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Standing Committee on the Interior

Comité permanent des affaires intérieures

Estimates

Ministry of Agriculture, Food and Rural Affairs

Ministry of Energy

Ministry of Mines

Budget des dépenses

Ministère de l'Agriculture, de l'Alimentation
et des Affaires rurales

Ministère de l'Énergie

Ministère des Mines

1st Session
43rd Parliament

Monday 5 June 2023

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43^e législature

Lundi 5 juin 2023

Chair: Aris Babikian
Clerk: Thushitha Kobikrishna

Président : Aris Babikian
Greffière : Thushitha Kobikrishna

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE
ON THE INTERIORCOMITÉ PERMANENT
DES AFFAIRES INTÉRIEURES

Monday 5 June 2023

Lundi 5 juin 2023

The committee met at 0900 in committee room 1.

ESTIMATES

MINISTRY OF AGRICULTURE, FOOD
AND RURAL AFFAIRS

The Chair (Mr. Aris Babikian): Good morning. The Standing Committee on the Interior will now come to order. The committee is about to begin consideration of the 2023-24 estimates of the Ministry of Agriculture, Food and Rural Affairs for a total of two hours.

Are there any questions from members before we start? Seeing none, I am now required to call vote 101, which sets the review process in motion. We will begin with a statement of not more than 20 minutes from the Minister of Agriculture, Food and Rural Affairs.

Minister, the floor is yours.

Hon. Lisa M. Thompson: Thank you very much, Chair. I'm pleased to join the committee with regard to telling the amazing story that we have in one of the most important sectors in the province, and that's agriculture, food and rural affairs. In that spirit, I'd like to start off by sharing that it is truly an opportunity to appear before you today, and I am pleased to speak to you about the work that we're doing to support and strengthen Ontario's agri-food sector and rural communities.

Before I begin, though, I would like to take a moment to acknowledge my amazing team behind me. Between my staff and the officials who are here with us today and those who are watching from afar—we couldn't do it without you. The responsiveness, the thoroughness and the true heart that you put into your jobs very much is appreciated. We have Deputy Minister John Kelly; assistant deputy minister for economic development division, Randy Jackiw; assistant deputy minister for food safety and environment division, Kelly McAslan; and chief administrative officer and assistant deputy minister for research and corporate services division, Greg Wootton.

It's not an exaggeration to say that our agri-food sector touches every corner of this province. Ontarians and those who enjoy the good food grown here rely on a strong, stable food supply chain, and because of that, the sector has evolved into an economic powerhouse—and it has over the decades and generations, and it will continue to do so.

Ontario has one of the most diverse agri-food sectors in the world, with approximately 49,000 farmers growing over

200 different commodities. I'm very proud to always share with anyone I have an opportunity to speak to that our sector contributes \$47 billion to the GDP. I can tell you that our entire value chain—if they have any way to improve, they will, because they're a growing concern, and I say that in a positive way. Not only that, this robust industry supports one out of every 10 jobs in this province, and it's worth mentioning to you all here today that those are sustainable, lifelong careers that make a difference locally, provincially and across this country.

I want to bring a positive and hopeful message to this committee and to the people of Ontario: Our agri-food sector is strong, it's thriving, and it's growing. Ontario farmers, food and beverage processors and everyone in between are incredibly talented, dedicated and innovative. They're constantly coming up with new ways to do things, new products and new ways to innovate, and it makes me so very proud to work with them each and every day to support this critical sector.

For those of you who don't know, I'm really proud to call home a farm that has been in my husband's family for 123 years this year. We have lived experience. I appreciate the complexities and the amount of time and effort that goes into producing food that people across this province, and the world, quite frankly, depend on. From farm to fork, the people who contribute to our food supply system are doing important work, and they deserve our respect and our appreciation.

There's so much value and potential in our agri-food sector. That is why I want to emphasize to you all in person today, and to those listening and tuning in virtually, just how committed our government is to supporting our agri-food industry. You heard the Premier speaking about that very thing last week.

As we worked together with the industry to navigate the challenges of the COVID-19 pandemic, it was clear that we needed a plan of action for how we best support this sector going forward. We made a point of listening, and that's maybe a throwback to how I started my career with OMAFRA at the ripe old age of—well, I would dare say I was in my first year of university. We listened not only to farmers but to food processors and other supply chain contributors, to really grasp what kind of government support would be most impactful to addressing ongoing challenges, and what we heard were the topics of labour, food processing shortages, logistical challenges in the supply chain, and increased costs of production. But our

government is not only listening; we are taking action to address these concerns head-on. I daresay this is a proof point of something that really mattered to me during my career at OMAFRA, and it stands very much as a cornerstone of all I do, and that is making sure we have proper consultations.

The Grow Ontario Strategy that we introduced last year is a proof point of what can happen when people representing all of our commodities across the sector come together with the same goal in hand, and that is to continue to grow our agri-food processing in this province. With them, we developed the Grow Ontario Strategy, the province's plan to build consumer confidence, support farmers and Ontario's food supply, grow a strong workforce, and strengthen our supply chain stability over the next 10 years to ensure Ontario has a strong foundation to respond to anything and everything the future throws at us.

Now, with the Grow Ontario Strategy, we have an overarching plan in place to guide our actions going forward. I'm really pleased to share with you that I've heard anecdotally that even upper tiers are looking to our Grow Ontario Strategy as a reference point, as they look to update their strategic plans. That is very satisfying and gratifying. Not only has this strategy been well-received by the sector, but we're well on our way to making the goals outlined within these pages a reality. And just recently attending a federal-provincial-territorial meeting for rural development, I have a vision—heads up behind me—for a supplement document that will complement everything that we're looking to achieve as we grow Ontario. The supplement document will focus on rural development, as well, and I look forward to getting started on that.

Back to our strategy: Grow Ontario aims to strengthen the agri-food sector, fuel economic growth, help ensure an efficient, reliable and responsive food supply, and incorporate new innovations to bolster the capacities and the capabilities within the sector—as well as operational challenges. The key priorities in Grow Ontario, again, were informed directly by farmers and every single link along our value chain. The priorities are straightforward; they are to strengthen the agri-food supply chain stability within our province, increase agri-food technology and adoption, and attract and grow Ontario's agri-food talent. We want the very best people with the best experience working in this sector.

Now let's talk about trade priorities for a moment. One of the best ways we can help shape the future success of Ontario's agri-food sector is to boost our trade efforts both domestically and internationally. Ontario's agri-food exports total an impressive \$23.8 billion, and with absolute confidence I tell you today that we can do better. Our objective, as set out in Grow Ontario, is to boost Ontario's agri-food exports by 8% annually; I have every confidence that we will achieve this. Working towards this goal, OMAFRA provides crucial supports to Ontario food and beverage businesses to help them capture new market opportunities. Staff provide free webinars and expert tips on how to do business in international markets, and those webinars are incredibly valued. They also work cohesively with businesses of all sizes to boost the visibility of Ontario products.

They give ongoing advice to help businesses navigate trade regulations and market trends, and they connect Ontario food and beverage businesses with major domestic and international retailers.

0910

I am very proud that, in 2022-23, OMAFRA influenced \$636 million in investments and the creation or retention of 3,339 jobs alone by Ontario food and beverage manufacturers. These are real results for the people of Ontario, and I know, as I said just moments ago, we will continue to do more.

Myself and the team that I have with me are committed to promoting Ontario agri-food products to increase trade and bring Ontario products onto more shelves around the world. That commitment can be seen from the recent agri-food trade mission that I led this past February to both Japan and Vietnam. The delegation that accompanied me was comprised of representatives from the Ontario beef, pork, ginseng and grain sectors, and we met up with Ontario wineries that were there at the time as well. This delegation represented more than 33,000 farmers with almost \$8 billion in farm cash receipt sales and \$17 billion in economic activity along the supply chain. My goal in leading the trade mission was to promote, grow and diversify international markets for Ontario agri-food products and to attract direct investment to support Ontario jobs and economic activity. While in these important trade markets, we made over 125 business-to-business connections, and we signed four memorandums of understanding to maintain the relationships we built into the future. That kind of personal, face-to-face relationship-building is laying the groundwork for stronger business ties with the increasingly important Indo-Pacific market. I would also like to share with you that I've entertained many meetings since then as a result of our trade mission to those two countries.

When meeting with business and government leaders, I was greeted by people who were already familiar with Ontario's reputation for high-quality food and beverage products. They were also aware of the strict environmental and food safety practices that our farmers and food processors implement to ensure that quality—and in the spirit of forging ahead and continuing to build relationships, that's exactly what people are looking for, so we are well positioned in that regard. These features are critical to buyers in those markets, and of course, I never missed an opportunity to reinforce that confidence in our products and the people behind them. While evaluating the quality of our products, it's important to note that there are many things our government is doing to ensure we are able to maintain this respected stature when it comes to our agri-food selections.

Now I'd like to change gears here a little bit and talk about soil health investments, because, as you can well appreciate, everything starts from the ground up.

Our government is also taking action to support farmers to make informed decisions about their land. This is seen through the recent investment of the \$9.5 million through the 2023 budget to equip farmers with the technology they need to maximize the health of their soils and increase

their productivity and profitability all across this province—and I might dare say that a key influencer, a senior position from RBC, noted that that was one of the hidden gems in our budget, and he was celebrating that. The \$9.5 million will support updates to the province's soil maps and information as part of its soil resource inventory work. It will also build the Ontario Agricultural Soil Information System. This data and information system will house, manage and analyze soil data that is critical to support farming operations but will also lend itself to the adapting of new varieties, as well as best practices. We understand just how important soil health and data-driven decision-making is to the prosperity of the agri-food industry. This funding will also support goals outlined in our Grow Ontario Strategy by ensuring Ontario farmers have the tools they need so that they are able to maximize productivity and chip away at the goal of increasing the amount of food produced and consumed in Ontario by 30% by 2032.

Now I want to talk about federal-provincial-territorial initiatives. Not only are we working strategically across our provincial government to ensure the long-term success of the industry, but we are consistently working with the partners across all levels of government to address concerns we've heard. This has led to the development of interprovincial trade pilot projects. These projects are exploring opportunities to increase Ontario's food production capacity, reduce barriers to interprovincial trade of meat, boost competitiveness in the agri-food sector, and advance sector adoption of effective food safety protection systems. For example, we are working with federal and industry partners on a mapping exercise to better understand the process of meat plants that are seeking to move away from doing business solely within Ontario, to trading with other provinces so they can grow greater business opportunities.

Now let's talk about the Ontario Agri-food Innovation Alliance. A key component of our Grow Ontario Strategy that you may find steeped across my entire opening today is the prioritization of research and innovation. That requirement brought me to announce another key component for our industry: the Ontario Agri-food Innovation Alliance. In March of this year, I was pleased to announce an investment of more than \$343 million over five years that is designed to increase the adoption of agri-food research and innovation. This agreement is supported by our partnership with the University of Guelph and the Agricultural Research Institute of Ontario, known as ARIO. The funding from this agreement will be used specifically for research focusing on food safety, animal welfare, and supporting the development of a highly skilled workforce that will lead to more economic growth opportunities for our agri-food sector. The renewal of the alliance for an additional five years builds on the success of our government's previous agreement, which increased Ontario's GDP by \$1.4 billion and supported more than 1,300 jobs. Our long-standing partnership with the University of Guelph continues, and we are really looking forward to seeing many innovative projects come out of it that will continue to

build the competitiveness and resiliency of industry and help move the agri-food sector forward.

I hope that somebody asks me about the Millennium asparagus down the road as we continue with this particular review of OMAFRA. I'm just planting it there, okay?

Mr. John Yakabuski: Did you bring some with you?

Hon. Lisa M. Thompson: Not today.

I also want to pivot to the poultry research station. By putting an emphasis on research and innovation, we are positioning Ontario as a world leader. To position Ontario's feather industries as a world leader, our government is also investing \$13.5 million to build a state-of-the-art new poultry research station in Elora. Together with the Agricultural Research Institute of Ontario, the government and the four poultry industry boards signed a memorandum of understanding to invest in the new Ontario Poultry Research Centre. But we're not stopping there—not at all. I'm pleased to share that we also will be officially opening the swine research centre in Elora in August of this year. Similar to the Poultry Research Centre, this facility will help to drive innovation and competitiveness in our pork sector.

As you can see, our government understands the direct impact that research has on the greater agri-food and agricultural industry. Those two research centres that I just referenced actually join the Ontario Beef Research Centre and the Ontario Dairy Research Centre. It's a corridor of excellence that the entire nation will be looking to.

I would be remiss if I didn't mention one last investment of significance that contributes to our research and innovation hub in Ontario, and that comes through our allocation of up to \$22 million through the Agri-tech Innovation Program to support 169 approved projects.

Together, these strategic investments to support innovation will help to ensure our agri-food sector has the resources and resiliency it needs to build greater success.

I'm sure many of you may be thinking this: With all of these research investments, how are we going to ensure that our industry has the man- or woman-power to facilitate this growth? For that, I'd like to turn our attention to the last and arguably most important part of the Grow Ontario Strategy. The goal to address agri-food sector labour shortages head-on is an absolute must.

Before we dive in, though, I'd like to remind you that all of our agri-food sector is changing in scope and execution. Here in Ontario, we have farmers who are still farming the traditional way, but we also have farmers who use top-tier robotics and machinery to get the job done. This is a fantastic breadth and showcases the diversity that can be found in any career in the agri-food and agriculture industry. To ensure that labour resources are attainable for industry, we have made a series of strategic changes as well as investments.

0920

Now I'd like to talk about the doctor of veterinary medicine program. Together with my cabinet colleagues Jill Dunlop, Minister of Colleges and Universities, and Minister Bethlenfalvy, Minister of Finance, we announced a new collaborative doctor of veterinary medicine program in partnership with the University of Guelph and Lakehead

University. Under this initiative, the universities will enrol an additional 20 veterinary—

The Chair (Mr. Aris Babikian): One minute.

Hon. Lisa M. Thompson:—students per year, resulting in up to 80 new doctor of veterinary medicine seats in total by 2028. Leveraging the existing U of G curriculum, the new program will encourage the recruitment of students from northern, rural and Indigenous communities. Why did we do this? We heard loud and clear that it was absolutely needed.

Through budget 2023, we also announced a Veterinary Incentive Program, which will provide \$900,000 over three years that will incentivize recent veterinary graduates to work in northern, Indigenous and underserved communities.

