



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Thunder Creek

Mr. Len Taylor
The Battlefords

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 20:00.]

The Chair: — Welcome, everybody, again this evening to the Standing Committee of the Economy. And seeing as it's 8 o'clock now, the chosen hour to begin for the committee to actually get to work, I'll call the committee to order. And good evening to everybody tonight in attendance and those that are at home that are watching.

I want to welcome you all to the deliberations on the Standing Committee of the Economy. We have a fairly busy agenda once again this evening, considering a number of Bills before the committee. Before I begin though, I'd like to introduce the members of the committee. I see we have Mr. Harper tonight and Ms. Morin is chitting in for Mr. Taylor. Mr. Nilson, welcome again. And we have Mr. Stewart. Ms. Eagles is chitting in for Mr. Duncan. We have Ms. Wilson, Ms. Ross, and another member from the Sask government side is Mr. Hutchinson. Welcome.

So I guess what we'll do now is that I want to table a document that was provided to me. It's ECO 14/26 from the civil law division, the Ministry of Justice and Attorney General regarding Bill 131, *The Conservation Easements Amendment Act 2009*. It's so tabled now. I believe the opposition members have a copy of it and . . . [inaudible interjection] . . . Not yet? Okay, it's being photocopied for you right now.

This is the one that was in regards to last night on the clause 15, section 11.42(10) . . . [inaudible interjection] . . . You know what? I'm just going to take a peek here and see. Looks like it is. We've got outfitter and guide regulations, Crown minerals Act, oil and gas Act. Looks like it might all be here for you. That's what they were. That's just the one clause we're talking about, Ms. Morin, I think, right? We haven't gotten the other information you asked for last night either?

Ms. Morin: — Yes, there were a few other pieces of information that . . .

The Chair: — That's not pertinent right now for the evening though? We can put . . .

Ms. Morin: — No, that's right.

The Chair: — Okay. This is the most important that we have, so great.

Bill No. 122 — *The Environmental Assessment Amendment Act, 2009*

Clause 1

The Chair: — Okay. So I guess, committee members, we're now going to be considering Bill No. 122, *The Environmental Assessment Amendment Act, 2009*. Of course by practice, the committee normally holds general debate during consideration of clause 1.

I spoke with the minister earlier on this evening, and because it's the same officials, she would like to just defer introducing the officials. And as you come to the mike, please introduce

yourself again for the first time for *Hansard*. And I believe the minister . . . In regards to clause 1, short title, *The Environmental Assessment Amendment Act, 2009*, Ms. Minister, any opening remarks you might have?

Hon. Ms. Heppner: — Thank you, Mr. Chair. I have a few. I'll keep it brief. As committee members will know, we are moving to a results-based regulatory system. There were three pieces of legislation that were listed as priority. We'd dealt with two of those yesterday. The third one is *The Environmental Assessment Act*.

We had, as part of the review of our legislation to move us to a results-based regulatory system, we had a consultant review our legislation. It was found that this particular piece of legislation was largely a results-based approach already. There was some minor amendments that were made. Because the Act is 30 years old, legislative drafting branch recommended that some of the statutes be repealed and replaced to take into account modern drafting principles while the intent remained the same.

The result will be a reduction in assessment timelines through use of class assessments, clearer language, and more efficient processes. And as part of our overall approach to this, consultations were held. A series of consultations were held over many months with over 75 stakeholders including municipalities, industry, and environmental groups who endorse this approach. And I'll just leave my opening remarks at that and open the floor for questions.

The Chair: — Thank you, Ms. Minister. I guess, any questions from the members? Ms. Morin.

Ms. Morin: — Good evening and thank you again for appearing before the committee this evening to answer the questions that Mr. Nilson and I will be posing to you this evening.

I'm just curious as to what other provincial models were used. Or I guess, were provincial models . . . I understand that we are going to be the first one to be using this type of model, as you had already explained, in the country. So was there any examples from other provinces that were used to enable this legislation, or was it something that was . . . examples were taken from other countries that have this type of legislation? Or what type of . . . I mean obviously we didn't invent the wheel here. We probably used examples from elsewhere. Can you give us some examples of that?

Hon. Ms. Heppner: — Thank you for the question. I think we had mentioned yesterday that Mr. Nilson had referenced — I think it was Mr. Nilson — that referenced the Swedish model.

An Hon. Member: — Mr. Forbes.

Hon. Ms. Heppner: — Oh sorry, it's a long evening. Mr. Forbes, we'll give credit to him. The Swedish model, that was one that we looked at. There's also consultations held with BC [British Columbia], Alberta, Manitoba, and Ontario. Those jurisdictions have some pieces of legislation that are results based, but they don't have an entire ministry that is based on that. As an example, in BC their forestry legislation would be a

results-based approach, but not all of their environmental legislation is results based. So we consulted with those other jurisdictions.

Ms. Morin: — What is it that led your ministry to decide that this is the approach that it wanted to take with respect to dealing with the environment?

Ms. Quarshie: — Liz Quarshie, deputy minister. Thank you for the question. The reason why we undertook this review was that in looking at projections of economic growth in Saskatchewan, when I came in from 2007, the amount of investments in the province is projected to be quite significant over the next few years in terms of projects.

And if you look at the current resources that we have, when I said in 2007 the ministry had about nine or so people in environment assessment, and if you take nine people looking at environmental assessment for all of the province of Saskatchewan in terms of projects, you realize how significant this is.

So we have increased the staff complement to 12, and we are in the process of increasing it to 15. But now it's something that we realized, that the attention we pay to small projects . . . So if we have a gravel pit operation for example, we give it the same degree of detail that we would give a uranium mine or potash or any of those. So the intention is to streamline the projects that have less risk and put the focus on the projects that are higher risk.

Ms. Morin: — And is that something that's specific to a results-based model that you had, just for the decision to be made to go to this type of a model? Or I mean I'm sure that risk assessment could be done with other models that are in existence as well. So I'm wondering how we got to the place where we're dealing with a results-based model.

Ms. Quarshie: — The results-based model is really an excellent regulatory tool. In other words, if you are a regulator, the results-based model not only applies a risk-based principle, but it also helps you identify things that you need to focus on in light of the limited resources that we will have. The other thing it does is that it allows you to take a look at your legislation. In a risk-based model, you are not required to do that. So we look at the legislation to figure out how could we improve the legislation to achieve the end result which is enhanced environmental protection which is what we looking for.

Ms. Morin: — So when the assessment was done, obviously — because this is a comprehensive change to the way we deal with environment issues in the province of Saskatchewan — what were some of the positives and negatives that were derived or were discovered, I should say, when reviewing the different models to compile the model that we have before us? What were some of the positives and negatives because, I mean, no model's going to be a panacea, so I'm sure you're anticipating some drawbacks with this type of model as well?

Ms. Quarshie: — Well I wouldn't characterize it quite as a drawback, I think. I think in doing the review across the different jurisdictions, essentially we saw the different learnings.

So in the forestry sector, as our minister said, we saw the learnings in the forestry sector. BC has tried to do some things in environmental assessment area, but unfortunately they didn't quite get to results-based because it had become quite prescriptive.

You know Ontario, they didn't have some of these things. Manitoba, they didn't have some of these things. So we crafted a model that we took to consultation, and as the minister said, we consulted with about 75 different stakeholders. We sought input in the model that we have proposed, and all the people that we consulted with — including NGOs [non governmental organizations], industry — and everybody said yes; this is a great model. They all said take your time and do it and do it right. So that was the caveat that was put on it. But nobody clearly said no, this is crazy, don't go there, don't do it.

Ms. Morin: — Okay. So you're saying out of all the stakeholders that were contacted with respect to deriving this model, there was no one that had any concerns or criticisms of the model that the province was thinking of going towards?

Ms. Quarshie: — No. So through the consultation process, the stakeholders essentially said yes, we want you to proceed in this direction, but we want you to proceed carefully because the devil is in the details. And so as we move along in this process, we've engaged different stakeholders along the way.

We've also consulted with First Nations. And the First Nations involvement has, as we've moved through the process, the involvement has focused primarily on the code because that is where the details will be. That is where the actual design is resting, within the code, as opposed to the legislation itself because I concede the legislation is quite general.

Ms. Morin: — So I'm assuming then and . . . You are obviously familiar with the document, the submission that was given to the ministry by the FSIN [Federation of Saskatchewan Indian Nations]. The submission was regarding Bills 121, 122, and 123. It's a 131-page document. It certainly contains concerns not just with the code but also with the Bill.

So were the First Nations part of that consultative group that didn't have concerns or was . . . Because it doesn't seem to quite mesh. So I'm assuming then they weren't part of that consultative group that was originally dealing with the progress of developing this model.

Hon. Ms. Heppner: — In response to that, Mr. Chair, the discussion about consultations with First Nations was brought up yesterday. We didn't consult specifically on each and every Bill, but it was as an overarching approach to a results-based regulatory system. I'd be more than happy to get Jennifer McKillop to go through the itemized contact that we've had with First Nations. But to be quite honest — and I'm not trying to discount the question — but the answers will be the same as yesterday because it wasn't on a Bill-by-Bill approach. It was on a policy initiative approach. So the FSIN involvement, the answers will be the same as yesterday's, if that's helpful.

[20:15]

Ms. Morin: — Well it is and it isn't. I appreciate the fact that

I'll be getting the same answer that I got yesterday, so I already know what my answer will be to my question if I would pose the same one I posed yesterday. But I'm trying to discern when I'm being told that there weren't any concerns with the legislation of going to a results-based model and yet I'm seeing something quite different in the submission from the FSIN. So perhaps I'm looking for clarification.

Ms. McKillop: — Jennifer McKillop, director of Aboriginal Affairs with the ministry. The question is again . . . sorry, if you could repeat it.

