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Chair

Mr. Leon Benoit

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• (1530)

[English]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good afternoon, everyone. We are here today to continue with our study on the contribution of integrated approaches to providing energy services in Canadian communities.

We have four groups represented here today, with several members to each group. What I'll do is introduce the person who I believe will be making the presentation from each group and have you introduce the rest of the people you have with you. Before that, I would just like to say that we will end this part of the meeting at five o'clock. We have bells at 5:15 p.m., so we'll have about a quarter of an hour to deal with the two motions that I understand will come before the committee today.

Let's start, then, with the main agenda. From the City of Guelph we have Karen Farbridge, mayor. From the City of Vancouver, we have Sean Pander, program manager for climate protection. From Drake Landing Solar Community, we have Brendan Dolan, representative, and vice-president of ATCO Gas. From Dockside Green, we have Jamie James, representative, and partner in Windmill Development Group Limited.

As I said, as you start to make your presentations, could you introduce the others with you? I would really appreciate it. There are four groups, so I'd ask you be sure to keep your comments under 10 minutes, and if you can, to five. That would be helpful. If you can't adjust your presentations to less than 10 minutes, that will be fine, but please don't go beyond that.

We will go in the order that you are on the agenda, starting with Karen Farbridge, mayor of Guelph. Go ahead, please, for up to 10 minutes.

Dr. Karen Farbridge (Mayor, City of Guelph): Thank you very much.

It's our pleasure to be here. I'm joined by Jasmine Urisk, vice-chair of Guelph Hydro Inc., and Janet Laird, our director of environmental services at the City of Guelph.

Just to give you a quick orientation with our second slide, we're a mid-sized city just 100 kilometres west of Toronto. We have 121,000 residents and we are planning to grow to 175,000 in 25 years. We've been identified as an urban growth centre in the Greater Golden Horseshoe regional growth plan.

Sustainability is one of our key principles, so we're happy to be here to talk about our community energy plans that we're working

on. This started in 2004, when a consortium of private, non-profit, and public sector organizations came together to develop a community energy plan. In particular, I want to note the involvement of our utilities, Guelph Hydro and Union Gas, because that has been key to us in moving forward. Together with our consulting team, Garforth International, we developed a community energy plan that was adopted unanimously in 2007 by city council.

On the next page, just very briefly, the five goals of the plan are shown. One is to be recognized as a location of choice for investment. Second is to have a variety of reliable, competitive energy, water, and transportation services for all. Third, we set a high standard, in that we want our energy use per capita and resulting greenhouse gas emissions to be less than the current global average. Fourth, we also want to ensure that our energy and water use per capita will be less than comparable cities in Canada. The last one, which I think ties into my final slide, is that all publicly funded investments will visibly contribute to meeting the four goals of our community energy planning.

The next slide graphically shows the paradigm shift that was key in the city of Guelph and that we needed to make to get to our community energy plan. We have an energy supply system where we lose up to 90% of the energy before we even get to using it in our homes and buildings. The community energy plan is about flipping that around, getting access to that lost energy, and increasing the efficiency of the energy system.

To do that, we have a series of five priorities in our order. First is energy efficiency: if you don't need it, don't use it. Next is heat recovery. If it's already there being produced and just put out into the atmosphere, why not use it for good uses? Third is cogeneration. Why waste fuel at the power plant? Generate heat and electricity at the same time and use both of them. Fourth is renewable energy. If it makes sense, go carbon-free. Finally, we're working and teaming with our utilities to invest where it makes sense to optimize the grid and energy efficiency and use.

The next page lists our strategies. I won't go through them in detail. At the back of your package, there's even more detail on how we're achieving them. The first three speak to efficiency. Then we talk to heat recovery and district energy systems. For us, biomass and solar are the most positive in terms of renewables. Then we talk about how we organize ourselves around a multi-utility and establish some scale projects that we can link across the community. This list of strategies will look different depending on what community you are and what you have in place; it would be a mixture of these strategies and different implementation plans to achieve them.

The next two slides are here to demonstrate the cumulative contribution of these strategies to achieving our goals as a community. I put them here to show you that we looked at efficiency and renewables, but they didn't add up to get us to where we needed to go. That's where the integrated component comes in. That's where we start looking at local generation and local district energy systems in order to achieve the targets that we set for ourselves. Here, you can see the contribution both to reducing our energy consumption as a community and to reducing greenhouse gas emissions as well.

It would be wrong to think that you could pull out one of these strategies and achieve the goals. They're integrated, so each one depends on the other one in terms of being successful.

• (1535)

To quickly summarize this plan we're working on, after 25 years we'll use 50% less energy despite seeing a growth of 54,000 people, so there's a decoupling of energy consumption from population growth. Also, there will be 60% less greenhouse gas emissions, along with an affordable energy supply to attract new investment and reduce the city's costs.

Very briefly, in some key projects that we have, the scale projects that we're working on, there are two components that are similar in each of these projects. One is that they include an integrated energy master plan and energy zoning. The other one is that they have cogeneration and district energy as part of it, therefore speaking to the multi-utility aspect of our plan.

One is with the University of Guelph. Guelph Hydro has a partnership with the university to bring in a gas-fired turbine to provide heat to the district energy system and generate electricity at the same time. You can see that there are savings for the universities and savings in emissions. There are some other benefits here, in particular for Guelph Hydro and Hydro One, in reducing load capacity in the area.

We're also working on feasibility plans with the hospital district. That will be the anchor of a district energy system that will then move out into our downtown and will be part of our downtown redevelopment and intensification in the urban core.

Then there is the Guelph Innovation District, a 1,000-acre brownfield, which will we also work on towards an integrated energy master plan, a district energy system cogeneration. Those lands will be to leverage employment in the community.

The next slide gives you a visual illustration of what you can achieve. In the middle of the graph, you can see the cogeneration facility. That is in place. That's owned by Guelph Hydro. We are currently putting the landfill gas through this facility and generating electricity.

As for what we're working on now, we have another opportunity for an industrial anaerobic digester to add more methane gas into this facility, so we'd be increasing the productivity of this facility. At the moment we're just wasting the heat, so we're also looking at how we can capture that heat. We're in discussions with a local developer about piping that heat to a new subdivision development and using that to heat the homes. This is just a small illustration of how you can

sort of plug these things together and get great benefit out of what has traditionally just been waste.

In regard to building momentum, since 2007 and approving the community energy plan, we've seen incredible momentum. We're working on 60 individual projects in the community.

Guelph Hydro has taken the lead on the feasibility studies for the scale projects. I mentioned the partnership with the University of Guelph. We've also partnered with the Ontario Centres of Excellence to take not only the plan itself but the implementation and develop a template that can be scaled to other communities and replicated in other communities. This spring, we're organizing a think tank to move our implementation forward further.

What are some of the barriers that we find?

One is that we need new processes for integrated thinking. We haven't been thinking this way. Our processes tend to be linear. We need those templates to assist other communities in terms of how to scale this.

Also, at the provincial level, some of the delays in clear rules are holding us back. The university project is being held back until we find what the clean energy standard offer price is. We need to get some clear rules in place.

At the federal level, we find that we have to de-bundle integrated projects because the funding is done in a siloed way. That's a barrier for us.

From the public and private sectors, we need new models of partnering to create and replicate this multi-utility model in our community.

For the federal roles, we see that one role is to understand that this is actually happening. There's a lot of momentum at the local level. It's real. Another is to promote a national vision of sustainable, reliable, integrated urban systems across the country.

Another one is to help contribute to that momentum through the funding that is provided, and through the policies, the program funding, the technology, and the research and development being directed towards integrated urban energy systems. Sustainable practices at the community level would certainly assist us in moving forward and maintaining that momentum at the community level.

Thank you very much.

• (1540)

The Chair: Thank you very much, Mayor Farbridge.

We will now go to Sean Pander, program manager, climate protection, from the City of Vancouver.

I understand you had very short notice for this. I really appreciate your making the trip on such short notice. Go ahead, please, with your presentation, for up to 10 minutes.

When we have heard all four presentations, we will go to questions.

Mr. Sean Pander (Program Manager, Climate Protection, City of Vancouver): Thank you very much.

I'd like to introduce Penny Ballem, our city manager. She'll do some introductory remarks before I move into the body of the presentation.

[*Translation*]

Dr. Penny Ballem (City Manager, City of Vancouver): Thank you very much. We are delighted that the Chair and the committee invited us here.

[*English*]

Thank you so much. In the absence of our mayor, I bring greetings from Vancouver and I thank you very much for the invitation to present today.

Vancouver has a very strong commitment to being a sustainable city, and what we'd like to do today is present you with a very concrete example of a major development that many of you have probably read about, the Olympic Village on Southeast False Creek, which, in spite of some of the challenges we face with it, is a very interesting and innovative example of taking integrated planning and sustainability and actually putting it into a whole community that will be a model community in this particular area for the city of Vancouver.

I'm going to ask Mr. Pander, who is our program manager, to walk you through the work we've done on this community and how it represents an example of many of the things that my colleague the mayor spoke about.

Mr. Sean Pander: I'm going to move fairly quickly. We're going to focus mostly on the Southeast False Creek development, which is the home of the Olympic Village, to illustrate how we're doing integrated energy planning and deploying those systems. I'll talk a little bit about what we see as the benefits, and then I will give you just a taste of how it's not just a single project but is actually changing the way we do business throughout the entire city and how we look at planning and development in the city.

I'll start with Southeast False Creek. It is a compact mixed-use brownfield development that incorporates green buildings, a renewable district heating system, and sustainable and electric transportation planning and systems. I can't stress enough how important compact mixed use of land is. It enables public and active transportation, it facilitates the green buildings, and it really is a key piece in making the economics of district heating and renewable district energy systems work. It's a foundational piece that's quite important.

The Southeast False Creek Neighbourhood Energy Utility, which is the utility for our district heating system, is under construction. We're actually providing heat to the village as construction is completed. The energy centre itself will be done in a few months. It's almost up and running. I'll explain what it is.

Really, it's a heating utility in which heat is distributed through the entire neighbourhood, which at build-out will be home to 16,000 residents. We distribute that heat energy using hot water pipes buried in the ground, and that really is the key part here. I'll come back to that a bit later. That heat is transferred from the heat infrastructure for the neighbourhood to the buildings through heat exchangers, and then the heat is used for hot water or space heating in all the buildings.