Mr. Chair, we're working incredibly hard.

We've also introduced a fertilizer challenge to address geopolitical issues as well as policy decisions made by our federal government.

We're being very dexterous and responsive as things arise. At the end of the day, we're better together. I'm really, really proud of what we're doing, from our government—

The Chair (Mr. Aris Babikian): Thank you, Minister.

We will now begin questions and answers in rotation of 20 minutes for the official opposition members of the committee, 10 minutes for the independent member of the committee, and 20 minutes for the government members of the committee for the remainder of the allotted time. As always, please wait to be recognized by myself before speaking. All questions and comments will need to go through the Chair.

For the deputy ministers, assistant deputy ministers and staff—when you are called on to speak, if you would give your name and your title each time so that we accurately record in Hansard who we have.

I will now start with the official opposition. MPP Vanthof.

Mr. John Vanthof: Thank you, Minister, for your presentation. I'd like to thank you and all of the OMAFRA staff for the work you do for not only the farmers and the agri-food sector, but everyone in Ontario. The minister and I have some disagreements sometimes, but I think we both feel agriculture in our hearts and our bones, and I appreciate that.

I'm going to throw out lots of flowers before I get—
Interjections.

Mr. John Vanthof: I'd also like to thank you for coming to Timiskaming and touring the research station and the SPUD unit and coming to our farm show. It was very well appreciated, and we give credit where credit is due. When people pay attention to northern Ontario, we're really happy.

I'm starting to be so positive that it's starting to hurt me, and I'm going to lose track of all my negativity.

I'd also like to give credit—all farmers across the province have been pushing a long time. The veterinary shortage didn't just happen yesterday; it has been building over a long time for several reasons. Quite frankly, there's more money in small animals than there is in large. Small animals—you don't have to do it often at 3 o'clock in the morning, at 20-below.

The coordination of Thunder Bay and Guelph is a good move. We have heard a couple of people say that we should have a full program in Thunder Bay, and I'd like to be on the record as saying that I don't think that's a good idea, because Guelph is the veterinary school, and I think everyone who learns to be a vet should have access to that institution. I don't often want to keep things in southern Ontario, but I really do believe that Guelph is an integral part. Anything that we can do, like moving two years to Thunder Bay, is a good move, but as long as we keep having people go to—at the risk of losing them. One of the great things about having the program in Thunder Bay is that gives access to a different type of student—northern students, who have a much harder time going to Guelph. We have for years in northern Ontario sent our children to university in southern Ontario and they never come back, so there is a risk to that. But there is an incredible benefit to being attached to Guelph.

My first question isn't a tough one, either. I believe that last week we had Dairy Farmers of Ontario here. Dairy farmers are obviously near and dear to my heart; I used to be on the board of DFO. They're facing a pivotal challenge—I think it's a generational challenge—about supply management. It's a great sector. It was local before local became popular, before local became crucial. What COVID has taught us is that we have to be self-sufficient as much as possible. But their processing sector truly needs to be upgraded. Is your government looking at that—willing to work with DFO on that and the processes around that? This might take some serious effort, and we are also in competition with provinces on each side of us.

Hon. Lisa M. Thompson: Thanks very much for that question. I appreciate it very much.

The reality is that farmers pay transportation. When I was general manager of the Ontario Dairy Goat Co-operative, in the true co-operative spirit, we chose to invest in travelling to the north every week to enable farmers to be in the dairy goat industry. People need to know how expensive that is. But in that co-operative spirit, the membership overall said, "No, we want to see farming in the north, and so we're going to eat the cost of transportation." I share that with you, John, because I know you know that the bulk of milk production in the province of Ontario happens west of the 400. To that end, we have some great processors in the province of Ontario. I think of Winchester as an example. The expansion and the growth that they're going to be doing is phenomenal, but at the end of the day, when margins are so tight, we have to remember it's the farmer who is paying for that transportation all the way to Winchester.

So it behooves us to be very strategic, much like we have been with the strategic processing program that we introduced for meat processing. We need to think about where the milk production is. To that end, we're very open to working with Dairy Farmers of Ontario to address the need to add even greater value.

Even in the town that I live closest to—it was a \$60-million investment at Gay Lea Foods in Teeswater, which happens to be the oldest creamery in Canada. That \$60-

million investment has led to brand new markets when it comes to dried proteins and food ingredients. We need to celebrate that, and we need to continue looking to other opportunities to realize increased value-add to dairy and how we can make sure that—again, in the spirit of keeping costs down, how we can bring it closer to Ontario dairy farmers.

Mr. John Vanthof: A point I think we can probably both agree on is that it's not just the cost. Because of trade agreements, because we're at a generational change in how milk is sold, if we're not part of that generational change—we can have the best production, and we do; we have the best production system in the world. It's sustainable, and it will soon be zero-carbon-emitting. But you need the best processing section in the world.

Thank you for that answer. I think we're on the same page on that.

Hon. Lisa M. Thompson: We certainly are.

Mr. John Vanthof: I'm going to switch back now to a local one—hopefully we're on the same page on that—but it also impacts the whole province.

As I mentioned, you toured our area, and we have the SPUD unit in our area. For people who don't know what a SPUD unit is—and I'm not going to get scientific because I'll mess it up—it's specifically for potatoes, for strawberries—

Hon. Lisa M. Thompson: Garlic, asparagus.

Mr. John Vanthof: Yes, asparagus. Basically, it ensures clean seeds. It takes in what could be dirty rootstock, goes through a process and ensures farmers have access to 100% virus-free seed—which is really important when you think of potato blight, when you think of Prince Edward Island. The SPUD unit is doing this in New Liskeard and has been doing this for 40 years. You've never heard about the SPUD unit, because it has been doing a great job. But the SPUD unit is worn out. There are things we can do to make it last longer, but it's worn out. It needs to be replaced, refurbished.

0930

One of the reasons the SPUD unit was put in New Liskeard is because it's far away from many other weather-related—you have an easier time making things virus-free if you're far away from the viruses that are growing in the rest of the—so there is serious concern that the SPUD unit might move to the corridor of excellence. But there's a reason why the SPUD unit is there, and I'd just like to hear what you learned while you were touring it and what your views are—if you could share what the government is looking at regarding the location of the SPUD unit.

Hon. Lisa M. Thompson: Certainly. I'm sure you can appreciate that, in the true spirit of rural—when we were en route to the Earlton Farm Show, it was like, “Do you know what? Why aren't we dropping into the research centre?” Because that's what you do—when you're in an area, you drop in for a visit. Honest to goodness, Candy is a phenomenal manager. The decades of generational expertise that she has attained—she has been at that particular SPUD unit since the 1980s. She's very proud of her team there and the work that's being done.

When you talk about the importance of creating seed that is free from potential contamination—she explained very effectively how the jet streams work and how Timiskaming is north of those jet streams, keeping the growing environment pristine. That's exactly what we want, in the spirit of excellence. No one should deny that, in terms of location, location, location.

Another take-away I had that day was that she gave me a strawberry seedling to hold on to, and she made me guess how many plants that one seedling would impact. Essentially, in a nutshell, that one seedling had the opportunity to generate 70,000 plants through propagation and their production practices. That's staggering. That's what we want.

I also want to share a little bit about asparagus. Through ARIO, the Agricultural Research Institute of Ontario, and the University of Guelph and OMAFRA—albeit it was at the Vineland research station, but the same idea—we developed in Ontario a variety of asparagus called Millennium. It took Canadian growers and Ontario growers by absolute delight, and I say that sincerely. Subsequently, it has become the asparagus variety of choice throughout North America. I share this with you because it emphasizes the work that Candy does in New Liskeard or the work that gets done at any other station. We talk about the importance of food supply, and I'm always saying, because of the stats that back it up, year over year, we're increasing yield. This new variety of asparagus, developed here in Ontario and used across North America, is a proof point for that.

Historically, asparagus growers were happy to harvest 2,000 pounds to the acre. The Millennium asparagus helps growers now realize 6,000 pounds per acre. It was interesting: just a couple of weeks ago, I was up bright and early, not milking cows, but at the Ontario Food Terminal, and a lot of asparagus was going through the terminal at that time. One grower actually said that he's realizing 8,000 pounds to the acre.

I use this as an opportunity to re-emphasize that the work that gets done in all our research stations is important.

Going back to New Liskeard: Within the last 10, 12 days, I hosted a virtual meeting with our hort sectors. They spoke very eloquently about the amazing efforts and work that gets done on behalf of garlic growers. Even apple growers were on that call—and strawberry and potato. The value that is realized in New Liskeard is second to none. So we're going to be doing everything we can to complement and give certainty to that work in New Liskeard, because you just can't replicate that anywhere else in this province.

Mr. John Vanthof: A shameless plug: We've got a beautiful spot for a new SPUD centre on ARIO land right across the road, right next to the new research station, which your government has supported. We're very proud of that as well, and I look forward to working with you on that.

My next one—I've got to get to a rough one here, but I don't see too many. We've talked a lot about farmland, and we have our differences. I'm just going to switch to northern Ontario first.

I'm pretty partial to northern Ontario. Northern Ontario is one of the areas where we have big growth potential.

Okay, we're not going to grow some of the things that they grow at Vineland or some of the things they grow in Oxford county; we're never, likely, going to grow them in Timiskaming or Cochrane, or to the same extent. But there are some trends developing in northern Ontario. I think they already existed in other parts of the province, but we're really seeing them in northern Ontario. We have a lot of people moving north, which is great. We welcome everyone. But there's becoming a distinct difference between owner-operator farms, regardless of size. There are farms that are 15,000 acres that are owner-operator, and people who are buying land for investment purposes only.

If you drive—you know northern Ontario; maybe not as well as I do—north of my place and you go to Matheson, those are all owner-operator, and they look as close to everywhere in southern Ontario as you'd think. If you go a bit farther, there's a lot of investment—people who have bought land for investment. It was cleared, tiled, and there's nothing there for years—and it burns me, because when this started happening in Iroquois Falls, I told the people, because they lost their paper mill, "Don't be afraid of agriculture. I'm a farmer. I'm telling you, it will look like Timiskaming." Well, it doesn't. Buying farmland in northern Ontario is a good investment—but they see it as an investment, not as a food production unit. And I'm not saying that all of it's like that.

There was a great event in Iroquois Falls on Saturday, and I drove on Monteith Road. Monteith Road used to be all trees. It's private land; it's not crown. I've got no problem with people buying private land. Monteith Road is all cleared, a lot of it's tiled, and there's not one crop of any type growing on it, just branches—and I know there's a lot of potential in northern Ontario. A lot of that land is crown land. That's not the land I just mentioned.

I would like to hear from the government what their northern strategy is. The potential to use crown land for agricultural is there, but how that crown land is used is going to be very important. If we take land out of forestry and put it into the private sector and all it is is a way to make money on speculation, we aren't gaining anything. That's what's happening to a lot of the private land now. So I just wondered if you could comment, if your government has thought about that.

Hon. Lisa M. Thompson: Well, I've taken your question to heart, and I think you should also have confidence when I say, respectfully, that there are a few northerners who see so much potential in our agri-food sector in the north.

I think about George Pirie at this time. I was in the Timmins-Matheson area in early December, and it's fascinating driving around with him, because he is a true northerner through and through. He said that, growing up, essentially, the northern economy was based on a three-legged stool: forestry, mining, and agriculture. As we toured the area, he was pointing out all the lands that, as a kid, he remembered seeing in full production.

0940

Of course, we have Vic Fedeli in northern Ontario—but you're talking about north of North Bay.

I want to go northwest for a second. When I first came into this chair, there was a disastrous drought happening, in the summer of 2021, and Greg Rickford was awesome to work with. His area of northwestern Ontario was absolutely in despair. We were working hard to support the beef farmers, in particular, with supplementing the hay supply from all over Ontario, and I'm really proud of the effort that went into that. When I was up there, we toured a key area, from Rainy River and Emo to Thunder Bay and back, and I want to share this with you to demonstrate how responsive our ministry was. We started off in Thunder Bay and then headed west and worked our way back. It would have been probably late September-ish when I was there—

The Chair (Mr. Aris Babikian): One minute.

Hon. Lisa M. Thompson: Holy smokes. Time flies.

Anyway, there was also a new need identified in terms of wells, and so I think from the time I drove back from Rainy River to Thunder Bay, it was like, "We need wells. They need to be digging now before the frost sets in." By the time I got back to Toronto, that program was already being pulled together.

So we're being very responsive.

Our ministry also invested in a significant pilot project to identify how we can get agriculture back into the north, and this particular pilot was between Timmins and Matheson—the Clay Belt—and yes, drainage is very important. So we need to keep working on that. It is a priority for me, and I look forward to working with you on that, quite frankly.

The Chair (Mr. Aris Babikian): Thank you. The time is up.

Now we'll move to the independent member. You have 10 minutes. MPP Schreiner.

Mr. Mike Schreiner: Thank you, Minister, for being here today. I want to thank you for opening by thanking staff. Staff at OMAFRA do fantastic work, and of course, we enjoy hosting many of them in Guelph, and we want to thank them for the great work they do.

I also want to acknowledge the work that you and I and Minister Dunlop—we had many conversations about the veterinary program and the partnership from University of Guelph and Lakehead, and I just want to say thank you to the government for listening to the need. We need to expand veterinary services—especially large animal. I assure the member from Timiskaming that we're more than happy to welcome those students to Guelph, and the MPP will encourage them to return to the north to practise their veterinary skills. We'll work together on that, as well.

I'm happy to talk to you about other programs at the University of Guelph to benefit farmers. I was at the announcement last week for the expansion of the ground-water research facility, which is a fantastic opportunity. Many farmers were there, and there were a lot of good conversations. One of the things they asked me to ask you—and I said, "It's a perfect time to ask because I'm going to see the minister on Monday morning." Obviously, there has been a lot of controversy about the lot severancing proposal. The government has indicated that they're pulling back on that plan. Some of the farmers were asking me if

there's any opportunity to have some details around how the government is going to respond to the lot severancing concerns that, obviously, farmers across the province have right now.

Hon. Lisa M. Thompson: I appreciate that question,

I want to start off by sharing with you that my door is always open and my phone is always open to hearing from any farmer, so please share that with them—that they can reach out at any time to me or my team or the OMAFRA staff.

