



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Environment and Sustainable Development

ENVI • NUMBER 059 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, June 4, 2015

—
Chair

Mr. Harold Albrecht

Standing Committee on Environment and Sustainable Development

Thursday, June 4, 2015

•(0845)

[English]

The Chair (Mr. Harold Albrecht (Kitchener—Conestoga, CPC)): I'd like to call our meeting to order. This is meeting 59 of the Standing Committee on Environment and Sustainable Development. Pursuant to Standing Order 108(2), we're pursuing a study of how the private sector in Canada is showing leadership by partnering with not-for-profit organizations to undertake local environmental initiatives.

We're pleased to have with us today, in person, Mike Morrice, executive director and founder of Sustainability CoLab. To those of us from the Kitchener-Waterloo area, we've known Michael as Sustainable Waterloo. Welcome to Michael.

From the KW area as well, Tracey Ryan, manager, environmental education and restoration, Grand River Conservation Authority, is appearing by video. Welcome to Tracey.

We will begin with 10-minute opening statements by each of our witnesses. These will be followed by seven-minute rounds of questions.

We'll start with Mr. Morrice.

Mr. Mike Morrice (Executive Director and Founder, Sustainability CoLab): Wonderful. Thank you.

Thank you to the committee for asking me to be here. I'm very glad to share my experience of the private sector partnering with local not-for-profit organizations. What you'll hear is that it's not only to reduce their environmental impact, but also to increase their profitability and at the same time grow the low-carbon economy.

Let me tell you a bit about it. I'll start in Waterloo region, with a company called VeriForm.

VeriForm has been around since 1996. They are a sheet metal fabricator. Essentially, that means they bend and cut steel. They have about 35 people or so. Their CEO is Paul Rak. They're based in Cambridge, Ontario.

Back in 2006 Paul and his wife had a daughter. She was their first. They watched a movie called *An Inconvenient Truth*. As a result of this, Paul went back to his workplace and said, "I'm going to change the way this place operates"—very altruistic—and he started to go about simple things.

He upgraded his lights to T5 from T12 bulbs. He improved the thermostat. He installed a disconnect on his bay door. When the sheets of steel would come in during the winter months, as the bay

door would open, his guys would stop and have a smoke break, and the heat was just billowing out in the middle of the winter months. Paul installed the disconnect on the bay door so that when the bay door opened, the heat turned off. Now nobody is taking a smoke break while the bay door is open. They're rushing to get the steel off the truck and close the bay door. Then they can have their smoke break.

These 37 first projects that Paul implemented at his company cost him \$46,000. The operational savings in energy costs in the first year alone were \$89,000. The average payback period was 6.3 months. Paul expects to save, over the next 10 years, \$1.42 million. This is a company of 35 people.

I met Paul as I was starting a not-for-profit in Waterloo region called Sustainable Waterloo Region. That was back in 2008. We ended up inviting Paul to speak at our launch event for this new entity that would convene networks of businesses, helping them to move from an interest in reducing their environmental impact to action.

Paul and VeriForm is one of our first three member organizations. Members that were part of a program we started there, called the regional carbon initiative, get support to set targets to reduce their carbon impact specifically. This means we offer them software to track their carbon footprint. We invite them out to events to meet and hear from people like Paul, from energy auditors, from consultants, to be part of the network of support they would need to reduce their environmental impact. We offer them tool kits, guides, and resources. Then, of course, we recognize the progress they make every year.

Fast forward to present day, that same company, VeriForm, with the support from Sustainable Waterloo Region has since reduced its carbon footprint by 80% and doubled its profit at the same time.

What else has happened in Waterloo region? Those three companies, Athena Software, a small high-tech company; VeriForm; and Enermodal Engineering, since bought by the MMM Group, have since grown to 65 organizations across Waterloo region. These are all organizations that have either intention to set a target to reduce their carbon impact or have already done so. Those targets amount to 55,000 tonnes—12,000 cars off the road every year—and those organizations employ 14% of the workforce.

Not only that, but these companies are paying fees to participate because they're getting value from the services they receive. Those fees in Waterloo region are a sufficient amount to have the program financially break even. This pays for two full-time staff, for the software, for the events, and for all the support they receive in Waterloo region.

Let me return to the low-carbon economy as another example. In 2013 there were five organizations among the 65 that set targets in that particular year. Those five organizations that set their targets had to first do energy audits. They spent \$70,000 working with local energy auditors to identify projects that had a payback period of two years or less that were in their financial best interest to complete. They then completed the projects recommended, and spent an additional \$90,000 locally on products and services in the low-carbon economy to achieve their targets.

● (0850)

Here are five companies reducing their environmental impact, increasing their profitability, and spending \$160,000 in the local low-carbon economy in just that one year.

In fact, today in Waterloo region there's talk of what they are calling a centre for sustainability excellence. This would be a 120,000-square foot, net positive energy building that would be occupied by members of the regional carbon initiative, a transformational iconic space for the sustainability network in Waterloo region to be a hub for all the consultants, businesses, and students. They are even going to have a restaurant on the main floor that, of course, supplies local organic foods. This is the kind of transformational change that can happen in a community when the private sector partners with not-for-profits.

But this is not a Waterloo region story. That's not why you asked me to be here. So let me share with you that back in 2011 the first person who came to me and asked if they could have this same model was a professor from Niagara College. That person applied to the Trillium Foundation and received twice as much funding as we did in half the time. The first person Trillium called was me. Paul from VeriForm and I spoke at their launch event back in 2011. It was on the car ride home from that launch event that I realized this was not a Waterloo region challenge. This is a national challenge that needs a more national response, and perhaps we could be a part of that.

As a result, I left Sustainable Waterloo Region back in 2013 to start a new entity we now call Sustainability CoLab through which we're now supporting seven organizations and communities across Ontario to scale the same model. What I mean by that is having businesses pay fees to a not-for-a-profit to be connected to a network of support, to get access to software and events and those supports, and then to be recognized for the progress they make toward a target. It's not business as usual, but actually reporting on forward-looking goals and being recognized for the success they have.

In Niagara, for example, the Niagara Sustainability Initiative is now up to 23 organizations that have set targets to reduce their carbon by 6,000 tonnes. It includes companies like Quartek Group, Brock University, Niagara Health System, and Fallsview Casino. In Durham, Durham Sustain Ability has a program they call the Durham partners in project green. They have 18 organizations that

participate there. They just relaunched six months ago. That includes General Motors, Deer Creek Golf Course, and Durham College. Here in Ottawa, EnviroCentre is going to launch carbon 613, and I am thrilled to invite you all to attend. It's on June 23 at the Kichesippi Brewery from 4 p.m. to 6 p.m. Sudbury, York Region, and Kingston will all follow suit.

To go a step further, this isn't really an Ontario story either. A similar group called Climate Smart in B.C. has been working there for several years, and we've received requests from communities in Alberta, Manitoba, Quebec, and New York state.

Why is this the case? The premise is that businesses measure what matters, and this is in the best interests of businesses right across the country. Yes, there is a federal cost of climate change inaction and the NRTEE estimated that to grow to \$5 billion a year by 2020, but at the same time, at the company level there's a business case.

It's not only about saving money on their energy bills. It's about attracting employees who are making their employment decisions based on the environmental strategy of the companies with which they work. It's about improving their brand for those constituents they care most about—often that's their customers. Also it's about looking at trends in the supply chain as Walmart and others start to prioritize their supply chains based on the environmental records of companies they work with, and of course the policy they see coming out of federal and provincial governments.

As we look to see this happen more across the country, I would encourage the committee to look at more support from both federal and provincial governments for non-profits that are supporting businesses in this way. I can speak to a funding program like eco-action, which did support Sustainable Waterloo Region back in 2008. It provided \$24,000 of the \$200,000 required to get the program started. No other eco-action funding has been provided to Sustainability CoLab or any other member of the network since that time. However, in the last six months alone the Ontario Trillium Foundation has supported about \$600,000 across the CoLab network in just the last six months.

● (0855)

I hope to have enlightened you on how the private sector can partner with local non-profits not only to reduce their environmental impact but also to increase their profitability and grow the low-carbon economy at the same time. I really appreciate the chance to share this with you.

Thank you.

The Chair: Thank you very much, Michael.