Most of the heat is produced at a neighbourhood energy centre, and I want to talk a little bit more about that with an upcoming slide. Before I go on to green buildings, I'll just talk a little bit more about the district heat sources for that.

Again, as I said, the key element of a district system is actually the energy distribution infrastructure. There are many options for producing heat in a sustainable fashion, and there's no one answer that fits all. I really want to stress the idea of not getting fixated on a single technology, because there are many different opportunities, many different technologies that will work in different contexts.

In Southeast False Creek, we looked at quite a variety. We looked at ground-source heat, biomass heat, and sewer heat pumps. In the end we selected or opted to go with a sewer heat-pump system. In essence, we were rebuilding a sewer pump station adjacent to that neighbourhood anyway. We looked at that, and we said that if we extracted the heat from the sewer system using heat-pump technology, we could provide 70% of the heating requirements of that entire neighbourhood with that waste heat source. So that was the technology we selected. That's just to meet the base load, which is most of the load. When it gets really cold and we need a little bit of extra heat, we'll be using natural gas boilers for that peak and backup heat.

The other thing about this backbone of hot water is that it facilitates in-building solutions as well, so three of the buildings in Southeast False Creek will have solar hot water on the roof. When those solar hot water panels are producing more heat than is required in the building, then they can export it to this infrastructure, and the network of hot water piping can distribute it throughout the neighbourhood.

Coming back to the previous slide on green buildings, as the mayor of Guelph previously said, the first approach really is efficiency. In Southeast False Creek, that's where we started. All the buildings in that five million square foot development will be LEED gold or better, so they'll all be developed to LEED gold or better. The community centre will be LEED platinum there. Finally, we are developing a demonstration net zero energy building, and it will be a multi-family senior housing complex when it's completed.

Really, the purpose there is to help us move towards having all new construction carbon-neutral by 2030. Council has given staff a target to have all new development be carbon-neutral by 2030. To meet that objective we have to push the efficiency in building and renewable sources. Again, district energy is an enabling infrastructure piece for renewable energy.

•(1545)

The last piece of the Southeast False Creek example illustrates how we've done sustainable transportation. I've already said how the compact mixed use is so important to enable public transportation and walking and cycling. It's right close to the downtown core, which is the biggest employment centre in the province. The business as usual case of heating those buildings would have been electric baseboard heat. By implementing a district heating system, we've left the transmission capacity into the urban core and the generation capacity of that electricity available for other sources.

One of the applications that we see as very important to our low-carbon future is electrification of transportation, so the buildings in Southeast False Creek will all provide dedicated charge points for electric vehicles. There will also be electrification of public transportation. The new Canada Line, which will soon be open from the airport coming into the urban core, runs on electricity. The city thought it was important enough to fund the development of the station for those neighbourhoods to support the choices, but in addition, we view this as a great opportunity to reintroduce streetcars into Vancouver. During the Olympics, we'll be running a demonstration with the hope that we'll be able to extend that and maintain that demonstration past the Olympics and extend the line into the urban core.

So what do we see as the benefits of integrated energy systems? Really, we see that the buildings, the roads, and the energy infrastructure that we build today are going to be around for 50 to 100 years. These are long-term investments, and we think it only makes sense, if we're going to use public assets, to invest in the challenges of tomorrow and to look at the low-cost life cycle costs of development. Also, when we build things, we build them to address multiple challenges instead of just having one piece of infrastructure addressing one challenge.

So we see these things as important parts of meeting our greenhouse gas reduction targets. We think they're really important for the resiliency of our communities in terms of lowering their dependence on fossil fuels for transportation and heating and energy. We think that's really important. Having this hot water infrastructure and using heat pumps today means the system will be ready to easily accept whatever the technology becomes 15 years from now. We don't know what the technology of tomorrow will be, but the hot water allows for that. It's economically sustainable. This isn't a wild idea that we just pour money into because it looks good. It is funded through the utility charges to the customers, which will be cost-competitive with what they'd pay for electricity. Finally, I think it's really important in that it fosters economic development and an innovation economy.

There is one last piece I want to introduce. This is a specific example, but the ideas I'm talking about here we are applying on a city-wide basis. We have a green building strategy in which we're using our land use and our building code controls. Vancouver controls its own building code, which is very rare in Canada. We're using those controls to systematically improve the efficiency of our buildings, and we're looking towards starting to use that control to introduce requirements for renewable energy as we move forward. We're doing that on a city-wide basis, and we have the best energy requirements of any code in North America for our detached

housing. Our prescriptive path is greater than EnerGuide 80 for all new single-family homes.

The other piece I want to talk about is district energy. Southeast False Creek is nice, but a lot of people say that's just one great big development that's happening very quickly. We started mapping the opportunities for district energy. That involves really looking at existing heat demand, the density of heat demand, as well as future demand of big new redevelopments that will be dense—and there'll be a lot of new demand.

We started looking at waste heat sources. We looked at our sewer heat pumps where we have existing district systems. On the final slide you'll start to see—and I just include it for illustration—that our whole downtown core right now is provided energy through a legacy steam system. Currently it has natural gas boilers, but because that heat production is centralized, it really creates an opportunity for us to work with them and introduce a more renewable heat source there. UBC also has natural gas fired boilers, and they're looking at changing their heat source. We have Southeast False Creek, which is nearing completion. It's right near the Broadway Corridor, which has a big heat load density. It's hydronic, which uses hot water in the buildings, so that should be connectable to a utility. We have the General Hospital just south of there with its steam system, and as you go further south, we have Children's and Women's Health Centre, and then way far in the south of the city we have East Fraserlands, which we've done the feasibility study for.

A renewable district system looks viable, and right now we're negotiating to import heat from a waste incinerator in the adjacent municipality of Burnaby and bring it to provide the heat for that site.

•(1550)

I want to close by stressing that Southeast False Creek is a great story, but it is not isolated. There are multiple opportunities in Vancouver and all urban communities to implement these strategies and approaches.

Thank you.

•(1555)

The Chair: Thank you, Mr. Pander and Ms. Ballem, from the City of Vancouver.

Now, from Drake Landing Solar Community, we have a representative, Brendan Dolan, who is also vice-president of ATCO Gas. Go ahead, please. And you can introduce any others you'd like.

Mr. Brendan Dolan (Representative, Vice President, ATCO Gas, Drake Landing Solar Community): Thank you, Mr. Chairman.

Joining me today is Shahrzad Rahbar, from the Canadian Gas Association.

It's my pleasure today to present to you the Drake Landing Solar Community, a project that demonstrates how an integrated energy system using leading-edge technology and using renewable energy is effectively delivering space- and water-heating needs to customers in Okotoks.

I'd like to briefly talk about ATCO Gas. We are an investor-owned utility that provides safe, reliable, cost-effective natural gas delivery service to over one million customers in 300 communities in Alberta. We take great pride in the fact that our employees live and work in our communities and improve the quality of life in the communities we serve. As well, as an investor-owned utility, we are regulated by the Alberta Utilities Commission.

The objective of this project was to demonstrate the feasibility of using seasonal storage of solar thermal energy to provide 90% of a home's annual space-heating requirements. There are 52 homes in the Drake Landing community. A long-standing barrier to this technology has been the acceptance of solar thermal technology in cold climates, as the sun is noticeably absent during the winter season. Short days, cloudy skies, and snow-covered solar panels are examples of those barriers. This project demonstrates how the effective integration of energy-efficient technologies with seasonal thermal energy storage can overcome these barriers.

This project is built on a foundation of a district heating system designed to store underground the abundant solar energy during the summer months and distribute energy to each of the energy-efficient-built homes for their space-heating needs in the winter. In addition, solar panels have been installed on each home to provide 60% of its annual domestic hot water requirements.

I'll give you an overview of the project itself. Drake Landing Solar Community is the first major implementation of seasonal solar energy storage in North America. It is unprecedented in the world in that it is designed to provide 90% of each home's space-heating needs through solar energy. At the time of construction, it was the largest subdivision of R-2000 homes in Canada. Each is 30% more efficient than a normal home.

The major partners in this project were the Government of Canada, through NRCan; the Government of Alberta; the Federation of Canadian Municipalities; the Town of Okotoks; ATCO Gas; Sterling Homes, the home builder; and United Communities, the developer of the subdivision.

The next slide shows how this system works. Detached garages were built behind the homes. They were connected through breezeways. There were four sets of these garages built. Mounted on those garages were arrays of solar panels, a total of 800 solar panels. District energy loops were built. There's a solar collector loop that gathers all the energy off those solar panels and takes it down to an energy centre, which is really the heart and the central hub of the entire system. Right beside that energy centre is a borehole seasonal thermal storage field.

In the summer months, solar energy is gathered from those solar panels. They have a glycol-water mixture. It goes into the central heating system, heats the water in these large storage tanks, and then stores the energy in the borehole field.

In the winter months, the energy is still gathered off the solar panels. It runs through the energy centre. It is supplemented by the stored energy in the energy field. It provides heating, heats the water, and sends that water supply through the homes. It heats the homes using an air handling unit, which replaces traditional furnaces.

On the next page, you can see that the solar collectors during the winter months will generate about 50% of the house's needs for energy. Forty percent comes from the borehole thermal energy field, and 10% comes from a natural gas boiler that's in the central energy building for backup.

The next page shows the reduction in GHG emissions that this system provides over a traditional natural gas heating system. Each home reduces its GHG emissions by 5.5 tonnes, and so for the whole community, it's 286 tonnes per year.

● (1600)

This being a demonstration project, there were some significant challenges. First and foremost was the initial capital cost of building this system. It was \$7.1 million, which equates to over \$136,000 per home. Without some significant government funding, this project would not be possible. It is difficult to convince private companies to invest in high-risk and high-cost projects such as Drake Landing unless there are financial incentives established at both the federal and provincial government levels.

Another difficulty is the coordination between developers, builders, municipal planners, and all levels of government to make this system happen. In addition, there's the skepticism of the consumers. They don't know much about these types of systems. They don't know about the costs, the operations and maintenance, or the reliability and longevity. As for people investing and paying \$136,000 more, it wouldn't be possible.