Ms. Morin: — Sure. We just heard from the deputy minister that there weren't any concerns in the development of the results-based model. So I'm just wondering why then we have the concerns that are laid out in the 131-page submission from the FSIN if there wasn't any concerns because it seems to me then that they would not have been part of that consultative group to develop the results-based model if, as I'm being told that they didn't have any concerns and yet we know that they have concerns. So they must have come in at some later point in the consultative process for them to obviously lay out their concerns that the minister didn't know about.

Ms. McKillop: — I think I said last night the actual, the first formal submission that we received on the Bills was received on March 1st. Yes. And as the minister described last night, the position that FSIN appears to base their comments on regarding a results-based approach and the enabling legislation is that this framework is deregulation. And the minister spoke last night about how this is not deregulation. And it's very difficult for us to engage in a discussion on any details when we disagree with the premise, the position that this framework is deregulation.

Ms. Morin: — The submission from the FSIN certainly does allude to that. It also, though, clarifies many other positions that they have with respect to the legislation as well. It's not singularly regarding the issue of deregulation.

Now you've also clarified last evening that the submission was received on March 1st but that you're only now starting to engage in discussions with them about their submission. So is it possible perhaps that there isn't enough clarification, enough communication that's been had with their organization to fully explain the position of the ministry in terms of what is deemed to be a misunderstanding?

Ms. McKillop: — Well we were in discussions with FSIN from August of 2008. Like I said, the 132 page, I believe, document was received. That was the first official submission that we received from FSIN and that was on March 1st of this year.

Ms. Morin: — So in the ministry's opinion then, there has been enough dialogue that's gone on between the ministry and the FSIN. And it's just not a miscommunication, that it's simply an entrenched thought on perhaps both sides? Or what is the ministry's interpretation of the fact that there is this disconnect?

Ms. McKillop: — I think that . . . Well my interpretation would be that we disagree. I don't think there has been enough dialogue in terms of the next steps and the role that FSIN might have as we move forward into the implementation of a results-based framework, development of the code, that type of

thing.

Ms. Morin: — So if we have this situation where the ministry is . . . interpretation is that it's simply a disagreement and the submission was received on March 1st . . . and it is a comprehensive document. It's 131 pages. Clearly there has been a fair amount of financial resources and human resources that has gone into the compilation of this document. So the document was received March 1st, and we know that there is a disagreement already by virtue of this document about what the results-based regulation, regulatory framework is about, in terms of the interpretation of the government.

I guess I'm wondering then how it furthers the relationship or fosters the relationship to then withdraw the funds for the partnership table, the 16-year agreement that was in place, given that that was something that was a partnership between the minister of Environment and the FSIN to foster a better understanding and partnership of issues between the First Nations and the ministry. And so I'm wondering how that will help, in terms of moving forward to have a better understanding of what the ministry is wanting to do, by having received that phone call on budget day to tell them that they're going to lose their \$300,000 of funding.

Hon. Ms. Heppner: — Mr. Chair, the funding agreement with the FSIN is a budget discussion. We'll be in estimates tomorrow; I'm happy to discuss those questions there. As for consultation with First Nations, as Jennifer's pointed out, we initiated those closing in to two years ago and have been working to get a response from the FSIN since then. That response was received on March 1st. We will continue to engage in discussions with FSIN on this as we go forward.

And I think the member who is asking the question says that there's a disconnect on this particular piece on the consultation process. Jennifer had gone through yesterday the chronology of our contact and discussions with them. I believe that the ministry has done their due diligence on this. And I would like to point out consultation doesn't equal agreement. At the end of a consultation process, that doesn't mean that all parties will agree. Disagreement does not mean consultation has not taken place. And so as I said, we have done due diligence.

We will continue to work with FSIN on going forward. And as was stated yesterday, the legislation itself is an enabling legislation. It's a framework. The guts of this will be in the development of the code. And we are committed to working with all stakeholders — and that includes FSIN — on the development of the code. Quite frankly, the issues that FSIN has raised, a lot of that will be addressed within the development of the code.

Ms. Morin: — Well thank you for that clarification. But I guess here's the picture that exists as well, and that is that we have the minister talking about various organizations that have been contacted on various pieces of environmental legislation that has come before the House to be passed through this spring session. The minister has actually named these organizations. These organizations have actually contacted me personally to tell me that they have not been consulted. And I'm not talking about one or two. I'm talking about many — as many as five or six — that are named in one particular Bill.

So when the FSIN says that they haven't been consulted in terms of the true duty to consult, I guess I'm going to default a bit on their portrayal of the scenario, given that I've got other organizations, who the minister has told me that she's consulted on other pieces of environmental legislation, are telling me that they haven't been consulted either, despite the fact that the minister claims that they have been.

So what I'm trying to discern here is whether they were consulted in the true fashion of what they're now seeing in the legislation, or if they were simply consulted on a periphery discussion of what might be . . . as a thought piece that the government might want to do with environmental legislation moving forward because, if it was just a thought piece, it's pretty difficult for people to offer a concrete decision or a concrete opinion — I should say, I guess — on what the government wants to do with the legislation moving forward.

So that's what I'm trying to discern, is, were they actually consulted on the fact that this is going to be moving towards a result-based regulatory framework and what that might somewhat look like so that they can give an informed and concrete decision. Or was it simply a periphery discussion as to what the Environment ministry may want to look at and . . . because I mean it's not even based on any particular model. It's been pieced together from many different models.

Hon. Ms. Heppner: — Mr. Chair, the discussion's preliminary were obviously on the policy decision. I'm not sure of the member's awareness of legislative policy, but Bills are not released to the public before they're released in the House. That is the way our system operates. So we couldn't consult on a Bill six months before it was released in the House. So we consulted on the policy that we were going to put forward and as much information as we could offer without actually releasing the actual Bill.

And now that the Bill is released, we are happy to discuss that. We will continue to have those discussions with FSIN and all of our other stakeholders, and moving forward through the development of the code. This process is not ending. It is very much beginning with the development of the code.

The Chair: — Mr. Nilson.

Mr. Nilson: — I want to ask a question sort of related to this, but I would just ask it a little different way. This kind of legislation, environmental assessment legislation — and you're making amendments to the process, as you say, to adjust it to this new system of doing the assessments — needs to be solid and robust so that bankers, investors, stock exchanges, all these people can say, well we're going ahead with the project and it's got all of the proper rules followed. And that's why we heard earlier about putting resources to those projects that have the most risk involved.

So I guess my question is, has there been a risk assessment done, probably with the lawyers, on whether this type of legislation will have a procedural fault if there is not appropriate consultation as set out in the Supreme Court decision in Mikisew? And so it's really this question of, is there a risk to the legislation which then plays over into all of the issues where people are borrowing money to build things that

actually develop the economy of the province?

Ms. Lang: — Leanne Lang from Ministry of Justice. With respect to your question, Mr. Nilson, we have reviewed that issue with our constitutional law branch. The advice was that, from a policy perspective, it certainly is preferable to consult on the legislation with First Nations, get their input, you know, make changes as appropriate, and to hear them out and hear the concerns and the impacts that it may have on treaty rights.

[20:30]

But as the minister has stated earlier, we don't have to have agreement in order to proceed with the legislation. And there is case law to the effect that there isn't strictly a duty to consult with respect to pure legislative development. There certainly is down the road when we start issuing licences and permits and making decisions based on that legislation, but there is a case called Lefthand — I think it's called — that says that there's not a strict duty in relation to legislation itself.

Mr. Nilson: — I thank you for that clear answer. And I think there's not a case yet, I think would be . . . because it gets into this whole issue of how does one accommodate the situation. So I appreciate the answer; it's a very straightforward answer.

But there is a risk here that's been identified, and obviously you're seeking advice about it, and it directly relates to the time you take to develop legislation. And it's taken quite a long time to get to this point, I know, but sometimes being patient and working through some of these things gets you better results. Thanks. I'll turn it back to my . . .

Ms. Morin: — Thank you. I just wanted to take a bit of a look at the Clifton report. So it indicates that the preference would be to have an environmental assessment commissioner who will have a rank equivalent to that of an ADM [assistant deputy minister] and will engage proponents and stakeholders in an early stage to decide whether an EIA [environmental impact assessment] is needed and recommend the appropriate scope and incorporation of regional land use planning decisions. So has this person been hired yet?

Hon. Ms. Heppner: — We have that position within the ministry. It is at an ADM level. It is currently a vacant position, but we are looking to fill.

Ms. Morin: — And what kind of timeline are we looking at in terms of filling that position?

Hon. Ms. Heppner: — We are looking for a qualified person. We don't have a timeline on that. It's a very particular position obviously, so we're looking at the best person for the job.

Ms. Morin: — All right. So the EA [environmental assessment] branch is going to, will explore the possibility of a retainer or a standing contract with a company to assist in technical expertise in EAs. Has the ministry already investigated this possibility, or where is that situation standing at this point?

Ms. Quarshie: — We currently have the technical resources team which is headed by a . . . [inaudible] . . . chief scientist. I believe — I could be wrong — but I think there are currently

about, what? Ten or twelve people in that unit.

Ms. Morin: — So again, this is within the ministry itself.

Ms. Quarshie: — Correct.

Ms. Morin: — And will there be a situation where you're going to have external consultants and experts that you're going to hire to assist with the EA process?

Ms. Quarshie: — So what we've done with the technical resources group with respect to EAs, we have this group of 12 with different backgrounds to support not just the EA process but different processes within the ministry. And in addition to that, we have quite a number of contractual arrangements with different specializations, some from a university and elsewhere.

Ms. Morin: — So the minister's also agreed in principle that an approach of a disseminated responsibility for environmental assessment development should be utilized to the fullest extent possible. You then go on to indicate that the ministry is going to take this information and either grant approval or indicate that an environmental impact assessment will be, must be done. How will these qualified persons be hired, or are those within ministry as well?