Just to reference your invitation for June 23, it's our hope that Parliament rises on that day, so you just might be in luck if we rise early enough to arrive at your four o'clock to six o'clock reception.

Mr. Mike Morrice: Wonderful.

The Chair: Thank you for your statement.

We'll move now to Tracey Ryan from the Grand River Conservation Authority.

Welcome, Tracey.

Ms. Tracey Ryan (Manager, Environmental Education and Restoration, Grand River Conservation Authority): Great. Thank you.

I'm pleased to talk to you today about the importance of private sector support for our environmental initiatives at the Grand River watershed. The Grand River Conservation Authority is one of 36 in Ontario that manage water, land, and other natural resources. The Grand River is the largest in southern Ontario. It flows 300 kilometres through southwestern Ontario, from the Dufferin highlands to Lake Erie. The watershed is about 6,800 square kilometres in area, making it roughly the same size as Prince Edward Island. There are about one million residents. Most of them live in five fast-growing cities: Kitchener, Waterloo, Cambridge, Guelph, and Brantford. It is also a very productive farming region, with more than 70% of the land providing a wide variety of products.

In light of our discussion, it's probably worth discussing the origins of the GRCA. When this part of Ontario was opened up in the 1800s, the settlers dramatically reshaped the landscape. They cut down almost all the forests, emptied the wetlands, paved city streets, and installed tile drainage on farms. By the early 1900s, the Grand River faced significant environmental issues: devastating floods, inadequate water supplies, and a severely polluted river. The industrial and business leaders of the day realized the environmental problems threatened the health of their workers, their communities, and their businesses. When floods hit, their factories literally washed away.

The business leaders created an organization called the Grand Valley Boards of Trade, which asked the provincial government to create a new agency to manage the environmental challenges of the Grand River. The province created the Grand River Conservation Commission, a forerunner to today's GRCA. It was formed as a partnership of watershed municipalities and the province to address their shared problems. The commission built Shand Dam in 1942. It was the first dam in Canada designed to control both floods and augment river flows during dry summer periods. Over the next 30 years, six more dams were built on the river.

From the earliest days, there has been a recognition in the Grand River watershed that a healthy economy and a healthy environment go hand in hand. There's a role for both the public sector and the private sector in environmental protection and restoration. Throughout its early decades, the GRCA was financed largely by municipal and provincial governments, which paid about 80% of capital and operating costs. Of course, that changed in the 1990s as governments at all levels went through restraint.

By the end of the 1990s, government was providing less than 40% of the GRCA's income. This reduction in government forced some

changes. We had to become more entrepreneurial when it came to managing our own revenue-producing operations, such as campgrounds, hydro generation, property rentals, and others. It also led us to explore new and innovative ways to get work done by finding new sources of funding in both public and private sectors.

In the 1960s the GRCA had created a foundation to carry out limited fundraising. In the 1990s the foundation expanded its efforts, soliciting millions of dollars from private donors for trail development, outdoor education, environmental restoration, and other projects. The GRCA worked with traditional partners and government to find new ways to finance environmental projects. To make up for the loss of general operating grants, the GRCA began to deliver projects and programs on behalf of municipal and provincial governments, funded on a case-by-case basis.

A good example is the rural water quality program. Municipal governments provide the money that goes to farmers for projects to protect water quality on farmland. We manage the program on behalf of those municipalities, but we connect with farmers, manage the grants and the applications all the way through to the approval process, and look after those farmers. This approach works because we can demonstrate to our partners, the municipalities and the farmers, that we can deliver these programs effectively and efficiently to meet their needs on private land.

However, not all municipalities in the watershed participate in the rural water quality program. Smaller municipalities just don't have the large tax base to contribute. To fill those gaps, the GRCA and our foundation have found private sector partners. We have received grants from various organizations that have an environmental mission, such as the RBC Blue Water fund, TD Friends of the Environment, and the Monsanto fund. One reason we think we've been able to tap into these grants is that the rural water quality program has a long record of accomplishment of putting money into the ground with minimal expense and overhead. That's one example of the relationships we have established with the private sector.

A second is our connection with Toyota Motor Manufacturing of Canada. The company has a plant in Cambridge not too far from our office. It also has a second plant in Woodstock, which is just a few hundred metres outside our watershed. Over the years, Toyota has been a strong supporter of our environmental education program, including money for the construction of the environmental education centre in Cambridge. Over the years they've contributed additional money for the education program and trail development.

• (0900)

In that respect the relationship is much like the one we have with other foundations, but there is an interesting development in our ties to Toyota, which is indicative of a growing trend in philanthropy. These days donors want more than just to write a cheque and show up at a ribbon cutting. They want to literally get their hands dirty.

For several years Toyota and GRCA have held work days together. We identify projects that their employees can dig into like building trails, painting walls, or restoring boardwalks. Their employees are paid by Toyota and work under their own supervisors. They manage the health and safety issues. Doing this requires more planning on our part and we're addressing that by developing a new volunteer management program at the GRCA.

Corporate volunteerism pays off in many interesting ways. We get work done that benefits the environment and the larger community. The employees get to contribute in a meaningful way to environmental sustainability in their community and they learn first-hand about the GRCA and its roles and responsibilities. Significantly, we build a tighter bond between our agency and their company that will benefit us both in the future. This type of relationship works because there is a convergence of our corporate goals and theirs. Toyota has an environmental record and sees us as a good partner to enhance it.

We have similar connections with S.C. Johnson and Son of Brantford. The company advertises itself as a family company and has demonstrated that in many ways over the decades. They've supported a wide range of GRCA programs that have family and community at their core. They've supported construction of an education centre and have been steady supporters of that program. They have contributed to our fisheries management program and restoration of natural areas, all things that add to the quality of life in Brantford and the watershed.

I'd like to highlight one new and innovative relationship we have with the aggregate industry. The GRCA is looking to develop a hydroelectric plant at a dam in Cambridge. This is a commercial venture for us, so we know we will have to borrow money for the capital costs. The payoff for the GRCA is a consistent revenue stream long into the future that will fund other environmental projects while also supplying sustainable energy.

The Ontario Stone, Sand and Gravel Association has signed on as a partner. They are raising money in a variety of ways. The money will be turned over to the GRCA to help with capital costs and this will reduce the amount that GRCA will need to borrow. The result is that our future profits will be much higher. The enhanced long-term revenue stream means we will be able to do much more restoration in the future.

Before I wrap up, I would like to make one more important point. As useful and valuable as the private sector support has been, it is not a substitute or a replacement for reliable adequate core funding from our government supporters. The projects supported by our private sector partners are important and valuable and add to our watershed to make it a healthier and better place. However, in our work there are a lot of day-to-day expenses that aren't and quite frankly shouldn't be funded by the private sector. Our basic

responsibilities such as flood protection, watershed planning, protecting water quality, and ensuring adequate water supplies are societal goods and need to be funded by society.

With that said, I'd like to offer some of the lessons we've learned through our work with private sector partners. One is to identify programs and projects to which private sector support would bring the biggest benefits, so we have a shopping list that we can discuss with our donors. We are willing to invest resources in building long-term relationships. We understand the goals and needs of our private sector partners to discover areas of mutual interest. We are open to new and innovative relationships. We want to give our partners maximum bang for their buck by being effective and efficient in our programming and project delivery. We are developing a recognition program to ensure that our partners get the attention they deserve for the support they've provided.

Again I thank you for the opportunity to appear before the committee today. We really appreciate it.

• (0905)

The Chair: Thank you very much, Ms. Ryan.

I've had the privilege of personally witnessing some of the improvements in that rural water quality program and they're quite incredible. I would encourage all of our members to take the opportunity to examine the actual results on the ground and in the water.

We're going to proceed now to our first round of questions for our witnesses. Members, please direct your questions specifically.

First, Mr. Woodworth, go ahead, please, for seven minutes.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair.

My deep thanks to both of our witnesses here today. I am familiar, of course, with the work that both of your organizations do and I just can't tell you how very proud I am to be the member of Parliament for Kitchener Centre and to represent Waterloo region, which has probably the premier reputation across Canada as a place where not only private and public partnerships but also academic partnerships have generated such amazing results. It's really a privilege for me to have you both here with me today. I can hardly know where to begin because everything you've told us is very germane to the subject of our study.