The location also would be a challenge. Okotoks was selected for this project because it is located in a part of Canada that is among those receiving the most hours of sun per year. It's equivalent to Miami. As well, the Town of Okotoks has developed the sustainable Okotoks initiative, which mandates that sustainable principles be applied in all town operations and services.

This is an R and D project. With it, there are inherent unknowns. This is the first time this concept has ever been used on single-family homes. Similar developments in Europe used multiple-family projects, but this is the first time for single-family homes. Ninety per cent is the goal for services provided by solar energy.

From an operations and maintenance perspective, there are also challenges. We needed to train and to gain expertise in our operations with our local staff. That was an issue we needed to develop.

We also had to understand what maintenance was going to be required for the system. There are some unique materials used in this project. For example, the pipe in which this water flows is an insulated steel pipe. If something were to happen, if someone were to put a hole in it, as has happened once so far, resources have to be flown in from Ontario for repair. We need to develop local expertise in order to make this sustainable in the long term.

Our next page shows you that we feel the role of a gas utility is quite significant in these projects. We have a long-standing service. We've been offering services in energy delivery for almost 100 years in Alberta, so we've come to this with reliability and safety as the cornerstone of our operations.

We're also environmentally focused in providing new initiatives. As an example, ATCO Gas recently opened a new operating centre in Viking, Alberta, where we are using geothermal technology to heat our own new building. We want to learn about these technologies and we are committed to reducing our carbon footprint.

We believe that natural gas utility companies are appropriate vehicles to provide alternative energy due to the companies' long track records of providing safe, reliable service to Canadians. Also, the utility model of delivery will bring credibility to these alternative energy projects.

Finally, there is the role of the federal government. It's with federal support that we can replicate these systems in other communities in Canada. Private industry wants to be involved in the alternative energy market; however, the risks and costs of these technologies are still too great. If the federal government would like to encourage this development, they should consider playing an integral role in developing these new technologies with a two-pronged approach.

First is funding: investing in these new green technologies to advance knowledge, reduce costs, and ultimately create a new self-sustaining industry. Second is adjusting government program funding criteria to encourage integration. On policy, the federal government role means introducing favourable fiscal policies, like the accelerated capital cost allowance for integrated systems requiring high upfront capital costs, as well as developing building and housing energy codes that consider full fuel efficiency and encourage fuel flexibility.

● (1605)

I can tell you that at the end of the second season of storing solar energy, which was to the end of July 2008, the houses in the Drake Landing solar project received 55% of their total annual heating needs from solar energy. We're only two years into storing energy, so we believe we're ahead of schedule.

This project is something that we're very proud of, and we know it has a future in Canada.

Thank you.

The Chair: Thank you very much, Mr. Dolan.

Our final group today is Dockside Green. Jamie James is a representative and a partner with the Windmill Development Group Ltd.

Mr. Jamie James (Representative, Partner, Windmill Development Group Ltd, Dockside Green): Thank you very much for the invitation to present a brief overview of Dockside Green, a sustainable urban redevelopment project that we initiated four years ago in Victoria, British Columbia. I'm joined by our company's founder and managing partner, Jonathan Westeinde.

I provided a couple of handouts to give you an overview of the company and some of our other projects in addition to Dockside Green. I'm not going to be following it exactly. I have some prepared remarks here, but that will give you some visuals to back up what I'm saying.

The projects provide an important context as they represent the learning curve of our young, ambitious company, which has sought to raise the standard for urban developments across Canada. To begin with, we're organized around the principles of a triple bottom line of people, planet, and profits. That's a core part of our business philosophy, and it's part of our outlook on what real estate development and urban renewal will look like in the coming decades. The slides provided give examples of the individual buildings we have recently completed. One of our goals is to be the first developer to introduce the highest-rated certified green buildings in each market while also introducing state-of-the-art green technologies.

In Ottawa, for example, our goal was to introduce the new green building model, and that resulted in a LEED gold or platinum development. The featured green technology in that case is a multi-storey solar wall on the south facade—visible from the street—that collects heat from the sun and offsets natural gas heating needs in winter. We also introduced and syndicated a green loan instrument that allowed us to finance the incremental capital costs of energy efficiency by leveraging long-term life cycle operating cost savings. Today, that same model is being used by mainstream developers in major markets, particularly in Toronto and Montreal.

In Calgary we built the first LEED platinum-certified mixed-use condominium development. State-of-the-art boilers, lighting controls, natural daylighting, and passive solar energy all helped to reduce the building's energy consumption by over 45%. It's worth pointing out that our Calgary buildings are located in a redevelopment zone that was master-planned by the city and serviced by the city with conventional infrastructure, just like any other neighbourhood. Basically, all we had to do as developers was to plug in and build our buildings. This approach is like a straitjacket for those of us who really want to innovate and think more holistically about sustainable development. Since we were motivated to do more, the city probably missed an interesting opportunity there from the point of view of integrated energy systems. Fortunately, though, the City of Victoria gave us the latitude we needed to be more inventive.

I've included these lead-up examples in order to illustrate the evolution of our thinking but also to set an appropriate context for the discussion of integrated energy systems, namely that green buildings are a fundamental component of any energy system at any scale. That point has been iterated very effectively by the previous speakers. Buildings are major end-users within energy networks. Understanding, managing, and ultimately reducing their loads will yield the greatest dividends with respect to investment in energy systems.

The reason for this is that operating energy efficiency mitigates investment requirements in generating capacity. This is true at the community scale as well as at the larger grid scale. This message is particularly relevant as different pockets of the country start to mobilize investment in more expensive clean and renewable technologies. It's also a fundamental underlying principle of how we approach Dockside Green.

Some of the slides on the Dockside Green project are provided on pages five through nine of the handouts. To summarize the development quickly, Windmill and our partner, Vancity Enterprises, acquired the 15-acre abandoned brownfield near the shoreline of Victoria's inner harbour in 2004 following a successful bid in a city-managed public tender. The tendering process itself contributed to the sustainability of the project because it was based on a triple bottom line, allowing a firm like ours to compete against prominent local developers.

The plan is to develop approximately one million square feet of new residential, commercial, light industrial, retail, and hospitality construction over the next 10 years, a very dense mixed-use development, similar to what we heard Southeast False Creek is, but on a smaller scale.

• (1610)

To date, the first two buildings and townhouses are completed. During the tendering process and in our discussions with the city, Dockside Green made three important commitments to the City of Victoria.

The first was that each building will be certified to LEED platinum status by the Canada Green Building Council or the developer will actually pay a severe penalty. We agreed to paying a severe penalty for that. To date, the first phases have achieved the highest LEED certification rating of any building in the world.

Second, Dockside Green will be the first community in Victoria to treat all of its waste water on site. To date, we have installed a membrane bioreactor to reclaim all waste water and reuse it in toilets and irrigation systems.

With respect to today's discussions, our third commitment was that each building will be connected to a greenhouse gas neutral biomass district heating system. This is the feature that is of particular interest to the committee's present study of quality urban energy systems.

Our team considered a number of different approaches, including combined heat and power, direct combustion of wood chips, and geoechange, among others. Given the nature of the location of a central energy plant in the middle of a relatively high-density urban neighbourhood, emissions were a concern. Even though we knew

there were contemporary scrubber technologies that could have been sufficient to do the job, they are expensive, and we didn't want to battle perceptions.

In the end, we chose a biomass gasification technology manufactured by Nexterra, a Vancouver-based start-up company. The advantage of their equipment is that, rather than burning wood, it gasifies it first and helps to eliminate the particulate issues that affect most combustion projects. We also have a waste water heat exchanger as part of the overall program, but it's a minor part, and I was going to focus primarily on the biomass system.

Also, knowing that you are going to be investing in a central energy plant is a powerful motivator to think holistically about the entire energy system and discover as many opportunities as possible for keeping the cost of that infrastructure down. We knew we didn't want to build more hot water generating capacity than necessary. That is one of the main reasons all of Dockside Green's buildings are being designed to be 45% to 50% more efficient than code.

At the same time, we are motivated to optimize output of the installed capacity. To achieve this, Dockside made a deal with a neighbouring hotel and conference complex to sell hot water at a cost equal to the cost of the natural gas they would have had to buy for their boilers. This means that during the day, when the on-site residential use is low, there are off-site customers to export to. As well, exporting carbon-neutral hot water to displace fossil fuel combustion has a significant impact on our overall carbon budget and helps Dockside to live up to its commitment to being a greenhouse gas neutral development.

It's also important to look beyond the design and construction phase and to think about how the building and infrastructure will behave over time. To create additional incentives for people to manage their energy use wisely, each residential unit at Dockside is equipped with a web-based energy and water monitoring system. Each occupant can track their energy use and even compare it to their neighbours' consumption over time. By raising awareness, we believe we can influence energy consumption even more through load shifting and conservation.

When it comes to intelligent energy systems for communities, we believe that small can be beautiful; however, it comes with significant hurdles. Incumbent utilities have economies of scale and enormous influence when it comes to enabling distributed micro-utility solutions. Therefore, utilities are critical partners.

B.C. Hydro has been a major enabler of Dockside Green's success. They recognize that the decision to avoid using electricity for heating at Dockside Green has quantifiable upstream economic benefits. They correctly view the development as one million square feet of new floor area that will not require incremental investment in centralized winter peaking capacity to meet electricity demand that would be required for only a few weeks out of the year anyway.

Furthermore, the province has already made a commitment to no new fossil fuels for power, so Dockside Green is helping in two respects: (a) avoided peak loads and (b) no incremental impact on the province's carbon budget. B.C. Hydro has translated this logic into incentives that help to support the business model of the central energy plant. Those incentives are calculated based on avoided cost to the province and the utility.

Another major challenge pertains to phasing, especially as our economy slows and, with it, the construction schedule. The heating system has already been installed, but the Dockside Green energy company will not be earning full revenues until complete build-out. Fortunately, the federal government provided a grant and a loan through the technology early action measures program. This project financing helped to make the system more financeable to third party investors, helping to reduce their exposure to stranded capital on the front end of the project.

• (1615)

The rationale for the government support was that there are significant benefits of the system from a technology demonstration and greenhouse gas perspective, but most of these benefits accrue to the public realm as opposed to the private owners. By providing financial support, the government helped to ensure that the private sector investors wouldn't be unfairly burdened with the cost of innovation.