I'm glad you had an opportunity to speak to farmers about this. Hopefully, you clarified that Bill 97 and the proposed changes to the provincial policy statement are two very, very different things and separate—you got it. With that, we're always going to be listening—and not just listening, but being responsive as well. I think, at the end of the day, where we need to go forward is making sure that we have our boots on the ground, working with all our general farm organizations as well as our livestock commodity organizations. I would dare say, in terms of listening, everyone on the committee today probably had many meetings, and rightfully so, with local stakeholders, be it a local dairy producer organization or a local federation of agriculture. We had those meetings at the provincial level, as well.

I'm really pleased to share with you that a couple of weeks ago, officials met with representatives of the Ontario Federation of Agriculture. The Premier and I also met directly with the livestock commodity organizations and key officials in the room. We know how important the agri-food industry is, overall, to the province's GDP. We're really proud of what farmers are achieving in 2023, and with research and innovation, we're going to keep moving forward.

Mike, I want to share with you something that came out of our latest food summit that we had just across the street, and it's in the spirit of research and innovation and efficiencies. I've mentioned before that, year over year, our yield is increasing. A gentleman from Haggerty AgRobotics was a guest speaker at our forum, and I was really, really pleased with what he shared, and it goes to the point that people are looking to precision agriculture. He was well-received. He said, "As we continue to research and adopt continued evolution of best practices and new technologies, we're going to be looking at efficiency per plant as opposed to efficiency per acre." That really struck home with everyone in the room. There were about 200 people both in the room and online, and my—

Interjection.

The Chair (Mr. Aris Babikian): MPP Schreiner.

Mr. Mike Schreiner: I'm sorry, Minister; I have such limited time and I'm going to run out, and I have to ask you a few more questions. But I'm a big fan of precision agriculture and the great work that's happening there.

Obviously, you're not going to answer my question.

Can I just make a quick comment—

Hon. Lisa M. Thompson: I'm on a roll. Sorry.

Mr. Mike Schreiner: That's okay—

Hon. Lisa M. Thompson: It's not that I'm not answering; I got on a roll.

Mr. Mike Schreiner: That's fine. I know how exciting it is, with some of the changes happening.

I would just recommend that, as soon as possible, the government should clarify whether they're going to pull the ERO posting on severances or come out with some details around that, because there is still anxiety out there in the farm community.

Hon. Lisa M. Thompson: Actually, I want to—

The Chair (Mr. Aris Babikian): Please direct your questions and answers through the Chair.

Hon. Lisa M. Thompson: Sorry, Chair.

Just to clarify, because I got on a roll because I get so excited—I also wanted to share that even my own husband was talking about planting 33,000 plants of corn per acre this year. Everyone is talking about specifics and precision, so it's coming.

With regard to where we're going, I think it's really important, Mike, that you realize that this is a consultation, and in a consultation you lay open the opportunity for people to reach out and to talk. In talking to the Ontario Federation of Agriculture, in talking to our local organizations at the grassroots, and in talking to provincial livestock commodities, it was determined that we need to have more time so municipalities and organizations alike across the province have a chance to have their voices heard. That consultation is now open until August 4. So I will always answer everything you put my way, but there is no answer today because the consultation period is still open and it's open until August 4. Let's talk after that.

Mr. Mike Schreiner: My next question is related to policy item 109-01, which is the operating expenses for policy development—so a lot of talk about coordination with other ministries. I want to ask two questions—I'm just giving you a heads-up on two, given limited time—and one is with the Ministry of Municipal Affairs and Housing, around farmland protection. Beyond the ERO posting on severancing and beyond the concerns of Bill 97, Bill 23 and others, there's just general concern in the farm community about the unsustainable loss of farmland.

I'm just wondering, in your coordination with the ministry, what the government is doing, or what, at least, your ministry is doing to deliver a message to cabinet on the importance of protecting farmland.

Hon. Lisa M. Thompson: Certainly, we have open dialogue around the cabinet table, and I have very good working relationships with every single cabinet minister around that table as well. The dialogue is free and flowing, particularly with regard to where we're going. I am heartened, at the end of the day, by where we've landed. Again, the consultation is only as good as the time we permit for people to have their voices heard, because that gives us an opportunity to move forward in an informed way and really pulse-check what's landing well and what is absolutely a non-negotiable.

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We heard loud and clear that the farm severances were a non-negotiable, so even before the consultation period is over, people can rest assured that that's off the table. I give credit to the Premier, I give credit to Minister Clark, and I

give credit to our entire cabinet for being open and listening in that regard.

Mr. Mike Schreiner: I appreciate that, Minister.

I met with farmers in the Duffins Rouge Agricultural Preserve, Niagara, and other places that have concerns around farmland loss in those regions, as well, and hopefully their voices are being heard at cabinet.

The Chair (Mr. Aris Babikian): One minute.

Mr. Mike Schreiner: Also related, just one more question on coordination with energy: You talked about coordinating with energy. I met with a number of farmers who want to see expansion of operations on their farms, but there's just lack of hydro hookups with Hydro One—whether it's post-harvest handling, greenhouse growers etc. I'm just wondering if the ministry is beating Hydro One over the head to expand those hookups so farm operations can expand.

Hon. Lisa M. Thompson: The sweet irony in your question, Mike, is that there are not enough premises on country roads to make it equitable. Therefore, depending on the number of hydro poles that need to go in to expand or to juice up, it is expensive. I recognize that completely, and my reference point is a biodigester that was established in my riding of Bruce county. He paid a lot of money per pole to get back to his biodigester—

The Chair (Mr. Aris Babikian): Thank you, Minister.

Now we'll move to the government side. You have 20 minutes. MPP Flack.

Mr. Rob Flack: Welcome, Minister. You've talked and we've talked together for many months now about the importance of agri-food—\$47 billion. You referenced one in 10 jobs—four jobs waiting for every graduate. It's a fun and amazing industry of growth.

However, when you take a look at the attention the auto sector is getting—for instance, in my riding, with Volkswagen, economic growth is taking place. How do we make sure in our industry, agribusiness, that we continue to get that momentum flowing? In other words, there are probably just as many job opportunities in the agri-food processing sector. How do we make sure that momentum continues now and in the future so we can continue to track the talent and the abilities of people to join our industry?

Hon. Lisa M. Thompson: I appreciate that question very much.

It's something that we're working very hard on because we know that at the end of the day, we require a lot of hands-on—and your question allows me, first and foremost, to talk about the amazing work that the Ministry of Agriculture, Food and Rural Affairs does in the spirit of bringing international agricultural workers to Ontario. Those workers are needed on-farm, and in processing, quite frankly, as well. COVID gave us an opportunity to really hone the programming that's required to enable people to come specifically on-farm and to our processing as seamlessly as possible. I purposely did not use the term “temporary foreign workers,” because when you visit farms and you meet the people who have come back to Ontario and worked on the same farm for 10 years or 30 years, there's nothing temporary about that.

Interestingly enough, I just participated in an FPT meeting this past weekend, and when the opportunity arose, I re-inforced, in the spirit of recognizing commitment to Ontario production in our agri-food sector, that the federal government could be doing more to make it easier for people who are investing decades of their working careers to Ontario agriculture, to make it easier for them to facilitate the renewal of their appropriate administration so that they can get on-farm as quickly as possible.

Further to that, we're making sure that young people see the vast array of opportunities that are available in this agri-food sector. As we embrace and adopt more technology, we need people with computer science skills; we need people who love to work with robotics. And we feel it's very important that we hook these young people as quickly as possible.

This gives me an opportunity to give a nod to amazing organizations that are in Ontario helping to bridge that knowledge gap, if you will. AgScape jumps to mind. They're an organization that works with teachers to pepper in solid curriculum that has been developed by teachers, for teachers that promotes the amazing careers that are available in our agri-food sector.

Over and above that, just last week in the House, I spoke about our investment in the spirit of continuing to develop future leaders throughout rural Ontario and in our agri-food sector. I spoke of investing \$2.3 million to continued continuity and continued investment in the 4-H program across the province—because again, you've got to fish where the fish are. Those young people coming through Junior Farmers and 4-H are a natural lead into pursuing the amazing careers that are available. But we recognize we can't stop there, so I'm really encouraging 4-H, Junior Farmers, AgScape and even our agricultural societies to promote the amazing careers to young people.

I want to take a moment to recognize the amazing work that agricultural volunteers did in the county of Brant this past spring. They hosted their annual Bite of Brant program, and the Emmott family are the pillars of that particular program. As we were walking around, there were the typical stations where grade 5 and grade 6 students, who maybe had never set foot on a farm, were being introduced to what it takes to care for animals and to produce good-quality food in this province of Ontario. A new station that was there this year was a station focusing on careers, and I applauded that; I thought it was fantastic. We need to be doing more of that, and that's where we're engaging agricultural societies who host fairs on an annual basis to do more in that regard as well.

The bottom line is, though, there's so much opportunity for young people to have amazing careers right at home as opposed to having to go into a larger urban setting, and we are doing everything we can.

I'm just wondering at this time if the deputy might fill in a little bit about what we've done with our international agricultural worker program and other initiatives that we have.

Mr. John Kelly: Thank you, Minister.

I'm John Kelly, deputy minister for the Ministry of Agriculture, Food and Rural Affairs.

First, I want to thank MPP Schreiner and Vanthof for their compliments to our staff. That was appreciated.

In answer to your question, there are lots of things that we have been doing towards the development of agri-careers within Ontario. The minister referred to the international agricultural worker program. We have lots of things to try to enhance their situation here, starting with the welcome program—the welcome centre that we had at the Greater Toronto Airports Authority. That is an Amethyst Award-winning program. For those who are unfamiliar, the Amethyst Award is an all-Ontario award given across every ministry outright, so it's great recognition for the work that was done. At the welcome centre, these international agricultural workers would receive something to eat. If they wanted, during COVID, they could get a COVID-19 vaccine. They also were given a lot of information about services that were available for them to come here.

We've also worked with various countries—Jamaica, in particular, and Mexico as well—where we receive the bulk of our international agricultural workers. They are really thrilled with how our international agricultural workers perform here in Ontario. We have international agricultural workers who have been on-farm for decades. A friend of mine in Flamborough is a broccoli farmer, and he has had the same people on his farm for more than 40 years. They love coming to Canada. So making that situation really great for those types of workers is terribly important.

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If I can go back and talk about the innovation side of things for a moment, we are looking at quite a variety of different careers for people coming into this area. There are academic paths, as the minister mentioned, in data and computer sciences, but we also look at—we've got companies in vision systems, for example. Twenty years ago, you would think, "Vision systems for agriculture? Why would you even be thinking about that?" It's to identify plant diseases and those types of things.

The reference to Haggerty robotics—when we're planting seeds and we know we can plant seeds within a square centimetre, that's significant technology, and that takes significant support for people who are running these types of things.

Those are more advanced-type programs. But right across the province, we have, at the various colleges, various agricultural technology programs to bring people in, whether it's working with tire-inflation-type technologies or how to develop the software for those types of things. That would be done at Conestoga College, for example. We have lots of different areas where people are developing those skills to support the sector. These skills go through both primary agriculture and the processing sector.

I'll finish with referring to Meat and Poultry Ontario. They have created a Meat-Tech Centre of Excellence at the University of Guelph and the Skills Ontario program where people are looking to attract high school students into colleges and universities. What they demonstrated was how to be a butcher. There is a real opportunity for people to become butchers just by taking the training.

I'll stop there, Minister.

The Chair (Mr. Aris Babikian): MPP Smith.

Mr. Dave Smith: You've talked a fair bit about technology on this. I'm going to expand a little bit on what you were saying there. I think the average person in Ontario who has no idea about the agri-food business doesn't truly understand about technology and research—the example I'll give is, I've got a mid-1950s Ford 860 tractor. It's that classic-looking tractor. It's a great workhorse, does fantastic stuff. I love it to bits. I use it all the time. I think the average person in Ontario thinks of farming with that style of tractor. But according to Statistics Canada and the latest farm management survey results from 2021, Ontario fuel crop farms are equipped with GPS technology—it has gone up from 74% to 78% who now have that. Technology and innovation are increasing, and it's far more important now in supporting farming for the future. You can have an autonomous vehicle out on the farm doing things. You can have so much in terms of making sure that you're putting the right fertilizer in the right place in the right quantities, all based on this type of technology.

Can you explain how your ministry is supporting the agri-food sector through research and innovation?

Hon. Lisa M. Thompson: I sure can, but before I answer your question, there was one thing I wanted to go back to.

MPP Schreiner, you mentioned farmers in Niagara and the greenbelt and things like that. I encourage you to set up meetings with me. If there's anything that you're hearing—I want to hear it first-hand, so, by all means, if you are meeting with people and you think it's something that I should know about or hear, I encourage you to set up those meetings for those individuals.

Now let's talk about agriculture innovation and technology. It is phenomenal when you see that an individual is in their cab tractor and everything is all set; they've had their field GPS'd. They jump into seed, and they're multi-tasking, because the autonomous features in that tractor, guided by GPS, take over, and they're able to do so much more in their cab—in their office, so to speak. It's phenomenal what's happening in that regard, and we're embracing all of that.

When you go out to our corridor of excellence—I think about what they're doing in the dairy barn. They have different elements. They show how dairy cows can be milked in a parlour and/or through technology and computer savvy. A cow can feed on its own, milk on its own, and essentially, the farmer, from his desktop or his phone or, in some cases, even his watch, can check on the health of that particular animal. The sky is the limit when we start talking about how to embrace technology.

I would dare say that albeit Minister Fedeli is a huge enthusiast of new technologies, I would say the early adopters of most new technologies happen on-farm and then they grow from there. I say that with all due respect to Minister Fedeli, because I'm proud of what happens on the farm.

This is my opportunity to say that if you want to see the latest, greatest, breaking technologies, be sure to go to Canada's Outdoor Farm Show this September outside of

Woodstock, or attend the International Plowing Match, hosted by Dufferin county this year.

I think it's safe to say that the important part about all of our research and all of the technology and innovation that's being adopted is it's allowing us to be incredibly precise, and that's what we need to be celebrating as well. Instead of once upon a time applying a fungicide, if you will, or a pesticide broad-based across an entire field, what can happen now is a precise application in the affected areas. That is fantastic news, and it's in that spirit of sustainability and best practices that the world is looking to do more business with Ontario, because of some of those best practices.

At this time, I'd like to turn it to the deputy, because we're doing so much more.

For instance, at the outdoor farm show last year, we had an innovation hub and a tent where young people brought forward their ideas. It's just phenomenal what they're doing. It was a program that was wildly successful. We facilitated that program through Bioenterprise.