Hon. Ms. Heppner: — Can you repeat your question, please.

Ms. Morin: — Oh, sure. So as I was saying, the ministry's agreed in principle that an approach of a disseminated responsibility for environmental assessment development should be utilized to the fullest extent possible. You then indicate that the ministry will take this information and either grant approval or indicate that an environmental impact assessment must be done. So I'm just wondering about the personnel who are going to be doing this. Are these qualified individuals that must be hired? Or are they from within the ministry? How is this process going to work?

Hon. Ms. Heppner: — Just for clarification, I think you were quoting something. I'm just wondering what you were . . . Like what are you referencing?

Ms. Morin: — I'm referencing the Clifton report. But I'm paraphrasing the Clifton report in my question.

Hon. Ms. Heppner: — I thank you for the question. The Clifton report was . . . We had asked for that as kind of a guide for us. Not everything that was in there is adopted. That particular thing that you had referenced is actually not part of this Bill at all so I'm . . . But just for clarification, if it's in the Clifton report, it doesn't mean that we adopted it wholesale.

Ms. Morin: — My assumption was that it would be included under the environmental assessment model under this Act. So that's my mistake for that assumption and I apologize.

You also talk about the fact that there is going to be some streamlining of what the federal government is doing in terms of the changes that they're making to their environmental assessments and environmental regulatory regime, I guess we can call it, and what's going on with the province. I'm wondering if you could just provide me with some information

as to how that's starting to harmonize.

Hon. Ms. Heppner: — Is there a particular aspect that you're asking about on the federal side? I'm not sure what you're asking.

Ms. Morin: — We already know that the federal government is talking about making changes to the environmental assessments that need to be taking place on the federal side. We also know that they want to streamline environmental regulations in terms of the regulatory regime that takes place between the provinces and the federal government. So I'm wondering if you can tell me how some of those . . . what's been worked on with respect to the changes to the current legislation, and how that will then mesh with what the federal government is wanting to do.

Hon. Ms. Heppner: — There's been an agreement between the federal government and the provincial Ministry of Environment since 1999 to work on harmonization and streamlining where applicable. But that does not in any way negate the jurisdictional obligations of either parties, but it has been in place since 1999. And as for the federal plans, you would have to ask them.

Ms. Morin: — Yes, Madam Minister, I wasn't asking you about the federal plans. I was asking you about what the federal government is currently undertaking and what you would then need to do to either backfill what is being . . . what responsibilities the federal government is no longer wanting to have to oversee, shall we say, and whether that would be covered off in this legislation? Or whether any consideration has been given to that whatsoever to this point, or if that's something that's going to be looked at in the future?

Hon. Ms. Heppner: — The *Canadian Environmental Assessment Act* is currently under review at the federal level. And I would imagine that there would be further discussions at that point because the feds are reviewing what they're doing.

I know that there has been some discussion in the media about this, where the provinces could take a responsibility where it doesn't necessarily require two environmental assessments — one federal, one provincial. There was an exemption made by the federal government for some of the stimulus money when it was a project that didn't . . . the impact was low, and they allowed the province to be the lead on the environmental assessment.

Ms. Morin: — Thank you. That's what I was looking for. So the legislation that we see before us. Let me put it this way. Has there been discussions taken place with the federal Ministry of Environment to ensure that there isn't going to be duplication of layering because of the fact that there is this notion of wanting to streamline? So I'm sure those discussions have taken place, and I'm just wondering if you could tell me what came of those discussions.

Hon. Ms. Heppner: — As I said, the federal government is undertaking a review of the *Canadian Environmental Assessment Act*. There have been discussions with the federal government concerning CEAA [*Canadian Environmental Assessment Act*], the major projects management office, Canadian Nuclear Safety Commission, Environment Canada,

and NRCan [Natural Resources Canada], but there's — and DFO [Department of Fisheries and Oceans] — but there's really no results to report yet. We're still in discussion.

Ms. Morin: — Thank you very much. Mr. Nilson wants to ask a few questions, so I'm going to hand it off to him at this point.

Mr. Nilson: — Okay. Thank you. As it relates to this specific legislation, it seems to be quite clear that you're just adding a few different things here, but one of them is this whole issue of establishing classes of developments. Can you explain how you're going to do that and will there be then a guide or a regulation or a chart or whatever so you can figure out yourself how the developments work? Because, as you said previously, each project as it came forward was assessed and there was no sense necessarily of putting them into different classes. Can you just explain, I think, well for me, but also I think for the public as they go forward, they get a better idea of how good this is or how bad this is for their particular business?

Mr. Wittrup: — Mark Wittrup, assistant deputy minister, environmental protection and audit. A class assessment is designed to, when you have many repetitive projects coming in that are very similar, a class assessment is designed to expedite subsequent reviews. Once you know the impacts and you can deal with them and you have proper mitigation plans in place, they become a very known commodity.

So a class assessment is designed to in essence run an environmental assessment on that class of projects so that subsequently they can be reviewed in a more expeditious manner. With the enactment of the amendments, we would look to putting the guidance into regulation for that class assessment process.

Mr. Nilson: — Is there any other jurisdiction in Canada that has quite a number of years of experience, so that my colleagues, lawyers could go and look and see if they wanted to challenge some of these rulings; or you know, on a positive side, the ones that want to make sure that everything is done properly so they'd only have to do up all the papers once? Could you suggest which provinces they should go and look at?

[20:45]

Mr. Wittrup: — Probably the poster child is the federal government through the CEAA legislation, *Canadian Environmental Assessment Act*. To be quite honest, there have not been a lot of class assessments. I think one of the issues is that, at the national level is that there's still a lot of uniqueness in projects. And when it gets a bit more granular at the provincial level, you start to see the projects on a more frequent basis that can accrue to a class assessment.

Mr. Nilson: — Okay. So just for the viewing public here, class assessments might be things like roads through an area or not, or bridges, or what are we talking about here?

Mr. Wittrup: — Intensive livestock operations or maybe small biofuel plants or that sort of thing. I was just reminded that Ontario also has a class assessment provision.

Mr. Nilson: — Okay. Well so that . . . I appreciate the answers

on that because I think it provides a little bit of a sense of what's actually being changed here.

The other change that I think is happening here is that there's a more, I guess, direct process around ministerial decisions or determinations. And I think it's basically set some quite strict timelines, so it's both for the staff and for the minister. Can you explain what this process is, and then I'll maybe have some questions about the timelines.

Ms. Lang: — With respect to your question on these ministerial determinations, what that basically is is that it makes that sort of upfront screening decision about whether a project constitutes a development or not or meets that definition. And it has developed a more formal process for making that decision, which creates more certainty for proponents out there as to whether their project is in or out, in terms of the Act. It sets out, you know, the application that's needed, the kind of information that's needed for the Environment ministry to assess it and it also puts in fairly strict timelines because industry has stated that they want these assessments to be done as quickly and efficiently as possible. So we tried to build that in to give them more certainty and to direct staff to meet certain timelines.

Mr. Nilson: — Okay. So then my question about the timelines: are these timelines achievable with the staff that you have now?

Ms. Quarshie: — Mr. Nilson, I think when I started out, I said when I started in 2007, there were nine staff members in the assessment branch, and they hand out all of the assessments for the province of Saskatchewan. And we're now up to 15, so I think we're doing pretty good.

Mr. Nilson: — I appreciate that answer, but that becomes a concern I guess when you get to the budget questions of tomorrow. So we'll leave that there. Another question is will this process be like a public hearing, where the public can come and sit and watch the determination taking place, or is it still all an administrative kind of hearing?

Ms. Lang: — It will still be an administrative, internal process where the ministry will accept the application and the materials requesting the additional information they need, and then a written decision will be provided within these timeframes.

Mr. Nilson: — So you won't set up a special room with a special desk and a special chair for the minister to make these decisions?

Ms. Lang: — No.

Mr. Nilson: — We'll watch for that in the budget requests.

Hon. Ms. Heppner: — For posterity measures, no — no new furniture for the minister.

Mr. Nilson: — Okay. So then the other part of this obviously is, you've tightened up the actual process within the department and made it more visible in a way because you've set out some quite clear guidelines for yourself. And that's, you know, always commendable as long as you can meet them. What happens if they're not met? What happens if the deadlines that are set out here are not met? Are there penalty provisions for the

minister and all the way down the line for not meeting the deadlines? Or what happens?

Ms. Lang: — There are a few provisions in here that say, as soon as reasonably practicable. But when it is a strict . . . A lot of the strict provisions are more than notification provisions, that are easier to be able to clearly meet that requirement. And for the most part, the decision itself is as soon as reasonably possible. So we built in a bit of flexibility on that because that's often where those delays can occur. So we don't envision that that will be a problem, but I guess if it is, a judicial review is a possibility.

Mr. Nilson: — Yes, that's right. And I think it's quite clear that the judge will be the one that assesses them on an individual basis. And maybe if there's enough of them, they'll get into a class of developments, kind of like you've got in your Act. But so far, I don't think you'll get that many.

Okay then, the notice provisions that you talked about. They are quite tight but they're also I think reflecting modern business practices, as far as I can see. Are these notice provisions the same as what we would have in all other pieces of business legislation?

Ms. Lang: — Yes. Actually our drafters ensured that it was consistent with the other. We've got sort of a standard provision now on notices that we've used here.

Mr. Nilson: — Okay. Thank you very much.

Ms. Morin: — Thank you. I wanted to go through a few of the clauses in the sections in the Bill, I guess. Under new heading 8, section 5(2), and it states under, "For the purposes of carrying out the minister's responsibilities, the minister may . . ." and then it lists a number of things that the minister may do. The language is somewhat ambiguous. So how does one know if this is something that the minister shall determine, one or more of these points, or if the minister can just you know overlook any of these points that are listed under this section?