To conclude, we believe that green buildings are a critical component of intelligent urban energy systems and the overall social and economic fabric of Canada's cities. However, integrated design solutions can't stop at the exterior of a building's walls. We have to look at how those buildings behave over time and how they interact with the infrastructure to which they are connected. We need to make responsible and holistic decisions when planning and investing in incremental energy production and distribution systems, and we need to work together and across sectors and jurisdictions. Given the number of stakeholders who are contributing to the success of Dockside, I think it's an urban development example we can all be proud of.

Thank you.

The Chair: Thank you, Mr. James.

Thank you all again for your presentations. We will go directly to questioning, starting with the official opposition.

Mr. Regan.

Hon. Geoff Regan (Halifax West, Lib.): Thank you very much, Mr. Chairman.

I want to thank all the witnesses for these excellent presentations. I understand from the committee staff that there was some concern there wouldn't be many of you available on this short notice, and instead we have an embarrassment of riches.

My first question is, after all the interesting issues you've raised here, can you stay until midnight?

Some hon. members: Oh! Oh!

Hon. Geoff Regan: I'm just kidding. Don't worry.

First of all, after hearing about all the remarkable things you're doing in each of these projects, I'm going to ask each of you to answer this, if you would. Are you satisfied that there is, across the country and within municipalities, a sufficient awareness of the fact that these things are being done and that they can be done?

Mr. Dolan, you talked about the risk involved, but the fact of the matter is that these are happening, and they're working. So is the risk all that high?

Mr. Brendan Dolan: The knowledge of these systems is increasing over time throughout all of our communities. The issue is still the technology. The technology needs to be proven. It needs to be explored. It's one thing to design it, but it's another thing to actually put it into practice and make it happen. Without some significant funding from government levels, and unless there's some help from others, private industry will not be entertaining these projects.

The Chair: Go ahead, Mr. Westeinde.

Mr. Jonathan Westeinde (Representative, Partner, Windmill Development Group Ltd, Dockside Green): I'm Jonathan Westeinde.

It's a good point, and at the same time, as Windmill, we've been out, for example, touting Dockside for the last four years. I would say the four players at the table, Guelph probably being the most recent introduction, are the common examples of these types of things. It's not like there are a lot more coming out of the woodwork.

To the extent that this is the case, I think awareness is there. The risk aspect is one of initial implementation, which we're seeing. The risk from a finance point of view is the longevity of these projects and the fact that you're looking at financing 15- to 20-year life cycles. To the extent that any of these examples have lasted that long, that's scaring players away from bothering to try, because they can't trust that their capital will not incur significant road bumps along the way. To that degree, there still needs to be some relevant insurance mechanism or something of that nature that will secure those investments through their life cycle.

Dr. Penny Ballem: I'm Penny Ballem.

I think that essentially we see that there is still significant risk. To the point that was made by other speakers, it's in the bridging, in the transition to the payback. If you look at the business model for our utility that we described, it's about a 25-year cycle. At about 12 to 13 years we start to be able to recover our costs. That's a long time. I think it's also dependent on our ability to use our network to reach out to further development.

There is a significant risk. We think that senior levels of government can really play a role in helping bridge that risk. Also, for municipalities and communities that are just starting, there needs to be feasibility planning. They need to map their opportunities, and that takes time and capacity. I believe, because of the pressure on us to actually steepen the curve of progress, there need to be some investments up front in that kind of work, as well, to help move things along and increase the knowledge exchange between successful projects and communities that are a bit farther ahead.

It will take time. There is risk, and there are ways that risk can be mitigated, both for the municipal governments and for the private sector, which need to be partners in these endeavours.

• (1620)

The Chair: Next is the City of Guelph.

Mrs. Jasmine Urisk (Director, Guelph Hydro, City of Guelph): Thank you, Mr. Chairman.

Picking up on those points, there is significant risk. There's a requirement for upfront funding. Although the payback may eventually be there, often there are barriers to getting started. To pick up on previous comments, these sorts of projects may be well understood amongst municipalities, but the private developers and the consumers still need convincing.

Another major role that perhaps hasn't been highlighted yet in response to this question is the need to aggregate the information that's available and more broadly broadcast it across Canada, with case studies, performance metrics, and evaluation tools. We need to convince the developers that this is, in fact, an economically effective and efficient way to proceed. They have their own ways of doing business. There are some inertia-type barriers to getting started.

The Chair: Thank you.

Mr. Regan, you have a minute and a half.

Hon. Geoff Regan: Well, okay, I'll do what I can here. Let me start with Guelph this time and then we'll see how far we get.

What was the significance of federal energy policies in the development of your projects? What top two changes would you ask the Government of Canada to make in order to have these successes repeated across the country?

Dr. Janet Laird (Director, Environmental Services, City of Guelph): Picking up on your second question first, because it's kind of a lead-in to what I was just speaking about, I think here's what we need from a federal level: vision; leadership; policy support, perhaps with respect to the value of carbon; an increase in the dialogue; and an increase in the communication of the results of some of the successful projects that are already present.

With respect to funding, one barrier we've come across is that most of the available funding is project-specific funding. Really, what most of the projects you've heard referred to today are dealing with are integrated urban energy systems. It's not one project, as we saw from Vancouver. The final slide showed an integration of perhaps seven or eight different projects, really, to turn their entire city into an urban energy system. That's what we're planning for Guelph as well.

To apply for many of the funding programs, we need to de-bundle what we have into nice little packages, which really defeats the purpose of what we're trying to achieve. We're trying to completely change how we look at energy systems so that we change our city into what we call a smart grid.

Throughout our community, we may have a variety of energy sources and a variety of energy sinks, and even at different times of the day. A facility that has a boiler may not be attached to the grid, but after hours when the boiler is not being used to capacity, perhaps

it actually provides energy to the grid. We have a whole system of interconnected facilities that are either providing or drawing energy or heat at different points in time. Because it's an urban integrated energy system, the federal programs need to be modified to recognize the benefit of that and the government needs to adapt policy and programs to enable that to happen.

The Chair: Thank you, Ms. Laird.

Thank you, Mr. Regan. Your time is up.

We'll now go to the Bloc Québécois, with Madame Brunelle, for up to seven minutes.

• (1625)

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Good day. Thank you for coming from so far away to meet with us. I have some short questions for each one of you which I hope will shed some light on your presentations.

My first question is for Ms. Farbridge from Guelph. You talked about the federal government's role in promoting a national vision for urban energy systems. The provinces, as you know, have different visions of and approaches to energy issues. In Quebec, hydroelectric power features prominently in energy development plans, while in Ontario, nuclear energy takes centre stage.

On the same page of your presentation, you also referred to federal government funding under the infrastructure program. How do you go about it? Do you respect the provinces' vision?

[*English*]

Dr. Karen Farbridge: I think the integrated urban energy system fits well in a country like Canada. It's a set of tools, methods, and energy sources, so it's a tool box that you can pick from. It very much depends on the size of your community, the location of your community, and its geography. We don't have enough sun as compared to Okotoks, so we couldn't use solar in the same kind of way. It really is a vision that all communities, regardless of geography, could fit into, and all communities could fit a plan. The strategies I showed for Guelph will look very different in different provinces, in different parts of the country, because of geography, climate, etc. From a vision point of view, it's a flexible model, a template that can be used by other communities.

Regarding the second part, the funding of it, I have to say the federal government really did start this in Guelph. I participated in a community energy planning mission to the Netherlands that was in part funded by NRCan. I know that some of the communities here participated in that as well. That was a great example of seeding an idea across the country and seeing it take roots in the country. Speaking to what people have said about raising awareness and providing opportunities for people to come together to share this information, the research and development that need to go into these technologies so that they can actually move them—not just the research and development but the commercialization of them, the actual implementation of them on the ground—represent a key role and key place where the federal government could really be helpful.

[*Translation*]

Ms. Paule Brunelle: Thank you.

My question is for Mr. Pander from the City of Vancouver.

The buildings that make up your Southeast False Creek project are all low-rise structures. Is that merely the way you have designed them or would it be hard to apply the same energy savings programs to high-rises?

[English]

Mr. Sean Pander: No. The fact that we didn't choose to go with what we call the Vancouver model, which when you look at the north shore of False Creek is the podium development with a point tower, was a decision made by the council at the time to actually create a more distinct neighbourhood without the same look. The density is very comparable. In terms of the number of units per acre, we've gone with more of a Berlin model, in which we have more 8-, 10-, and 12-storey buildings on the site instead of the high-rises. The heat load density, the amount of heat for customers, and therefore the sales concentrated in that area are the same. So the model will work.

The higher density you go, the more effective the economy is for these types of systems. In this example again, skyscrapers would work fine. We are actually doing some research now to look at converting the central heat system to a renewable source and to look at the viability of starting to hook up some of the existing downtown modes. Southeast False Creek, again, has quite a high density. East Fraserlands has slightly lower density, but the economics still worked out there.

[Translation]

Ms. Paule Brunelle: Thank you.

Mr. Dolan, in your presentation, you stated that people are paying an additional \$136,000. What do you mean by that?

In the section entitled "Role of the Federal Government", you mention tax credits. Would these be tax credits intended for businesses or for individual taxpayers? What exactly do you mean here?

• (1630)

[English]

Mr. Brendan Dolan: The \$136,000 on a per-home basis was the total capital cost of developing the solar energy system. That cost was primarily funded through all the funding partners, primarily NRCan. If people had had to spend their own money, they would have had to pay \$136,000 more for that home. They didn't because the project was primarily funded by the government in order to ensure there were no risks. Customers wouldn't have bought the houses if they had to pay that much more on something that wasn't yet proven.

I'm not sure if tax credits is the right terminology. I really believe that these technologies need to be tested before they become commercially viable. In order to do that, they need to be kick-started through some types of incentives. That funding is where we see that government levels can help these projects get off the ground, be proven, and then become commercially viable once the risks and obstacles and challenges are overcome.

The Chair: You have thirty seconds.

[Translation]

Ms. Paule Brunelle: I haven't had the opportunity yet to speak to Mr. James. I want to get to all of the witnesses.

Regarding financing methods, you mentioned a multiple partnership structure. Are you talking about public-private partnerships? What is the relationship between these different partners? How does financing work when multiple partners are involved?

