Jeremy Harrison: — Sorry, what was . . . Sorry, I just heard the question about the annual reports. What was the other question?

Aleana Young: — The question, Minister, was as estimates move through their phases from phase 5 to phase 4 to phase 3 and there's updated, more specific figures for capital costs associated with this project, when will those figures be made available to the public? That was the question. I've asked it now three times.

Hon. Jeremy Harrison: — Yeah, and I think I've responded to that, Madam Chair, as far as the annual report process, how that works, how the governance process works as well with regard to deliberation on the decisions. And you know, we haven't obviously made any of those decisions yet beyond the estimates that have been done and the assessments that are under way right now.

Aleana Young: — Thanks, Madam Chair. I think I'd just note before moving on, because it's clear the minister isn't prepared to answer this question, that I think that's important information to be provided to the public as well as to the Saskatchewan rate review panel as they're evaluating not one but two rate applications.

And they have a duty to fulfill to the Saskatchewan people as well as to the minister, to CIC, to cabinet in terms of how to maintain the financial health of SaskPower. And if they don't have information in regards to essential capital costs, it's challenging to do that. I would hope that the Government of

Saskatchewan isn't making, you know, 25-year capital decisions without intending to make that information public.

Hon. Jeremy Harrison: — Well what I would respond, Madam Chair, we have an incredibly professional management team at SaskPower who do a great job. And I think that our team at SaskPower who are watching right now know that we have a great team who really do give incredible effort and give the best advice that I think a minister or CIC board or the SaskPower board, who are responsible for the governance decisions, can possibly get. And I have a great deal of faith in our team to make those right decisions, to make those evaluations.

And then we obviously will be very accountable through, you know, forums like estimates here tonight or annual reports, questions in the House. There are many, many ways that we are very happy to talk about the great work that SaskPower is doing.

Aleana Young: — Thank you. Going back to those external consultant reports, was the capital estimate provided by each of those three consultants \$2.6 billion dollars, or was it something higher?

Hon. Jeremy Harrison: — Yeah, well we'll take a second. I think the member has misunderstood some of the testimony.

Aleana Young: — Sorry, Madam Chair, can the minister clarify what I misunderstood? It was a specific question about the three consultants that his officials said provided that capital estimate. I'm just looking to see if that number matches what SaskPower has put out publicly, and if the figures provided by each of those three consulting firms can be verified, if it was \$2.6 billion or if it was higher or if it was lower.

Chair C. Young: — You can wait for the minister's answer on that one.

[21:00]

Hon. Jeremy Harrison: — So thanks, Madam Chair. And thanks to the team for providing advice as well. I think the member is basically referencing question 36 from the interrogatories of the SRRP [Saskatchewan rate review panel]. So what I can say — Rupen had kind of addressed some of this earlier — with regard to the companies cited that are doing the assessments, that is entirely different than the estimate that we had talked about. And that was included as a part of the SRRP responses.

So Gregg had talked about those specific companies. With regard to the CIC and SaskPower estimate at the \$2.6 billion number, that was confirmed by Hatch engineering, who did the confirmation. The work was done by CIC and by SaskPower. But there's also, in that question 36, a number of different elements of the question which, you know, we can get into as well including some of the elements around transmission. And I know that that's . . .

Aleana Young: — Thanks, Madam Chair. I don't have questions about transmission at this point. Thank you. I do appreciate it. We only have about an hour left and I do have some questions I'd like to get through, respectfully, Madam Chair.

Hon. Jeremy Harrison: — I would just say this, Madam Chair. I know I'd been getting, you know, a number of text messages in, and I thank the staff at the company for what have been very kind words. Overly kind words I would say, Madam Chair.

But you know, one of the areas where I know there's a lot of interest is around what the long-term plan is given the investment that we are making — \$2.6 billion into the coal life extension — and how that positions us with regard to baseload dispatchable power and, by implication in the longer term, with regard to our transmission putting Saskatchewan at that centre of the North American power grid, Madam Chair.

So you know, we are going to be making that significant investment. I think it's important. We've talked about the northern and southern Saskatchewan . . .

Aleana Young: — Madam Chair, that's great. At this point I appreciate it. I don't have questions about transmission at this point. I do have a question about the 2.6 billion. I'm wondering if that accounts for all capital or if there's ongoing capital investments that will be part of . . . Forgive me. I'm not sure if SaskPower calls it sustaining capital or sustainment capital. I can't remember which term you use. But I'm curious if that \$2.6 billion is all capital or if there's other capital spending for this project being contained within that category.

Hon. Jeremy Harrison: — So just to clarify, is the member asking about transmission?

Aleana Young: — No, I'm not.

Hon. Jeremy Harrison: — Oh.

Aleana Young: — I have not asked about transmission, sadly.

Hon. Jeremy Harrison: — Thanks, Madam Chair. So I'm going to ask Troy to maybe speak to sustainment and life extension capital just so there's some clarity with regard to the question. Because I think there probably would be folks who would, you know, have some questions around that. So I will turn it over to Troy just to maybe set the context.

Troy King: — Thank you, Minister. So SaskPower, on all of our generation units, will have both sustainment work and potentially life extension work. So that sustainment work is happening right now on our coal units, it's happening on our hydro units, it's happening on our gas units. So we regularly do that. For example, overhauls on our coal units — every 24 months we need to do a major overhaul on them. And we call those capital sustainment. So all throughout the life cycle of the asset you're doing sustainment.

Life extension is different. That is when you're taking the life from what you anticipate and moving it to a different date. So that's a much larger investment.

So back to the question. Yes, they're different. The 2.6 billion is referring to the life extension one. There will also be sustainment capital spend on coal and on gas and on our hydro units.

Aleana Young: — Thank you. Are you able to provide figures for the sustainment capital for the next five years out, specifically

for coal?