Ms. Lang: — Usually these ministerial power provisions are fairly broadly drafted just to be able to envision the power of the minister to deal with a whole range of matters that might arise in their environmental capacity. They're fairly standard in terms of the kinds of language that's used here, and it's all discretionary. There's nothing sort of, you know, mandated that the minister must perform or carry out any of these duties, but it enables the minister to do so if the circumstances dictate.

Ms. Morin: — So how does a party know what type of a framework they're looking at in terms of what they're supposed to be fulfilling?

Ms. Lang: — Are you talking about a proponent that's applying for environmental assessment? I guess the rest of . . . well the existing Act and the rest of this Bill sort of sets out those procedural requirements. You know, there'll be application forms that are used. There's policy documents that dictate sort of what needs to be filed, and it guides the minister's decision in terms of the kinds of factors that she can take into account in making the decision. So that sort of guides what proponents need to do.

Ms. Morin: — So these are just additional powers that the minister may have in terms of providing extra information from the proponent if that's necessary or if the minister deems fit to do so.

Ms. Lang: — Right. Yes.

Ms. Morin: — With respect to the minister commissioning environmental assessments or ordering an environmental assessment to be done, what type of framework would trigger that potentially in terms of happening, given that there is a new approach happening here where the proponent is supposed to provide the information and then reach a certain result? So when would an environmental assessment potentially be kicked in when a proponent wants to have a development proceed?

Hon. Ms. Heppner: — The triggers actually haven't changed. They exist in the Act. These are amendments, but in the original Act the triggers that would prompt that actually haven't changed from existing legislation.

Ms. Morin: — The reason I ask is because I note that one of the concerns outlined is that there is . . . I mean that the discretion is purely in the hands of the minister. And there's concern that an environmental assessment may not always be triggered and that there may not be the same type of recourse for concerned parties if an environmental assessment hasn't been triggered and those concerned parties feel that that should have been the case. Could you maybe explain how that procedure would then work for those parties that have those concerns?

Ms. Quarshie: — My apologies. Can you please repeat the question?

Ms. Morin: — What type of recourse does an interested party have if a proponent has been given the green light to proceed without an environmental assessment having been ordered by the minister? What type of recourse does an interested party then have if that has been the case?

Ms. Quarshie: — This Bill talks about amendments, and there are two key ones which you have identified — the front piece of decision making and the class assessment. Outside of that, nothing much has changed within the Bill, so neither was the way we decide whether this is a development, no development, or whether section 2 (d), the triggers, are applied. It's all exactly the same.

Ms. Morin: — Again, I'm just stating a question that was . . . or a concern, I should say, that was brought forward by one of the stakeholder groups that's been contacted. And again there's a misunderstanding from what they understand is going to be the case and what the ministry is actually saying is the case. So it's nice to have that clarification provided this evening so they can then ask the ministry any further questions that they may have on that.

So in the second reading speech from the minister she states that, "The purpose of this Act is to ensure that economic development in Saskatchewan proceeds with environmental safeguards in place." Can you tell me if the environmental safeguards have become stronger or where they've changed so

that . . . what prompted the notion that the environmental safeguards needed to be changed?

Ms. Lang: — I think that there's a difference between, you know, what's going on in EMPA [*The Environmental Management and Protection Act, 2002*] and the code and all of that versus environmental assessment. None of that development or that new approach has any impact on environmental assessment. You know, we haven't changed the way that a development . . . or the way that triggers work in environmental assessments, so every project that was being assessed before will still be assessed. We haven't changed the way in which it's assessed or which projects are caught by the legislation and which ones aren't.

[21:00]

The other thing is in the environmental assessment Bill. We have increased the penalties quite significantly. The Act was very out of date. We compared it to all the other provinces, and now have a whole range of penalties that are consistent across the country to ensure compliance and to act as a deterrent for projects proceeding without the necessary environmental scrutiny.

Ms. Morin: — Thank you. So what you're saying, if I can rephrase you so I can understand this better — because it's getting later and, you know, it seems like I can absorb less — I mean I can clearly see that the penalties have changed fairly substantially. But the safeguards that were in place before really haven't changed much. It's just really the penalties that have changed dramatically. Is that correct?

Ms. Lang: — Correct.

Ms. Morin: — Okay, because I was trying to discern that from the minister's comments in the second reading of this Bill, and that's all I could glean out of it as well. So I'm glad that you've clarified that.

The amendment . . . She also goes on to say that the amendments include the ability to establish class assessment processes where projects have common characteristics. And Mr. Nilson has already asked some questions about how that's going to take place.

It goes on further to say a regulation will be required to establish what kind of developments may be subject to class assessment. So the regulation that's going to be required, has it already been formulated, or is that in the process? I'm seeing a head shaking no; it hasn't been yet. So what type of a timeline are we looking at for that regulation to be finalized and structured?

Hon. Ms. Heppner: — On your question of timeline, apparently I'm told that, when this Act was put in place 25 years ago, there was supposed to be regulations put in place at the time to outline those processes, and it was never done. So we're working on it. Don't have an actual timeline for you, but I'm hoping not another 25 years. I was just . . . [inaudible] . . . I don't mean to giggle about that. It just came as a surprise that the regulations were never put in place for that, so we are working on it.

Ms. Morin: — Thank you very much. I only have a few questions left, and one of them would be, just in getting back to the issue of the . . . I'm going to try and concretize this, so that we can try and get some clarity here.

With respect to the concerns that have been raised with the ministry, with myself and the minister from the First Nations about these different pieces of legislations, including this one, would it be fair to say then there is nothing that, again in this Bill, that would be seen as regressive or less respectful of their rights in terms of treaty rights and the concern that they have for environmental protection and regulation?

Hon. Ms. Heppner: — I would say absolutely not. There's nothing in the amendments before us today that would have any affect, no.

Ms. Morin: — Thank you, Madam Minister. That does it for my questions then. And I guess I'll pose one more question to the minister, which she's well familiar with, and that is the clause that we brought forward yesterday with a couple of pieces of legislation just again for consistency, to provide some of that clarity. I don't know if the minister has a copy of that over here or not or . . . Maybe I should read the . . .

Mr. Nilson: — There's a couple of copies here.

Ms. Morin: — Okay, I'll read it quickly, simply that:

Nothing in this Act shall be construed or interpreted so as to abrogate or derogate, directly or indirectly, any treaty or Aboriginal rights recognized and affirmed by subsection 35(1) of the *Constitution Act, 1982*.

I'll pose the question to the minister just so that it's on record. Does the minister have any issue with this clause being attached to this Bill as it was with the other two Bills yesterday?

Hon. Ms. Heppner: — No, I have no problem with that. We'll support that amendment.

Ms. Morin: — Thank you very much, Mr. Chair. That concludes my questions, and I believe that Mr. Nilson is also concluded his questions. So thank you very much.

The Chair: — All right. Thank you very much. I guess we'll move on now to the . . . seeing there's no more questions and thank you for that, Ms. Morin. Clause 1, short title, *The Environmental Assessment Amendment Act, 2009*, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

Clause 6

Mr. Stewart: — The amendment, Mr. Chair, moved by Ms. Morin . . . [inaudible interjection] . . . 6 stands and the amendment follows 6. Okay, right.

[Clauses 6 to 26 inclusive agreed to.]

Clause 6.1

The Chair: — Clause 6.1, Ms. Morin, new clause.

Ms. Morin: — Thank you, Mr. Chair. Mr. Chair, I'd like to move this proposed amendment which is that we add a new section with the following:

Nothing in this Act shall be construed or interpreted so as to abrogate or derogate, directly or indirectly, any treaty or Aboriginal rights recognized and affirmed by subsection 35(1) of the *Constitution Act, 1982*.

I so move.

The Chair: — Are there questions on this amendment? Seeing none, do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. So is Clause 6.1 as amended agreed?

Some Hon. Members: — Agreed.

[Clause 6.1 agreed to.]

The Chair: — Carried. Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 122, *The Environmental Assessment Amendment Act, 2009*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Agreed. I would ask a member to move that we report Bill 122, *The Environmental Assessment Amendment Act, 2009* with amendment.

Mr. Stewart: — Agreed.

The Chair: — Mr. Stewart moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Ms. Minister and officials. I think we'll take a bit of a recess now. I think five minutes should be enough, I would hope, so quarter after 9.

[The committee recessed for a period of time.]

[21:15]

Bill No. 126 — *The Management and Reduction of Greenhouse Gases Act*

Clause 1

The Chair: — All right, well welcome back after the recess. Members, the Assembly has referred Bill 126, *The Management and Reduction of Greenhouse Gases Act* to our committee. And this is what we will now be considering.

I should make note that we now have two chit ins now. For Ms. Ross, we have Mr. McMillan, and for Mr. Duncan, we have Mr. Bradshaw. So as we move forward now, this is what we're going to be debating. And then generally, so we'd look for general debate during the consideration of clause 1. No new officials have arrived I see, Ms. Minister. If you have any opening remarks, please give them now.

Hon. Ms. Heppner: — Thank you, Mr. Chair. Before us is the Act respecting the management and reduction of greenhouse gases and adaptation to climate change. The Act does several things. It establishes the office of climate change within the Ministry of Environment. It creates a Saskatchewan Technology Fund which will be a non-profit corporation that will manage carbon compliance payments by large emitters and then in turn make those funds available to large emitters for investments in low-carbon technologies. It establishes an umbrella organization, the Climate Change Foundation, to oversee management of funding through the ministry. It will establish a provincial carbon offset program and establish a policy framework for promoting adaptation planning initiatives in Saskatchewan.

That's all for my opening remarks. I'm sure there are lots of questions. In the interests of time, I will open it up.