[English]

Mr. Jamie James: I think you're referring to the *prêt vert*. We have something we call the green loan, which we developed first for our single-building projects in Calgary and in Ottawa. For this we assign a debt to the condominium or strata corporation of the buildings, and they pay a certain amount of money back to the lender over time. It's fully privately financed. We funded the very first loans ourselves, out of our pocket, and then we syndicated that and sold it to another private lender.

In Toronto, we've been doing this with the Toronto Atmospheric Fund. We have \$1.5 million committed by them to lend to Tridel, a large high-rise developer in Toronto, and based on that model, Tridel has about \$10 million worth of green financing on its various projects.

In Montreal, it is happening on Nuns' Island.

With the exception of the participation of the Toronto Atmospheric Fund, which is there to try to stimulate the market on this, these are going to be private-to-private transactions, and we're working closely with several construction finance lenders to see if we can make this an institutional approach to incremental cost financing.

Does that answer your question?

[Translation]

Ms. Paule Brunelle: Yes, thank you.

[English]

The Chair: *Merci, Madame Brunelle.*

We go now to Mr. Cullen for up to seven minutes. Go ahead, please.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you, Chair.

I agree with Mr. Regan in terms of where this topic could go. I said earlier to some community members we had in front of us that we need to move you folks from being the exception to being the rule. That is, I think, something we need to engage in as a committee. We're looking at some of the best examples across the country of how to do this. I almost want to drag in front of us the communities that are at the other end of the scale and find out what's going on with them and what's stopping them.

I'm picking up on a few comments that were made today about the vision component. I suspect, whether it was Victoria, Okotoks, Vancouver, or Guelph, that there was some political vision involved with this, that there was some mandate given to the political leadership by the voters, or an assumed mandate, that these risks would be taken over time. You're talking about a 10- or 15-year payback or realization with people who are elected for three years and who then reach the re-election point again and again. Maybe the federal government has to slide into that place.

I want to focus in a little bit. There was a comment, and I'm trying to recall who it was from. It might have been on the Victoria side. There was a comment that having to pay for the energy and assume the carbon costs of that energy—you folks had made some commitments to Victoria—made you become more efficient, become more diligent, in the actual structures that you built. Would Canada having a price for carbon, for greenhouse gas emissions, facilitate some of the discussion that we're having here?

• (1635)

Mr. Jamie James: I think to the extent that carbon today is an unpriced externality, if we could assign a value to it, that would give the private sector another tool to add incremental financing to projects like this and would have, I think, quite a significant impact.

Jonathan also has some thoughts on that, which he perhaps would want to share.

Mr. Jonathan Westeinde: I think that's a very important aspect in the sense that our reasons, for example, for going forward were politically driven at a municipal level, but were also altruistic in the sense of what our company is looking to have stand out. In the normal development infrastructure industry, there's no reason to do this because there's no competitive landscape, at the moment, that's sort of encouraging or setting a playing field for this to happen. When there's a price to carbon, there's a clear mandate to sourcing of both energy conservation and energy sources from renewables, as you'd see in the EU and places like that. That basically creates a level playing field and a competitive landscape that then people will react to, which is very important.

Mr. Nathan Cullen: I'll go to Mr. Pander for just for a second.

You mentioned something around the use of the building codes to ratchet up or down, depending on your reference, the types of structures that you folks are going to be building, not just here but across the city. We're engaged in the national scene. In my experience here, the National Building Code is very rarely referenced. It's not used. Cities go about it their own way, and provinces go about it their own way.

If we're looking at the national impact of having better buildings for future generations, could you tell me how critical the code was in the case of Vancouver, for you folks, in getting done what you wanted to get done? I know it caused a lot of hue and cry initially from the builders in Vancouver when the code was reassessed and re-delivered, but how critical is the tool?

Mr. Sean Pander: On codification, whether you're doing it in local government or provincial government, or if there are federal tools, it is really important but it's not the first step. The first step is really fostering the leadership. We can invest extra in our own facilities because we recover those costs. It's actually a good

investment of taxpayers' money, because you know you're going to own city hall or Parliament or whatever for a long time.

There is a role for that leadership, but on the codification, once you've built the industry capacity to.... Can the architects design it? Can the suppliers get CSA approval on the machine? Can the trades seal it tight enough? Before you codify, you have to build that capacity, and there are tools to do that. The code is really important, so that it's not a one-off example here or there.

What we struggle with a little bit in Vancouver is that we're actually a relatively small municipality. We're in a big metro area, but we have under 600,000 people. We actually push the provincial building code. In our code, we referenced other codes. The codes that we referenced are not sufficient to the targets that we're trying to reach.

People often reference ASHRAE, which is badly flawed. ASHRAE 90.1 specifies performance of mechanical heating, ventilating, and air-conditioning systems. It's not very good. As for an update, I know there's some work under way, but the model national energy code for buildings is way out of date.

On your question about carbon pricing, I think the pricing of carbon in B.C. now is forcing us to change how we do our own civic facilities. I think there are other examples, though. The Borough of Merton, outside London, applied something called the Merton rule. In the building code for that borough, as a way of driving innovation, they made a minimum requirement for local renewable energy. Because that's expensive, what that did was force everyone to reduce their energy demands. They didn't want to have to build a big solar panel system or whatever, so it got the building community to be very innovative to reduce the loads—

Mr. Nathan Cullen: It gets back to that consideration of how, once the rules are in place, it forces a rethink of your building design.

Mr. Sean Pander: Exactly.

• (1640)

Mr. Nathan Cullen: Your Worship, with respect to not so much the politics but the attractiveness of a community that goes through the process that Guelph has gone through, I don't want to assume this, but I assume that Guelph highlights what Guelph is going through to people who are considering moving or living in different places. How much a part of your mix is it when you talk about your city to other cities, to other communities, and to your own citizens? Is it prevalent? Is it something at the back, a policy wonk kind of thing, or is it front and centre in terms of your promotion?

Dr. Karen Farbridge: No, it's very much front and centre in quality of life. It's tied into a larger sustainability program that includes water, waste, and waste water, etc. It's a very key part of our community. The fact that in 2004 we were able to call up a group of organizations, say that we needed a community energy plan, and they all said they would be there—that spoke to that community support for it.

We also see it as completely tied to our local growth strategy. It's very hard to talk to people about intensification and density, but when you start talking to them about how that can leverage some of these energy goals, you start getting people interested in a discussion around urban development and urban intensification. We found it very useful in that regard, and then from a competitive point of view as well.

The Chair: Thank you very much, Mr. Cullen.

We'll go now to the government side, and Mr. Anderson, for up to seven minutes.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair.

We talked a little earlier about the longevity of projects. I don't know if you said it, but somebody said that there's a 25-year life cycle in projects and that it's at least 12 years before there's any start to the recovery of the costs.

Have you done any work on the lifespan of the various technologies in your projects? I guess this question is more for the folks who are well along in projects. Solar panels, I'm told, have to be replaced after a certain number of years. What is the lifespan of the technologies you're using in your projects?

Mr. Jamie James: For Dockside, the Nexterra plant can be serviced very effectively on-site. We're not looking at as long a payback as for a solar technology or one of the more expensive renewables. The initial modelling, when we made our decision, was that we'd probably be somewhere close to just under 10 years, and the equipment should last at least 20 or 25 years, and then it can have major service overhauls without necessarily being replaced.

Mr. David Anderson: You're using gasification of hot water then? Is that correct?

Mr. Jamie James: That's right.

Mr. Jonathan Westeinde: I would just quickly add that the risk element is the guesswork involved at this point, because there are very few systems to point to that have actually lasted the length of the projected life cycle so that you know you can count on them, as you could with a boiler or other standard equipment.

Mr. David Anderson: Do you folks from Drake have anything to add? You talked about having to bring people in from outside to do some of your maintenance. I'm just wondering what the projected life cycle on your system is.

Mr. Brendan Dolan: The complicating factor with this is that there are a number of different facilities or a number of different units to this. Solar panels have a lifespan, and I can't pick the specifics out, but I believe it's somewhere in the neighbourhood of 20-plus years. For the energy system centre itself, with maintenance, the tanks will last a long period of time because they were well built. The same is true for the energy field and its handling units. I think the biggest risk from our perspective, or the component that will likely have to be replaced first, is the solar panels, which will have to be maintained as they wear out.

Mr. David Anderson: Does Vancouver have anything to add?

Mr. Sean Pander: I want to address the comments on both the longevity and the risk.

The biggest investment in most of a district energy system is the pipe in the ground. Again, I wanted to stress in my presentation that it's the backbone. It's the biggest capital cost, and it is really the thing that enables. The technology can change, and so there is some longevity to the heat pumps. There may be some technology breakthrough that will make energy even cheaper than using a little bit of electricity to extract the heat out of the sewer system. You see that in Scandinavia. They had made a major investment into ground source heat pumps. Electricity got so expensive that they've moved now to more of a biomass type of technology.

So as far as longevity goes, yes, the systems can last a long time, but the biggest investment is the pipe. It will last a long time, and it doesn't need to change. I think that's a really important point for us to make.

Mr. David Anderson: Was a cost-benefit analysis of any major concern to you folks? Most of you have what I call demo projects. I'm just wondering if you are aware of whether that was done in your projects and whether it came into play.

● (1645)

Mr. Sean Pander: There is a very fine nuance, in our opinion, to the difference between risk and cost-benefit. We have a very professional financial manager in the city, and he said that we had to make a utility-grade return on investment. We made these investments. The system is going to cost the city about \$30 million.

We talk about some risk, and a lot of it has to do with timing. There may be some technology risks. We adopted a technology that had slightly lower risks. The risk for us was that if we invested in the capital, built this energy centre, and put the pipe in the ground, but we didn't have customers hooked up and generating revenue.... You can do a projection that says this development will come online three years out, or that development will come online six years out, but especially in those early years, if you don't have as much customer load as you anticipated, that's where the risk comes in, from our perspective.

Mr. David Anderson: Can I add a second part to that question and let the other folks answer?

The Chair: Mr. Anderson, there are two individuals who have asked to respond to that.

Mr. David Anderson: This has to do with that.

How much of a premium, then, do you expect your units to have compared to the market? I guess that's in the context of the other question on the cost-benefit. We've heard it's \$136,000 on one project. I guess you folks don't have all your financials sorted out there yet, but do you have an idea at what premium those units will come onto the market? Are they on the market for sale?