At this point, I'd like to turn it to the deputy to pick up where I left off.

Mr. John Kelly: This is a great topic. There are so many different spots where we incorporate technology, we talk about robotics and vision systems, those types of things, but there are other parts; for example, in animal health. The minister referred to some things, but you can get pieces that you can implant into—or, not implant—that you get into the rumen of a cow, which can measure body temperature and rumen contractions. It's really important for the health of the animal to actually know if an animal is getting sick, and you can predict better than we've ever been able to do in the past. From a genomics perspective, using high immune response technologies from the University of Guelph, we've been able to genetically select healthier animals, which are very productive. So, these are great things.

From a horticultural perspective, being able to use simple robots to move apples from being picked to the barn, or more sophisticated ones that you will see in grape growing, where you will get, again, the precision agriculture, the spot-spraying of various things—it's really, really cool technology.

I'd like to ask one of my ADMs about this and how it's applied, and this will be Randy Jackiw.

The last thing I'll talk about before I turn it over to Randy is, in the Grow Ontario Strategy, looking at soil management and soil health. When we look at soil health, we're not just looking at what the soil looks like; we're looking at 15, 20 different parameters to enhance the productivity of that soil.

With that, I'll introduce ADM Randy Jackiw.

Mr. Randy Jackiw: Thank you. I'm Randy Jackiw, assistant deputy minister, economic development, for agriculture, food and rural affairs.

A couple of things that I would add, Minister and Deputy, are some of the everyday things that our staff are involved with very collaboratively, whether it be with research, whether it be with farm groups, whether it be with certified

crop advisers etc. That spans right from the selection of genetics to the different practices that could be applied.

I think what we're witnessing right now is an absolute explosion of possibilities with the technology. The analogy that I would use is that I don't think any of us would have imagined where smart phones would end up today, as far as what you do with them. It was just a phone; then it was cool that you had some GPS and some other things, and the number of apps.

The example that I would use is that one of the other benefits of Autosteer that the minister was referring to is that the fuel savings is significant—

The Chair (Mr. Aris Babikian): One minute.

Mr. Randy Jackiw: —as far as overlap and the way that it's managed.

One of the new technologies that staff are promoting right now is actually called strip-till, where they're going into, in some cases, marginal land that has been managed in a way where there's a lot less compaction, and they actually work two or three centimetres. They can go back weeks later and actually apply the seed right into that two or three centimetres. That also facilitates a very precise application of fertilizers etc. that lead to those efficiencies, and then the profitabilities and the additional productivity at the end of the day, in a very sustainable way. So that would be one example that I would point to.

The other questions that were just around how we make sure that Ontario continues to grow and the focus on the processing—we've talked about labour—

The Chair (Mr. Aris Babikian): Thank you very much. The government's time is up.

Since we're getting close to 10:15, I will adjourn the meeting until 1 o'clock. So we will be in recess until 1 o'clock.

The committee recessed from 1012 to 1300.

The Chair (Mr. Aris Babikian): Good afternoon, everyone. We are going to resume consideration of vote 101 of the estimates of the Ministry of Agriculture, Food and Rural Affairs. There is now a total of 50 minutes remaining for the review of these estimates.

When the committee recessed this morning, the government had concluded their round of questions. We will now go to the opposition for 20 minutes. MPP Vanthof, go ahead.

Mr. John Vanthof: Welcome back. I was accused of being too friendly this morning. So I'd just like to get that on the record.

Mr. Dave Smith: Not just too friendly this morning.

Mr. John Vanthof: Blame it on your own member.

I'm going to start this afternoon's round off.

It has been widely stated that Ontario is losing 319.6 acres of farmland per day. Do you agree that that is a major concern?

Hon. Lisa M. Thompson: What I agree with is the fact that we are absolutely propelling forward with Ontario's agri-food industry, and we need to be celebrating the fact that we're increasing yield year over year. We're able to do so because of the best practices and precision agriculture that we're embracing and moving the bar on, quite frankly. I would really like to emphasize the fact that it all

starts from the ground up, as well. Again, I referenced very briefly that one of the things that we had in the budget was soil health. Investing \$9.5 million in modernizing the tools available not only to industry but to farmers, as well, is really, really important. Even Senator Rob Black, Chair of the Standing Senate Committee on Agriculture and Forestry, really applauded that because he recognizes, as well, that it's from the soil up—

Mr. John Vanthof: If I may break in here?

Mr. Aris Babikian: MPP Vanthof.

Mr. John Vanthof: Recognizing that productivity per acre is going up—there's no denying that. But when you lose 319 acres per day, cumulatively, over a length of time, you are giving up the overall capacity, regardless of how productive you get. I'm not blaming anyone, but are you concerned that we are losing agricultural land at that rapid a pace?

Hon. Lisa M. Thompson: Actually, I am buoyed. I'm actually more focused on the increased yield and the better productions that we can have, because we need to be moving the bar and Ontario should be leading the way when it comes to innovations and new technologies. That's what I'm focused on.

It's important to get on the record here, folks: Ontario is a net exporter of food. Already, today, we are exporting well over 70% of all produce and flowers grown in Ontario to the United States. So I take heart in seeing how hard people are working to innovate and move forward in the spirit of making sure that not only are we taking care of our own backyard in Ontario and across Canada, but in North America and around the world.

We have a soil action group, as well, that has really done tremendous work in coming forward with recommendations. That's an action group that really matters.

I'd like to invite the deputy to say a few things—

Mr. John Vanthof: With all due respect, Minister, I'm going to go ahead because I don't think—

The Chair (Mr. Aris Babikian): MPP Vanthof, please direct your questions through the Chair.

Mr. John Vanthof: I'm sorry, Chair. I will in future.

I don't think we're going to agree on this. So let's make it clear: From what I understand, where we differ is—we are very concerned that we're losing 320 acres a day. I agree with everything that you said regarding productivity, but we are concerned that we're losing 320 acres a day—the government, not as much.

I'd like to switch gears. One of the things, when farmers come talk to me, specifically about livestock and grains—is the Risk Management Program. Basically, for people who don't understand, there are very good programs to protect against production loss; there's a large suite of programs. The business risk management protects against market volatility. The way it's structured currently is, it's basically pro-rated, because it's capped. Years ago, when it was created, the farm groups got together—rarely. They got together again to slow this government down on severances. But years ago, they got together to create the Risk Management Program, and it worked. The Liberal government capped it; it has been pro-rated ever since. They've had

some raises, but to work—and in the next little while, market volatility is going to be crazy, because if you look, the prices have gone up, and now they're going down.

So my straightforward question is, what's the deal? What is the roadblock to actually returning the Risk Management Program to something where it's pro-rated, where it's bankable, where farmers can say, “We are insured against this risk”? Farmers are the basis of our whole agri-food sector, and that would provide a lot of stability.

Hon. Lisa M. Thompson: Well, I think you can appreciate the fact, when I say—when it comes to risk management, Ontario farmers have a whole suite of tools that they can access to manage risk. I'm really proud that it's our government that actually—it was the summer, because I remember discussing it around Father's Day, in 2020. It was our government that moved forward and added an additional \$50 million to the funding program to bring it up to \$150 million annually. That was well-received, and it was a good step forward.

Another thing I give credit to Ernie Hardeman for is that he worked really hard not only to listen but to hear how we can make the mechanics of the program work better—because sometimes it's just not about the money that government puts in—and because of that, we were very, very successful in addressing an ask that had been had for a long time, and that is rolling over any unused portion of the Risk Management Program. With that, I want to make sure that people listening today understand, as well—just to make sure that we're all on the same page—that the Ontario Risk Management Program is for livestock commodity groups, in particular, that are outside of supply management. I think that's important to establish. What we've done, in terms of allowing dollars to roll over, is working. We've had two commodities, actually, already roll over dollars into this current fiscal year because of the fact that things were going okay. So that is certainly something that's applauded.

When it comes to the formulas and things like that, we are open—our door is always there for our livestock commodity organizations represented in OASC, the Ontario Agriculture Sustainability Coalition, to walk through, because we want conversations going. We've gone back to them and said, “How can we keep improving this program?” I'm looking forward very much to meeting with them in the very near future, because we had some specific asks of them, and I'm looking forward to hearing what they come back with.

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Mr. John Vanthof: Chair, the minister mentioned the member from Oxford, and I would be remiss if I didn't mention something about the member from Oxford. I can remember debating the member from Oxford, and he stressed that for risk management to work, it had to be predictable and bankable. At this point, it's still pro-rated—and we're not disagreeing on this—and for it to actually work as it was designed, it can't be pro-rated. If people are buying insurance on their house, and just because a house in the next town burned down at the same time, you only get half of what you're insured for—how much faith would

you have in the insurance sector? Well, that's how the Risk Management Program works.

So I'm making another pitch—and I'm not trying to convert you. I know that—

Hon. Lisa M. Thompson: It's okay. For instance, the Beef Farmers of Ontario—when you take a look at risk management here in this province, if you use that example that you just shared, in some cases, they're maybe getting 60-cent dollars. So I totally understand where you're coming from.

Again, we've posed some very specific questions, because we're unique to the rest of Canada. Other provinces look to us, and they wish they had what we have. We can never go backwards. So I want to work with the members of the sustainability coalition to make sure that we get this right.

To drill down on this a little bit more, Deputy, would you like to touch on that?

Mr. John Vanthof: No, I'd like to go—no disrespect. I don't get much of your time.

I'm going to shift gears again to something that we touched on this morning.

Ontario is unique in many ways, but one way it's really unique is in places—and I always go back to Oxford county. Agriculture has been there a long time; it's very well developed—in northern Ontario, not so much, so there are places that are just being developed.

Tile drainage is an example. Tile drainage is a saviour for northern Ontario—for all of Ontario. I have a cousin in the tile business. You can't farm in northern Ontario without tile drainage. In Timiskaming, we farmed a long time—well, since the 1970s—with tile drainage. We've had our problems—erosion—and we've slowly solved them, as has Oxford county. But now we're dealing in northern Ontario, where they tile townships at a time and change the whole structure of how the water moves. And even when there is a municipal drain in place, it doesn't handle—it's creating big, big issues. I'm just putting it on the record that as we look at developing new areas—and I'm dealing now with a situation in an organized township where someone's house—the gully is creeping up to it; it's not part of a municipal drain, but it's caused by tiles. I'm pro-tiling, but it used to be, when we didn't have tile, it took a long time for the water to get through the clay. We can go from freezing to farming in two weeks, and all that water goes. This isn't really a question. I'm just putting it on the record that we need to look—in cases, we have townships, even organized ones, that are in huge trouble because the people who own the farms have basically more power than the township, and it's causing big, big troubles.

You mentioned Minister Pirie. I get along very well with Minister Pirie, actually. We disagree on many things, but I get along. He was trying to sell me on agriculture in northern Ontario. I get it. I've farmed there my whole life. I'm proud to farm in northern Ontario. But I'm going to tell this committee exactly what I told Minister Pirie: If you think that farming in northern Ontario is that you airlift a bunch of D8s, 100 D8s, and then 10 tile machines—that's not how it's going to work.

My question is, as you look at what we've learned from other areas, has your ministry truly considered the ramifications? The current municipal drainage act—or what's available—is not going to deal with the erosion problems that we're going to deal with up there.

Hon. Lisa M. Thompson: First of all, I very much appreciate and actually value your lived experience in the north, and I want to back that up by saying that we need to tread carefully. That's why it was a no-brainer for me, quite frankly, to support a pilot program in the Clay Belt, in terms of how we take that arable land and put it into production, giving everyone confidence. I'm going to be debriefed on the wrap-up, if you will, I think in the coming month, and I really look forward to that. Then, I'm going to turn around and share it with the people who matter, like yourself, because I don't think it's a one-person job here to figure out how we move thoughtfully forward in opening up the north, and I certainly welcome your experience on that as well.

Mr. John Vanthof: Thank you very much. If you cross—and we all know this hill; now you've got me wasting time—over that hill by New Liskeard, it's a sight unequalled in this province, and it's a sight that can be repeated over and over again. But there are some unique challenges we've dealt with in New Liskeard, and there are unique challenges farther north.

You mentioned something from Minister Pirie, and I'm going to quote Minister Pirie again, about—and Timiskaming is like this. Agriculture, forestry and mining—it's equal, but the reason that agriculture failed before, farther north is, without tile drainage—if you were a young person and you were on the family farm and it would be tough going and you would get rain, or you could work in the mill or the mine, you went to work in the mill or the mine, because it was one heck of a lot more money. That's why those farms grew—because there was no tile drainage. There used to be a lot of agriculture in Cochrane, but there was no tile drainage, so when things got tough, there were other places to go. In Timiskaming, we didn't really have that opportunity. So we figured out collectively that if we're going to keep doing this, we've got to change things, and that's when we started tiling.

I give credit where credit is due: The person who pioneered tiling in Timiskaming was a man named Rod Inglis. I can remember—I was a little kid—the first public meeting when they were talking about it. Someone asked, “What can you grow in northern Ontario?” He stood up and said, “You can grow anything in northern Ontario. Harvesting? Maybe not so much.” That still holds true. So—

Hon. Lisa M. Thompson: If I may just comment on that—

Mr. John Vanthof: Yes.

Hon. Lisa M. Thompson: In my past life, I used to bring an amazing souvenir home into Bruce county, and that was good old New Liskeard clay on my boots. It took a bit to get it off if it hardened too quickly.

I hear you loud and clear on the innovation that's needed.

When I was at the Earlton Farm Show, I was very proud to meet some of the Inglis family. I brought that T-shirt

and hat home—because, quite frankly, there's a tree on the branch that really revolutionized drainage back home in Huron—Bruce as well, and the couple would be Dave and Doris Inglis. They worked hand and hand together.

Mr. John Vanthof: I'm going to change gears a little bit.

The soil strategy: Other than mapping the soils, what specifically is the soil strategy going to do for agriculture?

Hon. Lisa M. Thompson: Again, in short, it's updating data. When it comes to best practices and moving the paradigm, if you will, you need good data. Ladies and gentlemen, I think it's a travesty that some soil maps—well, some areas of Ontario don't even have proper soil maps, and some of the maps that we do have date back to the 1950s, if not earlier. We've got work to catch up on. So, first things first, we're going to have proper soil maps that help identify the soil structure; therefore, the type of variety and the growing season etc.