I'm going to begin with Mr. Morrice just because of the very interesting dynamic of profitability that he describes as result of the lowered carbon footprint that his organization and Sustainable Waterloo has been able to encourage people to adopt. I'm assuming that this is the result of reduced energy consumption. You've indicated that there are some very significant savings to businesses and then you kind of very quickly mentioned that the businesses are putting back into Sustainable Waterloo. I missed some of the details of that, so if you wouldn't mind elaborating, I would appreciate it.

The Chair: Mr. Morrice.

Mr. Mike Morrice: Absolutely, I would be glad to.

When Sustainable Waterloo Region, or Niagara Sustainability Initiative, or EnviroCentre approaches a business, their conversation is twofold.

The first side is the business case for sustainability broadly. To be clear, that business case differs depending on the sector. For manufacturing, for example, it's often very much about cost savings. For a professional services firm, mind you, it might be more about employee attraction. I'll give you the case of Ernst and Young in Waterloo region, for example. If you spoke to their managing partner, he would tell you that the reason why they've set a target to reduce their carbon footprint is so that when they get a question from a generation-Y superstar accountant coming out of university, they want to be able to differentiate across their peers. This gives them a way to do so, to say, "Yes, we have an environmental strategy. Let me tell you about our 20% target and the third party group who is keeping us accountable to achieve that."

Another side of it is on the retail, and I mentioned very briefly those that are manufacturing consumer goods around the supply chain risk. Walmart, for example, has now begun to prioritize their supply chain based on the environmental records of companies that they work with, and it's also about improving their brand.

The first conversation is about understanding the business case for any particular organization that might be looking at reducing their environmental impact. Secondly, for those that participate in a program like the regional carbon initiative, it's to say, "Yes, there's a fee to participate, and here's the support you will receive." Those fees in Waterloo region, for example, are between \$500 to \$5,000 a year per company based on size. Sun Life Financial and Wilfrid Laurier University pay \$5,000 a year. Athena Software pays \$500.

For that, as a social enterprise, they receive access to the software to track their carbon footprint. They get access to the events throughout the year. They get access to the guides, resources, and supports. They also get recognized for the progress they make so that when Sustainable Waterloo Region comes back, and there are 400 people in the room, and the media are there, they can say, "Yes, here are those who have done particularly well. It's not just that they're green, but let me tell you about the actual target they've set, the progress they've made, and the more profitable they are as a result."

To the question asked, the conversation is, again, both about the business case around saving money, attracting employees, and improving their public image, and it's about there being a fee and a value proposition to the services they get from the not-for-profit.

● (0910)

Mr. Stephen Woodworth: Do the fees that Sustainable Waterloo receives from participants cover all of its costs? Does Sustainable Waterloo receive other funding from these businesses just as a matter of payback for the savings that they've generated?

Mr. Mike Morrice: No. The entire program is funded based on membership fees, sponsorship, and event attendees. While government was supportive with grants back in 2008, within four years—by 2013—that sinking fund of grants had sunk, and membership fees and sponsorship had risen to the point.... It's about a \$250,000 program to operate, per year.

Mr. Stephen Woodworth: Very good.

Could you tell us a little bit about the software that Sustainable Waterloo or the Sustainability CoLab provides to businesses to assist them in assessing what their costs and benefits might be?

Mr. Mike Morrice: Absolutely.

The software is critical because you can't manage what you don't measure, so it is critical to your ability to set goals. If sustainability is in a business' best interest, then why would they not set goals on this too?

The software that is provided is from a company called Hara. Sustainability CoLab has a relationship with that company. We then provide it to Sustainable Waterloo Region and the Niagara Sustainability Initiative, for example, and that software allows a business to put in their kilowatt hours of electricity, their metres cubed of natural gas, perhaps their employees who commute to and from work.

On the other side, it then translates that data into what's known as the greenhouse gas protocol, separates emissions into three different scopes, and allows them to sort through by buildings or fleet or by different scopes what their emissions are and then also report data back to the third party group to be recognized for the progress that they make.

It provides the base line and the credibility to understand the overarching progress being made and allows me to come back to you with the information that in all, in Waterloo region it's 55,000 tonnes and in Niagara it's 6,000 tonnes. I can tell you that because it's reported through that software.

Mr. Stephen Woodworth: Are those cumulative figures?

Mr. Mike Morrice: That's correct, yes.

The Chair: We're just out of time, but committee members, because we only have two witnesses today—we were expecting four but two were not able to come—we should have adequate time to repeat some rounds. If you have other questions, we'll come back to you, I hope.

Mr. Choquette, please, you have seven minutes.

Oh, is it Mr. Bevington?

Mr. Bevington.

• (0915)

Mr. Dennis Bevington (Northwest Territories, NDP): Thanks, Mr. Chair, and thanks to the witnesses here. It's always good to hear from people who are so active in conservation and in energy efficiency.

I guess that's really your field of prime focus, Mr. Morrice.

You mentioned a two-year payback. Is that the kind of goal you set for these companies, or do you have a broader vision for them?

Mr. Mike Morrice: That's a great question. Thank you.

To be clear, the businesses set their own goals. For each community a framework is provided, and by that I mean the rules by which they can set a target. In Waterloo region, for example, the targets are between 20% and 100% over 10 years. A group such as Sustainable Waterloo Region presents its rules and asks what target the company would like to set.

Typically, when a business joins the program, the payback periods they're looking at are one year or less. Ideally, as they see results in projects of that kind that are smaller in scale, such as lighting and thermostats, with the savings they receive they are enlightened to consider projects with a longer payback. Here we see companies looking at solar and other renewables, LEED building retrofits, larger changes to their fleet.

We have had projects by companies within the programs whose completion is 10 to 12 years out, but by no means is that the norm. It's not a mandate from a group like Sustainable Waterloo Region. The targets are voluntary, and the programs and the projects that are completed are set by the companies. Our hope is that over time, as the companies learn from each other and the "business as usual" shifts, businesses will be more open to projects with longer paybacks.

Mr. Dennis Bevington: Do you think there's some need for incentives to encourage businesses to take that longer payback opportunity? The kinds of reductions we need in industry are quite large, and it's better to start sooner, if a company is going to benefit from something.

Mr. Mike Morrice: I could not agree more. Incentives are absolutely critical, if you look at the amount of change that's required, based on what we're hearing from the IPCC. The targets I'm talking about here are not science-based. They are based on what the companies are setting within their means and the return on investment that make sense for them. Any incentives provided allow those payback periods to come down over time.

The save ON energy program provided by the IESO in Ontario is one example of a program that is used often and shared through programs like this, so that businesses know how to participate. It's a wonderful program to allow them to take on projects they might not otherwise take on. We need so much—exponentially—more to engage the private sector, to the point that we need them involved to get to the science-based targets that we know we need.

My answer is a resounding yes, a hundred times.

Mr. Dennis Bevington: I'm sure you're familiar, right across the world, with different kinds of programs. Do you have any advice to us, if governments were to support different kinds of energy efficiency programs for commercial enterprises?

I know commercial enterprises are sometimes the lost child when it comes to energy efficiency. Would it be tax relief? Would it be straight up incentives? How would you say that the commercial businesses would most likely respond?

Mr. Mike Morrice: The commercial businesses would respond very well, of course.

I would encourage you to look no farther than within our own borders. Provincially, we have a number of programs, in B.C., in Ontario, and in Quebec, for example, that would be wonderful models for the federal government to look at, to build on, and to provide more incentives that would be a real diversity and a mix. If you look at what you provide as a federal government on commercialization through NRC, for example, through SR and ED credits, all of those similar models would apply so well here. My sense is that the research would be very much within the bounds of what others have already done.

Thank you for the question

• (0920)

Mr. Dennis Bevington: Thanks.

Ms. Ryan, we did do a lot of work on this particular subject with the Great Lakes project. One of the big problems in the whole Great Lakes system is the result of improper agricultural practices leading to the loading of the lakes with a high degree of runoff from fertilizing and such.

Is the voluntary system that's put in place good enough to really accomplish the goals that you need to accomplish?

Ms. Tracey Ryan: That's a very good question, and one that I think we've been working with for decades.