The Chair: Mr. James, maybe you can go ahead, and then, Mr. Pander, we'll go back to you, if you'd like.

Go ahead.

Mr. Jamie James: In response to the very first part, we came up with our plan for the district energy system and then we basically tendered it. We knew that we were going to be part investors in the third party energy company that was going to own and operate the system, but we wanted to bring in a knowledgeable third party that could operate it.

What this meant was that it was vetted competitively by the private sector. We got some very good bids back and ultimately selected a party that not only wanted to operate and take some risk on the operation side, but that actually put capital into the project, so they're taking a risk on the equity side as well. I think that's a pretty good barometer.

From the perspective of the cost to live in Docksider Green, Victoria went through a very robust cycle in the market, so prices were very high to begin with, but from the point of view of being competitively priced within the market, Docksider Green, although on the higher end, is competitively priced on the purchase side.

But then there's the operating cost side of it. When you're paying your utility bills, are you paying more than the people next door who don't live in Docksider? In some respects, it's a self-regulating process because this is a multi-phase program. As the developers, if we're selling product that costs more to own and operate, that's going to erode our marketability for future projects. We were very aggressive in influencing what the price of the commodity was going to be, the commodity being hot water, and ensuring that it wasn't going to cost our residents more than if they lived somewhere else.

Mr. David Anderson: So it's comparable to what's in the neighbourhood.

Mr. Jamie James: British Columbia actually has the advantage, although not necessarily from our perspective, of it being under a regulated commission, the BCUC. This is also ensuring that the algorithms we use to determine what the price should be are fair and competitive.

The Chair: Thank you.

Briefly, Mr. Pander.

Mr. Sean Pander: For us, there is a small incremental cost to the actual green building approach. Within the utility itself there's an incremental cost up front, but it doesn't get borne out in the unit price, right?

We recover the cost of the utility through the rates we charge, but that is a utility approach. That's what utilities do. They invest a lot in capital up front and they recover that investment over time through the rates they charge. The actual NEU itself isn't adding any incremental costs to the taxpayers or to the purchasers of these units.

Mr. David Anderson: Do I have some more time?

The Chair: You're actually out of time, Mr. Anderson.

Mr. David Anderson: That's what I thought. I'd like to follow this up, but—

The Chair: Sure. We'll get back to you.

Mr. Regan, for up to five minutes.

Hon. Geoff Regan: Thank you very much, Mr. Chairman.

I don't think I've heard from the group from Guelph in terms of my last question. I don't think the other questions that you've been asked have raised the same thing, but if they have, just say so. If you've already answered this, please say so, and I'll ask the other three guests to answer.

What has been the significance in your projects of federal energy policies? What would be the top two changes in federal policy you

would recommend in order to have these things happening more across the country?

Why don't we start with Vancouver?

• (1650)

Dr. Penny Ballem: From our perspective, the federal government can play a key role on a number of levels.

First of all, we've talked a little about the feasibility, the planning, and the mapping of the opportunities. We have a lot of work to do and there are a lot of opportunities. We have a lot of new, innovative private sector partners who want to get involved, but if the city doesn't have a coherent plan, then you're not going to get the value out of it. This is one area where I think that might speed up the uptake across the country.

The second thing, obviously, is funding for infrastructure and technology. It's critical. As our colleagues from Guelph talked about, these are integrated initiatives, and the stovepiping of one little project or one piece of a project after another isn't very helpful in actually getting this going in a systematic way across a municipality or a city. An integrated strategy to allow us to bring these integrated projects forward would very much help in terms of an infrastructure investment plan.

On building the networks, Mr. Pander has talked about putting the pipe in the ground and enabling a district utility, as an example, to actually bring on many other customers, whether they're new customers in new developments or retrofit customers in existing buildings. That's a huge infrastructure investment. That's where the majority of our costs are.

This would be helpful. It takes a much longer time to get your return on those kinds of investments. That's where some of the significant risk is.

Finally, it takes land to actually establish a neighbourhood utility. Sometimes that's hard to find in urban centres. City governments have land. We bring land to the table for some of these things. That's one of the things we can offer. The federal government owns a lot of land. That's an in-kind of bringing to the table that may be something you haven't thought of. Even for whatever you're developing in terms of your capital facilities, role modelling and actually doing partnerships would allow you to try out some of this technology. That's another place where I think municipalities that have federal facilities would be very interested in working with you.

Also, I think research and the evolving science are critically important in terms of investment.

Mr. Sean Pander: Can I add one last comment to that?

When you study how these systems grow, you get these opportunities like windmills in Victoria or Southeast False Creek in Vancouver. But if you study how they grow, you see that most of the growth occurs at the edges of an established utility system.

By becoming customers, if you built federal buildings that were hydronically heated, or developed a system so you could become a customer for someone else's future system, or if you established a system that in turn.... Again, the growth happens at the edges of these established nodes, so you could help all the developments around you and start connecting them up with new and existing developments. It is an important role to establish those nodes, because that's how growth occurs.

The Chair: Would you like someone else to answer, Mr. Regan?

Hon. Geoff Regan: Yes, if they have something they'd like to say about that.

The Chair: Go ahead.

Mr. Jonathan Westeinde: Just quickly, we develop projects across the country. We reacted the way we did and Dockside is a reality more because of municipal government leadership and, to a certain degree, provincial leadership. When we're in other provinces and other places, that's missing. To the extent that the federal government can create more of a national clear signal and vision for the country of what we're trying to do, that will create a level playing field across the country. That relates to carbon pricing and things like this that trickle down to make these things work with all the pieces.

Secondly, we benefited a great deal in the sense that the federal government has various projects for R and D and funding mechanisms for that. This works for a range of newer technologies. There's a range of fully viable technologies today, but the vacuum is in project financing. To the extent that the federal government can get involved in assisting project financing, there's a realm of technologies that are ready to go if that aspect of the market can be assisted.

The Chair: You are out of time, Mr. Regan, so we'll go now to—

Hon. Geoff Regan: What were you saying earlier about midnight?

Voices: Oh, oh!

The Chair: Yes.

We'll now go to Mr. Trost for up to five minutes.

•(1655)

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Thank you, Mr. Chair, and I may be sharing some of my time with some of my colleagues.

I guess I'm having a little bit of a problem reconciling a couple of things here. I'm hearing from some places that there's payback, that it's cost comparable with various projects. And then I'm also I'm hearing about a 12- to 13-year length of time for cost recovery. I'm sort of doing back-of-the-envelope calculations and coming back with about 6%—based on the rule of 72—rates of return, which is not going to motivate a lot of businessmen to do that. And then I hear \$136,000 per unit extra charge.

I know my own electricity bill is, even with the monthly fees and so forth, under \$40 a month. And so what I actually pay for electricity, excluding the actual service charge—and I know I'm a fairly low user—is really in the neighbourhood of \$20 a month, in Saskatchewan. In Ontario, the rates are crazy. So I'm having a hard

time figuring out where this actually gives the best payback and where it doesn't.

I have a general question for everyone: if you didn't have extra government financing, if we just concentrated on helping you at the federal level by making regulations that made it simpler for you and cleaning up other programs that would be out there irrespective, etc., could these projects go without an extra dime of federal financing? You seem to have all taken initiative without a massive federal government program. So that's my core question. Without extra federal dollars, do these projects go?

Dr. Shahrzad Rahbar (Representative, Vice-President, Canadian Gas Association, Drake Landing Solar Community): May I take a stab at that?

What you've seen today is a range of projects. Some, like Okotoks, are leading-edge, if not very close to bleeding-edge—

Mr. Bradley Trost: They're experimental.

Dr. Shahrzad Rahbar: —demonstration of a concept. So those would not have gone without federal funding.

The committee heard earlier on from other panels on developments in B.C. and developments in Ontario without a single cent of government funding, with all private capital. I think what you would not be seeing are some of the more innovative ideas. You'd be seeing incremental change over time if there were no upfront costs. You'd eventually get there. It would take longer and perhaps would be very evolutionary—

Mr. Bradley Trost: I'll let everyone answer too, but if I can sort of paraphrase, you're saying we should treat this like we do R and D funding. So there's a bit of a clump for some projects, and then when it's mainstream or more economical, the businessmen will then take it once the concept's proven?

Dr. Shahrzad Rahbar: That's correct. There are maybe a couple of additional points. It's an interesting space because it intersects federal, provincial, and municipal jurisdictions.

What we have seen to date has been primarily a result of local leadership. There is a huge role for the federal government as you think about energy demand, be it in terms of greenhouse gas reductions or waste or whatever the agenda is, acknowledging that integration has a role to play, along with removing barriers to federal funding. You've heard from many of the projects about how they had to disassemble projects just to be able to benefit from—

Mr. Bradley Trost: That's why you go to your local member of Parliament. We're good at that.

Okay, with limited time, could everyone else then quickly give some answers?

The Chair: Mr. James, go ahead.

Mr. Jamie James: Thank you.

We're subject to a little bit of unfair competition with incumbent utilities as well, and sometimes as a result we're asked unfair questions about whether or not our payback is within time. If you look at the payback on a hydro dam or a centralized power plant, that can take quite a long time also. It's a very fair question in the sense that everything has to make business sense, and as developers who are going to be trying to sell these assets, we have to make sure we have a business case to make—

Mr. Bradley Trost: You're not a charity. Your investors don't—

Mr. Jamie James: That's right, nor are our investors if we aren't able to make the project work.

But there is a spectrum from the centralized conventional energy plant to.... Okotoks may be on the far end of the spectrum. Docksides pulled back a little bit more. Southeast False Creek is in there somewhere. You have Markham District Energy in Ontario. You have Regent Park—

Mr. Bradley Trost: So again, with time running away here, what you're saying is that it depends on the project and it depends on how far it is? I'm getting nodding answers—

Mr. Jamie James: Yes, they have to be smart projects.

• (1700)

Mr. Bradley Trost: Would there be pretty much agreement, then, from Guelph's perspective too?

Mrs. Jasmine Urisk: I can just give you an example in Guelph.

For example, we've invested and bid in to the Ontario Power Authority RFP for a small generation plant at our landfill site. What made that achievable was the fact that we were able to gain some FCM funding at very good rates. Had we not had that, that would not have been an economically viable project, for example. That's just one example. It's traditional technology. There's nothing leading-edge about that. But it required that in order to be economically viable.