I know that Kelly McAslan would be jumping all over to speak to this—but I don't know whether you will let her or not, John.

Mr. John Vanthof: Actually, I like her. I'll let her speak.

Mr. John Kelly: I won't take that personally.

Hon. Lisa M. Thompson: Yes, the deputy won't take that personally.

There is amazing work afoot in terms of our soil health strategy, and I think her team jumped for joy when they saw that it was in the budget.

Ms. Kelly McAslan: I'm Kelly McAslan, assistant deputy minister for the food safety and environment division.

Thank you for the question.

We are extremely passionate about soil health—and we did jump for joy, Minister, when we had the budget announcement come. We're very excited.

To your question: What exactly is this about? The one the minister spoke to, the resource and inventory—this is really about updating the legacy map.

The Chair (Mr. Aris Babikian): One minute.

Ms. Kelly McAslan: We've got maps dating back to the 1900s. We need updated information, mapping data that we can use, and using modern technologies like lidar to gather this data so that we can get this information out to farmers and to the sector so that they're able to use this information for productivity decisions, to enhance economic development, to use it for precision agriculture and all those things. So the inventory will be a really big piece.

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The second part of this is around a system that we're very excited to be developing called OASIS. The system is going to house all the data and mapping information from all across Ontario. We're going to have an opportunity for a portal for stakeholders to be able to log in and actually see data that they can use in real time for their farms, to make a difference on their properties.

So we're very excited, and there's lots more to come in this area, but we've got lots of staff back at the ministry working hard on this.

Mr. John Vanthof: Thank you. No offence to the deputy minister.

The Chair (Mr. Aris Babikian): The opposition's time is up.

Now we'll move to the independent member. MPP Schreiner, go ahead—10 minutes.

Mr. Mike Schreiner: It's great to be back this afternoon.

I'm going to pick up my line of questioning where we left off. If you'll permit me, I'm going to try to link a few things together here that I think are really important.

First of all, I love the work the ministry is doing on soil mapping and precision agriculture.

There's no doubt that we're seeing yield increases on farms across the province, but one of the other things we're seeing are challenges in terms of farmland accessibility for farmers. When you combine the fact that we're losing 319.6 acres of farmland every day, which I think should be a major concern of everybody in the province—you've got additional development pressures on farmland, whether it's greenbelt, whether it's urban boundary expansions etc. I understand we totally disagree with the original proposal on severances; I'm happy to see the government saying they're going to backtrack on that. I believe some of that was driven by concern around succession planning. And then you see the price of farmland. If you let me focus on southwestern Ontario for a bit—I appreciate that the member is focused on northern Ontario; I love northern Ontario too—we've seen a 51% increase in land values for farmland in southwestern Ontario in the last two years. And I think all that is connected.

I keep thinking about how the next generation of farmers is going to be able to afford to purchase land and farm on land that they actually own.

I'm just wondering what the ministry is doing to (1) protect the farmland we have and (2) make that farmland accessible to a new generation of farmers from an affordability standpoint.

Hon. Lisa M. Thompson: It's interesting; there's a number of programs already available in the spirit of ensuring farmland stays farmed—that's ALUS and the land trust and things like that.

When I was in the most recent federal-provincial-territorial meeting, I thought it was interesting—part of the value of those meetings are the conversations that you have on the side. I think it's interesting how there are some jurisdictions moving towards an owner-employee trust to help young people get into farming. It made me think of Charles in Minister Piccini's riding; he's the past chair of Ontario fruit and vegetable. He is working in the spirit of succession to enable his daughter and two of his employees to take over their farming operation.

As we move forward, we need to take a look at the folks who are already leading by example in this regard and, with their permission, really dive down and identify what's working well and what they would do differently. When you work with people and are informed by people with that lived experience, your programming can be much stronger because of that.

Mr. Mike Schreiner: I'm going to just ask—and this is just basic economics and supply and demand, from my perspective: Do you think there is a connection between

losing 320 acres of farmland every year in this province versus the farm prices going up by 51%?

Hon. Lisa M. Thompson: Oh, not in the way that you're inferring at all.

Mr. Mike Schreiner: You don't think supply and demand works in this regard?

Hon. Lisa M. Thompson: The inference that you're making is very interesting.

The fact of the matter is, there is a real demand—as farms get bigger, they need more area to put their nutrients on, and that is one factor that's driving up—

Mr. Mike Schreiner: Do you mind if I just interject really quick, Chair? I want to follow up.

That's a very good point you raised.

To me, connectivity is such a major issue, which I think is one of the reasons so many farmers have been upset around the proposal around lot severances. We do need connected agricultural lands, and as we have more urban pressure on those lands, they are going to be more disconnected, which is going to make it harder for nutrients, harder for machinery etc.

So I'm just curious, because I look at page 58 in the estimates here, and there's a lot of talk about connecting with the Ministry of Municipal Affairs and Housing around farmland protection—does the ministry have any plans, strategies around how to protect that farmland, to ensure we have the connectivity, so it's viable and affordable for farmers to farm on?

Hon. Lisa M. Thompson: Again, I want to remind everyone that we currently have a consultation going on, and I think it's wrong-footed to presuppose anything until that consultation is concluded on August 4.

I think part of the success that we've had at OMAFRA is that we're demonstrating time and again that the programs that we're bringing forward, whether it's the Veterinary Incentive Program or the soil health or the strategic processing fund—they're coming forward because we've been listening.

I really hope that everyone takes time through to August 4 to put forward thoughtful submissions, and not only just submit them, but take the time to meet with people and have discussions, whether it's OMAFRA, the Ministry of Municipal Affairs and Housing, finance—pull everyone together so that people understand the perspectives of a particular general farm organization or a livestock commodity organization.

Mr. Mike Schreiner: I appreciate that, and I appreciate the fact the ministry is going to consult more and listen.

I want to go back to my earlier point, though. We're losing 320 acres of farmland a day. We're seeing significant increases in prices for farmland now. I learned in economics 101 that when supply goes down and demand is still there—maybe even demand is going up as we're seeing challenges all around the world in people being able to productively farm. We've still got it here in Ontario, so we're pretty lucky. We've got yields going up in Ontario. But it seems to me there's got to be a connection there. Does that concern the ministry? Does the ministry have any plans around it?

Hon. Lisa M. Thompson: If you're talking about supply and demand, you make me think of our general economy. In the spirit of business, I think you would also hear very clearly that the most successful businesses are ones whereby government does the job they need to do but then gets out of the way of everything else. When you're talking about supply and demand, I think what you need to be heartened about is that there's actually a province, for the first time—

Mr. Mike Schreiner: Chair, can I just interject—

Hon. Lisa M. Thompson: Oh, I'm talking about supply and demand here.

Mr. Mike Schreiner: Go ahead and finish. I really want to follow up on that.

Hon. Lisa M. Thompson: Yes, I know; I'm talking about supply and demand here.

I think you have to give credit where credit's due, as well, because this is the first government in a very long time that actually has got it right in terms of how we need to move forward, and we're excited about the potential. We're unleashing the potential in northern Ontario, because again, in that spirit of supply and demand, that's where, relatively speaking—and I'm sure the member from Timiskaming would agree to this—per acre, land is more easily accessible for new farmers or young farmers. We are going to get it right. There is more land going to be opened up, and we're going to continue to be the leader in exports.

Mr. Mike Schreiner: You made a valid point around government interference and the market. In this particular case, it appears to me that the government is actually imposing things onto municipalities that will take farmland out of protection.

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I look at Waterloo region, for example. The head of the federation there, Mark Reusser, said, "Well, we did all this great planning to protect farmland, and now the region is being forced to develop on that land."

So it feels like farmers in the marketplace want there to be more land in production; they see the economic value of it. But yet, government seems to be saying, "No, we need to develop significant amounts of that land."

Hon. Lisa M. Thompson: I think you would agree that there needs to be a balance as we go forward. The realities are—

The Chair (Mr. Aris Babikian): One minute.

Hon. Lisa M. Thompson: —in the spirit of the economy, we need to be moving forward.

Despite what you might hear from the Mark Reussers of the world, take a look at St. Thomas—those were municipalities coming together to work with the city to move forward because they saw the value. Even OFA said they appreciate—

Mr. Mike Schreiner: I was good with that, too.

Hon. Lisa M. Thompson: Yes—those jobs that are coming into the region.

So I think we have to be careful not to get caught up in rhetoric and actually look at the true life balance. Again, I

use St. Thomas and the development that's happening there—

Mr. Mike Schreiner: Can I give you one more?

Hon. Lisa M. Thompson: —as a prime example of how everybody is on board.

The Chair (Mr. Aris Babikian): Yes, MPP Schreiner. Go ahead.

Mr. Mike Schreiner: I want to say something nice really quick before we—I'm almost out of time. I just want to appreciate the work on soil mapping. I think it's long overdue. I'm hoping, as we map that soil, we come up with programs that will reward farmers for actually increasing organic matter and soil health—

The Chair (Mr. Aris Babikian): Thank you, MPP Schreiner. Time is up.

Now we'll move to the government side. MPP Leardi.

Mr. Anthony Leardi: Minister, thank you very much. It's very clear that you're very passionate about your ministry. I appreciate that.

In a recent report by the federal government's agri-food committee, it was noted—the importance to Canadian farmers, and in particular, Ontario farmers, to have access to a reliable and secure source of fertilizer to increase yields.

How is your ministry assisting farmers in securing a stable supply of fertilizer?

Hon. Lisa M. Thompson: I appreciate that question very much.

Because they've made the effort to come to Toronto today, I am going to invite some people to join me.

But first things first: We lead by example. In sharing that, I want you to know that we shared our concern with our federal government of the day in terms of the importance of doing everything we can to make our farmers in Ontario and across Canada competitive. Further to that, the rest of the world is literally looking to Canada as a stable supply of food, so we need to be doing everything we can to continue to increase yield, as opposed to putting on handcuffs.

In the spirit of leading by example, and to address the need for nitrogen, particularly in Ontario—depending on where you call you home and where you farm across Canada, you need different things. In Ontario, nitrogen is very important based on our soil types. So we embarked on an initiative called the fertilizer challenge, because while we respect where the federal government took us, we're going to use it as an opportunity to drive innovation. It was last year at the outdoor farm show near Woodstock that I was really pleased to put forward the challenge. Then, it was at the London Farm Show this past winter that we celebrated the companies that worked with Bioenterprise to bring the concept to reality. Most importantly, they're working on commercializing and monetizing that idea.

At this time, I'd like to hand it over to the deputy to drive home the fact that our fertilizer challenge really hit the mark and demonstrates how we're thinking outside of the box to give Ontario farmers more tools.

Over to you.

Mr. John Kelly: We all know that fertilizer is a requirement for everybody who's doing any crop farming.

As the minister rightfully said, nitrogen is a key component, along with phosphorus and potassium. To meet those requirements, we're seeing global challenges. A high proportion of our fertilizer was coming from Ukraine and from Russia. With the federal government and what they've done with that and with the war in Ukraine, that has put some pressure on fertilizers.

Last year, I think fertilizer prices peaked around March. That's when the minister brought forward the challenge to us, to say, "How can we deal with this?" Hence the work with Bioenterprise. Looking at all sorts of alternatives to address how plant health is done, to work with different sources of fertilizers, and also to understand how fertilizers are used was an important part of this challenge. I'm going to ask David Hagarty to come forward in just a moment—but the reason that Bioenterprise was selected to help with this program was that they are experts in commercialization of new innovation, and the idea was to bring new innovation to address this global challenge. We anticipate that part of this program is going to have impacts on companies, but they're also going to have impacts on producers. The idea behind the challenge, on the pushing of the minister, was to have something on the ground as quickly as possible, so we've really pushed that forward.

David, if I can ask you to come forward and talk a little bit about some of the work that we've done, that would be great.

Mr. David Hagarty: I'm David Hagarty, assistant deputy minister, policy, at the Ministry of Food, Agriculture and Rural Affairs.

A couple of specifics on the fertilizer challenge, given the focus of the question—\$2 million over two years to support Ontario-made solutions to increase availability of fertilizer options and alternative technology, ensuring farmers have the tools they need so Ontarians can rely on a safe and stable food supply. Through the fertilizer challenge, 10 Ontario businesses are being supported to bring alternative fertilizer to Ontario-made solutions that will increase the availability and contributions to a safe and stable food supply over the longer term. Investments will encourage innovative, long-term, made-in-Ontario solutions to help meet the province's fertilizers needs.

Hon. Lisa M. Thompson: Again, we're not stopping there. I'd be remiss if I didn't recognize the synergy between ministries, because I'm really proud to be on the team that we have throughout caucus.

It was Minister Pirie who also recognized that there are some by-products coming from the mining industry that we should be taking a look at—and this is just at the very superficial beginning, even before the start gate; we're not even in the starting box yet. There are some opportunities to realize some by-products of mining that could lend themselves very nicely, in the spirit of out-of-box thinking, to recognizing alternatives to the current challenge that we have right now.

I really look forward to working with everyone you see here today and with our colleagues across Ontario and Canada to keep driving this innovation, because it matters.

Again, in the spirit of precision agriculture—it wasn't all product that the challenge generated, but actually technology and tools as well, coming back to being very precise and applying the right amount of fertilizer, in the right place, at the right time, at the right rate, all in the spirit of supporting what has been in place for a number of years, which is the 4R system.

The Chair (Mr. Aris Babikian): MPP Bresee.

Mr. Ric Bresee: Minister, at the risk of being accused of applying the right amount of fertilizer, I just want to say what a fantastic champion you have been for the entire agri-food industry for a long time. Thank you very much for all that work.

I wanted to recognize that some of the members around the table have mentioned central and southwestern Ontario, have mentioned northern Ontario, and I've got to put a plug in for eastern Ontario and make sure that, while we are a small portion of the agri-food sector in Ontario, we are still an important sector within that.

One of the things to note specifically about eastern Ontario is the wide variety of food and agricultural products that are coming out of that range. Obviously, we've got beef and dairy and all of that, but we've got some tremendous wine grapes and orchards and such. It covers the entire spectrum. As I was thinking about that and thinking about MPP Vanthof's comments earlier about some of our risk management tools—he was positive about them but also critical of the need for pro-rating. We know that these are absolutely vital tools for farmers of all types to recover from risks that are simply beyond their control. So I'm hoping you can explain what your ministry is doing to ensure that all farmers are receiving the funding they need when they face that type of situation that is outside of their ability to control.