Hon. Jeremy Harrison: — We'll take a look. I mean what I would just . . . I'll maybe ask the officials if they want to see if we can compile some data. But you know, just kind of underline, I mean I think Troy explained well.

So you know, sustainment capital is things like maintenance, which you're doing on all of your existing units anyway. I think what the member is trying to get at is that there's, you know, an additional cost with sustainment. Of course there is, of course there is. There is with any power generation source. And we want to make sure that we are providing the appropriate degree of resource for sustainment to make sure that we're taking care of the assets that we have. And really that is, you know, a lot of the work that the folks who are watching here tonight do, and which we're deeply grateful for because they do a great job of it.

So you know, I think that is probably something. I can turn to Troy then with regard to the sustainment costs. You know, I'm not sure how detailed we have it broken down over the next couple of years, but that's something we can maybe speak to. Or Rupen, if you wish. Okay.

Troy King: — Yes. No, we don't have a breakdown from that. Right now our capital spend dollars that we have is really a blend of both. So we haven't broken them down between sustainment and life extension.

Aleana Young: — And forgive me, Mr. King. Is that typical?

Troy King: — Actually yeah. So capital is capital. So generally speaking, from a finance perspective, we look at it from a . . . it's either capital or it's going to be operating. The engineers will often take a different view of it. They have different splits that they look at. But when we put together our business plans, we generally don't differentiate between them. We just have capital and operating costs.

Aleana Young: — Thank you. So for a casual observer, how would someone on a go-forward basis be able to identify or tease out which costs are capital and which are sustainment? Is this something that SaskPower breaks out in its public-facing reporting?

Troy King: — So right now I think if you look in SaskPower's annual report we'll generally break down our capital by what we'll call sustainment and then we'll have growth. And growth is generally new assets. The sustainment spend includes both that regular maintenance and it'll include life extension. So whether that's, again, for gas, coal, or hydro units, so we don't generally break those out.

Aleana Young: — Thank you. So as we look out to the future, with that \$2.6 billion number, should it change — go up or down — would that figure then be inclusive of that sustainment number as well, or just the straight capital? That's just new?

Troy King: — Our annual reporting is generally historical, is what you'll see. And so, as I said, it's blended. Right now we have not split those costs out in the past.

Aleana Young: — Thank you very much. Moving on, I'd like to

talk briefly about some of the fundamentals of the application before the rate review panel right now. SaskPower, as recently as the presentation to the panel a couple weeks back, confirmed that their application includes the assumption that there will not be industrial carbon pricing on the electrical sector in Saskatchewan.

Now the Minister of the Environment, Minister Rowden, confirmed for the . . . gosh, I can't remember which committee, but confirmed for the Assembly that her ministry is negotiating to bring back control of the OBPS for industrial carbon pricing for the Government of Saskatchewan and intends to apply it on the electrical sector.

So I'm curious both what impact that will have on SaskPower's financials and rates going forward, as well as how SaskPower is indicating publicly that their planning is based on the assumption that there is not industrial carbon pricing going forward. But the Government of Saskatchewan is negotiating with the federal government to reapply industrial carbon pricing to the electrical sector. Can you provide some clarity?

The minister is laughing, but it's a question with significant cost impacts.

[21:15]

Hon. Jeremy Harrison: — I can assure you, Madam Chair, there are few topics that I am more excited to talk about in the Chamber and in committee than the carbon tax. There are few topics I am more excited to talk about, and getting rid of the carbon tax, Madam Chair.

So you know, I think that the record of this government in fighting the carbon tax is unmatched by any other government or political party in the entire country, going back to the day that the carbon tax was announced by the former prime minister in the House of Commons, during which there was a meeting of ministers of the Environment occurring at the exact same time, Madam Chair. And our representative, minister of the Environment at that time, was a gentleman who is now the Premier. And what he did immediately was clearly express the opposition to a carbon tax to the entire country, sitting at that table, and he left. And we have been fighting the carbon tax since that very day.

In fact the Premier really predicated a lot and put a lot of effort into fighting the industrial carbon tax, the consumer carbon tax as well, for which we were vociferously criticized by them, by the opposition, at every step of the way, Madam Chair.

Aleana Young: — No. Madam Chair. Madam Chair. Madam Chair, can we save that for question period?

Hon. Jeremy Harrison: — And, you know, look, I mean the member wants to . . .

Aleana Young: — Madam Chair, it was a question about a specific answer given by a minister of the Crown. So, Minister Harrison, was Minister Rowden mistaken or did she mislead the committee?

Hon. Jeremy Harrison: — Oh my goodness, really?

Aleana Young: — No, I'm looking for clarity. I was in committee, and Minister Rowden told me that her ministry is actively negotiating with the federal government to bring back industrial carbon pricing on . . . You can check . . . The minister is laughing.

Hon. Jeremy Harrison: — I am laughing.

Aleana Young: — You can check *Hansard*. What we say in committee matters. It has legal implications. Madam Chair . . . No, it's a serious question, Madam Chair.

Hon. Jeremy Harrison: — You know what, I actually do find this really quite remarkable to have the New Democratic Party of Canada, Saskatchewan section, criticizing this . . .

Aleana Young: — Madam Chair. Madam Chair, this isn't . . . Madam Chair.

Chair C. Young: — Let's take the politics out of these estimates, and let's ask one question at a time. There were three questions in your response, and I know that because I've written them down. But if you want to start with one, that would be better.

Aleana Young: — Madam Chair, what impact will be . . . Let me back up; the minister is looking too happy with that start. The Minister of Environment indicated that the Government of Saskatchewan is negotiating to bring back industrial carbon pricing for Saskatchewan, including on the electrical sector. She said this in committee, Madam Chair. It's in *Hansard*. It's a matter of record.

Hon. Jeremy Harrison: — Well, Madam Chair . . .

Aleana Young: — SaskPower has indicated that their application to the rate review panel and their business planning is predicated on the belief that there will not be industrial carbon pricing going forward.