The rural water quality program is voluntary. We have found it's really successful from that point of view, in that adequate incentives—to mention your previous question—will get agricultural producers to take action. We always find there are those who won't of course, or that we need to wait for farms to change hands, those sorts of things. It's very difficult on an extensive land-based production system like agriculture to get people to give up a great deal of land when you're talking about the thousands of dollars per acre that they are worth.

What we're finding is that providing adequate incentives with realistic expectations around things like buffers and practices has made a difference. We've seen a lot of uptake. Measuring that is really difficult because with things like phosphorus, we're finding we have legacy phosphorus existing, and we don't know how long it's taking to move through the system. It's the same with nitrogen and groundwater. In measuring the impacts of those best management practices, we just have to go back to the field-based or the actual plot-based science and then extrapolate beyond.

We find that farmers, just like the general public, probably respond better to incentives than to regulation on many issues. Often when we're dealing with farm groups and speaking to soil and crop improvement associations, or something along that line, we start talking about voluntary versus regulatory. It's like the speed limit. We know that most people will probably break the speed limit on certain days.

If we set a three-metre buffer as a regulation, we know there will be people who will try to get away with a two-metre buffer. On a voluntary side, when we incent it—and it's not a very big incentive—we often see them putting more than three metres as their field buffer. They understand where it makes sense and they're controlling it, as opposed to being controlled. It almost comes down to human nature in some cases.

It is a balance between appropriate regulation and appropriate incentives.

The Chair: Thank you, Ms. Ryan.

Your time is up, Mr. Bevington. Thank you for that question.

Mr. Toet, please.

Mr. Lawrence Toet (Elmwood—Transcona, CPC): Thank you, Mr. Chair. This has indeed been very interesting.

Mr. Morrice, I want to start with you. I was very interested in your example of VeriForm. You've talked about several other businesses that have also gone through this process and seeing an improvement in their bottom line through the process.

Is it your sense that these businesses are strictly driven by that desire for an improved bottom line, or is there actually a sense of them really wanting to do the right thing also from an environmental aspect and to be truly stewards of their environment and its sustainability?

Mr. Mike Morrice: It's a great question.

I think one important divide would be those that are publicly traded versus those that are private firms. For those that are publicly traded, they are required to meet a profitability objective. Still, that means engaging employees and their employees may have a real altruistic interest, so that does return to their bottom line when they can increase employee retention. Ultimately, though, for a publicly traded private company, profitability is the bottom line.

For the private firms, like a VeriForm, as I mentioned in that example, Paul had a very altruistic perspective. Certainly, we see that amongst some of the smaller firms in the Waterloo region that participate. That altruistic interest is then supported as they start to see profitability alongside it. That would vary, depending on the firm

and on their interests. I would say it's a mix of both but that the success of the program overall depends heavily on being able to translate it back for those in the firm, whether it's the ultimate decision-maker or not, that you can come back to underscore the profitability interest. I think this returns to the previous question about incentives and about what government can do to increase the profitability and to make it more attractive, so that you support any altruism and any kind of personal-value interest from a private firm.

Sir, if I may say one more thing on the public sector, there's obviously more latitude there, too.

• (0925)

Mr. Lawrence Toet: I find it very interesting.

I know in my previous life in business, we were very often—in fact, almost inevitably— ahead of the curve even on regulatory issues. I think of things like silver recovery from the film work that we did. When they came to us and said here are the new regulations on silver recovery, we told them we had been doing that for over 10 years already and that those were things we do. With vegetable-based inks, they said we had to get away from petroleum-based inks. We hadn't been using petroleum-based inks for 10 years already. This was a constant ongoing thing. Also incentives, like you say, and then going forward and changing lighting within our facility, there was a return on investment on that very quickly, even without a government incentive. My sense is that a lot of companies, and especially the privately held companies, are looking at a broader perspective also for the greater good of their communities.

In that light, are you finding that companies are going through this process with a view for themselves, for their own personal private company? Are you also seeing them getting much more engaged in the environmental aspects of their community and the sustainability of their community, and becoming actively involved in that through themselves and through their employees?

Mr. Mike Morrice: There is absolutely a trickle-down effect, where we see employees of regional carbon initiative members who are then participants in different programs of the GRCA, for example. They may then also volunteer with one of the many environmental groups in their community, so it is another channel through which we can connect with Canadians and speak to their connection with nature and to their own interest in the environmental performance and record of our country. Absolutely, engaging through an employer is a critical way to speak to Canadians.

Mr. Lawrence Toet: Agreed.

Ms. Ryan, I was interested in the example you brought forward regarding Toyota and their financial and voluntary work in projects that are central to cleaning up environmental issues in the region. Could you give us a few examples of some of those projects?

Ms. Tracey Ryan: Certainly. Thank you.

Toyota has contributed significantly to the building of one of our nature centres, the Toyota Nature Centre, which is located in Cambridge, so they actually have a lot of ownership for our park, Shade's Mills, which is where that's located. I think for the last five years they've been dedicating approximately three to five days with a crew and it's a very sought-after gig for their workers, so they actually run a lottery. They have done trail work at Shade's Mills. They came in and built a boardwalk, I believe, and did some mulching. They painted the nature centre during one of their work sessions.

We had them go over to one of our properties—it's not a park—that is very popular for hiking, over in Guelph at the Arkell Springs area, and they did a great deal of trail work and built some bridges over some wet areas. They spent five days lugging timber to a totally inaccessible area and mulching and cleaning up the trail that's very heavily used. Those are the sorts of things their volunteers are participating in during their work hours.

• (0930)

Mr. Lawrence Toet: Are you seeing then through Toyota's involvement in this any kind of trickle-down effects? Are there other corporations, whether large or small, looking to that example and wanting to get involved and actually getting involved in some of these types of projects?

Ms. Tracey Ryan: That's a really great question, and yes, we are. We were actually successful at receiving Trillium funding this year so that we can engage a volunteer management person, because we're finding that we are starting to see more individuals and companies, local companies, asking for that sort of experience for their workers and for their members.

We are looking at developing a more structured program to offer that to our groups. Our foundation is going out, of course, and talking to private individuals and businesses. One of the things businesses are asking for is how their employees can participate, even if they are not actually providing a donation at this point in time, although many of them also want to provide a donation along with time. We are trying to engage that need.

The Chair: Thank you, Mr. Toet.

Ms. Sgro, welcome to our committee. Go ahead, please, for seven minutes.

The Honourable Judy Sgro (York West, Lib.): Thank you very much, Mr. Chair. It's great to be here, especially on these kinds of interesting and exciting topics.

Mr. Morrice, we can clearly see the excitement you still have. You haven't been worn out by the challenges you're facing. Certainly it's just unbelievable what's going on in the Waterloo region, and it was very exciting to hear about it. I've had several visits and have several more coming up over the summer. It's fascinating to visit the various sites and see the growth that's happening, so I congratulate all of you in that particular area.

I notice you are reaching out in various areas. Are you going beyond the Ontario borders at this particular time with your initiatives to try to encourage companies to participate or are you still very localized in the Ontario region?

Mr. Mike Morrice: That's absolutely an option. We are trying to scale in a measured way; that is, to ensure the program is financially self-sufficient in multiple communities across the province. That means that currently we are in seven communities in Ontario. As I mentioned earlier, those are Niagara, Waterloo, Sudbury, York, Durham, Kingston, and Ottawa.

As we receive more support and we see communities such as carbon 613, for example, launch and we see strong uptake from the private sector here in Ottawa and to the extent that CoLab receives additional support, that puts us in a position to respond to interest. We have received calls from municipalities as well as environmental not-for-profits in Manitoba, Alberta, and Quebec that we would be very interested in responding to. Again, this is not a Waterloo region item. This is not an Ontario thing. This is a Canadian opportunity.

The benefits I mentioned around reducing environmental impact, increasing profitability, and growing a low-carbon economy are of interest to Canadians and Canadian businesses across the country. To the extent that the model we are sharing can be part of that mix, we are very interested in sharing this with communities across the country.

Hon. Judy Sgro: As to the growth of your own company, how many employees do you have now?

Mr. Mike Morrice: Sustainability CoLab has four employees and is very focused on a model that scales based on the workforce of the local entities, so Sustainability CoLab does not have local employees in every community. Rather, for example, here in Ottawa EnviroCentre is our network member. EnviroCentre has some 20-odd staff, two of which will be focused on carbon 613. Our support is behind the scenes providing the coaching, the resources, the peer-to-peer groups, and ideally funding that can be leveraged with their local relationships. That allows us to stay nimble and to focus not on Sustainability CoLab as an entity but rather on the on-the-ground work happening in communities across the province.