The Chair: — Thank you, Ms. Minister. Who's first from the . . . Ms. Morin.

Ms. Morin: — Thank you very much, Mr. Chair. And welcome again to our next Bill here. I'm just going to start off with asking a few questions about the minister's remarks in second reading.

I'm wondering if maybe you could just elaborate a bit. I know, I mean I had the privilege of having a briefing on how the different funds would be set up and how they would operate, but for the sake of those interested parties that are watching this evening, I wonder if you could just maybe elaborate a bit on the Saskatchewan Technology Fund which you've already described in your second reading comments as being a non-profit corporation outside of government and how that would function.

Hon. Ms. Heppner: — We have stated what our targets are. It would then be up to large emitters to meet their reduction obligations. If they are unable to do that, they will be charged a carbon compliance price that those funds would then go into the Saskatchewan Technology Fund. And in turn, those who have paid into the fund — it's not open for everybody; it is open to those large emitters who have paid in — they can in turn make application to receive funds back for investment in low-carbon technologies.

The emitting companies will have up to five years to access funds, so there is a limit on that. We want people to comply. We want them to reduce their emissions and have a limited time in which to access those funds so there's an incentive to reinvest those funds into low-carbon technologies. Any interest that is derived from the money that is in that fund will be transferred into the Climate Change Foundation.

Ms. Morin: — Thank you. I'm wondering if you could just tell

me which jurisdictions were used as models for the model that has been developed here for Saskatchewan.

Hon. Ms. Heppner: — There's not really any other jurisdiction that we modelled this after. Alberta does have a fund set up; they've had it for a few years. They had legislation in place. They were actually the first jurisdiction in Canada to have legislation regulating emitters, but our fund is far different from theirs. The Alberta model, the funds go directly into their General Revenue Fund, and then government decides which projects will be funded. It doesn't necessarily go back to the emitters that have paid into the fund.

So our fund is quite a bit different in that it's a money in, money out for the large emitters who are affected. But this legislation is really based on Saskatchewan and was made for us. It's not modelled after any other particular jurisdiction.

Ms. Morin: — And what is the timeline for this to initiate, in terms of the money starting to start going into this fund? And obviously then, is there a carbon compliance price that has already been looked at in terms of what might that look like, shall we say?

Hon. Ms. Heppner: — With the passage of this Bill — hopefully in the spring session — we are hoping to have the program implemented by spring of 2011, so a year from now.

The carbon compliance price hasn't yet been set. It's still something that we're examining. The range that we're looking at it is \$15-25 per tonne. Part of our consideration obviously is competitive in nature, and also the funds that we are predicting to be generated would be substantial enough for a reinvestment in technology. So we're still looking at the actual dollar amount. That hasn't been set yet.

Ms. Morin: — Thank you very much. The Tech Fund that you've spoken about here, you said in your second reading speech that it will make investments in eligible activities. I'm wondering if you could just clarify as to who would be administering the fund and who would then be part of the decision-making process as to which of those activities, eligible activities would be funded?

Hon. Ms. Heppner: — The reinvestment from the Technology Fund goes back to the emitters who have paid into it. Some of the low-carbon technologies that we're aware of obviously are carbon capture. There's others and there will be more, we're predicting, going into the future as more research is done on this.

There will be a board that oversees the fund and the decision making. It will be a board of what will be considered qualified persons. So we are looking for expertise from universities, from sciences. University of Regina, as an example, has a really good base of knowledge when it comes to climate change issues and low-carbon technologies, that sort of thing. So we're looking for science expertise, industry representatives. They know best what they are capable of, so we would require their input. And also environmental NGOs would be included on that as well.

So we're looking at a broad base of people with different backgrounds who would have a valid opinion or skill set to help

us make decisions on where those monies should go and what are the best investments for the money that's in the fund.

Ms. Morin: — And which NGOs are you looking at currently to have as part of that team that's going to be overseeing the fund?

Hon. Ms. Heppner: — On the NGOs, the decision has not yet been made as to which individuals would be on that, but they would be environmental groups. As an example — and not as a set-in-stone invitation to be part of this — but as an example, the environmental groups in Saskatchewan with the Saskatchewan Environmental Society, that sort of organization, we would ask for representation from them.

Ms. Morin: — Would it be possible for the list of the invited NGOs to be forwarded to the opposition once that's been established? Would that be a possibility of having that forwarded through the Chair to the opposition as well?

Hon. Ms. Heppner: — When that information is available, we would be happy to share that. I'm sure once the announcements are ready to be made, it'll be quite a public announcement because I think we're going to have a good group of people. But we would be happy to supply that. I don't have a timeline on that for you, but when the information is available, we'll make it available through the Chair.

Ms. Morin: — I should clarify my question. I was looking at a list of all the stakeholders that are being invited to participate on the administration of the tech funds, not just the NGOs. So just so I clarify what I actually meant to say.

Also in the minister's second reading comments, I'll quote, "Industry will participate in the governance of this fund since they have the most knowledge on the best opportunities to reduce greenhouse gas emissions in their sectors."

So again, can you maybe just clarify, you know . . . again not by name because obviously we don't know those people, and obviously they should get their invitations from the minister directly before they're told about it through hearing it here this evening. But can you give an example of what type of sectors might be invited to participate on the administration of this fund?

Hon. Ms. Heppner: — The industry representative would come from what we have described in this legislation as the large emitters, so those industries that would be affected — oil and gas, the mining association — those sorts of industries.

Ms. Morin: — So we're looking at the large emitters that would be contributing to the fund to be part of the process in terms of deciding as well which projects should be funded from the fund. Is that correct?

Hon. Ms. Heppner: — Yes and because there would be the potential for a conflict of interest, we understand, because people making decisions . . . We don't want people making decisions on their particular project, so all the conflict of interest guidelines that are currently in place that govern other boards and agencies within government would apply to this board as well.

Ms. Morin: — Good, thank you for that. You also go on to say that “The board of directors of the fund will be appointed by cabinet to maintain accountability.” Would there be any other additions to the board of directors of the fund outside of the industry reps and the environmental NGOs and universities? Would there be anybody from cabinet for instance or any deputy ministers or ADMs or anybody to that effect that would be part of the makeup of the board?

Hon. Ms. Heppner: — There’s a provision for one seat on that committee, a government employee. It wouldn’t be a minister or an MLA [Member of the Legislative Assembly] or a politician. It would be somebody from the ministry.

Ms. Morin: — And is that specific to the Ministry of Environment for that one position, or is it from any ministry?

Hon. Ms. Heppner: — It could be from any ministry. It’s not specific to the Ministry of Environment.

Ms. Morin: — Thank you.

Hon. Ms. Heppner: — The decision would be made based on skill sets. If there was a gap in the people that we had on the board, we would find somebody within government who could fill that particular skill set.

Ms. Morin: — Thank you. Also, you go on to say that:

Non-regulated sectors such as government, transportation, agriculture, and residential and commercial buildings will also need to reduce emissions. This will be done through guidelines, financial incentives, research and development, education, and awareness initiatives.

I’m wondering if you could just expand on that and maybe perhaps provide an example of what we’re looking at here.

Hon. Ms. Heppner: — Well I think as an example of something that’s already in place when it comes to the transportation sector, there is a program through SGI [Saskatchewan Government Insurance]. It’s funded through our Go Green Fund that gives a credit to those folks who buy and license vehicles that are . . . what’s the word I’m looking for?

A Member: — Fuel efficient.

Hon. Ms. Heppner: — Fuel efficient. Thank you very much. That’s an example of what’s currently in place, so it would be programs such as that that we would continue for those sectors that aren’t listed as a regulated sector in here as a large bidder.

[21:30]

Ms. Morin: — Thank you. Now this legislation is also going to create two other institutions. And one is the Climate Change Foundation, which is going to, from my understanding and from what this second reading says, it’s going to “. . . receive any unused funds from the Tech Fund to promote research and development and the demonstration of cost-effective emissions reducing technologies.”

Again, can you maybe just give a little bit of a clarification to

those individuals that haven’t received the briefing that I have? And then, also can you tell me how the funds will be distributed from this fund as well?

Hon. Ms. Heppner: — The board structure will be similar to the Technology Fund board, with a variety of skill sets coming from different areas within the province — industry, NGOs, education, that sort of thing. The funds that are in there, we would go through an RFP [request for proposal] process to solicit ideas for projects. And then the board would examine those to see which would be the most beneficial to fund.

Ms. Morin: — Would it be possible, perhaps, that individuals from the tech fund board would also end up sitting on this Climate Change Foundation board? Could it be possible the same individuals sit on both? Or would those boards then . . . Would the board and the foundation have two separate groups of individuals?

Hon. Ms. Heppner: — There is the potential that there would be overlap, that some members would sit on both boards. I think that it would go to whatever skill sets are required on both. But there is the potential to have people sit on both of those boards.

Ms. Morin: — I also notice in the minister’s second reading remarks, that an office of climate change will be established. I’m wondering if you can explain to us the differences of the office of climate change versus what was being established previously, when the minister took over the Ministry of Environment, which was the Climate Change Secretariat?

Hon. Ms. Heppner: — I know that under the previous administration there had been a similar one proposed. It really wasn’t established, so I can’t say exactly what the differences are. You would know better what the plan was for that, but I can tell you what our office of climate change is. It’s actually a branch within the ministry. It manages the regulatory process. It provides leadership overall on the climate change file. It would also be the place that would interact with other ministries where warranted on climate change issues and establish the public policy frameworks that were required to make sure that our policy goes forward.

Ms. Morin: — Would this office of climate change have its own ADM or would it just be another branch of Environment?

Hon. Ms. Heppner: — The position title that would head this is the coordinator of climate change who would, in the org chart answers to the deputy minister.