How can both of these things be true?

Hon. Jeremy Harrison: — Well I think there were about three questions in there as well, Madam Chair.

Aleana Young: — No, there was one question. Madam Chair, there was one question. There were two sentences and a question.

Chair C. Young: — There was rambling, then a question. So let's . . . a simple, straightforward question, and if the minister chooses to answer.

Hon. Jeremy Harrison: — Well I would like to respond without being interrupted, Madam Chair. So you know, look, again I get politics. I'm trying to talk to our employees from the company, like I said, many hundreds of whom have spent their evening watching because they wanted to garner information about what the path of the company is. And you know, I don't think that they've been informed by the questions opposite, who have been entirely predicated on politics.

What we are talking about is our public, our people, and what we are going to do and are doing as a company to build our future for this company, and by extension, create the conditions for

economic growth and for opportunity for people in this province.

And a key part of that, Madam Chair, has been fighting the carbon tax for the last decade. Since Justin Trudeau brought the carbon tax forward, we have been fighting the carbon tax, including taking it to the Supreme Court on the consumer carbon tax side, removing the consumer carbon tax from people's bills a couple of years ago, far before any other jurisdiction did that and before Prime Minister Carney agreed with us upon becoming Prime Minister and then removing the consumer carbon tax from the entire country, which was the right call. We had been fighting it from day one, including removing it prior to Prime Minister Carney becoming Prime Minister.

Which is exactly what we have done as well with the industrial carbon tax. We took that tax off of SaskPower bills last April, and it is not coming back. And we have been very, very clear about that. Who has not been clear have been the opposition because their entire plan . . .

Aleana Young: — Madam Chair, come on. Come on, Madam Chair.

Hon. Jeremy Harrison: — Is predicated on bringing the industrial carbon tax back. So, Madam Chair, to that point, you know, we're . . .

Aleana Young: — Madam Chair, that's ridiculous. This is not . . . Madam Chair, come on.

Hon. Jeremy Harrison: — I mean, getting . . . I gave the opportunity for the member to answer and ask a question, and I would like the opportunity to conclude my response as well on this.

The industrial carbon tax is not coming back in Saskatchewan. That is the answer.

Aleana Young: — Thank you, Madam Chair. So then why is the Government of Saskatchewan pursuing carbon pricing on electricity?

Hon. Jeremy Harrison: — I literally don't know where this is being made up from.

Aleana Young: — I'm not sure if that's a question for me. It's your cabinet colleague, the Minister of Environment.

Hon. Jeremy Harrison: — Well look, I mean the member again can play politics all that she wants. I mean this is silly. I mean everybody in the province knows that we have fought . . .

Chair C. Young: — We are in SaskPower estimates. If you want to save that for another time when you're with the Environment minister's estimates, be my guest. But right now we're on SaskPower estimates.

Aleana Young: — Right. And, Madam Chair, SaskPower . . .

Chair C. Young: — And you're referring to the Minister of Environment, which is not part of these estimates.

Aleana Young: — Right. And, Madam Chair, SaskPower has

indicated that their business planning going out, their application to the rate review panel, which will have an impact on the constituents of every member present, on the 557,000 customers that SaskPower serves . . . And if the Government of Saskatchewan is — which they are; the Government of Saskatchewan is pursuing higher-emitting assets for baseload generation and applying industrial carbon pricing on them — that will have significant cost implications for the people of Saskatchewan. It's very material to SaskPower, Madam Chair.

If the minister doesn't want to answer questions about why there's a contradiction between what his colleague said and what SaskPower has said publicly in their application to the rate review panel, that's fine. We can move on. But this is very pertinent to the rate implications for customers of all classes in Saskatchewan.

Chair C. Young: — Minister.

Hon. Jeremy Harrison: — Well thanks. Thanks, Madam Chair. I think, like I said, this is silly. I mean everybody in this province knows that this government has fought the carbon tax from day one and were the subject of vociferous criticism from the NDP [New Democratic Party] for fighting the carbon tax.

Aleana Young: — Madam Chair, it's not criticism. I'm looking for clarification.

Hon. Jeremy Harrison: — That is a matter of public record. You know, the member can constantly interrupt and be political and kind of make silly political arguments. We are here to provide information for the public. We are here to provide information for our hard-working SaskPower staff and officials who go to work every day and aren't playing silly political games, who are there to make sure that the power works for the province.

And the public deserve to know the industrial carbon tax isn't coming back. Because we have fought that industrial carbon tax. We've taken it off their SaskPower bills. And there's only one party in this province that will put it back on, and it's them.

Aleana Young: — Okay, Madam Chair, that's ridiculous.

Chair C. Young: — The minister just answered the question. Let's ask the next one.

Aleana Young: — Madam Chair, there's only . . .

Chair C. Young: — That it's not coming back.

Aleana Young: — Pardon me?

Chair C. Young: — The minister just answered the question.

Aleana Young: — Okay. I would like to in my remaining time ask a few questions about nuclear. How is the Government of Saskatchewan and how is SaskPower anticipating financing the first SMR?

Hon. Jeremy Harrison: — So, you know, happy to answer this question. You know, I think we had some opportunity to talk a bit about this earlier in estimates. But I think it's really a very,

very important discussion. And it's one where there's an evolving discussion as well. And I alluded to elements of that.

You know, just earlier today I think I said we had a great meeting with the Canadian Nuclear Association. They have been working on a policy paper that they're going to be releasing in the relatively near future around models for nuclear power plant financing and what's happening around the world, what are the trends, what are the opportunities.

I would say as well this has been a very live discussion between provinces, territories, and the Government of Canada as well. The Government of Canada will be releasing a nuclear strategy in the relatively near future. I think we kind of have a date, but I'm not going to announce that. That's their news to announce.