• (0935)

Hon. Judy Sgro: The story that you told us earlier and the kinds of changes that he was able to make to his small company so very quickly are the kinds of things that need to be translated off to many others because many small things can make a huge difference.

One of things in Ontario in particular that might be driving some of this need for alternative sources is the issue of the cost of water, hydro, and so on. Certainly from a business perspective, I would think that they would be very open to being triggered with ideas and opportunities. Some of these partners that you have I would imagine are reaching out to some of the larger corporations. The smaller ones should be an easier turnaround, but some of our major companies must be already taking significant steps to reduce their resource use, are they not?

Mr. Mike Morrice: Absolutely, yes.

Many of the larger firms we work with have dedicated staff. Sun Life Financial has a director of sustainability, for example. Those are the kinds of people we want to have at the front of the room to be sharing the successes that companies like Sun Life and the City of Kitchener have had so that other businesses follow suit faster and have similar success.

Then to your earlier question, they can then take on projects that go well beyond a payback period of two years or less because they've created a revolving fund where savings are reinvested back into projects that can be more ambitious and then in turn inspire others to follow suit. This is very much about creating a community of support so that the stories like VeriForm and Paul Rak are not a one-off but become the norm. In turn we can challenge Paul. In his first two years he did the really easy stuff, and as a result of being part of the network, he's now gone above and beyond. As I said it's now at the 80% reduction level and at the same time he doubled his profit.

Networks like this can spur on those who are already ahead of the curve and bring in a larger tent of unlikely players, whether it's the mall or the hospital, the manufacturer or the utility. There's a business interest for them, there's a values-based interest for them, and ultimately there's a strong interest in growing the low-carbon economy, which is growing faster than the rest of the economy as a whole.

Hon. Judy Sgro: You mentioned also the issue of municipalities and that you've been in conversations with them. Would you like to share a little bit of that information with us?

Mr. Mike Morrice: Absolutely.

Municipalities are critical players in all seven of the communities in which we operate. In fact when we select a member, that is to say, when we receive applications from groups like EnviroCentre in Ottawa or reThink Green in Sudbury, one of the criteria is how supportive the municipality is. What kind of climate change action plan do they have? What amount of funding have they put in?

We see often that municipal leadership can very much spur on the private sector to be an active player. To be fair, across the country on sustainability so much of the leadership we are seeing has been driven at the local level. We want to leverage that and build off of that, and in turn, that's where I bring it to you to encourage stronger federal support to match what we're seeing at the local level.

The Chair: Thank you.

Thank you, Ms. Sgro.

We're moving now to our five-minute rounds.

Mr. Choquette, please.

[*Translation*]

Mr. François Choquette (Drummond, NDP): Thank you, Mr. Chair.

I want to thank the two witnesses for appearing and for their testimony.

Mr. Morrice, you just talked about how important it is for municipalities and provinces to participate. What role does the

federal government play in your initiatives? Actually, the question is also for Ms. Ryan.

[*English*]

Mr. Mike Morrice: Thank you for the question. If I can clarify, are you asking about the current role or the desired role?

[*Translation*]

Mr. François Choquette: My question is about both roles.

Mr. Mike Morrice: Thank you.

[*English*]

I will respond in English, if that pleases the committee.

The current role of the federal government is almost nil. That is to say that locally MPs in each of the communities have been very supportive. Certainly that's been the case in Waterloo region, and that's actually part of our assessment of communities across the province. We look at the municipality. We look at the political support at the federal and provincial level, and certainly we have MPs who are supporting strongly. Where that translates into federal programs for funding, for example, as I mentioned in my opening remarks, there is no current federal funding I am aware of that is going to any seven of the programs in which this currently operates. That's certainly a challenge.

In terms of the ideal state, I point to some of the support that's being provided provincially through funding agencies like the Ontario Trillium Foundation. Through the provincial government we just recently announced that the Ministry of the Environment and Climate Change has provided an initial \$100,000 to the CoLab network, which allows us, as CoLab, to then incentivize our members to be able to provide them with support that they can leverage and build more support from. It's a one-off. It's certainly not our end game. We would like to be in a position to have a fund so that with that fund we could then say, yes, EnviroCentre has a business plan, let us write you a cheque, and again as you launch your program, as you get your first three members, your next 20 members.

That incentivizing we can't currently do, and we would be thrilled to have provincial and federal support to be doing work of that kind.

• (0940)

[*Translation*]

Mr. François Choquette: Thank you.

Ms. Ryan, I have the same question for you. I know that you have good partnerships with municipalities and the province. Can you explain the federal government's role?

[*English*]

Ms. Tracey Ryan: Thank you. That's a very good question.

Similar to the previous answer, we generally are relying entirely on the province or the municipalities. The rural water quality program would not have the success it has without the commitment of the municipalities for longer than 15 years.

Where the GRCA does partner with the federal government it is through programs that come and go, through short-term funding, through any of the programs that the federal government has around eco-action, a variety of those types of things. We are applying right now for the 150th funding that came out for some capital works to improve our parks and infrastructure for the community. It is very hit and miss and when we can actually access those programs, when we qualify, when we have projects that are ready to meet the qualifications.... In some cases these may be capital works that are shovel ready or it may be targeted very much to species at risk, so through Environment Canada we apply each year to the habitat stewardship fund and successfully receive less than \$100,000, which we then can make available to areas that do not have municipal support or adequate municipal support for some of those projects.

It is not consistent, but we try to leverage our other funds when available.

Thank you.

[*Translation*]

Mr. François Choquette: What would you recommend to the committee concerning the federal government's role? Some programs are ad hoc and do not have long-term funding. Do you have any recommendations?

[*English*]

Ms. Tracey Ryan: Again, that is a very good question.

We would be happy to work on some of the long-term recommendations.

Off the top, looking at where those priorities are—one of the previous members talked about the Great Lakes and the Great Lakes agreement—it's looking at those priorities and providing a longer range. We find, looking at the history of the success of the rural water quality program, that it is human nature that people take some time to make plans. That is probably echoed in business and in the business of agriculture as well.

We need programs that have a longer lifespan so that we can do some planning because we're looking at individuals having to bring the decision-making to make a change in their business, whether that is agriculture or VeriForm. They need to make a business decision and make a business plan, so ensuring that there is a longer timeframe on some of those incentives or cost shares, tax reduction, whatever, seems to suit best for the business. We find that often we need to go and talk to the individuals who are looking for that support, so I think longer range, longer term, allows individuals to make those decisions and to build them into their plan. They may not be ready to implement now, but they will be in three to five years.

● (0945)

The Chair: Thank you. We're well beyond our time there.

Mr. Choquette, thank you.

Mrs. Ambler, please, you have five minutes.

Mrs. Stella Ambler (Mississauga South, CPC): Thank you, Mr. Chair, and thank you very much to both of you for being here today with very interesting presentations.

I'd like to start, if I might, with the business case you mentioned, Mr. Morrice, and that you emphasized, which I appreciated. It brought me back in time because... I like the fact you pointed out there. You both pointed out there's a business case for being more environmentally friendly and for taking these items into consideration when a company is doing its business plan and trying to increase its profits.

In fact, when I started working with my father in his small company back in the late 1970s and early 1980s, I remember very clearly he refused to buy preprinted notepads with the nice carbon paper and the pink and the yellow sheets underneath. He refused because he said there was nothing wrong with taking a piece of paper where the back side isn't used, and is blank, and cutting that into fours. That was one of my jobs when I was 12, to go through the garbage and make sure there was no unused paper.

That was, of course, before the days of recycling where you would get your paper, your cartons, your glass, and your plastic all picked up. I think older generations often do these things much more naturally than younger people. We've become accustomed to the services being available.

I guess my question is about the level of sophistication. When you go into an office like Ernst and Young, you find they don't have heating problems. They're not losing heat or whatever. What kinds of things are they doing that businesses could do, big or small, to reduce their carbon footprint?