The Chair: Dr. Penny Ballem from Vancouver.

Dr. Penny Ballem: There are two things. The speed at which we want to make the shift.... In a municipality like Vancouver, about 40% of our greenhouse gas comes from buildings. If we want to make it quickly, having available even low-interest financing is a huge benefit for the ability to get it done and engage broader groups across the sector. And there is a payback.

The Chair: Thank you.

Finally, Monsieur Laframboise, for up to five minutes.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): I have a simple question for you, Mr. Dolan. You note the following in your submission: “Presently, the costs of some of the more advanced technologies makes them uneconomic. ”

Could you clarify that statement for me? If more advanced technologies do exist, why then were they not used, at Vancouver's Olympic Village, for example? Perhaps this would have been a good opportunity to use these advanced technologies and reduce costs.

[English]

The Chair: Who was the question directed to?

Mr. Mario Laframboise: To Mr. Dolan.

The Chair: Go ahead.

Mr. Brendan Dolan: Okotoks was part of the group that went with NRCan to Europe to look at alternatives. Okotoks also had a sustainability plan complete within their community. The solar energy capabilities of the location of Okotoks, with all those three issues—this opportunity to partner with NRCan and the federal government, and the funding that we could get from that to test this project and technology—became the driving factor behind using this type of technology to experiment and test the viability of it and see if we could push the envelope. It really is a demonstration project. That's why this technology was used in Okotoks.

[Translation]

Mr. Mario Laframboise: You stated that more advanced technologies existed, but that they were more expensive. What technologies would you be referring to?

[English]

Dr. Shahrzad Rahbar: I think in the case of Okotoks they are the leading edge. They are trying something that nobody else has tried. Some of the other concepts that you have seen would have far smaller premium on a per house basis, so part of the cost associated with the Okotoks premium over existing technology is a totally new concept.

[Translation]

Mr. Mario Laframboise: I see.

[English]

The Chair: Thank you very much, M. Laframboise.

Thank you all very much for coming today. As soon as the guests have left the table, we're going to discuss two motions, and we'll get to that.

Again, I appreciate you all coming very much. Thank you very much for the information you have given the committee. It's an important part of the information that we will put into our report, I'm sure.

We are continuing with committee business here, if I could have the members listen. Order.

Go ahead, Madam Brunelle.

• (1705)

[Translation]

Ms. Paule Brunelle: When the matter of the future business of the committee arose, I tabled the following motion, Mr. Chair:

Pursuant to Standing Order 108(2), that the Standing Committee on Natural Resources identify the limits of the ecoEnergy programs and that it propose the necessary modifications to maximize their accessibility and their environmental impacts and that it be reported back to the House.

According to the NRCan website, the Office of Energy Efficiency offers a range of programs targeting renovations all the way to biofuels and so forth. My Liberal colleague noted that some people, notably some of his constituents, were dissatisfied with the programs. So then, substantial investments are being made in programs. To what extent do these programs target specific areas, satisfy objectives and meet the public's expectations? I discovered that some of my constituents had done some renovations and followed the whole process, but were not getting the refunds and were encountering delays. I think it would be interesting for our committee to explore this important subject and analyze these programs to determine if any changes are needed, to gauge the level of public satisfaction and to assess the environmental impacts of the programs.

[English]

Hon. Geoff Regan: Mr. Chairman, on a point of order, it was my understanding that we were going to resume debate on my motion, which I agreed last week to stand so that we could resume debate on that motion at this meeting. Now, if we're simply hearing this motion, that's fine, but I presume we're going to debate the motion that's already on the floor and which we stood until this week.

The Chair: Madam Brunelle actually gave notice of motion first.

I didn't quite see it that way. I believe we'll certainly get to yours as well, Mr. Regan.

Hon. Geoff Regan: Well, Mr. Chairman, as you know, I moved mine—

The Chair: Yes, you did.

Hon. Geoff Regan: —we began the debate, and I agreed to adjourn on the basis that we would be coming back to it at this meeting, that when we got back to discussing motions, we would discuss my motion. That was my understanding.

Mr. David Anderson: On a point of order, Mr. Chair, I think we had that same understanding when we concluded the debate last week.

The Chair: Yes, that could be. My memory of that may not be clear.

Madam Brunelle, I'm just going to take a second here. I will say two things. First, Madam Brunelle's motion was first on the order paper, but I will get a reminder from the clerk as to what happened at the last meeting. Secondly, the bells don't start till 5:30, so we do have some time here.

Madam Brunelle, go ahead. We'll call it a point of order.

[Translation]

Ms. Paule Brunelle: I just wanted to say that I'm amenable to dealing with Mr. Regan's motion before mine. I don't have a problem with that. I'll come back to it later. I see that they were tabled more or less at the same time. I tabled my motion on February 26, while he tabled his the following day. So, I'm fine with this arrangement.

[English]

The Chair: Yes, that's why the ruling. If Mr. Regan had wanted to bring it up on Tuesday, he could have. He certainly would have had priority then, but because yours was on the order paper sooner and

you asked that it be brought up, you would appropriately have had yours dealt with first today.

But there is agreement here, so you go ahead with your motion, Mr. Regan. We'll deal with it first and then get to Madam Brunelle's.

• (1710)

Hon. Geoff Regan: Thank you, Mr. Chairman. Since I've moved it already, can we simply resume debate on the motion then? I don't need to move it again, I presume.

The Chair: Exactly. We can do that.

We will resume debate on the motion.

Hon. Geoff Regan: Mr. Chairman, as I mentioned at the last meeting, I would expect that considering what's happening in the economy, considering the fact of the billions of dollars that the government proposes to spend in relation to the economy, surely departments and certainly this department would be following what's happening in terms of job losses in the parts of the economy for which it has responsibility, and even if it does get that information from Statistics Canada, surely it compiles it, or surely it gets that information. They undoubtedly do some analysis of that, which would also be great for us to have, and I think the government would want the members of the committee to be as well informed as possible for the kinds of discussions we have here in these meetings.

So I would hope that we would have agreement on this. Again, I had some questions last time. I know Mr. Anderson was going to look into that, and I look forward to hearing what he has learned.

The Chair: For continued debate on the motion, Mr. Anderson, did you want to speak to it? Go ahead.

Mr. David Anderson: I'll just answer the concerns that Mr. Regan had. StatsCan does indeed gather these numbers together and then it presents them to the department, so we can supply these reports, but they will have StatsCan numbers that will be publicly available anyhow. We can do that.

The Chair: All right.

Mr. Cullen, would you like to add to the debate?

Mr. Nathan Cullen: I just wanted to clarify that there is an ability to see the number of jobs losses or gains. I think StatsCan is where we're gathering numbers from. There's also an office of projections. Within each of these offices there's a projection of industries' expectations over the coming quarter and coming year. I wonder if Mr. Anderson can look into that as well.

Sometimes what we get from StatsCan is what the job situation is like right now. It's the snapshot. But they also provide the second piece, which is where the trend is headed. That, for many of our constituents, will actually be as important, if not more important, than knowing what jobs we've lost or gained, say, in the mining sector or forestry sector—that industry reports to StatsCan that this is what we're looking at over the next quarter to four quarters. That can be just as important for us to understand.

The Chair: Thank you, Mr. Cullen.

Mr. Nathan Cullen: So I suppose it's just a formality, Chair. I don't know if that's a friendly amendment or, through you to Mr. Anderson, if that's available, because as I said, that's as important to me. I want to ensure that we're able to at least have that discussion here before we go off and then realize we should have just amended this motion to ask for more accurate information.

The Chair: Mr. Anderson, go ahead.

Mr. David Anderson: I think at some point the members are going to have to do their own work. We're prepared to go along with the motion as it sits right now. I don't want to start messing around with amendments and adding ad nauseam to the information we're supposed to provide. They can go and find their own information.

The Chair: Mr. Regan.

Hon. Geoff Regan: I wonder if I can help, Mr. Chair. If we were to add the words "and projections if available", would that be satisfactory? The thing is that we're not going to be able, even from StatsCan numbers, to produce the projections that the department might produce, if there are projections they produce. That's why I say "if available".

The Chair: Mr. Anderson and then Mr. Trost.

Mr. David Anderson: I think as a former minister you know full well that we're probably not going to be bringing the department's projections to the committee ahead of time. That's not likely going to be happening here. We'll give the information the department has, but I don't think we're going to be making any hypothetical analysis of what might happen in the future and presenting that to committee so that you can use it in some political way.

The Chair: Let's keep order here.

Mr. Trost.

Mr. Bradley Trost: Mr. Chair, I don't know. I pay my staff to do research and other projects. This basic stuff is very simple to get off the StatsCan website. If Mr. Regan wanted to do a service for the committee, he could just have his staff e-mail it to all of us every quarter here.

The Chair: Order.

Mr. Trost, go ahead, please.

Mr. Bradley Trost: By occupation I was a geophysicist, but I also took a degree in economics, and one of the more useful courses I took was my third-year economics forecasting class. My professor was incredibly candid about the limitations of economic forecasting. I tell people he said that it was better than voodoo but not by a whole lot.

That's a slight exaggeration there. I'm not an economist, nor do I claim to be. I don't change my mind that often. As we've seen with the economists revising their forecasts every two to four weeks this fall and so forth, I'm not too sure how much the back-of-the-envelope calculations, which may or may not project accurately, might be worth. I'm not all that opposed to it, but I just don't see the relevance of this when it is something that could be easily done by MPs' staff.

• (1715)

The Chair: Okay. We're ready for Mr. Regan.

Hon. Geoff Regan: Mr. Chairman, I want to close this off, but I look forward to mentioning to the Prime Minister what a lack of confidence Mr. Trost has in the speech he made this week as well as the projections in it. I think he would be very alarmed at that.

Some hon. members: Oh, oh!

The Chair: Okay, this is a public meeting. Shall we go to the question?

Monsieur Laframboise.

Mr. Mario Laframboise: No. It's okay.

Mr. Nathan Cullen: Mr. Chair, just to understand the question, has it been amended with this projection?

A voice: He can't amend his own—

The Chair: That's right. Mr. Regan can't amend his own motion, so I have no amendment.

Mr. Nathan Cullen: I had suggested in my comments that if I needed to make a friendly amendment to this, I would.