Ms. Morin: — So it wouldn’t be at the same level as an ADM, but it would be someone who would be directly responsible to report back to the deputy minister herself, yes?

Hon. Ms. Heppner: — Yes.

Ms. Morin: — Thank you. Now I notice that this office of climate change — I just about used the other verbiage — is also going to draft additional practice and guidance documents in a code to assist industry with the technical and legal aspects of regulatory compliance.

I see that we’re having another code drafted here. We’re going

to have a number of codes around that obviously, we're all going to have to get used to and understand. So I'm wondering if you could just maybe elaborate on that code a wee bit as to what you envisioned there and what kind of a timeline are you looking at for that code.

Hon. Ms. Heppner: — The code in this case is the result of implementing the results-based regulatory system within this particular piece of legislation. So it's outcome-based, and it would demonstrate the outcomes that are required by sector, what the allowable emissions are, particulates, that sort of thing. It would govern the offset credit system, and the performance agreements that we're proposing.

Ms. Morin: — Thank you. And also it, this is . . . I can't remember when this has happened now. I think it was spring, last spring? Spring of 2009, when the minister talked about signing an equivalency agreement with the federal government. My memory is still fresh, thank goodness.

Okay, and at that time it was an agreement in principle to look at signing an agreement, if I'm correct in stating that. I'm just wondering if you could maybe elaborate on where those negotiations currently sit?

Hon. Ms. Heppner: — Yes, an agreement in principle was signed between myself and Minister Prentice to work towards an equivalency agreement. That equivalency agreement would allow the province to be the chief regulator on this file. We felt that was important particularly because of the Technology Fund. We didn't want monies to be shipped out of our province; we wanted that money to stay here for reinvestment here. So we thought an equivalency agreement was the appropriate avenue to take.

There have been preliminary discussions with the federal government on this. The equivalency agreements will rely on the federal government having regulations in place and our province having regulations in place, and then making sure those are, that they sync up so that we have equivalent outcomes. That's what it's based on.

The federal government does not have their regulations in place yet. I'm not sure what their timeline is on that currently. But in the meantime, having an equivalency agreement does not negate from us from being able to regulate in our own province. The federal government's climate change program is, I would say, stalled right now, which means they have no regulatory oversights on what our program would be.

So when our Bill is passed and implemented, we are the chief regulator. Once the federal program is in place and an equivalency agreement is signed, we will then be able to continue to be the chief regulator instead of the federal government regulating us. So our program will move forward and we'll continue those discussions with the federal government, but the regulations need to be in place so that we can make sure that we are achieving equivalent outcomes.

Ms. Morin: — So in the event the federal government decides to have a program in place where penalties do have to be paid directly to the federal government versus being able to have those monies go into a tech fund, what does the minister or the

ministry foresee happening here for the province of Saskatchewan, given that this is the set-up that's being established here? Do you foresee the federal government signing a one-off deal with Saskatchewan to proceed with or maintain the Tech Fund if there's already payments being made into it? Or what has the minister's discussions with Minister Prentice, what have you been able to decipher from those discussion so far, shall we say?

Hon. Ms. Heppner: — The discussions that I've had with Minister Prentice to date — and he's done a lot of meetings individually with provinces and then collectively, whether it's the Canadian Council of Ministers of the Environment or just holding separate meetings to discuss climate change issues — it is my belief that there is a willingness on behalf of Ottawa to let the provinces oversee their own programs.

What the concern is is equivalent outcomes so that we have something that's rather cohesive across the board. But the equivalency agreement that we have discussed includes the discussion around the Technology Fund, and it is my understanding that those monies can stay in Saskatchewan. I have had no indication otherwise, and so I am confident that will be the case.

Ms. Morin: — Well that will be, that will be very interesting to watch and see what happens on the federal front of this issue and see how that meshes with, not just our province, but obviously some other provinces as well going forward.

My last question, I guess, would be that the minister also mentions that there are two additions from this Bill from its first introduction in the spring, one of which we've already talked about, which is the incorporation of an environmental code which would then obviously mesh with what the other pieces of legislation that are being brought forward this session are as well, being the results-based approach.

The other one is setting up an allowance for performance agreements. Maybe if you could just enhance the knowledge of those watching about what that would entail, that would be helpful. Thank you.

Mr. Graybiel: — Hello. Kim Graybiel from the climate change unit in the ministry. The performance agreements would deal primarily with emissions by the non-regulated emitters who aren't covered by the 50 000-tonne threshold for the large emitters. And so they represent a very large share of the total emissions in the province, over 50 per cent, so it's very important that we have some mechanism to be able to work with them in a co-operative way to reduce emissions. For example, in the upstream oil and gas industry, flaring and venting emissions account for perhaps up to 14 per cent of our total emissions in the province.

So we've initiated discussions, you know, with CAPP [Canadian Association of Petroleum Producers], which is the industry association, about the potential to negotiate an agreement. It would be a binding five-year agreement where they would report on emissions from all the upstream activities that are designated, and they would also then have to make reductions that would be consistent with the agreement. It would be aligned quite closely with a directive called S-10,

which Energy and Resources is now developing with the industry to begin to make emission reductions from flaring and venting. So we would be able to build on the framework that they have developed.

One of the interesting features of performance agreements is that we would be in a position to issue offset credits for the reduction of emissions that's associated with whatever the activities are by the companies, and that would then generate some revenue for them to be able to finance some of the investments to reduce emissions. In the case of flaring and venting, they might have to put gas collection systems in place. There would be then opportunities to get offset credits for the reductions in emissions that would be associated with that.

So we can do those types of performance agreements in a number of areas that are non-regulated. For example, mass transit systems in cities, we could make agreements with the city to try to increase the use of public transit, and there would be some then reductions in emissions from private vehicles. We could also have performance agreements with municipalities for commercial and residential buildings to make some efficiency improvements for investments in conservation, again all with the interest of reducing emissions in the non-regulated activities that are below the 50,000-tonne threshold.

Ms. Morin: — So what this would then be is a means of an enticement or a stimulant for those industries, like you said, that aren't going to be regulated and would be paying into one of these funds to help with the issue of reducing their emissions and see some benefit back from that. And like you said, an offset then to the capital expenditures that they may have to make to do so, to do that.

Hon. Ms. Heppner: — They don't actually pay into the fund. Right. But there is incentive with the offset, the potential for offset payments. And the added benefit is, because people are more and more aware of environmental issues, there's also a social licence that goes with this and which is usually beneficial to people's companies if they can demonstrate that they are undertaking some good environmental initiatives. So we've heard positive feedback on that, particularly on the social licence.

Ms. Morin: — So I guess, sorry, just one more question. We're looking at . . . It's always an interesting way to . . . interesting that what sounds like a good idea in your mind just doesn't seem to want to come out when you want to express it. But outside of what we've discussed here now, the industries that won't be regulated but will have the potential for incentives. And through those offset credits, what can they do also in terms of potentially accessing funds if possible? I'm not sure; will they be able to access the funds from the Climate Change Foundation to make changes to their industries as well in terms of research and development and finding other cost-effective emission reducing technologies? Would they have access or not?

[21:45]

Hon. Ms. Heppner: — Yes, they will. They won't have access to the Technology Fund, but the foundation funding through the RFP process, those non-regulated emitters would have the

opportunity to apply for funds through the foundation.

Ms. Morin: — So that then means also that I guess anyone who wants to, has a plan to develop something that would be cost-effective in reducing emissions would be able to apply to that, the Climate Change Foundation as well, in terms of the RFP process. Am I correct?

Hon. Ms. Heppner: — Yes, the application process is open not just to non-regulated emitters, but there's funds for research and development. So it's open to more than just emitters. We're looking to fund projects that will either support the research and development of low-carbon technologies or the actual implementation of low-carbon technologies.

Ms. Morin: — Mr. Nilson has some questions he'd like to ask now.

Mr. Nilson: — Thank you. Just on that particular issue around the funds, will the ministry be putting money into the funds to get them started, or will they rely on the monies that come from the regulated emitters?

Hon. Ms. Heppner: — Currently, through the Ministry of Environment, some of the money is in the Ministry of Energy and Resources, but there's a total of seventeen and a half million dollars a year under our go green envelope. Like I said, there's some of that that is in the Ministry of Energy and Resources for green initiatives there. But the money that is in the Ministry of Environment will then be . . . That Go Green Fund that we currently have, that money will be rolled into this new program as start-up money, and part of that will help to fund the initial administration and start up of these as well.

Mr. Nilson: — And that goes into the first fund or spread through a few different funds? Or I guess, you know, it sounded as if some of these other funds are created after the first fund gets going. But like maybe you could just explain how this all rolls out.

Hon. Ms. Heppner: — Thank you for that question. Yes, the big fund is the fund which is the technology fund for large emitters. Like I said, interest from that fund would go into the foundation. That foundation would also be the place where the Go Green funding — as we currently call it — would be housed, in the foundation.

Mr. Nilson: — You talked about the large emitters, the ones that will be regulated, contributing about 50 per cent of the things that we're going to deal with here — the greenhouse gases. And can you tell me how many sources there are in that 50 per cent, like how many businesses there are? Is it like 10 or is it 150 or 1,000 or how many are we talking about?

Hon. Ms. Heppner: — Currently there's about 25 to 30. And that number would include SaskPower, which we know is one of the issues we have to address. But there's about 25 or 30 currently.

Mr. Nilson: — Okay. That's helpful because sometimes you can end up talking and you're not quite certain whether it's 1 or 2 or 100. So that's helpful. And, as you know, my next question is about SaskPower. What percentage are they of that 50 per

cent?

Hon. Ms. Heppner: — SaskPower constitutes about 60 per cent of that 50 per cent.

Mr. Nilson: — Thank you. I was thinking I might know the answer, but I was hoping it wasn't that high. But anyway, so then the question really comes around some of the policy issues, which obviously you have to work through, about how SaskPower and some of these other utilities that we all own contribute to this fund.