Mr. Mike Morrice: I can share the process any business goes through. In every community, the NGO would create a milestone process of some kind. It starts with establishing some kind of a green team, or a group of employees who are responsible for the environmental performance or impact of the company. Then you go about getting an inventory of some kind of what the current baseline impact is. Then engage a consultant and use the tools and supports to create an action plan. Then understand from a management point of view which items of a payback period are acceptable in that action plan. Then set a target.

To the question about specific programs or projects for each company, that would be in that action plan. Of course it would differ so much between a VeriForm versus an Ernst and Young, or a hospital versus a utility. Typically it's some mix of looking at their fleet and seeing what efficiencies can be found, and looking at energy and starting with conservation. Those of course are the cheapest. They can then move to energy efficiency, then into renewables next and identifying for that particular firm which are the obvious ones, or the low-hanging fruit they ought to look at first, and then prioritizing later ones once they have some money flowing in from those initial projects.

Mrs. Stella Ambler: Do you find some companies, as part of their plan, will take on projects that might not necessarily affect the bottom line? If they get into the groove and they decide that even though it's revenue neutral, or it might even cost them, would they still do it anyway?

Mr. Mike Morrice: Absolutely, particularly when they have had some big wins, for instance when there's been some financial windfall from a T5 retrofit. I think it goes to an earlier question we received. All of a sudden, if employees are getting excited about it and are proud of their employer, this is not all about energy savings. There is value to the company in having employees being prouder and excited to work where they do. That has residual benefit. That changes the culture of a business, and then they can look at some things that may have a payback period of seven years that, on day one, the company might not have considered.

After they've had some of those early wins and employees are pumped up, that becomes an option, which then goes back to your questions about incentives. I think your metaphor is a helpful one, where companies can learn how to cut the paper into four. Government can provide programs to make it easier for them to do so and have the recycling programs and infrastructure that make it the norm, which goes to the earlier question.

• (0950)

The Chair: Mrs. Ambler, your time is up.

We'll move now to Ms. Leslie for five minutes, please.

Ms. Megan Leslie (Halifax, NDP): Thank you, Mr. Chair.

Thanks to both of you. This has been very interesting. I appreciate your testimony.

Mr. Morrice, I'd like to start with you. You and I have chatted about energy efficiency in the past, and I think I might have mentioned that I was part of the working group that established Efficiency Nova Scotia, which is an arm's-length energy efficiency utility. It's not a not-for-profit. It's not a government agency. It's actually a utility, like a power company, only they reduce the power we're using.

When I was doing that, my role was with the Affordable Energy Coalition. I was there on behalf of low-income Nova Scotians. If you are on welfare in Nova Scotia, you live on about six dollars a day, so if the choice is a \$6 CFL light bulb—where you'll save the money eventually—or eating that day, the choice is clear. You're going to eat. With low-income folks there are very particular barriers, but with companies, it's different. There aren't really the same barriers, yet still they're not doing energy efficiency. Ms. Ambler asked if these companies were going to keep doing this. That's valid.

You talked about how they get the taste for it and then off they go. My question to you is: why haven't they done it already? Why do they actually need you? What role do you serve? If it affects the bottom line, why aren't these businesses already knee-deep or neck-deep in energy efficiency?

Mr. Mike Morrice: Great question.

There are a myriad of answers to that. The first is having examples to look to and seeing success—and not in a report of a company in some other country, but a peer. It's seeing other peers take a

leadership role, which relates back to the question about municipalities. An excellent example of that is where a municipality can be the first to lead and a business can learn from a municipality, so the first one is providing examples.

The second is the connections and networks. In Ontario, for example, there's the save ON energy program, which has some similarities, I understand, with Nova Scotia.... Many businesses might not be aware or could be overwhelmed by the bureaucracy that they perceive to be in place. To host a technical workshop where their conservation demand management person is at the front of the room, who can then walk them through it afterwards, is another removal of a barrier.

Then the third is having a friendly coach or guide to make it easier for you to remove any perceived risks.

Those are all the various barriers that a network of support is designed to reduce to uplift those who are already in the front lines, and then bring others alongside.

Ms. Megan Leslie: Thanks for that.

I believe businesses need the help of not-for-profits like yours, agencies, or whoever has that expertise, so I appreciate your perspective from the front lines.

My second question is for Ms. Ryan. You talked about the success you've had with companies coming in and wanting to spend a day, whether it's—and I can't remember the examples you used—actually being there, doing the digging, and getting their hands dirty. I really appreciate that.

I wonder, from your perspective, how you balance the desire of these folks who really want to be involved, participate, and put their sweat into your projects, and the fact that they don't actually have expertise. It might actually be better if they just gave you money and then you employ the people with their expertise. But I understand that there's real value in having those folks there on the ground with you, so what's the balance there?

Ms. Tracey Ryan: That's a very good question and something we continue to grapple with, because it is balance. We get calls during the tree planting season. We plant over 300,000 trees in our watershed on private land, on our land, and with volunteers. Not all 300,000...with volunteers. It's probably fewer than 30,000, or maybe 10,000, with volunteers. I'm not even sure. It is more planning. It's more work. We would get far more done by just employing our planters.

But there is a huge value to having people involved, engaged, and participating. There is a balance and we are still working that out. On trail maintenance, what are the health and safety regulations? What's the risk management piece? What can those volunteers undertake that is less risk for them but will still get meaningful work done for them and for us? If we're going to spend four days planning to have them complete 100 metres of trail or less, that may not be appropriate. We are working on that internally and having that go on.

Something like Toyota, where they bring their own health and safety people, sit down and plan the job, and then are able to manage it so we're able to match the job to the crew they bring, that's ideal. But we have a lot of other opportunities or people coming to us. We are starting to balance, and we will be working on developing more of a program, so that's good.

• (0955)

The Chair: Thank you, Ms. Leslie.

Mr. Sopuck, please.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Thank you.

I appreciated both of your testimonies. I will direct my questions, though, to Ms. Ryan, since I represent a rural area and I'm very interested in the issue of watershed conservation.

In terms of your agricultural incentives program, I was very impressed to hear that you prefer the incentive route. Is one of the issues in your watershed in terms of dealing with water quality just one of scale? Like, we know what to do, but are you just not able to affect enough of the landscape to effect the changes that you would like?

Ms. Tracey Ryan: That's a very good question. Yes, scale comes into it, definitely.

It's been interesting listening to all the questions today. A lot of it comes down to human nature. The comment has been that we know what to do and we know what the right thing is. Some of the right things are cost neutral or actually will enhance the bottom line. Through putting in wind breaks, for example, farmers can probably get higher yields on the crops in some circumstances, but in others they may see a drop. It's getting the knowledge out and overcoming the barriers.

Some of those barriers are just cultural norms. I speak to a lot of farm groups, or I have in the past. I always like to frame it that no one gets up in the morning and wants to pollute. What they are getting up to do, if it's agriculture, is farm. They are getting up to make a living farming. That's what they know. Often they farm in a way that may or may not impact the environment. Building environmental awareness into it may be just that extra piece that

they can't handle at that point in time, either financially or knowledge-based, so we try to bridge that with the incentives and the technical assistance.

It's a scale piece. It's an ability to reach everyone. Not everyone goes to the farm meetings or reads the farm press. It's interesting that still, after 15 years of having a rural water quality program, some landowners are surprised that they could get funding for something. Some are very expensive. Proper and adequate manure storage can be hundreds of thousands of dollars. We're putting a \$25,000 grant towards that. That may be something that they plan for. We then try to assist them with ensuring that it does address the water quality impacts they may have and with building in nutrient management.

Mr. Robert Sopuck: Are you familiar with the pilot projects in Ontario that go under the name alternative land use services, or ALUS?

Ms. Tracey Ryan: That's a good question. Yes, we're very familiar with ALUS. Actually, our program predates it coming in.

We do offer incentives. Our program is actually very similar to ALUS in that it was designed by farmers. We brought in a steering committee. We had over 30 people around the table when we designed the project with our municipalities. Most of those were farmers. They set the incentives. They set the program and provided us with a lot of planning.

Prior to that—ALUS was not a term when we formed the rural water quality program—we actually talked about performance incentives. For planting trees, we provide landowners with a payment for that land taken out of production where they plant the trees for up to three years. But we call it a performance incentive, not compensation. We're not compensating for lost agriculture. We're looking at it from a multi-functional agricultural point of view.