But, you know, I would say that we've had significant input. I think we feel that we've been heard as a part of that process, not having seen yet the finally completed document. But, you know, there has been a lot of work going on across the country in that nuclear space. And I think there are going to be a number of options and opportunities that are going to exist for proponents of nuclear power projects across the country to really examine in detail.

You know, we have a great team at SaskPower, and we really are building out the capacity at the company as well in this space, in the nuclear space, being a new nuclear operator. So we are working hard at building that capacity, building out our team. You know, I would say that we have some great advice on that frontier. Rumina Velshi, former CNSC [Canadian Nuclear Safety Commission] Chair, is a member of the SaskPower board. You know, appreciate her being prepared to serve in that capacity. We are working really hard at building the capacity within the company.

You know, I referenced in my opening remarks that we are working through the siting process on the SMR project. We've narrowed that down to a couple of sites in the Estevan area which we are assessing. We're going through the large-scale nuclear technology selection process right now as well, and we've been meeting with proponent companies, SaskPower officials have been meeting with proponent companies in that regard.

But, you know, I've been very clear as well, and like I said, criticized for it. Fair enough. But we are keeping a very open mind on what financing would look like for either it be an SMR project, whether it be a large-scale nuclear project. There are different models that are being used around the world right now. I referenced Sizewell C in the UK, which was one of them.

We have Canadian pension funds. This is actually an interesting dynamic that's happening. Canadian pension funds are actually investing into nuclear power projects around the world but not in Canada. And, you know, I view that as being something that we need to rectify. You know, Canadian pension investments I think would be well put in long-term investments into nuclear power generation in the country. So we're going to be working through all of that.

I really have been very, very clear — I was earlier; I will be again right now — that we need to have Indigenous equity ownership as a part of nuclear power generation going forward. We've put

a lot of work into that, and I give the First Nations Natural Resource Centre of Excellence a lot of credit.

Sheldon Wuttunee is the leader of the organization. A lot of credit for the degree of engagement. You know, we've been working together very, very closely on what that path is going to look like and, I would say, have had tremendous support from First Nation communities through the Centre but also through individual nations, through tribal councils. I think we're well advanced on the discussions with the proximate nations in the Estevan area. Those have been ongoing for some time now as well.

So all of these . . . And I think as well we actually have an opportunity to create what could be very well a model for that financing, particularly the Indigenous equity component. And that would likely . . . there'd be an element of partnership with the federal government on that as well.

You know, we're going to continue to be diligently working on that. We are committed to moving to nuclear power generation as the baseload option here in this province as we move to a net zero grid by 2050. Nuclear is going to be a huge part of that. And the company is deeply engaged in that process.

[21:30]

And I'm not sure, Rupen, if you or others want to speak to that. David's really kind of the subject matter expert there. But maybe, Rupen, you can speak to the resources we've allocated incrementally, resources we've allocated to that as well this year.

Rupen Pandya: — Thanks, Minister. So maybe I'll just pick up on that. So there's significant work under way. On the financing question specifically there's work that the Government of Canada, as part of their strategy . . . I won't announce their strategy. Minister, I'll take your lead. But certainly financing will be one of the top pillars in their approach.

And the question is, you know, how does a balance sheet risk of new nuclear, how will that be shared across the country? And the minister's already referenced Sizewell C, where the Government of the UK has taken on balance sheet risk with respect to new nuclear.

I think I won't speak on behalf of the minister. I know I've heard the minister and the government say that they will. There's an expectation, given the compliance costs with respect to decarbonization in Saskatchewan, that there's an expectation that the federal government will come to the table with taxpayer support with respect to new nuclear projects. And I think that that would be part of the mix of going forward. I understand that those discussions are ongoing at a political level.

Aleana Young: — Right, thank you. And this is a real softball question from me. The federal government has committed, I believe, in the neighbourhood of about \$4 billion to Ontario for their pursuit of SMR work. And I am quite curious how those conversations have gone in regard to federal money for our first SMR here in Saskatchewan. And what commitments, if any, have been made?

Because I completely agree. It's incredibly important that there is equity across the country as well as recognition of the work

that we have to do here in Saskatchewan. And with \$4 billion having gone to Ontario, who has a significant supply chain head start over us, as we look to build this out how we finance it here in Saskatchewan, looking at different models but also with a population of 1.2 million people, is a fundamental question.

I would very much appreciate more detail, if you can provide it, on the state of those conversations, what if any commitments have been made and what we are expecting.

Hon. Jeremy Harrison: — Yeah, I mean I would just kind of say as a general statement with regard to federal government discussions, you know, obviously we're not negotiating in public on that.

And I would say to that point as well, I have appreciated the openness. I've appreciated the engagement from the new federal government. And I say that as somebody I think everybody in this room knows probably would be the last guy ever to have a red T-shirt on. But you know, there has been without question a different attitude and a different approach, particularly from senior cabinet ministers in the Carney government than there were in the Trudeau years.

Yeah, I'd speak specifically. I know, Madam Chair, you've had significant engagement with Minister Hodgson as well. You know, somebody who's prepared to have discussions, who you can actually talk to at a high level, you know, in a detailed level about detailed questions and who can engage in those discussions at that level.

Appreciated Minister Champagne, who I think members know has been a friend for a long time. But he is, you know, a serious man who is doing a serious job as Minister of Finance, but has also been highly engaged in the bilateral discussion with Saskatchewan. The clerk has been, you know, very engaged as well with the deputy minister to the Premier, who has deep experience in a lot of this.

And you know, at the obviously most senior level, the Prime Minister and Premier have been very, very engaged directly since he became Prime Minister, including two international missions which the Prime Minister asked the Premier to accompany him on to both China and India, where we've been, you know, very, very engaged in both of those markets.

We've been criticized for being engaged in both of those markets, but it's paid off. It paid off on the fact that we have tariff relief from China on canola, but also the direct engagement over a decade has made a tremendous difference. And we heard from Tim Gitzel I think even today about the impact that that has had for Cameco and their long-term nuclear supply agreement in and with India.