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Hon. Lisa M. Thompson: Certainly. I appreciate that.

With all sincerity, I did touch on the east a little bit—Northumberland—when I referenced the past chair of Ontario fruit and vegetables. I got it in there.

Mr. Ric Bresee: That's more central.

Hon. Lisa M. Thompson: Oh, it's more central? Okay.

Mr. Mike Schreiner: You talked about eastern dairy.

Hon. Lisa M. Thompson: Yes, that's true, I did—Winchester. Thanks, Mike.

Mr. John Yakabuski: It's good to have the opposition defending you.

Hon. Lisa M. Thompson: Yes, very good.

We need to be very dextrous, and we need to have a variety of tools available based on where the farmers' heads are at. It's interesting, because when I talk to some younger farmers, they feel that the suite of tools that we have through AgriStability and AgriInvest are working perfectly, and they really don't need that third line of defence and risk management. But then you talk to, specifically, livestock commodity organizations, and they do need that security and certainty of price. So I respect that very much, and it's a special balance that we have in bringing things forward.

I'm just wondering, Deputy, if you want to drill down on that a little bit more, in terms of how we're making sure

that, based on the farmers' needs and experience and assertiveness, if you will, in pushing the paradigm, we're able to respond accordingly.

Mr. John Kelly: We have a full suite of programs for a lot of different situations—if it's a market-driven challenge, if it's a weather-driven challenge. We have programs like AgriStability, for example. If you run into challenges that are beyond your control, then that's where, being a member of AgriStability, you would get some benefit. Probably our biggest one, though, is production insurance. If we have crop failures for whatever reason, most Ontario farmers are in production insurance, and that will help them through those very strong, challenging times.

I'm glad you're from eastern Ontario, because I'm actually from Peterborough, too, and I know that area very well.

When we look at emergency situations—the minister referenced the northwest drought we had in 2021. Well, we were able to bring in a \$5-million agri-risk program which was to help producers through that really devastating time. To the agriculture sector's credit, there was a lot of help from industry, as well, supporting producers. But that's what we do in agriculture.

So it depends upon the situation, but we have lots of different tools. We've worked on modifying and modernizing those tools, as well; moving the compensation up to 80%, for example.

Hon. Lisa M. Thompson: Thank you for that—the trigger, yes.

The other thing to recognize is that we also have a program, AgriRecovery, and we utilized that through the drought in the northwest in 2021.

My point is this: If and whenever something untoward happens to our farmers, we have the tools available and the dexterity and programming to work with our federal government to bring forward, through AgriRecovery, really targeted programs, whether it's our apiarists and winter killing their bees, through to the winterkill that wasn't really realized in our grapevines until last summer—because for winterkill in grapevines, you don't really see the effect until summer, when you see what's thriving and what's not.

Again, I can't stress enough that we work very closely with the federal government and Minister Bibeau to make sure that—I wish it could be a little bit timelier, let the record show. But we are working very closely to make sure that no matter what the situation is, we stand with Ontario farmers, and we'll always have their back.

Ms. Jess Dixon: What's our time, Chair?

The Chair (Mr. Aris Babikian): Six minutes. MPP Dixon, go ahead.

Ms. Jess Dixon: Thank you, Chair.

Minister, we see a lot of coverage in the media and in question period and certainly from our constituents about the cost of groceries and the pressure that is putting on Ontarians across this province—even people who historically didn't think they had to worry about that.

Can you explain what you think are the main contributors to the rising cost of groceries that we're experiencing?

Hon. Lisa M. Thompson: What we're seeing right now, in terms of the cost of groceries, is a complete impact—and people may choose to disagree, but the carbon tax is really what's at the root of costs of groceries going through the roof, because it's hitting every single link of our value chain. At the end of the day, that extra cost of doing business gets passed on to the consumer. So whether it is the cost of harvesting in the fall—the carbon tax has an impact on some of those aspects, in terms of the need to use natural gas to dry the corn or the grains. And then you take a look at the cost of the movement of that good and the added value that happens as well. I really hope that our federal government understands how there has been such a negative impact on the cost of groceries and the livelihoods of Canadians throughout this country because of that policy. I would think all agriculture ministers across Canada are in chorus in that regard. We're doing everything we can here in Ontario to help offset that.

We're also very pleased to be working on—from a federal, provincial and territorial perspective—a code of conduct for grocery stores. Minister Lamontagne from Quebec has been our lead on that particular initiative, and we feel we're very close. Again, instead of government coming in and handing down policies and being very heavy-handed, we've taken the opposite approach. We've had the industry come forward with ideas in terms of how we can help offset the cost at that store shelf, as well. I really look forward to, later this summer, being able to see where the report is going to launch in having another positive impact, if you will, on the cost of groceries.

Ms. Jess Dixon: Thank you. If I may, by way of follow-up—

The Chair (Mr. Aris Babikian): Yes.

Ms. Jess Dixon: I've certainly heard a lot from my good friend your parliamentary assistant.

Can you talk a little bit more about the Grow Ontario program and the impact on the cost of groceries?

Hon. Lisa M. Thompson: We're looking to continue to increase our production year over year; in fact, so much as, we want to increase the consumption of Ontario food by 30% through 2032. In saying that, we also want to increase our exports of Ontario-produced food by 8% year over year. I have every confidence that we're going to do that.

Moreover, we need to be really mindful of the variable impacts. For instance, just this past week I heard that the cost of eggs has never been higher in the States. Well, quite frankly, it's because of the avian influenza. I want to share with you and take this opportunity to demonstrate that our government, in tandem with the four feather boards across Ontario, when avian influenza hit last late winter or early spring—it was all hands on deck. It was a phenomenal chorus of action that happened that focused on biosecurity, focused on making sure that our producers, our farmers—whether it was eggs or chicken, turkey etc.—were aware of the situation, so that biosecurity became top priority. In saying that, I believe, in total in 2022 and 2023, Ontario has only had 47 premises come down with avian influenza. When you compare that across Canada, that's phenomenal. In fact, in Ontario this year alone, we've had only four cases. I want to tip my hat to all of our feather

farmers and the command centre and our specialists, who worked day and night to make sure there was, first, an awareness; secondly, a proper response; and, thirdly, a commitment to biosecurity so that we were able to eradicate and drop the impact across this province.

I think it's really interesting—actually, I just have this here—

The Chair (Mr. Aris Babikian): One minute.

Hon. Lisa M. Thompson: Ontario has 39% of all poultry and egg production farms across Canada, but, since March 22, during the avian influenza, Ontario only had 15% of the total infected premises. Again, in the States, they haven't had that same experience or that same success, so their cost of eggs has gone over US\$8.

Because of our best practices and commitment to biosecurity, we've been able to keep that impact on costs down at the grocery store.

Ms. Jess Dixon: Thank you, Minister.

The Chair (Mr. Aris Babikian): We have only 23 seconds if anyone wants to take a shot. No?

Hon. Lisa M. Thompson: Well, I just want to take my opportunity to say thank you. Again, we are moving forward in a very assertive manner because Ontario farmers matter, and we are a government that truly respects and works incredibly well—

The Chair (Mr. Aris Babikian): Thank you, Minister.

This concludes the committee's consideration of the estimates of the Ministry of Agriculture, Food and Rural Affairs.

Standing order 69 requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates.

Are the members ready to vote? Yes. Okay.

Shall vote 101, ministry administration program, carry? All in favour? Any opposition? Carried.

Shall vote 107, better public health and environment, carry? All in favour? Any opposition? Carried.

Shall vote 108, strong agriculture, food and bioproduct sectors and strong rural communities, carry? All in favour? Any opposition? Seeing none, carried.

Shall vote 109, policy development, carry? All in favour? Any opposition? Seeing none, carried.

Shall the 2023-24 estimates of the Ministry of Agriculture, Food and Rural Affairs carry? All in favour? Any opposition? Seeing none, carried.

Shall the Chair report the 2023-24 estimates of the Ministry of Agriculture, Food and Rural Affairs to the House? All in favour? Any opposition? Seeing none, I will report the estimates to the House.

We will now recess until 1:55 p.m., which is probably another two or three minutes.

The committee recessed from 1353 to 1357.

MINISTRY OF ENERGY

The Chair (Mr. Aris Babikian): Good afternoon, members and Minister. The committee is about to begin consideration of the 2023-24 estimates of the Ministry of Energy for a total of two hours. Are there any questions from members before we start? I see none.

I'm now required to call vote 2901, which sets the review process in motion. We will begin with a statement of not more than 20 minutes from the Minister of Energy.

Minister, the floor is yours.

Hon. Todd Smith: Thank you very much, Chair. Good afternoon, everybody. It's great to be here with you on a beautiful Monday afternoon. I'm really pleased to be here with you to discuss the 2023-24 estimates for the Ministry of Energy and the plan that we're implementing to power Ontario's growing population and economy.

Before I actually begin with my remarks, I want to recognize some of the senior officials from the ministry who are here with us today, including my deputy minister, Jason Fitzsimmons—you will be hearing from Jason throughout the afternoon—also, ADMs Steen Hume, Karen Moore and Tamara Gilbert; our CAO, Scott Mantle. Directors John Whytock and Jose Yee are here with us, as well. I want to thank them and commend them for the great work they've been doing over the last two years, in particular, that I've been the Minister of Energy for Ontario. Again, should they be required to provide insight, I'm going to be calling on them throughout the next couple of hours, and my deputy will as well.

I'd like to take this opportunity to thank Deputy Fitzsimmons and the staff across the whole ministry for their hard work and their professionalism. This has been a very busy time in the energy sector, with major announcements, from expanding energy efficiency programming to launching the largest energy storage procurement in Canada's history, and so much more. None of this would have been possible without their support.

With that well-deserved recognition, let's get into what has made the last year as busy as it has been in the Ministry of Energy office here in Ontario.

Mr. Chair, after years of mostly flat energy demand, under our government, I'm pleased to say that Ontario is growing again. Over the last couple of years, we've attracted massive investments, including more than \$17 billion in new electric vehicle and battery manufacturing investments—investments that have occurred right across the province: from Oshawa to Alliston; Loyalist township in eastern Ontario, in MPP Bresee's riding; in Brampton; in my riding, in Belleville, with Magna International; and in Windsor.

Most recently, there was that historic investment that was announced in St. Thomas, where Volkswagen announced their intent to build their first overseas gigafactory right there in MPP Flack's community, and I know he's proud, because he played a major role in ensuring that took place. This investment alone is going to require more than 400 megawatts of clean, zero-emissions electricity.

We're also making major investments in green steel-making in Ontario. The traditional steelmaking process, which uses coal, is one of the largest point sources of greenhouse gas emissions in the province. We've all seen the big piles of coal as you go across the bridge at Hamilton. Dofasco is there and, with support from the provincial government and the federal government, they've launched a \$1.8-billion project that's going to see that Hamilton facility become the first integrated steel mill in North

America and among the first in the world to transition off coal. So those giant mounds of coal that you see as you come across the bridge on the Hamilton waterfront will be gone.

At Algoma Steel in Sault Ste. Marie, it's much the same story. They're doing the same thing, as they aim to leverage Ontario's clean electricity grid to reduce greenhouse gas emissions by up to 70% when construction reaches its final stages in 2029.

At the same time, Canada's population growth is hitting record levels, and our government has a plan to build 1.5 million new homes as Ontario's population is expected to grow by another two million people over the coming decade. That's serious growth.

Today, I want to update you on everything that we're doing at the Ministry of Energy as we deliver on our plan to meet Ontario's growing energy needs while at the same time driving innovation and moving our economy forward.

From day one, our government has been laser-focused on building out a world-class electricity system—one that's reliable, one that's affordable, one that's clean, and one that's safe. Today I'm proud to say that Ontario has one of the cleanest electricity systems in the world, with about 90% of our electricity generation coming from non-emitting sources in 2022. That's cleaner than most or many of our domestic and international competitors, including our neighbouring Great Lake states, California, the UK, and Germany.

Mr. Chair, as our population continues to grow and international investments continue, our government is ready to meet this rising demand, all while supporting electrification. That's why last year I directed the Independent Electricity System Operator, also known as the IESO, to acquire 4,000 megawatts of additional capacity from new electricity generation and storage resources, as well as upgrades to existing resources, those generational facilities that we have in the province. I'm pleased to say the 2,500 megawatts of energy storage targeted in that process represents the largest procurement of energy storage in our country's history. This procurement is also targeting a limited amount of new gas generation capacity, including expansions and efficiency upgrades at existing facilities in the province. Those will serve as an insurance policy, ensuring the lights stay on in periods of peak demand, like we saw last week during the heat wave that we experienced in Ontario.

Together, these procurements strike the right balance between ensuring system reliability as nuclear refurbishments take place, and setting the stage for a robust storage fleet that will underpin the ongoing energy transition that we're seeing in the province. By taking a competitive and flexible approach, this procurement has already attracted considerable interest from storage developers, and we've seen early success. Just a couple of weeks ago, the IESO announced 740 megawatts of new storage capacity from seven different battery facilities.

Taken alongside the recently announced Oneida battery storage project which is being developed by Six Nations of the Grand River and other partners, these recent announcements represent a 434% increase in Ontario's future energy

storage capacity. That storage is going to play a critical role in making our grid far more efficient, so that we don't have to sell excess power at a loss, like the previous Liberal government did.

Even with this expansion of storage, our government and our party recognizes that nuclear power continues to be the backbone of our electricity system, and we're going to continue to rely on it to provide reliable, low-cost and emissions-free electricity for decades to come. That's why we've broken ground for Canada, North America and the G7's first grid-scale small modular reactor, and it's why we're supporting the ongoing refurbishments at OPG Darlington and the major component replacements and refurbishments at Bruce nuclear station, alongside the continued safe operation of the Pickering nuclear generating station through September 2026. We've also asked OPG, Ontario Power Generation, to update its feasibility assessment for refurbishing the four Pickering B units as a prudent, due diligence measure to support future electricity planning decisions.

When completed, the 300-megawatt Darlington SMR will provide enough power for our province, with a source of new, clean nuclear energy, to power 300,000 homes. Just one small modular reactor, a 300-megawatt facility, will power 300,000 homes, or a city the size of London, Ontario.