The Chair: And your amendment is what?

Mr. Nathan Cullen: I want to get the language right: "in the following sectors", and that the clerk provide these. I think it's with updates that contain the number of job losses or job gains and any projections available in the following sectors.

The Chair: Could you repeat that, Mr. Cullen?

Mr. Nathan Cullen: Sure: job losses or gains or projections if available.

The Chair: Mr. Regan.

Hon. Geoff Regan: As much as I find that attractive—I don't think it's a friendly amendment, it's a motion to amend, as I recall—I am anxious that we conclude debate on this. I don't understand why the government is not open to this suggestion. Let's face it, if the department has projections, it's only going to give us the ones it wants us to have anyway, right?

If they're saying that this is what we project for the mining sector and so forth.... There were certainly projections in the Prime Minister's speech this week, and I don't know what the reluctance is about saying that if there are projections available, we will include them with this.

What I would sooner do, oddly, is to say this: pass the motion as it was moved and have the committee request that we get those projections as well. I don't see what's wrong with doing that.

The Chair: We have an amendment to the motion on the floor. Let's go, then, to the question on the proposed amendment.

(Amendment negatived [See *Minutes of Proceedings*])

(Motion agreed to on division [See *Minutes of Proceedings*])

The Chair: Madam Brunelle.

[*Translation*]

Ms. Paule Brunelle: Should I start over again, Mr. Chair?

[English]

The Chair: You've read the motion already. We'll consider that as having been done now. You also made your comments on it. So if you have nothing further to add, we'll go to any further debate on your motion.

Mr. Trost.

Mr. Bradley Trost: I have a question for my colleague. Is he proposing that this be our next major study after we've done this green quest? We've talked about mining, we've talked about geo-mapping, and there had been a few other questions back and forth that we decided....

From my perspective, if we are looking at one session or something, or if we're looking at a major report, this is in some respects an energy efficiency type of theme, similar to what we've done this time. Natural Resources covers a broad area. I'd like to move to a variety of things. I think people know about my professional background in the mining industry and why I have a certain interest there.

That's my question. Are we essentially lining up the next future committee business with this motion?

• (1720)

The Chair: Madam Brunelle.

[Translation]

Ms. Paule Brunelle: I wasn't thinking about getting the committee to a protracted study. I was thinking about having it review the various programs run by the Office of Energy Efficiency. In answer to my question this afternoon, the minister replied that the Office would be receiving \$3 billion. Surely certain programs will be receiving some funding. It would be a matter of determining what the status of these programs is and seeing if they are meeting stated objectives. There is no need for the committee to undertake a protracted study.

I'm not saying this to be partisan, but I do believe that our constituents would be truly interested in this kind of study. We would find out if homeowners who do renovations are satisfied with government programs and if these programs are meeting government objectives. There is no doubt that people are deeply concerned about the environment.

I don't think a lengthy study is warranted. However, it would be an opportunity for us to gauge the success of these programs and in some respects, to advise the government.

[English]

The Chair: Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

I would say to my colleague and Madam Brunelle that when I heard Madam Brunelle read the motion, it sounded a little bit more like what I was thinking about in terms of posing a friendly amendment coming in today.

We've heard some testimony over the last couple of meetings. Some people have said they like what's happening with some of the programs, and we have heard others who proposed that things could

be a little different. I know in our riding we've heard things from people about access, and people have made suggestions. I think if we are to get both a balanced side of it and a look at our ecoENERGY renewables and a look at the retrofit programs and all those kinds of programs, realistically we're going to have to make sure we get the right set of people in here to give us that feedback balance.

That's why, when I was thinking about the motion—and I would like to propose this as an amendment—I was thinking that it would say something like this: That pursuant to Standing Order 108(2), the Standing Committee on Natural Resources examine the ecoENERGY programs with a view to proposing the necessary modifications to maximize their accessibility and their environmental impacts, and that it be reported back to the House.

I think we have to do this as an examination, because unless we do it do it right, I think we're going to be proposing recommendations back to the House that will be useless to the existing programs. We also heard about silos, and in order for us to accommodate that, I think that's going to be very important.

I would like to propose that we amend that motion, and I also think we should have a recognition that this is going to take us a little bit of time to do.

The Chair: Mr. Allen, do you happen to have that written out?

Mr. Mike Allen: Yes, I do.

The Chair: Okay, could we could get a copy of that? In the meantime, you've heard it.

Mr. Cullen, go ahead with debate on the amendment.

Mr. Nathan Cullen: Chair, there are two things—

The Chair: Actually, what Mr. Allen read was the motion as amended.

Mr. Nathan Cullen: There are two points. One is that I appreciate the original motion, but the amendment sounds perhaps even better.

In terms of process for this committee, though, this feels as though we're into the discussion about the committee's agenda again. Initially when we set the agenda overall, we talked about having a reconvening, I think, six weeks in to say how the study was going and what we needed to tweak, if I'm correct in that, Chair. After the two-week break, we said we would devote some time to say.... And I can be corrected. I'm not worried about that. It's just about the process, about the way this committee makes its agenda, because the temptation will be to bring in a forestry motion or a motion on X or a motion on Y that disturbs the way we.... It's not that I'm against this motion. I'm talking about process.

So first of all, I would like some clarity on when we were meant to come back together as a committee and reset our agenda, and as well, on the point about how this committee makes its choices about how we're going to spend our time. I don't want it to be this way, because—

The Chair: As Chair, Mr. Cullen, I appreciate that comment, because I really do appreciate that you want to see it well organized, and I do appreciate having our meetings to actually discuss that. But of course, a motion has been brought to the committee. It's been proposed that it be amended as you've heard, so I have to deal with the motion.

I don't think there was any time given. I assume that if this motion does pass, that would happen after we've finished with the current study. I've heard nothing to the contrary.

Mr. Hiebert.

• (1725)

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): I want to concur with Mr. Cullen.

I've personally seen this happen in other committees, where people are constantly coming up with good ideas and trying to fill the hopper for what's going to happen next. But the reality is that in our work things change constantly, and you never know six weeks or eight weeks down the road if that priority that was just voted on is going to become the priority at the time.

So I'm prepared to support this, including the amendment, on the condition that this be one of the things we consider when we come to the end of our current study, and that at that time we evaluate all of the options that are available before we decide what our future agenda is going to be.

The Chair: Certainly I see nothing that would prevent the committee, once we've moved along in this study and have decided what we want to do, from having a meeting to discuss the future agenda, on which this would be one of the items. There's nothing to preclude us from handling it that way, as far as I can see.

Mr. Russ Hiebert: So we're not making any commitments here.

The Chair: Well, other than to pass or not to pass the motion.

Now, who's next? We have Madam Brunelle, then Mr. Anderson.

[*Translation*]

Ms. Paule Brunelle: I wish to remind committee members that when I tabled this motion on February 26, the chair had asked members to table motions pertaining to future business. Then, we began looking into the QUEST program. It was all part of a constructive process. I'm not suggesting anything new.

I'm in favour of Mr. Allen's amendment. If adopted, it will allow us to examine this issue when the committee feels it's the right time to do so. Don't go thinking that I will be moving motions of this nature every week. We were asked to come up with some. I'm only doing what was asked of me.

[*English*]

The Chair: That's very helpful, Madam Brunelle.

You've all heard what Madam Brunelle has said.

Mr. Anderson.

Mr. David Anderson: We want to get going here quickly, I think. What I'm wondering is if Madam Brunelle would be willing to hold this motion until we're done with our hearings.

I think what's going to happen is that we'll be done with our hearings and we're going to have to work on a report, and at one of those first meetings where we're working on the report, we'll probably be discussing our future business. Maybe we can bring this motion forward at that time, along with whatever other business people want to conduct.

Would that be okay with you?

The Chair: Madam Brunelle.

Mr. David Anderson: Because if we vote for this, we are committed to doing this, and there may be some people who don't want to do it.

An hon. member: The chair said we're done—

Mr. David Anderson: Well, we are, and once we vote on it, I think we're committed to it, right?

The Chair: We are at some time.

Madam Brunelle, could you comment?

[*Translation*]

Ms. Paule Brunelle: I would rather we deal with this now. I think we have discussed this matter long enough. I do not think it commits us to any great extent, but we'll see as time goes by.

For 10 years, my brother promised his ex-wife that he would marry her. It took him 10 years, but he finally took the plunge.

Some hon. members: Oh! Oh!

[*English*]

The Chair: I'm not sure of that comment. It's probably not on topic, but it's very interesting.

Some hon. members: Oh, oh!

The Chair: Seeing nobody else wanting to speak on the motion, can we go to the amendment? It's a little awkward to pick out the amendment from the motion. You all know what it is. The vote would be on the amendment, so let's go to the question, then.

(Amendment agreed to [*See Minutes of Proceedings*])

The Chair: Now we'll go to the motion as amended.

Before that, there's a point of order.

Mr. Bradley Trost: Mr. Chair, I'd like to move a motion to table this motion until a later session.

An hon. member: Oh no.

The Chair: You've heard a motion to table. There's no debate on a motion to table. To the question, those in favour of the motion to table?

Oh, actually, it's to adjourn debate.

Some hon. members: Oh, oh!

The Chair: Okay. A clear show of hands: those in favour of adjourning debate?

An hon. member: We'll bring this back, Nathan.

• (1730)

Mr. Nathan Cullen: But I don't understand this process. I want to be clear. We just voted to have this. We said this would be part of our larger... I want to understand what Mr. Trost proposed. It's a proposal to...?

An hon. member: We'll consider it at a later date.

Mr. Nathan Cullen: But the committee—

An hon. member: We voted on the amendment.

Mr. Nathan Cullen: I want to understand what I'm agreeing to here.

The Chair: We voted on the amendment. Then, as I was going to the vote on the motion as amended, there was a tabling motion, which is non-debatable, so that's why I was going to the vote.

I saw hands going up and down over there.

Mr. Nathan Cullen: I saw Madam Brunelle's hand go up and down, so I just want to understand what we're—

The Chair: So that's what it is. We'll table this to some future date. I'm not sure.... It is a motion to adjourn debate, so that would normally come up at the next meeting.

We're going to go back to the motion to adjourn debate.

(Motion agreed to)

The Chair: The bells are going. Seeing no further business before this committee today, I adjourn the meeting.

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