So all that to say that we're not going to be negotiating in public. I've appreciated the engagement from the federal government. We have a nuclear strategy that's going to be released by the Government of Canada that I think will, you know, provide additional clarity publicly as to their approach on nuclear, which I think is going to be really quite positive as far as engagement.

You know, we're going to work bilaterally on what makes sense. And I would say even beyond that bilateral discussion, there has

been some very substantive engagement at the PT [provincial-territorial] level.

And then interfacing with the federal government as well on electricity and transmission strategy, which really is very, very integral to how nuclear investment from the federal government will make sense in a regional context within the country. And that's why, you know, I've talked about how I really see this as being a space that's nationally unifying. And there are not a ton of them unfortunately in Canada that can bring the country together, but nuclear really is one of them.

And that's why I've, like I said, been encouraged by discussions, by what we've heard, what we've seen. We're going to, you know, "trust, but verify," as President Reagan said. We will trust, but verify. There's a bit of a history with the Liberal Party in Western Canada. But you know, I would say that we've had some important interaction on that front. That's going to continue.

You know, Indigenous leaders, governments, companies are going to be a part of that as well, interfacing through the national Indigenous loan guarantee program. I think that's going to potentially play an important role. I think they're going to have to do some more policy work on that program at the federal level, and I've told them that. But I think that there's something there that could, in the long term, be really quite valuable.

You know, we have the CIB, the Canada Infrastructure Bank, which has been I think one of the funding sources for the Darlington BWX project. You know, that's going to be a potential option as well. But I do think that there are going to be some options that exist that, you know, are going to be explored, and we are going to explore them. And we probably will be criticized for exploring them, including that Indigenous equity component but also Canadian pension investment.

We're going to be looking at these mechanisms with an open mind as to what could make sense within the Canadian context. Working as well with the federal government and working across provincial lines as well. Because for large-scale nuclear power generation — particularly large-scale — to really improve the economics of that we're going to need to have close collaboration with our western and our eastern neighbour.

And that's really why, you know, I wanted to talk about transmission. Because that will really be a central component about making the path for nuclear a smoother one, given that we are really uniquely positioned here — geographically being part of it, but also given the context of our existing transmission infrastructure, our existing potential baseload, and our natural resource here. All of it really adds up to it making sense for nuclear power generation to be located here in Saskatchewan, with export opportunities both to the west and east and potentially to the south as well.

You know, we're doing that right now. There were a number of days in the last couple of months where we were literally keeping the lights on in Alberta. We were exporting south and east. But even today as an example — actually I follow the grid pretty close — we were exporting into Alberta today because their wind flatlined. I suspect right now, maybe a couple of hours ago, we would have and probably had the intertie wide open. I wasn't able to look obviously, being here at the table at that point. But I

suspect, you know, the intertie was wide open exporting into Alberta once their solar went off, because they were flatlined on the wind.

So all that to say that it adds up and makes sense for us to be the location, being a regulated market as well. I think it's very, very challenging for unregulated markets, for nuclear to work in those. And I think that's been a part of the national discussion about how this can all work together between provinces — coordinating transmission strategies, coordinating grid design — and also with the federal government as a true partner.

Aleana Young: — Thank you. Thank you, Minister, for that answer. I'm curious about the . . . I'd like to maybe move on to a brief discussion on large nuclear, maybe starting with the most recent announcement, the MOU [memorandum of understanding] being signed with Bruce Power. Obviously very, very exciting for the province, for SaskPower, for Bruce as well.

I'm curious if SaskPower . . . I understand they're basically acquiring Bruce's technical evaluation to help inform their large technology selection. Did we buy that from Bruce? If we did, how much was it? And how are we going to ensure that there is a Saskatchewan lens applied to that? Is Bruce going to be evaluating technologies for Saskatchewan or is that work that's being done here? And I'd like to also know the timelines for that work.

Hon. Jeremy Harrison: — I wish David was here because . . . David Brock, who is heading our nuclear division obviously, and who had been heading our energy security division at CIC as the subject matter and division head in this space. But we'll have a bit of a chat.

I would just say, by way of introduction then before we get back, you know, we are excited. I talked about it in the House here last week with the opportunity to do a ministerial statement about that partnership with Bruce Power. We historically have had a relationship with Bruce, which, you know, we do with most power utilities across the province. But Bruce has, you know, really been a central player in the nuclear space in Canada for many decades. So we're going to go have a quick chat and we'll report back.

[21:45]

Rupen Pandya: — Well thank you for the question. So our relationship with Bruce, as per the MOU that was executed on April 15th, is to learn as much as we can from one of the largest nuclear operators in Canada. And I think the minister referenced the fact that Canada is tier 1 and that Bruce, as one of the largest nuclear operators, has considerable experience in terms of our nuclear operations.

They've just recently gone through a technology down-select process in that jurisdiction with respect to additional generation on the Bruce site itself. And so we thought it was . . . And this follows suit with respect to our approach with SMR as well. So we partnered with Ontario Power Generation and Tennessee Valley Authority on the question of small modular reactors so we could learn from nuclear operators in the deployment of those technologies.

So certainly when we looked at the question of large nuclear, you know, Bruce, because they run an active procurement, because they're an active operator, and because they're Canadian — all of those criteria were important to us in terms of selecting them as a MOU partner. Our MOU really has us co-operating with Bruce in terms of all of their technical evaluation with respect to reactor technology.

And so what that means, Member, is that we'll look at the power economics of large reactors. We'll look at the feasibility of deployment, the readiness of deployment relative to each of the technologies that they evaluated. And certainly, you know, the question is, are there operating reactors of that magnitude anywhere in the world? Because that will be part of our criteria.