Mr. Chair, the members of this committee don't have to take my word for it when I say that Ontario is leading the world when it comes to deploying this cutting-edge technology. Other jurisdictions are interested in our progress. Just this morning, I had a meeting with the United Arab Emirates and many other countries. Last week, we had the Prime Minister of Poland visiting the site at Darlington, as well. All of these countries are looking to Ontario to leverage our expertise as they make the decisions on their own SMR deployment to increase energy security while also reaching climate goals. Before I came here, I was meeting with the consul general for the UK in Toronto about this very matter. It's obvious to me—and it was obvious to me last fall, when I travelled to Europe to meet with governments from Poland and Estonia and the Czech Republic, where the consistent message that they're looking at our SMR project at Darlington is for the model on how to do this right. And I've got to give full credit to the folks at OPG for taking a very constructive approach to making sure this construction is a success.

As I mentioned, just last week I participated in an event with Poland's Prime Minister as his country's Synthos Green Energy signed a letter of intent with OPG and Laurentis Energy Partners to work together to support the development and deployment of SMRs across Poland, giving us a new opportunity to export our nuclear expertise and create jobs in our Ontario-based supply chain.

There's so much more we're doing in other areas to meet the province's growing energy demand, a few points of which I will touch on quickly.

A couple of weeks ago, I announced the launch of four new enhanced energy efficiency programs powered by our government's increased investment, which now totals more than \$1 billion over the four-year framework of that

conservation and demand management program. This is going to mean huge benefits, whether it's a homeowner receiving \$75 for opting into the new Peak Perks program, helping to keep the energy costs down, especially during those peak periods in the afternoon during the summer months; funding for a local municipality to upgrade the chiller at their local arena; or funding for a hospital to make much-needed HVAC upgrades. These types of programs will not only reduce demand on the provincial grid, but they're also reducing energy use and operational costs. By 2025, these expanded programs are going to help deliver enough annual electricity savings to power about 130,000 homes every year and reduce costs for consumers by over \$650 million. That's a win for our customers, first of all, across the province; it's a win for our environment; and it's a win for the province in general.

At the same time, we've also advanced other measures, including recontracting clean generation at existing biomass facilities across Ontario's north, providing reliable power while supporting our robust forestry industry. We're working with IESO to recontract small hydroelectric facilities across the province—those dams that we have in our small communities across Ontario. And we're delivering on the actions that are outlined in Ontario's first-ever hydrogen strategy, including the launch of a new \$15-million Hydrogen Innovation Fund that's going to kick-start opportunities for hydrogen to contribute to our clean electricity grid.

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Let me be clear on one point in particular, because we're here discussing the estimates at committee this afternoon. Our priority through all of this work is to do it while keeping costs down for families and keeping costs down for business, because that's the only way we're going to see continued growth—and I think that commitment to keeping costs down is a great opportunity to talk more about the estimates that we've tabled.

The 2023-24 estimates include nearly \$6.8 billion for the Ministry of Energy. Almost all that funding, more than \$6.5 billion, supports our broad suite of electricity rate mitigation programs. That includes our Ontario Electricity Rebate, or the OER, which provides rate relief to residential consumers, small businesses, long-term-care homes and farms. This year, the OER is saving the average household about \$14 every month, or more than \$165 just this year. That \$165 is more than the equivalent of one month's electricity, on average.

We also have our more targeted programs which support rural, remote and low-income customers, as well as our First Nations Delivery Credit, which provides a 100% credit for delivery or service charges for all on-reserve First Nations residential customers.

This year, I'm pleased to have tabled estimates that increase funding for all of these targeted programs to get funding directly to those who need it most. For example, we're investing an additional \$2.7 million to keep costs down for rural and remote customers, an additional \$22.2 million for the Ontario Electricity Support Program, and an additional \$1.7 million for the on-reserve First Nations Delivery Credit.

The Financial Accountability Officer confirmed, as a result of our approach, that electricity bills for households will be 23% lower in 2029 than they would have been under the previous government's disastrous long-term plan. This is a huge success.

Our government is also keeping costs down for large commercial and industrial customers through our comprehensive electricity plan, reducing costs by between 15% and 17%. Over 50,000 customers are benefiting from this plan, allowing them to focus on reinvesting in their operations and creating jobs in Ontario rather than looking outside our borders.

Let's be clear why programs like this and this type of major spending are necessary—and this is an important point. These programs are here because the previous government drove up the cost of electricity to a point where families would have seen a 6% bill increase this year and every year until 2028. That's because they sold off Hydro One, creating new long-term costs for our energy system, and they signed over 33,000 overpriced contracts, well above the going rate for power—that includes contracts that paid 80 cents a kilowatt hour when our nuclear fleet provides it for about nine cents. These are long-term costs. Many of those overpriced contracts will still be on the books for the next 15 years. We did, however, act very quickly, when we were first elected, to prevent these types of costs from ballooning further. We did that by cancelling many of those long-term contracts for power that we didn't need at the time. We cancelled as many as we could, saving ratepayers nearly \$800 million. Going forward, we still need programs like the comprehensive electricity plan to cover the above-market costs of these poor decisions by the previous government. We're avoiding these pitfalls by taking a responsible path when it comes to building out our grid, an approach that recognizes the costs families are facing today.

As I indicated earlier, we've seen success with our early competitive procurements, which are going to help keep the costs down as we procure the 4,000 megawatts of new electricity generation and storage that we need to make our system work efficiently.

We're also working with the federal government, and over the past year, we've had great success in securing funding to support our growing grid. That includes the \$970 million of support for our Darlington small modular reactor project, as well as the introduction of a new clean electricity tax credit, which was a key priority in my discussions with the federal government over the past year—and will help Ontario and other provinces reduce the cost of new, clean generation.

Finally, with all this talk about the future, I think it's the perfect time to touch on why our government established Ontario's Electrification and Energy Transition Panel. From generation to transmission to distribution, we're going to need it all to power Ontario's growth, especially as we anticipate the electrification of energy services currently served by fossil fuels to further accelerate in the coming years. Their advice is going to be critical, bringing together everything happening across the sector. Leading the charge on the panel is industry veteran David Collie,

who has spent decades working in the sector and in the industry. David and the panel's other members—Monica Gattinger, a full professor from the University of Ottawa with decades of experience related to energy policy and engagement, and Chief Emerita Emily Whetung, the former chief of Curve Lake First Nation—have already undertaken targeted engagement with key energy sector stakeholders and Indigenous community leaders in Ontario as they develop key themes to focus on their work. In the coming months, I'll receive advice from the panel on what actions can best support the transformation of the energy sector and capture the full potential of the shift to clean energy, including opportunities to improve Ontario's long-term energy planning process by better coordinating natural gas and other fuels with the electricity sector.

To that point, I want to touch briefly on the IESO's Pathways to Decarbonization report, which made very clear the scope of the work that lies ahead of us. According to the report, the province's projected peak electricity demand could reach almost three times the size of today by 2050. To prepare for this change, the IESO has laid out key, no-regret recommendations that would ensure that we're positioned to build out the tens of thousands of megawatts of new, emission-free supply by 2050 as well as the transmission and distribution that we would need to support it. To ensure the feedback of Ontarians was considered, my ministry recently conducted consultations with the Environmental Registry, with the public and the sector on no-regret actions from the report as well as targeted policy questions, including the potential development of major nuclear, hydroelectric and transmission projects.

The Chair (Mr. Aris Babikian): One minute.

Hon. Todd Smith: While we're now reviewing all of the submissions in detail, I'm confident, with the ongoing collaboration across the energy sector, that we're going to develop the clean energy solutions that create a more competitive business environment, reduce electricity costs and secure a clean, sustainable energy future.

There's still a lot of work to do, and we've accomplished a great deal to develop a safe and reliable and affordable energy supply across the province—one that's powering Ontario's economy and one that's going to continue to do so for generations to come.

I appreciate being here for two hours today with your committee and discussing all things energy.

The Chair (Mr. Aris Babikian): Thank you, Minister.

We will now begin questions and answers in rotations of 20 minutes for the official opposition members of the committee, 10 minutes for the independent member of the committee, and 20 minutes for the government members of the committee for the remainder of the allotted time.

As always, please wait to be recognized by myself before speaking. All questions and comments will need to go through the Chair.

For the deputy ministers, assistant deputy ministers, staff, when you are called on to speak, please give your name and your title each time so that we accurately record in Hansard who we have.

I will now start with the official opposition. MPP Tabuns.

Mr. Peter Tabuns: Maybe I missed this: The time allocated to the independent in these hearings is—

The Chair (Mr. Aris Babikian): Ten minutes.

Mr. Peter Tabuns: Okay.

Minister, you have talked before in public about the renegotiation of contracts and said that we've seen significant savings.

Can you tell us how many megawatts have been renegotiated and the savings, both in per cent and dollars?

Hon. Todd Smith: Yes, I can. You're talking about existing generation assets that we have in the province. That was the first mid-term request for proposals that we issued. Upward of 780 megawatts of generation has been recontracted at a savings of about 30% to the ratepayers of Ontario. We knew that these competitive procurements were going to save ratepayers money. I'm happy to say that, in fact, early signs indicate that this was the right way to go and that we are saving those electricity customers a significant amount on their electricity bills as a result.

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Mr. Peter Tabuns: I'm assuming those would be gas, solar and wind installations. Can you give us the average price power from those three different sectors with your renegotiations?

Hon. Todd Smith: What I can do—and perhaps somebody on the team can fill in more exact details. The majority of that request for proposal came back as natural-gas-fired facilities, although there was one wind contract as well that was recontracted in that process—I believe up in the Shelburne area was the wind contract. The existing generation was largely, I believe, in the southwestern portion of the province for recontracting the natural-gas-fired facilities—and, again, a significant savings of 30%.

I can pass it over to my deputy minister, Jason Fitzsimmons, or perhaps one of the team.

Mr. Peter Tabuns: If you could tell us the new price that we're being charged per kilowatt hour from those plants with the renegotiation, that would be appreciated.

Mr. Jason Fitzsimmons: I'm Deputy Minister Jason Fitzsimmons.

Unfortunately, I don't have that information on hand, in front of us right now.

Mr. Peter Tabuns: Can you make a commitment to provide that information to members of the committee?

Mr. Jason Fitzsimmons: We can.

Mr. Peter Tabuns: Okay. That's noted.

Can you tell us what you assign to be the average market price per kilowatt hour for electricity in Ontario's market right now?

Hon. Todd Smith: What we're doing is making sure that we are competitive with all of our neighbouring jurisdictions that we're competing with. What we have found with the comprehensive electricity program that we have put in place is that we are competitive with our neighbouring jurisdictions and, at the same time, we have a grid that is 90% clean.

Mr. Peter Tabuns: I understand the argument you're making, Minister.

What I've asked is, what do you use as the benchmark for market price? It's not that complicated. Are we talking five cents a kilowatt hour? Are we talking two cents? Are we talking 10 cents? Your calculations are going to be based on looking at the market price. What is the market price?

Hon. Todd Smith: It depends on what you're talking about, because all different types of generation have a different value. You can't compare an intermittent, renewable form of electricity with something that is the baseload form of electricity that's there when you need it. We have to have different values attached to each of those generators, because you don't know if the wind power is going to be there when the wind stops blowing—as a matter of fact, you're pretty certain it's not going to be there when the wind isn't blowing. And when the sun isn't shining, you're not going to have your solar power. But what we can guarantee is, with our nuclear fleet, which is, as I mentioned, at about nine cents a kilowatt hour, that's there 24/7, providing reliable electricity—

Mr. Peter Tabuns: Yes. I understand the fact that different technologies will produce power at different costs. But when you're bidding into the market, there is an average market price. If you're in the spot market, I can tell you that there will be a spot market price. So in your calculations, when you're talking about the market—and this isn't that political—what's the price that you see as the average market price in Ontario, say, for the last 12 months?

Hon. Todd Smith: Markets change, MPP Tabuns, and that's—

Mr. Peter Tabuns: For the last 12 months—

Hon. Todd Smith: —the beauty of a market, that you're bidding in on an hourly basis. Our capacity auction bids in for a longer period of time. So it depends on what the market is dictating at a certain point in time.

But what I can tell you is that we're focused on ensuring that the backbone, that baseload power of electricity, is going to be there, because if it's not there, then we're not going to see the multi-billion dollar investments like we're seeing in our EV manufacturing, battery manufacturing sector and our steel-making process.

Mr. Peter Tabuns: I've never had a minister before not be able to tell me the price of electricity.

Hon. Todd Smith: I could tell you the price of electricity.

Mr. Peter Tabuns: So what is the market price for baseload, what's the market price for peaking, and what's the market price that intermittent generators are getting? Let's break it down that way. Those reflect the categories you've just been talking about. And it may be that you don't have it at the tip of your tongue—

Hon. Todd Smith: No, I believe that there is a breakdown in the estimates binder that you would have received—

Mr. Peter Tabuns: Which page?

Hon. Todd Smith: —that shows—maybe my deputy minister can help me out. I didn't memorize the page numbers, but there is a sheet in there that shows you exactly what the estimates are. Perhaps I can pass it over to Deputy Minister Fitzgibbon.

Mr. Peter Tabuns: That would be great.

Hon. Todd Smith: Fitzsimmons. Sorry.

Mr. Jason Fitzsimmons: I don't believe there is a breakdown in the estimates book.

Mr. Peter Tabuns: The minister just said there was.

Mr. Jason Fitzsimmons: I will ask my assistant deputy minister Steen Hume to just comment on the hourly Ontario energy prices over the last year if he has that information on hand.

Mr. Peter Tabuns: That would be great. He has had a long history in this file.

Mr. Steen Hume: Good afternoon. I'm Steen Hume, assistant deputy minister of energy supply policy for the Ministry of Energy.

In Ontario, as you know, we have two different types of consumers: We have a class A and a class B. As a result of that, it's not like we have one single type of price out there. In addition, because we have our rate mitigation programs, that also helps to lower the market price of electricity. I think if I'm looking at some of the work that we have done to date, based on US energy information, Ontario's class B rates are about 17 cents.

Mr. Peter Tabuns: Seventeen cents per kilowatt hour?

Mr. Steen Hume: For class B.

Mr. Peter Tabuns: And class B, that would include those residential—so RPP rates?

Mr. Steen Hume: That would include residential, but that would also include small businesses. It would also include farms. So you have to take that number and then apply the Ontario Electricity Rebate as well as other different rate mitigation programs which actually discount that price.

Mr. Peter Tabuns: I'm intrigued. So 17 cents, roughly—

Mr. Steen Hume: Roughly.

Mr. Peter Tabuns: —is the market price for power for class B.

For class A, what's the rate?