And so it raises about a three- or four-level issue of taxation, if you can put it that way. So we'll be watching carefully as you do this, but I think it's still an important kind of thing to work on. But that identifies clearly that it's a large part of what goes on.

Now my next set of questions here relate to the responsibilities and powers of the minister as it relates to setting up — not so much the monitoring of all this because I think you do have lots of ways of getting the information about the emissions, and then you also have the ability to get information through the appropriate professional people, I think is how this is designed — but one of the questions then comes about who sets the final amounts which then generate sort of the tax, the amount of money that goes into the fund? And when you read the legislation and some of the changes that are being proposed here, that's a core of, I guess, some of the legal drafting because it does relate to a fairly important part of the financial life of a number of the major businesses in Saskatchewan.

And so I guess my question is, how will this be accomplished? How are you going to get to the point where you end up having the certification done, or I guess maybe it's the identification of what the amount is that a certain company would have to pay? Perhaps you can just explain that process.

Mr. Graybiel: — Well under the provisions in the legislation, each of the large emitters who have over 50 000 tonnes of emissions would have to file their baseline emission report which is based on their 2006 emissions.

In some cases, if they had an unusual year for their emissions in 2006, we would allow them to use a three-year average, so that would reflect a more normal emission level. And then they will have to determine the emissions in their first year of reporting, which will be 2010. They will have to report on those emissions by April 1st, 2011 and then begin to start paying into the tech fund in 2011.

They would have to have a third party verify their baseline emission level. This would be a qualified person who would be trained to monitor the emissions and report on them, using the accepted protocols for doing that. And then as well, they would have to have a third party verify the first-year emissions, which would be 2010. And then they would start to pay into the fund, and each year they would then have to report their emissions to the registry that's going to be set up to report on those emissions. They would not be required to have third party verification in subsequent years after the first year of reporting. However the ministry will reserve the right to audit those emission reports to ensure they're accurate and consistent with

their actual emissions.

We also have a provision to revise the baseline emission level if the minister is of the opinion that there has been a change in the baseline emissions from what's reported for 2006 due to an expansion of the plant or perhaps a reduction in the production levels that would reduce emissions. We would then reduce the baseline so that then the target could be adjusted to reflect the requirement then to reduce emissions by 2 per cent every year to between 2010 and 2020 to reach that 20 per cent reduction target.

Mr. Nilson: — Okay thank you for that explanation. So then my next question relates to once again this section 7(2)(i) which talks about establishing, maintaining and approving the use of registries of offset credits. Is that something that's already been done, or is this something that's anticipated in the future? And will these registries be located in Saskatchewan?

Hon. Ms. Heppner: — We have had some initial conversations with Alberta. They have an offset program in place. Some of the anecdotal information we've received is that it's not a perfect system, but it is established. And a lot of the companies that operate in Alberta also operate in Saskatchewan, so we were looking, on that particular piece on the offset side, to see if there was some potential for streamlining that.

The registry would be in Saskatchewan, obviously because we're interested in the Saskatchewan operations, but to see if there was some similarities or some kind of harmonization that we could find with Alberta on the offset program. That has not been finalized, but it is one of the avenues that we're looking at.

The federal government last fall, I think it was, released their own offset protocol which is a good reference guide for us as well. But the final decisions on that haven't yet been made.

Mr. Nilson: — Okay when I first read this, I wondered whether it would include certification in a way that you would tie in or create agreements with Chicago or London or Montreal or some other place like that. And when I was trying to, you know in my own mind, trying to understand what was happening here, I mean it's a bit like 150 years ago when every city had their own bank and they made their own money, and the money was good as long as you used it in that city, but if you went to the next city you couldn't use it. So I don't know if there's any aspect of this that is like that now, or what's happening. But I mean we have the Bank of Montreal. They kind of survived, but some of the other ones didn't.

So I guess my question does relate to this whole area: is this a place where other registries can be somehow given the Saskatchewan government okay, which then allows them to use those offsets in other places? Or is that even contemplated?

Hon. Ms. Heppner: — The proposal that we have is really just a Saskatchewan-based offset program. It wouldn't be linked with, like the Chicago exchange; it would just be internally in the province. And then, if there is some streamlining potential with Alberta, they would be involved in that too for some cross-jurisdictional things. But it would be mainly just Saskatchewan.

Mr. Nilson: — Okay. Thanks for that answer. I guess one of the questions that would probably be out there in some parts of the province, is there are quite a number of people who are actually receiving payments now through the Chicago exchange or other places and where . . . Would it be possible for people to sort of sell it in Chicago and sell it in Saskatchewan at the same time? And how would you monitor that? I mean I guess when you put the word registries in this legislation I started thinking, well maybe that's why it's there, is because there are so many registries around the world. And how do they all fit together with this legislation?

Mr. Graybiel: — You know, one of our real interests in this offsets area is to ensure that the credits are indeed credible and they're fungible credits. There has to be a level of assurance that they are indeed sequestering carbon if they're, for example, claiming a credit for sequestration in agricultural soil sinks or through afforestation or landfill gas capture. There are a number of activities that could be eligible for offset credits. We will of course establish guidance documents to allow the protocols to be developed by the offset developers that meet the accepted standards for activity that would either avoid carbon emissions or sequester carbon through those various activities.

The level of assurance becomes the critical factor, and we believe that we need to maintain that verification capacity, you know, by having the registry here or jointly managed with Alberta. The verification processes then can be very carefully monitored, so we make sure that indeed the tonnes that are being claimed are actually being generated through legitimate activities.

[22:00]

Mr. Nilson: — Will this whole task of the registries and certification of the offsets, if you can put it that way, will that all be done within a government department, or will it be done in a separate legal entity so that if there are liability issues 10 years from now, they'll go to the right place?

Mr. Graybiel: — The intent is to have an administration unit within the office of climate change that would be responsible for developing the guidance documents and working with the project developers to put the protocols in place. And so the administration unit within the office of climate change would be in a position to verify that these offsets are legitimate, that they are fungible.

And ideally you know, if we are going to eventually look at expanding the market to, perhaps, Alberta, we want to make sure that that type of liquidity can be backed up by real, demonstrated sequestration or avoidance of emissions through the various credits that are going to be issued. There could be a range of activities eligible for offset credits. I think in Alberta now they have about 39 offset protocols that are either developed or in the process of being developed, and we will be able to benefit from that experience. Alberta of course has had their system in place for several years now, and we are working quite closely with them actually to share information, so we don't have to reinvent the wheel here.

But it's very important that we recognize the differences in Saskatchewan. In our agriculture, for example, we have

different soil zones. We have different practices in zero tillage. We've actually been a pioneer in introducing zero till. About 70 per cent or more of our producers are currently doing that. So we want to make sure that we get adequate recognition for that type of activity. As well we are going to be looking at the differences here that have to be reflected in the protocols, so we won't just duplicate what they've done in Alberta. We'll, in some cases, improve on them. And Alberta, as I mentioned, has been very co-operative in supporting our work in this area.

Mr. Nilson: — Thank you. And I agree with all that and I know, well I guess from many years of work with some of the initial people that came to try to figure out how to get the offset credits that seem to be going to the Guatemalan jungle . . . you know places like that. You know, there were those kinds of issues 20 years ago, and I've come to see if lawyers could solve it and you could, sort of, but where the real solution was, was in government certification.

And so the real question then comes is, what kind of risk will the government be assuming in this area? And is that something that's covered in this type of legislation, or would it go somewhere else? And I know, for example, yesterday we were looking at that legislation that had a fund to deal with contaminated sites. I'm not sure if there's anything here in this legislation that deals with that — the assumption of risk and the agreements that you would enter into with people in business.

Mr. Graybiel: — We are very cognizant of the challenges of ensuring that the offset protocols are indeed properly verified, that they're credited properly. So our job will be to monitor that very closely by building those kind of risks and assumption of risk into the protocols.

For example in Alberta, what they've done with the soil sequestration, they've built what they call a reversion factor into the . . . or a reversal factor into the credit which discounts the value of the credit because of the possibility that, for example, farmers may not zero till one year. They may just use normal cultivation. So they've built that in to recognize the risk that there may not be an ongoing, you know, sequestration activity in there. And that would apply in other offsets as well if the normal practice that's been pursued isn't being practiced in one year.

And so we will use verification methods, the best available data, to be able to monitor. For example, Crop Insurance has a very good source of data on farming practices. We can go back a number of years to determine what type of practices individuals were using, and that would then help us verify, you know, whether that activity actually occurred or not.

Mr. Nilson: — Thank you. And I don't think I'm a member anymore, but I was a member for a couple of decades of the Saskatchewan Soil Conservation Association, and there were many, many discussions about this.

I don't have any more questions, but I do have a comment about this whole area. I would suggest, as you move forward, that you may want to actually get a fairly clear and direct line set up so that you can go and meet with the Provincial Auditor and the Provincial Auditor's staff because this is the kind of thing that auditors will eventually want to look at because they're always

looking and assessing risk. And if you actually explain to them what you're doing as you go along, it would probably save all of us a lot of trouble here at the legislature, but save more trouble for the people of the province.

So anyway thank you for your answers to these questions. And I have the sense that we'll be continuing to ask questions as we move forward because legislation like this will probably get amended every year as you discover new things. So thank you.

Hon. Ms. Heppner: — I'd like to thank Mr. Nilson for the suggestion of checking with the auditor, and we will definitely do that. I think it's a very valid suggestion, so thank you.

The Chair: — Ms. Morin.

Ms. Morin: — I just have one last question as well. I'm just curious to have on record why the minister has made, in her second reading comments . . . the fact that the desire by the provincial government is to reduce emissions by 20 per cent by 2020 from the 2006 levels, and yet that the baseline in the emission target reduction is not enshrined in the legislation. I'm wondering if the minister could just elaborate as to why that would be the case.