I think the second part of your question was around, you know, will Bruce be involved in criteria for selection? And the answer is no. This will be a SaskPower, Government of Saskatchewan decision with respect to what the criteria for selection will be. And certainly a localization of benefits will be a key component of the selection decision, but certainly the power economics, the technical fit in the Saskatchewan context would be important.

The large technology down-select process is important, and certainly we're going to rely on all of the work that all of the engineers inside of Bruce have done. But we would need to do due diligence with respect to that work before we can sign off on it.

But beyond the large technology down-select work, what we've also been able to obtain from Bruce Power is all of their work with respect to siting large nuclear reactors in Saskatchewan. So Bruce — and this is maybe for my colleagues at SaskPower who are listening or others at home — Bruce Power came into Saskatchewan in 2007-08 and did significant work on potential sites for large nuclear location, including geotechnical work and assessment. And so we've been able to obtain all of that work from Bruce Power as well.

And I think there was a second part to your question or a third part to your question around was there any cost? And there is a cost. We've negotiated to obtain all of that work: the technology down-select work plus the process with respect to RFI [request for information]; the information that would be provided as part of that process as well as all of the previous work that Bruce had done with respect to technology locations for \$3 million.

And just for your information, Member, but for anybody else's information, that is a significant value for us inside the company in terms of the amount of work that this partnership and this MOU has allowed us to obtain.

Aleana Young: — Thank you very much. Just to clarify retrospectively, my question wasn't about whether Bruce would be selecting the technology, but whether or how a Saskatchewan-specific lens and criteria, risks — all of that would be applied to that process. And I think I understood from your answer that that work will be done by SaskPower. Thank you.

Just looking at the clock, I do have so many questions on this. So having heard the Premier speak today at the Sask chamber summit and having obviously paid close attention to the announcements around large nuclear coming out of SaskPower,

which is certainly exciting, it does seem like things are moving quickly towards potentially making a technology selection.

Now obviously there's a couple major front-runners in Canada that the provinces that are either actively operating nuclear or are planning for it are considering. Of course the AP1000, great technology, amazing capacity factor. And of course then there's the CANDU reactors, great Canadian supply chain as well, with provinces obviously valuing different parts of that as they proceed to make their decision.

I guess I'm — for the record, so lest it be misconstrued — very, very enthusiastic about large nuclear for Saskatchewan. I am curious though about the timelines because it sounds like Saskatchewan is looking to select a large technology before Ontario does. I understand they're not looking to make that decision until next year, and it sounds like SaskPower will be moving a bit quicker than that. You didn't have to read too closely between the Premier's lines this morning to pick out that there is a clear front-runner in mind.

I guess I'm just curious about those timelines for SaskPower in selecting a large technology before Ontario does, while the federal government is out, Minister Hodgson has recently been out internationally advocating for other markets to look at CANDU technology, and other jurisdictions like Alberta talking about the AP1000.

But for Saskatchewan, why are we looking to make a decision before these other jurisdictions? I'm just curious. If you can help me understand kind of the hurry-up timeline there.

Hon. Jeremy Harrison: — Well I'm happy to speak to this actually. I would say, number one, we are evaluating large nuclear technology independent of the timeline of the Government of Ontario. You know, my view is very strongly that we're going to make a decision that's the right one for Saskatchewan. We're not going to be influenced into a decision that's not right for us predicated on, you know, a decision made by another power utility. So I would say that, number one.

Number two with regard to the Government of Canada, I would say wait for their nuclear strategy. You know, our representations have been very clear to the federal government that being technology-agnostic is the appropriate approach for the Government of Canada, with utilities who are actually in the space making the decision that's the right one for their jurisdiction or for their company, depending on the circumstance. So that has been our clear representation consistently over time to the federal government.

As well, you know, we're going through the process right now. SaskPower are managing that technology selection process. I've not put a public timeline on it beyond saying that we are working quickly, and I've encouraged our team at SaskPower do a thorough job. But we want to move that process and get a recommendation from the company to the board and to CIC and to cabinet in an expeditious way.

You know, we went through some of the criteria that are going to be a part of that evaluation process. Rupen and I were, you know, very transparent about what those criteria were when we launched the large-scale and announced the technology selection

process back in January. So SaskPower are doing that work.

That recommendation, you know, I'm hopeful we're going to see in this calendar year from the company. And you know, if earlier the better, but we want to make sure we're doing a thorough job on all of that as well. So you know, David knows that well when Rupen obviously as a CEO is going to be managing that process.

So you know, wait for the federal nuclear strategy. That will be an indication. And you know, I would say this too. There's a lot happening in the industry right now. You know, our interest is going to be, beyond kind of the technology selection, is how do we leverage whatever technology selection that we make to build our supply chain out here in the province so that Saskatchewan companies who are — we talked about it last night — more and more going through the nuclear certification process. Different stages, but about 150 companies in this province right now are going through that process, which is not an easy process. You know, 500,000 to a million to \$2 million to go through that. They're doing that because of the long-term opportunity in supply chain development for a product. So I think we publicly announced it's going to be a part of the consideration as well.

But I have full faith in the company to work through that to make the right recommendation for Saskatchewan. But we're doing that independently of determinations being made by other utilities.

Aleana Young: — Thank you very much, Minister, for that answer. I agree. I think the supply chains will be a critical part of that, obviously, with Ontario with their CANDU supply chains and the Trump administration committing, I believe it was around \$80 billion for the long-lead items specific to the AP1000, looking to build up that supply chain in the States.

Have there been discussions at this point with the federal government? I hear what you said about the federal electricity strategy. Have there been discussions held with the federal government about the financing for this? Because my understanding is that typically the financing is the first piece that's established prior to a technology selection. The minister is shaking his head, but I believe that's the work that the CNA is publishing in terms of a large-scale nuclear.