• (1000)

Mr. Robert Sopuck: Yes. That's the right term.

I gather you would like to see Canadian agricultural policy include an ALUS-like program or an incentive program. I'll just leave that there, because I'm sure you'd agree with that, and I don't have much time left.

I'd like to skip to your fisheries management program. Are you familiar with the recreational fisheries conservation partnerships program that our government has, and have you accessed that program for your fisheries habitat work?

Ms. Tracey Ryan: Oh, good question; we may have, yes. We have accessed some federal dollars for our fisheries management. I'm not sure exactly which program, because it's not in my direct area.

Mr. Robert Sopuck: That would be the one, the RFCPP.

Again, just for your information, I would strongly recommend that perhaps we need to have a meeting with some local MPs and you, because I think the number of granting programs that our government has put in place through the national conservation plan would fit your watershed to a T. There's the wetland restoration program and the habitat stewardship program. Of course there's the North American waterfowl management plan, and the Nature Conservancy's natural area conservation program.

Just on that last point, has the Nature Conservancy been active in your watershed in purchasing critical habitats?

Ms. Tracey Ryan: Yes, we partner with them.

Mr. Robert Sopuck: I think I'm done. Thank you very much.

The Chair: I'd like to just follow up on a comment Mr. Sopuck made. I just want to acknowledge the work that Grand River Conservation Authority has done with elected officials at all levels—federal, provincial, and municipal—who have been participating in tours organized by the local chapter of the Ontario Federation of Agriculture. These educational opportunities are golden. If you could pick up on Mr. Sopuck's idea of including information for the different levels of government and institutions regarding the funding pockets that are available, I think those would be a great use of our time.

Mr. Valeriote, welcome to our committee.

Mr. Frank Valeriote (Guelph, Lib.): Thank you, Mr. Albrecht.

Michael and Tracey, I haven't had the benefit of your presentations. I'm only picking up on some of the questions that have been asked, but Michael, I'm going to start with you.

We've all experienced our own engagement in reducing greenhouse gas emissions in our footprint. I have 41 panels on a building in a FIT program and the return is great. I argue with those around me from time to time who think that I'm getting a real deal, but I remind them that I paid for the infrastructure. That's what taxpayers don't understand, that the people who put panels on their houses pay for the infrastructure and that relieves the taxpayer of the cost for that infrastructure and the maintenance of it. But my own personal experience is fantastic.

There's a company in Guelph called Skyline, a real estate investment trust, which owns well over \$1 billion in property across Canada. When they buy an apartment building they immediately change the light bulbs, the toilets, the appliances. They drive the cost of utilities down. When you have a greater net income that's

capitalized, of course the value of your buildings goes up tremendously. The value of their buildings has gone up by millions of dollars just by the application of what you spoke of, the business model.

I'm asking you specifically. You're near Guelph, and you've probably heard of the community energy plan, which morphed into the district energy plan. I don't know if you talked about that today, but could you tell us about the district energy plan, rather than having me tell us about it, and what it's accomplishing?

Mr. Mike Morrice: Sure, and I'll relate it to an earlier question. We are not currently based in Guelph, so I'm by no means an expert in their community energy plan. However, community energy plans are another example of a tool that municipalities have to demonstrate leadership, to plan, and to engage businesses, the private sector, in reducing their environmental impact, increasing their profitability, and growing a low-carbon economy. I think it's another example of a local tool that is needed to have the kind of planning that would achieve a lot of the goals we've been talking about throughout this session.

Mr. Frank Valeriote: Could you tell us how they're doing that and what it involves?

Mr. Mike Morrice: This is working with the utility and the municipality to plan out the energy needs of the community and to look at local energy sources that could meet those needs over, I understand, a 10-year to 20-year horizon. It's really been the cornerstone of Guelph's sustainability efforts, which I assume you've been a big part of. I'm not as connected to Guelph specifically, since Guelph is not a member of our network, but should Guelph apply or should there be a community group in Guelph, that would be an example of the kind of thing to which we would say, "Great. This is a group that's ready to engage the private sector because it has a community energy plan in place."

• (1005)

Mr. Frank Valeriote: More specifically what's happening, as you know, is that the Sleeman Centre, which is our huge arena, is generating a tremendous amount of heat. They're now pumping it underground to other local buildings—there are government buildings, and a local church has applied—and they find that in fact it's cheaper for them to tap into the community energy plan, the district energy grid, than to put in, for instance, their own million-dollar furnace.

Mr. Mike Morrice: Those are the kinds of things you can get when you are that forward-looking to have the waste of one site becoming the heat of another. With those kinds of stories, if a network like ours operated in Guelph, we'd want to take the folks who were behind a project like that and get them up at the front of the room to share their business case and how they came to it, and to have others follow suit.

Mr. Frank Valeriote: Tracey, I have just a quick question. I come from Guelph and of course the Grand River Conservation Authority is managing all the watersheds in and around that area. I'm curious; I have to ask this. I remember when the Navigable Waters Act was changed and a large number of rivers were removed. I think 63 were identified as being protected specifically under the act. I called and asked, because I understand only part of the Grand River and not all of the Grand River is now protected by the Navigable Waters Act. I'm wondering if you have any concerns about the Grand River in relation to the Navigable Waters Act and whether it is in need of greater protection.

Ms. Tracey Ryan: Thank you. I'm not going to be able to speak directly to that because that is a little outside my venue. Of course, the Grand always needs more protection and continuing partnerships so I can't speak directly to the removal of that act.

The Chair: I think that the Navigable Waters Act relates to navigation of the Grand River not the actual environmental protection. But Mr. Valeriote, I'm sure, will be applying to Sustainability CoLab to have Guelph be a member very shortly.

We'll move now to Mr. Carrie. At this point, Mr. Carrie is the last member who has his name on the list so if anyone else wants to pose a question please keep your hands ready. We'll be winding up shortly.

Mr. Carrie, you have five minutes.

Mr. Colin Carrie (Oshawa, CPC): Thank you, Mr. Chair. I just wanted to address Mr. Morrice first. As the MP for Oshawa I'm happy that you brought up Durham Sustain Ability and their partnerships with Deer Creek, Durham College, and General Motors. I think this is something that our community benefits from but I think more communities could benefit from those types of arrangements as well.

I believe you mentioned a company called VeriForm. They doubled their profits by investing in green technology: energy efficiency, recycling, and stuff like that. Did the profits come from savings in energy alone or are there other ways that the profits were increased?

Mr. Mike Morrice: The vast majority of the savings were through operational costs of reduced energy usage. I would be pleased to send you a link to provide a full list of the 37 projects I first cited and the specific.... Paul, if he were here, would share about reduced maintenance costs, would get into operational costs. I would defer to Paul.

Mr. Colin Carrie: Yes, I would love to have that information.

I wanted to get you to expand a little. Mr. Sopuck brought up that perhaps your organizations could work with MPs to see where there is different federal funding because pockets of funding are available. You mentioned SR and ED, and NRC, and that perhaps things could

be looked at or interpreted a little differently. Could you expand on those comments that you made earlier?

Mr. Mike Morrice: Sure, and it allows me to go back to an earlier question I was hoping to get back to.

There are pockets of funding federally, programs like Canada summer jobs, which NGOs can also apply to, that provide additional support that is very much needed. FedDev would be another example. One of our members, Durham Sustain Ability, is looking at FedDev support. The current challenge is that when an organization like Durham Sustain Ability goes for FedDev's support, their criteria is based purely on the economic benefit. They get in line behind a number of other organizations and programs that are also adding to the economic development or economic potential of their community. The individual profitability of the businesses and the environmental impact are not necessarily considered. It's a much longer line to get into.

Looking at programs like that and having the climate change or sustainability-related impact be a criterion would allow for a group like DSA to say they will have businesses setting targets to reduce their carbon impact. They will also increase their profitability and they will grow the low-carbon economy at the same time. But to only look at one of the three criteria makes it more challenging for a DSA-type group to be successful in that application.

• (1010)

Mr. Colin Carrie: Do you want to expand any further on the SR and ED, and NRC stuff or...?