Hon. Ms. Heppner: — I guess the easiest answer is any piece of legislation that government has is kind of in two parts — one is legislation, and the other part is regulations. Legislation tends to be kind of the framework for it, and the guts of it are in regulation. Regulations are still the law. People still have to comply with regulations, and so we chose to put the targets in regulations.

Ms. Morin: — Okay. Well maybe we'll just agree to disagree on that particular point. And I will finish my line of questioning with that, and Mr. Nilson has completed as well, so thank you very much for answering those questions this evening as well.

The Chair: — Great. Well since there's no more questions, I guess we'll proceed to voting the clauses. Clause 1, short title, *The Management and Reduction of Greenhouse Gases Act*, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried.

[Clause 1 agreed to.]

[Clauses 2 to 4 inclusive agreed to.]

Clause 5

The Chair: — Clause 5, I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. I propose an amendment to clause 5: "To add 'in the regulations' after 'shall establish'" in the wording.

The Chair: — Any questions on the amendment? Seeing none, do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — And that's carried. Is clause 5 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 5 as amended agreed to.]

[Clause 6 agreed to.]

Clause 7

The Chair: — Clause 7, I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. I propose an amendment to clause 7 of the printed Bill:

(a) by striking out clause (2)(k) and substituting the following:

"(k) subject to the regulations, determine when an investment will be determined to be a pre-certified investment and, for that purpose, may:

(i) establish guidelines, policies and standards respecting the criteria for approving the granting of tonnes of CO₂e with respect to investments, who may apply for the grant of those tonnes of CO₂e and the manner of applying; and

(ii) approve the granting of tonnes of CO₂e in recognition of investments mentioned in subclause (i) and impose any terms and conditions that the minister considers appropriate on those approvals"; and

(b) by adding the following subsections after subsection (8):

"(9) If the minister is satisfied that it is in the public interest to do so, the minister may:

(a) impose terms and conditions that must be met before the minister will accept any documents or written materials prepared by a qualified person; or

(b) refuse to accept any documents or written materials prepared by a qualified person.

"(10) Before the minister takes any action pursuant to subsection (9), the minister shall give the qualified person:

(a) written notice of the minister's intended action and the reasons for that intended action; and

(b) an opportunity to make written representations to the minister, within 30 days after the written notice mentioned in clause (a) is served, as to why the intended action should not be taken.

"(11) The minister is not required to give an oral hearing

to any person to whom a notice has been given pursuant to subsection (10).

“(12) After considering the representations mentioned in subsection (10), the Minister shall:

(a) issue a written decision; and

(b) serve a copy of the written decision mentioned in clause (a) on the qualified person who made the representations.”

The Chair: — Questions on the amendment? Seeing none, do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 7 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 7 as amended agreed to.]

[Clauses 8 to 16 inclusive agreed to.]

Clause 17

The Chair: — I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. Propose to:

Amend Clause 17 of the printed Bill by adding the following subsections after subsection (9):

“(10) In the prescribed circumstances, the minister may:

(a) direct, in writing, that a regulated emitter provide the minister with information or documentation that the minister may specify in the written direction respecting the emissions from the facility or facilities specified in the written direction for the year or years specified in the written direction; and

(b) establish a new baseline emission level for a regulated facility or amend or revise the baseline emission level for a regulated facility.

“(11) If the minister establishes a new baseline emission level or amends or revises a baseline emission level pursuant to clause (10)(b), the minister shall advise the regulated emitter, in writing, of:

(a) the new baseline emission level or the amendment or revision; and

(b) the reasons for the new baseline emission level or the amendment or revision.

“(12) Before the minister takes any action pursuant to subsection (10), the minister shall give to the regulated emitter mentioned in that subsection:

(a) written notice of the minister’s intended action and the reasons for that intended action; and

(b) an opportunity to make written representations to the minister, within 30 days after the written notice mentioned in clause (a) is served, as to why the intended action should not be taken.

“(13) After considering the representations mentioned in subsection (12), the minister shall:

(a) issue a written decision; and

(b) serve a copy of the written decision mentioned in clause (a) on the regulated emitter who made the representations.

“(14) The minister is not required to give an oral hearing to any person to whom a notice has been given pursuant to subsection (8) or (12)”

[22:15]

The Chair: — Thank you. Are there any questions on the amendment? Seeing none, do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is clause 17 as amended agreed?

Some Hon. Members: — Agreed.

[Clause 17 as amended agreed to.]

[Clauses 18 to 23 inclusive agreed to.]

The Chair: — And we have a new clause that’ll be talked about at the end, on 23 as well.

[Clause 24 agreed to.]

Clause 25

The Chair: — Clause 25. I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. I move to:

Strike out subclause (c)(i) of Clause 25 of the printed Bill and substitute the following:

“(i) carbon capture and sequestration”.

The Chair: — Are there any questions on the amendment? Seeing none, do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried . . . [inaudible interjection] . . . Clause 23 will come back on the end; a new clause. Is clause 25 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 25 as amended agreed to.]

[Clauses 26 to 45 inclusive agreed to.]

Clause 46

The Chair: — Clause 46. I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. Move to:

Strike out subclause (a)(i) of Clause 46 of the printed Bill and substitute the following:

“(i) carbon capture and sequestration”.

The Chair: — All right. Questions on the amendment? Seeing none, do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 46 as amended agreed to.]

[Clauses 47 to 64 inclusive agreed to.]

Clause 65

The Chair: — I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. I move to:

Strike out Clause 65 of the printed Bill and substitute the following:

“Minister may direct production of information

65(1) Prescribed persons, or members of prescribed classes of persons, who are engaged in any prescribed commercial or other activity in Saskatchewan that results in greenhouse gas emissions and who are not regulated emitters shall:

(a) calculate the greenhouse gas emissions of that activity in the manner directed by the minister;

(b) conduct tests to determine greenhouse gas emissions as directed by the minister; and

(c) file reports with the minister containing information specified by the minister.

(2) With respect to any report filed pursuant to subsection (1), the minister may require that the report or any information mentioned in clauses (a) and (b) be verified by a qualified person”.

The Chair: — Are there any questions on the amendment? Seeing none, do the committee members agree with the

amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 65 as amended agreed to.]

[Clauses 66 to 82 inclusive agreed to.]

Clause 83

The Chair: — I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. Move to:

Amend Clause 83 of the printed Bill:

(a) by adding the following clause after clause (1)(g):

“(h) for the purposes of section 5, establishing a greenhouse gas emission reduction target for Saskatchewan”; and

(b) by striking out clause (o) and substituting the following:

“(o) for the purposes of subsection 17(10), prescribing circumstances in which the minister may direct regulated emitters to provide information and documentation, establish new baseline emission levels or amend or revise baseline emission levels for a regulated facility;

“(p) for the purposes of section 18, prescribing the amount of the reduction of CO₂e from the baseline emission level for a regulated emitter and prescribing years, including:

(i) prescribing different classes of regulated emitters;

(ii) prescribing different amounts of reduction of CO₂e for different classes of regulated emitters; and

(iii) authorizing the minister to establish the amount of the reduction of CO₂e from the baseline emission level for a regulated emitter, to revise or amend the amount of reduction of CO₂e that was prescribed and to establish years”.

The Chair: — Any questions on the amendment? Seeing none, do the committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 83 as amended agreed to.]

[Clauses 84 and 85 agreed to.]

Clause 23

The Chair: — New clause 23. I recognize Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. Thank you, Clerk. Mr. Chair, I move to:

Add the following after Clause 22 of the printed Bill:

“Duties imposed on qualified person re certificates, documents and opinions

23 If a qualified person is required to provide a certificate or document required by this Act, the regulations or the code and the certificate or document certifies or provides an opinion on any matter set out in the certificate or document, the qualified person shall, with respect to those actions:

- (a) take all reasonable and prudent actions to ensure that the certificate or opinion does not contain any misrepresentation;
- (b) disclose all material facts; and
- (c) comply with all professional standards applicable to the qualified person”.

The Chair: — Are there any questions on the amendment? Seeing none, do the committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 23 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 23 as amended agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 126, *The Management and Reduction of Greenhouse Gases Act*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that now we report Bill 126, *The Management and Reduction of Greenhouse Gases Act* with amendment.

Ms. Wilson: — I so move.

The Chair: — Ms. Wilson, thank you, moves this. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Ms. Minister and your officials, again for your time this evening. And I believe we might have some final comments from Ms. Morin as well, and Ms. Minister as well. Ms. Morin.

Ms. Morin: — Thank you, Madam Minister and officials,

Deputy Minister Liz Quarshie and other officials that have accompanied her here this evening. It’s been a very exciting last couple of evenings that we’ve spent together, and I very much appreciate all the assistance that you’ve provided to the opposition in answering our questions and informing the public further to these Bills that you’ve brought forward. So thank you very much.

The Chair: — Ms. Heppner.

Hon. Ms. Heppner: — Thank you, Mr. Chair. I would like to thank the committee members. They’ve been two long evenings — I think I’m back before you tomorrow — but I do welcome the discussion we had. I think it was a very good discussion, and I want to thank committee members for that. I would also like to take a moment to thank the officials from Justice who joined us as well as the officials from my ministry.

The Bills that we have gone through the last couple of days are the end result of years of work. And the heavy lifting was done by the people in my ministry, and I would like to publicly thank them for their dedication and all of their hard work. Thank you.

The Chair: — Thank you, Ms. Minister. Can I ask for a motion, please, to adjourn today’s committee meeting. Mr. Bradshaw. Agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you everyone that came out tonight and to those who tuned in so late in the evening.

[The committee adjourned at 22:23.]