I'm just curious for an investment of that size what the implications for financing will be for a province like Saskatchewan, especially if Ontario or, say, the federal government is actively promoting CANDU technology, if that will complicate any decisions that SaskPower or Saskatchewan makes. I appreciate you folks are very well versed in this and are thinking about this every day, but I'm looking for some more information on that given the expedited timelines that we are seeing here.

Hon. Jeremy Harrison: — Just, Madam Chair, how long would I have to respond?

Chair C. Young: — 10:09.

Aleana Young: — But we do have three more questions, Madam Chair. One more from myself, and two from the member from Cumberland.

Hon. Jeremy Harrison: — So thanks, Madam Chair. There were, I think, a number of questions, including that, but I'll try to respond to them all.

But I would just say with regard to the discussion with the Government of Canada, Madam Chair, you were there along with Rupen and I when we had the discussion with Minister Hodgson and with the CNA that resulted in the work that the member referenced. That was actually the catalyst for the CNA work which, as I said, I followed up on as late as just a few hours ago with George. So you know, they're going through that process.

You know, I would say this though: I would fundamentally disagree. You know, we're going to go through the technology process first, and you know, we're going to make the right decision for the technology that makes sense for Saskatchewan, predicated on the criteria that Rupen and I and David Brock had laid out when we announced the technology selection process. And we're going to do that independently of other power utilities. We are doing that independently of the federal government as well.

And I would say this: I'm very hopeful that you're going to have an approach from the federal government that is technology-agnostic when it comes to nuclear deployment. You know, we have a shared interest in this space. You know, the federal government know as well that if we are to get to an entirely decarbonized power grid in the next 25 years — which is an objective that we have been clear that we share with the federal government — the only way that that is going to be realistically achievable is through the significant and large-scale deployment of nuclear power generation, particularly in areas that are not able to deploy hydro on the scale that some jurisdictions are in the country.

And you know, I've said as well, it's part of our all-of-the-above approach that I wish we could put another 2 gigawatts of hydro on the grid, but that's just simply not an option given our geography. You know, we're continuing to make investments into hydro. I wish we had the chance to actually get into some of those investments because they are significant and important and, I think, show the commitment to the all-of-the-above approach that we are taking in addition to the investments we're making into intermittence.

[22:00]

You know, the four projects that I've announced along with Rupen since I've become minister have all been renewable projects. Those are the commitments that we made — 700 megawatts of renewables that are going to be coming onto the grid. And as a part of getting to that decarbonized grid by 2050, the baseload component is going to be nuclear.

So you know, we're going to work through the technology selection process. We're doing that independently of decisions taken by other jurisdictions. We are appreciative to Bruce, who is our partner in some of the technical evaluation components, given their long history and history here in this province as well.

And you know, I think that there's going to be a role for the federal government as a partner in this. I think it's in their interest and I think it's going to be in the national interest. So we're

looking forward to that partnership too.

Chair C. Young: — I recognize the member from Athabasca. Sorry.

Jordan McPhail: — From Cumberland.

Chair C. Young: — From Cumberland. Sorry.

Jordan McPhail: — Thank you so much, Madam Chair. I have a quick question in regards to the North specifically. I had the honour and opportunity to join many northern leaders in Prince Albert at, I want to call it, the regathering of New North. And there we spoke to the New North Chair, Rick Laliberte, who spoke about many of the challenges in northern Saskatchewan, not only in acquiring investment but getting, you know, recruitment of health care workers, of many different people.

And a lot of the challenges that people are facing is access to housing, and secondarily, when they have access to that house, many of the issues that they face are high power rates and high cost of heating the home, when they do find it, in northern Saskatchewan. And one of the solutions that was brought forward . . . And I appreciate the minister's comments earlier tonight where he said that he had listened to Indigenous leaders. There's many Indigenous leaders across northern Saskatchewan that think the power rates are far too high.

You know, SaskPower and the province in general does receive tremendous opportunity and wealth because of the things that are brought out of northern Saskatchewan. We've been talking greatly about nuclear power here in the province of Saskatchewan. We talked about biomass in the minister's riding himself. And you know, these are coming from northern forest products. These are coming from uranium that's mined out of northern Saskatchewan, the power generation from Island Falls that powers those investments in northern Saskatchewan.

And I think northern people are just asking for a bit of a break. There is no other option for heating their home outside of power. We see that the rates have been talked about increasing in northern Saskatchewan. And I'm wondering if the minister would care to comment whether he's going to listen to those Indigenous voices that are saying that power rates are far too high, that it's affecting the cost of living for people in northern Saskatchewan, and if there's been any consideration to honouring what those Indigenous voices are saying in northern Saskatchewan, to lower power rates so that all residents of Saskatchewan have some level of equity.

Hon. Jeremy Harrison: — Yeah, I appreciate the question. It's a good one. And I had the chance to talk to Mayor Laliberte as well at the SUMA convention. We had a good discussion. We've known each other for a long time, and you probably know that. A good discussion.

You know, where I would like to get to . . . And on the east side, so on the Cumberland side, you know, we've had a gas connection running up to La Ronge now for, I don't know, 15 years that . . . I mean there were different phases that the line was built in. You know, I would like to get there on the west side as well.

And that's a part of the ongoing discussion that we're going to be having with the federal government which is already been initiated. And I give Mark Guillet credit on this, well, because he has been very proactive in pursuing opportunities. And you know, this isn't going to be an overnight project. It's a significant investment. But I think that there is going to be a path in that regard for gas deployment. It's more in the space of SaskEnergy obviously right now.

But you know, the other part is around the reliability on the northern grid. And what we had talked about in our transmission strategy, I think it probably got more attention on the east side, on the E.B. Campbell-Island Falls line that we're going to be constructing. We're in the kind of the procurement phase. We're going to be initiating the procurement phase starting this year, which is a 230-kilovolt line between those two locations. Significant, you know, significant undertaking connecting the northern and southern grids.