Mr. Mike Morrice: Absolutely. NRC is very similar. Sustainable Waterloo Region was successful in receiving funding from IRAP within NRC. This is the industrial research assistance program. Again, they got in line behind other.... Again, the purpose of the program was to ensure more commercialization of technology, so there is room for green tech to be commercialized when businesses like VeriForm are looking at implementing the projects I just spoke to. That was the only time that any of our members have received IRAP funding. If a program like that were to be looked at again and have a piece of the funding separated to have not only the commercialization of tech but also the climate change benefits, then groups like the members in our network would have a much stronger chance of being successful more often in programs like that.

To the earlier question about what kinds of tools we have available, what kind of incentives, you have models of those existing tools that are purely for economic development. To take some of those tools and bring them to an environmental lens as well as the economic lens would allow the government to pair the win-wins we've been talking about throughout this session and prioritize funding for programs that achieve both.

Mr. Colin Carrie: That's why I think this study is so important. We are looking at the partnerships and at how we can bring these two entities together.

As you said, one of your partners was able, by partnering with other industries and companies, to be successful in bringing that extra piece in this way. There was a bit of talk earlier about how these connections are made, how these people come together in an incubator kind of fashion, and whether that is something that could be promoted.

This question is for the both of you. Do you find that you have to reach out and go for these partnerships, or are you starting to see more and more corporations come to you? You mentioned Toyota and GM. How are you finding the transition? Is there a missing link, perhaps, that the government could help out with?

Mr. Mike Morrice: Absolutely. I'll briefly answer and allow Ms. Ryan to also answer.

It allows me to underscore the point that this is not for any one level of government or any one sector. This needs to be a group effort and very much speaks to some of the other questions we've received.

What we've seen is that programs such as the seven in our network create a fertile ground. With that fertile ground in place, then with a building such as the one I spoke of—a 120,000-square foot, iconic, net energy positive building in Waterloo region—the potential exists for the federal government to support this, because you have 65 businesses that are already part of the program, already understand the business case, and are already seeing the benefits of it. For the most part, the tenants in the space would be members of the regional carbon initiative.

There's huge opportunity for federal government to provide support alongside others, once that fertile ground is in place, as well as to support a program such as carbon 613, which is just getting off the ground.

The Chair: Thank you.

Another comment along that vein is that we have Sustainable Development Technology Canada. I don't know whether you're accessing funds through it.

I'm going to give Ms. Ryan a few seconds to respond to Mr. Carrie's question. Then we'll move to the next question.

Ms. Tracey Ryan: Thank you.

I think Mr. Morrice has answered it well. Once you have the fertile ground and have a good foundation, you're bringing more people into the room.

Any chance to have sustainable funding to support that network, that partnership, in the ongoing longevity of those programs is

important, so bringing the municipal, provincial, and federal levels to the table to support the longer term is really important. We find that with any...the diffusion adoption curve is classic. You get your early adopters, your early majority, and you move through. With the agricultural community and private landowners, we're probably into the big part of the bell curve. We still have some of the later ones to bring into the room, so we're certainly not done our work.

The more we can share stories on success with the support of all members of all levels of government.... It's really important to keep that work going.

Thank you.

•(1015)

The Chair: I have a quick follow-up request for Mr. Morrice.

You mentioned a link to an area that specifies all the different ways that VeriForm saved their funds. If you could send that to our clerk, it would be very helpful for possible inclusion in the report.

We'll move to Mr. Woodworth, please, for five minutes.

Mr. Stephen Woodworth: Thank you very much, Mr. Chair.

Ms. Ryan, I didn't have much chance to speak with you earlier, so I'd like to direct a few questions to you right now. I have two main areas of interest.

One involves the question of the non-agricultural private sector interface that you have with industries or businesses in the watershed. I understand very clearly that there are companies such as RBC and Toyota and others that adopt what might be described as a philanthropic approach to environmental initiatives, but I wonder also whether the GRCA has any specific work with private sector non-agricultural operations within the watershed to assist operations in sustainable and protective practices for the watershed.

I really don't know whether you have or not, but I'm thinking of aggregate producers, for example, who might have a serious impact on the watershed, depending on their location. There may be others—manufacturers. I'm thinking of Breslube Enterprises, for example. I have no idea whether they're near your watershed.

How do you work with them, if at all?

Ms. Tracey Ryan: That's a very good question. Primarily, we don't offer programs for more industry-based projects. Those tend to be through the province or the federal government or the municipal government, and not-for-profits like Sustainable Waterloo Region. But we do work with those locations where they have land holdings where they may want to do tree planting, for example, so a program like Trees for Guelph, which is a not-for-profit that we work very closely with. Actually, we supply the staff member, so we more or less are the agency that operationalizes their vision. They are working with local businesses in Guelph that happen to have property. In many of those industrial developments they have areas where they can plant trees, or vice versa, provide some funds and then we work with Trees for Guelph to plant trees in school areas with schoolchildren. Again, there's a nice connection between local business, local community, quality of life.

There's a similar relationship in Brantford where we have Earth Week, and we have a few really key individuals in Brantford who are working with, again, the businesses in Brantford, very many of them industrial. There's a new industrial park and we're working with them on a long-term project. I think it's a 100-acre forest, and we're planting with funds provided by the local businesses, which also participate, again, in the volunteer events and support that. We don't go into energy saving or water saving. We work with things like source protection. We've done some work with businesses through source protection, but the venue that we're working with tends to be more land-based in those instances.

Mr. Stephen Woodworth: That leads to my next question. I'd like to hear a little bit more about the rural water quality program. In particular, I'm interested in knowing how actively or passively are the farmers participating. Is it just a case where they are given money and things happen, or do they put their own money in? Do they put their own efforts into it as well? Can you help me on that?

Ms. Tracey Ryan: I certainly can. It's a very good question.

No, actually, for every dollar that's provided as a cost share there are at least two or three dollars—I think it's up to about three dollars now—that is provided by the landowner. That funding, though, because we don't parcel it out, may actually come from a federally supported program like the environmental farm plan in the past, so through the agricultural programming. What we're doing then is matching the dollars so that we're not duplicating efforts but we're providing assistance.

In those cases the landowner is providing either sweat equity, so if they're building a fence they can receive up to 100% to keep their livestock out of water or wetlands or other sensitive habitat areas. If they're the ones doing the construction, we will supply through the program, if it meets all of the requirements, 100% of the funds for the capital cost. Therefore, the landowner is putting in their sweat equity. If they're having it built by a local fencing company, it's 75%.

We have a variety of different cost shares, and they range from a lower amount to up to 100%, depending on what that best management practice is and its value.

● (1020)

Mr. Stephen Woodworth: Very good.

You mentioned also something that surprised me that I hadn't really heard about before, and that is legacy phosphorus. I took that to mean that there is a residue of phosphorus that's accumulated over the years from past farming, but I'm not really sure. Can you expand a little bit on that, please?

Ms. Tracey Ryan: Yes. Again, with the scientific community and the researchers finding more and more things that are answering some of our questions, phosphorus gets tied up.... There are different forms of phosphorus. We have soluble and insoluble, and it will get tied up in the sediments so that if they are sitting in the riverbank or in the bottom sediment in some of the wetlands, certain conditions will flush them through. It's very difficult to monitor and to do cause and effect. You do a planting, and a buffer, and a nutrient management plan, and A, B, C, and D on the upper headwaters. How do you measure or monitor that impact? We're finding it is difficult, so again, we turn back to the work being done by researchers, either on the plot scale or on the field scale, and have to extrapolate.

You'll see the success stories with the Grand River through our water management plan, and those sorts of things, where we can identify some of our sub-basins that are improving when you look at the nutrient index or areas where we have anecdotal evidence from the farmers who say, there were never fish and they're now seeing fish. We have a group that's actually putting trout back in the Conestoga River below the dam, because we have the cold water coming out of the dam at Conestoga, and with some work that's been done in the upstream that area will support trout now.

We have some success stories. There are other areas that may not be quite so successful where we have more work to do.

The Chair: Thank you, Mr. Woodworth.

Thank you to both of our witnesses: Ms. Ryan, for being with us by video; and Mr. Morrice, here in person. Thank you for the work you've done.

I think quite clearly that the committee has made progress today on the actual mandate of this study on how the private sector in Canada is showing leadership by partnering with not-for-profit organizations to undertake local environmental initiatives. On that note, I'm going to declare this meeting adjourned and thank you again for your time and input.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>