It didn't get as much attention, but we also are going to be moving forward with a significant line reinforcement project up the ML3 corridor as well, which is a 230-kilowatt infrastructure investment. We're probably going to run 120 or 30 kilovolts up there initially. But that's a major project as well for reliability for the northern communities on the west side.

So I would even further envision — and my officials probably haven't heard this yet, but I'm going to further go — into the future, what I would envision is really a loop across northern Saskatchewan as well, which will go a long ways to, you know, putting us in a long-term position of reliability from a grid management perspective, will simplify things significantly as well.

Our grid operations folks do a great job. And I've referenced the issue we had this summer where our grid operations folks did an amazing job in Island Falls when we lost the interconnects. But connecting these two grids, connecting the east side, connecting the west side and, you know, in the long term . . . And I think this is an opportunity because it was a partnership when we did gas on the east side, that we do gas on the west side as well. Because I fully, fully hear and understand that this is an issue. You know, we have a number of programs I had talked about earlier with regard to folks who are on electric, but the long term is going to be gas.

Chair C. Young: — MLA McPhail. I'm tired, sorry.

Jordan McPhail: — No worries.

Chair C. Young: — I just wanted to say Jordan. I did know it was wrong.

Jordan McPhail: — That's fine too.

Thank you to the minister for that. I did want to make sure that I had you on the record to see if those considerations had been made at all. I know you were talking about the long-term solutions to make, you know, power bills less and that's why you're changing the heating source in those areas.

But specifically to the request from Mayor Laliberte, the Chair of New North, who represents many, many northern

administrative district communities, brought that to your attention as you've indicated. And I wanted to, you know, get it on the record that you either agreed or disagreed with his approach, not so much the long term.

But you know, seeing as we have run out of time or are running out of time, I did have a question. You know, we've been talking a lot about the grid and how things have been changing between northern and southern grids.

And of course, you know, I spoke about the reliability that will be offered to Saskatchewan that you've outlined in some of your comments here tonight when we look at biomass coming out of the North and the forestry products that are there, when we talk about the hydro and the E.B. Campbell dam which you referenced, when you talk about nuclear power and the uranium that is produced here in Saskatchewan due to the hard work of many people not only in Saskatchewan but across Canada that have worked in the nuclear sector.

But when we look at that southern grid as well and when we look at how we are tying all these things together, I have, you know, quite a deep concern as to some of the responses that I heard on the refurbishment of the coal plants here in Saskatchewan, and most specifically on your valuation that you provided.

And so the question I have for you, Minister, as we close here tonight is, for the \$2.6 billion that you've allocated to the coal refurbishment, have you taken that number to cabinet? Has it been approved by cabinet at this point?

Hon. Jeremy Harrison: — Well obviously we don't talk about cabinet deliberations. But you know, what I would say is that we are very comfortable with the direction we're going in.

And I know we're nearly out of time. I'll just kind of close. With regard to the one question, I appreciate the representations with regard to northern Saskatchewan, and you know, I think I spoke to what are going to be very real projects going forward that are going to make a difference in the lives of northerners. It's something that's important to me and it's something that is important to the company as well. And I appreciate Mayor Laliberte's submissions as well. We are fully prepared to engage and work with northern leaders. So I would very much say that, which was what I told the mayor directly also.

But just by way of conclusion — I know we're nearly at the end here, Madam Chair — but I really do want to sincerely thank the folks who work for this company every day and — I'll go through Rupen — our management team who do, through you, a remarkable job.

But I really want to thank our front-line workers. I wish we had a chance to talk about some of the things Rupen and I were able to witness first-hand. I mean we went quietly up during the wildfires to, you know, meet with our folks and kind of hear first-hand, encourage and thank them for the work they're doing. I'll tell you, we have amazing, amazing people that work for SaskPower who literally risk life and limb for this province, for the people of this province every single day. And I have enormous respect for them and I want to say thank you.

Chair C. Young: — So having reached our agreed-upon time for

consideration of these estimates, we will adjourn consideration of the estimates and supplementary estimates no. 2 for Saskatchewan Power Corporation.

Minister, any additional closing remarks? No? Members, if you have something.

Aleana Young: — Yeah. Thank you, Madam Chair. As always, I'd like to extend our deep appreciation to yourself, to the committee members, to the minister, to all the officials who are present here tonight for all the work that goes on in the background in preparing for this, as well as the hard work that takes place at SaskPower all year round.

And of course the good folks in the building who help facilitate this process, from *Hansard* to broadcast to the support and maintenance staff in the legislature, and the security as well. With that, Madam Chair, happy to pass it to the member from Cumberland briefly.

Jordan McPhail: — Thanks. Just as I close as well, I want to thank the minister and the officials for their time here this evening, and through the minister from our team as well thank the people that work on the SaskPower lines and our grid. As a guy that worked for SaskTel for 10 years and had calluses on the insides of my knees from climbing those telephone poles — albeit not quite as high as some of the folks at SaskPower and not nearly with the same amount of danger that they do — but I've always had a deep admiration for the people that put on those orange coveralls, drive the orange trucks all over Saskatchewan, and keep us connected to the grid. And appreciate the work that they do each and every single day.

And you know, to shout out some of the folks from northern Saskatchewan, I know Jeff McKerracher and Lorne Prodahl used to run the base up in La Ronge. Great guys. Know that northern grid inside out and backwards. Many stories brought into newspapers as well.

And I really, really appreciate the work that the employees and everybody do at SaskPower. And thank you for your time here this evening.

Chair C. Young: — Thank you. That concludes our business for today. And I would ask a member to move a motion of adjournment. MLA Thorsteinson has moved. All agreed?

Some Hon. Members: — Agreed.

Chair C. Young: — Carried. This committee stands adjourned until Tuesday, April 28th, 2026 at 3:30 p.m. Thank you, everyone.

[The committee adjourned at 22:12.]