Mr. Steen Hume: It's about 14 cents, but again, you have to also take into account that we have the industrial conservation initiative which allows for large class A consumers to lower their electricity prices if they are able to avoid the five peaks annually. In addition, we have the comprehensive electricity plan that provides for double-digit rebates for both actually class A and class B commercial and industrial customers. So that number is that number, but then you lower the cost.

Mr. Peter Tabuns: Okay. I think I've got a sense of where things are going. Thank you very much, Mr. Hume.

The growth of electricity demand—what percentage of households are you assuming will be switching off gas and onto air-source heat pumps between now and 2030? That's going to be a major electrical demand driver. What's the basis of your calculations?

Hon. Todd Smith: First of all, I'd like to say that we have instituted a Clean Home Heating Initiative in partnership with Enbridge, where we're seeing hybrid heat pumps in different communities across the province—to start as sort of a pilot, we just recently announced Whitby; we had Barrie, as well.

Mr. Peter Tabuns: I'm actually aware of that program.

Hon. Todd Smith: Oh, good. I'm glad.

Mr. Peter Tabuns: Because I'm aware of the program—how many houses in Ontario do you expect will be converted between now and 2030 from gas to air-source heat pumps, so, effectively, going from gas to electricity, which I assume was part of your calculation for driving up demand. Can you tell us?

Hon. Todd Smith: What I can tell you is, we know that a lot of individuals, especially in new neighbourhoods, will be moving to heat pumps. It's already happening. The IESO would include that in their forecasting in a year, which goes into their adequacy numbers that we receive from the Independent Electricity System Operator. We know there's going to be a move to electrify in houses, and that is what we ask them to do on an annual basis—to provide us with that information.

Deputy, I'm not sure if you have that at your fingertips or if one of the team members would have that exact number that—

Mr. Peter Tabuns: That would be very useful—because that is my question. We're talking about a very substantial move from natural gas to electrically heated homes. That's going to drive demand numbers. That's very much the basis of your calculation as to how much generation we're going to need, how much distribution and how much transmission.

Hon. Todd Smith: Yes, and it's all part of the P2D report that we received from the IESO, the Pathways to Decarbonization report.

We know we're going to need 69,000 megawatts of electricity if we intend to hit 2050—but that doesn't just include the move from natural gas to electric open-air heat pumps. That includes a transition of our transportation fleet and many other items.

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Mr. Peter Tabuns: I'm aware of that.

What I'm asking is, can you tell me how many homes, or what percentage of homes, in Ontario are going to be switching to electric heating and, I assume, given the numbers, air-source heat pumps? If you, Minister, personally, don't have it—I'd be surprised if you did—then perhaps your deputy or another staffer could tell us how many homes and what the total demand is envisioned to be.

Mr. Jason Fitzsimmons: Thanks for the question.

There's a number of things that come together here with respect to your question. The first was the Pathways to Decarbonization report, which is not an energy report and not an energy plan; it's just considering scenarios, which have then led to consultation and work that we will do on no-regret, long-lead-time investments that have to be made to consider what the future needs are, looking out many, many decades at this point.

The second piece of work, then, is the energy transition and electrification panel, coupled by work that the ministry is doing on its own pathways study. These pathways studies will consider many different scenarios—EV penetration, home heating, building conversion. That body of work will then inform what the needs are in a greater level of detail, looking out several decades, in addition to the

work that the IESO does annually in real time with their own projections about what the system needs are.

Mr. Peter Tabuns: You're telling us that we're going to see a tripling of the peak in Ontario by 2050. We've been told that there's a big push to get a lot more gas-fired power plants going in Ontario and there is demand in Ontario. You're justifying investments in the billions. And I'm asking you: How many houses and what percentage of demand is going to be there in 2030? I'm assuming you're basing a business case on numbers. So what are the numbers?

Mr. Jason Fitzsimmons: What I'm telling you is there are multiple different pathways on what electrification looks like for the future, and as this work and these reports come in, those will inform decisions on what investments have to be made over the long term to meet the needs of the province.

Mr. Peter Tabuns: So the numbers we have on demand at the moment are guesses? They're not based on actual analysis. Is that correct?

Hon. Todd Smith: The IESO report is focused on decarbonization across the province, and that would assume that all homes would make the switch to electric air heat pumps, which would see demand triple. But we don't expect that all homes are going to make that switch. This is what good planning is really all about. That's why we've asked the IESO to do this Pathways to Decarbonization report—so that we can be prepared for all scenarios. And that's why we're embarking on the type of new investment in the province—not just embarking on it; we've already started it with the largest procurement of energy storage.

Mr. Peter Tabuns: You've just made an interesting comment, Minister. You're expecting that all homes in Ontario will switch—

Hon. Todd Smith: No, I'm not expecting that. This is what the IESO studied—the IESO's Pathways to Decarbonization.

Mr. Peter Tabuns: And do you accept that? Do you think that that's a realistic projection?

Hon. Todd Smith: I think that good planning is being prepared for any occasion. However, I don't see us being completely off natural gas any time soon. We need natural gas in our system, MPP Tabuns. You know that. I know that. You certainly would not want natural gas phased out of our system now, would you? If you wanted natural gas phased out of our system now, then we would have had blackouts on Thursday of last week.

Mr. Peter Tabuns: Yes. You may provide us with blackouts anyway, Minister.

I'll go back to another question.

Hon. Todd Smith: But it would be a guarantee if you were in charge of our energy system, because you would phase out our natural gas.

Mr. Peter Tabuns: Well, I think you're working on it hard, myself—

The Chair (Mr. Aris Babikian): May I bring to your attention that all comments should go through the Chair?

Hon. Todd Smith: Sorry.

Mr. Peter Tabuns: Yes.

I'm just trying to confirm that earlier, the minister said he expects all houses to move away from natural gas to electricity.

Hon. Todd Smith: No, that's not what I said.

Mr. Peter Tabuns: Well, I look forward to Hansard.

Hon. Todd Smith: The IESO said to be prepared for that.

Mr. Peter Tabuns: What percentage, what demand do you expect by 2030 from moving houses to electricity from gas? You're buying a whole bunch of generation capacity in the next while, assuming a big increase in electrical demand. I'm assuming that's not just a guess; that you're not going to spend billions just because of the way you feel on a Monday morning.

Hon. Todd Smith: No, absolutely not. But we know that we are going to continue to see electrification across the sector. We know, because we're building more electric vehicles, that we're going to have more EVs on our streets that are going to require more electricity. As the move continues toward open-air heat pumps and that type of product to heat your home, we know we're going to require more electricity. As we continue to see manufacturing processes and mining facilities move to electrification, we know we're going to need more electricity. As we continue to move to green steelmaking, we know we're going to need more electricity.

The Pathways to Decarbonization report is focused on net zero by 2050, which means in that case, we will see a lot of people choosing to go to electricity to heat their homes. Therefore, we have to be prepared for that, and we are prepared for that. We've considered all of the feedback from the public through the environmental review, which closed in mid-May. We're looking forward to responding to that very soon with a plan to power Ontario through the next number of decades.

Mr. Peter Tabuns: I appreciate all that.

I want to move on to another question.

Through you, Chair: Does the IESO or the ministry have an updated long-term cost outlook for the electricity system reflecting the estimated costs stemming from the three ongoing resource procurement processes—the medium, long-term and expedited? We're buying a lot of capacity over the next few years. We're spending \$6 billion, roughly, a year in support for making electricity affordable. How is that procurement going to change that number? Have you done the projections?

Hon. Todd Smith: Yes. And I know you understand why we did that—brought a competitive way of procuring power. We just explained why we were able to procure power for 30% less than what we previously did under the Liberal government.

Mr. Peter Tabuns: Yes, well, fair enough. But that isn't the question I asked.

What is the price mitigation program going to cost by 2030, given the increase in assets that you're engaged in purchasing right now? Have you done a projection to show us what the number is going to be?

Hon. Todd Smith: Well, you can't predict what the outcome of a competitive process is going to be. But what

I can tell you, from what we've experienced so far, is that it's going to be a heck of a lot less than what was procured by the previous Liberal government—solar power at 80 cents a kilowatt hour, wind power at 18 cents a kilowatt hour. The list goes on and on. We're—

The Chair (Mr. Aris Babikian): MPP Tabuns, one minute.

Mr. Peter Tabuns: The minister and I played tag with Liberal ministers over this over a number of years, and he was great at going after them. MPP Yakabuski was a very aggressive questioner; I always appreciated and enjoyed what he had to say.

I'm asking you, have you figured out what it's going to cost?

Hon. Todd Smith: Well, I think maybe you don't understand how a market-driven process works—

Mr. Peter Tabuns: I have a pretty good sense.

The Chair (Mr. Aris Babikian): Please direct your questions through the Chair and let the witnesses answer their question.

Hon. Todd Smith: You have to understand that introducing a competitive process is driving down the price for ratepayers across the province. We've seen that through the procurements that have taken place.

Mr. Peter Tabuns: Okay. Factor in the fact that you're going to have a competitive process.

I ask—through the Chair—have you calculated, with your competitive process, what the price is going to be in 2030? We're talking \$6 billion now. Are we talking \$10 billion in 2030? Are we talking \$8 billion, \$12 billion? Do you have a sense?

Hon. Todd Smith: The Financial Accountability Officer has told us that our plan is going to be almost 30% better for ratepayers—meaning more money in your pocket than under the previous Liberal government. So by the end of the decade—

Mr. Peter Tabuns: Yes. That's not the question I asked—

The Chair (Mr. Aris Babikian): Thank you very much. The time is up.

Now we'll move to the independent member. MPP Schreiner, 10 minutes.

Mr. Mike Schreiner: I thank the minister and staff for being here. I appreciate the work you do.

I'm going to pick up on what MPP Tabuns was asking, but I want to ask a couple of other questions first.

The Minister of Economic Development, Job Creation and Trade oftentimes says that one of the competitive advantages Ontario has is that our grid is 94% clean. That's one of the reasons we're able to attract global investment. Minister, I think even in your remarks to begin, today, you acknowledged that. I've been reading that we were at 94% in 2021. We're down to about 89.5% in 2022. I think that was reflected in your remarks, as well—I think you said “about 90%.”

We know that fossil gas generation is going to go up, and I've seen estimates that it's going to increase pollution emissions from our electricity sector between 300% and 400%. So when the ministry made the decision to go in

that direction, did it factor in or do any sort of cost-benefit analysis of how losing our competitive advantage of a 94% clean grid was going to affect Ontario's economy?

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Hon. Todd Smith: This is a competitive advantage for us; there's no question about it. Our clean grid sets us apart from other jurisdictions, particularly the United States, and even Quebec, which is staring down the barrel of a supply shortage as well. We're building out the electricity assets, the energy assets that we're going to need going forward. And bringing in things like a clean energy credit registry is also helping take advantage of the 90% clean grid that we have in Ontario.

So, yes, while we have four nuclear reactors, large Candu reactors that are down for refurbishment—we've got two each at OPG Darlington and at Bruce Power, their major component replacement there—we will, in the short term, be relying on natural gas as an insurance policy to get us through those summer months. I'm happy to say that the refurbishments have been going extremely well—

Mr. Mike Schreiner: Thanks, Chair.

I'd like a simple yes or no on this one: Was any sort of cost-benefit analysis done about basically losing our competitive advantage now because we're not going to have as clean a grid anymore? Was any cost-benefit analysis done on how that was going to affect the very investments that your counterpart—the Minister of Economic Development talks about our competitive advantage, and it looks like we're going to lose it.

Hon. Todd Smith: This is I asked the IESO, shortly after becoming the Minister of Energy, to do a study on what off-gas would look like for our province and for our economy. I've already indicated what it would cost the average Ontarian on their electricity bill, but those same types of costs would be incurred, only on a greater basis, by those in the manufacturing sector and potential new investors looking at locating in Ontario. But I think more important than just the cost is the reliability of the grid and how it would be impacted. We have to have a reliable grid. If we have the brownouts and blackouts, you're not going to see Volkswagen coming here; you're not going to see Stellantis investing; you're not going to see—the list goes on and on—what's happened. So it's imperative that we have a grid that's reliable.

Mr. Mike Schreiner: I'm worried because we haven't had a long-term energy plan in a long time. We haven't done the planning to prevent those blackouts. So I share your concern there.

I just want to ask a bit about how this relates to the competitive procurement process. If you look, globally—last year, for example, \$1.1 trillion, around the world, was invested in clean energy; half of that, about \$500 billion, in wind and solar. The reason wind and solar attracted those investment dollars is because they are now the lowest-cost sources of generation. Since the rest of the world is investing in the lowest-cost sources of generation, how come Ontario is not investing in the lowest-cost sources of generation?

Hon. Todd Smith: For the exact reason that I just outlined in my last answer.

We are investing in all sorts of generation in our province. You know that we have the largest procurement of energy storage in the country's history, which is only going to make those generators that we have in Ontario, those intermittent wind and solar products, a little bit more efficient and provide the electricity back onto the system at peak times, when we actually need it. But if we invest in baseload power at the outset, then we know that power is going to be there 24 hours a day, seven days a week. It's employing 76,000 people—particularly in the nuclear sector—across our economy.

Mr. Mike Schreiner: I'm not arguing against investing in that baseload power. I understand that Darlington and Bruce are going to be part of our system for a long time; no doubt about that.

I compliment the ministry, and I want to compliment all of you, for investing in storage. Good work. It seems to me that one of the advantages of investing in that storage is that it enables us to then take advantage of the lowest-cost sources of generation, which is wind and solar. That's why I'm curious why we're not going with the lowest-cost if we're going with higher-cost sources of generation, especially given the investment in storage.

Hon. Todd Smith: It's a fair question, and there is a fair answer to this as well.

Wind and solar are only available when they're available. Right?

Mr. Mike Schreiner: Of course. Absolutely.

Hon. Todd Smith: The energy storage facilities bid into the IESO procurements on a four-hour time period, meaning they have to be dispatchable for a four-hour time period. But what happens when those four hours are up? We need baseload power. We have to invest in baseload power, which makes it a far more important and responsible way to provide the backbone of our electricity system that we need in Ontario.

Mr. Mike Schreiner: It's my understanding that a lot of the gas plant investment is actually peaking power and nuclear is our baseload. Am I correct?

Hon. Todd Smith: That's correct.

Mr. Mike Schreiner: Okay. It seems like when we need a lot of our peak power is on sunny days. I think solar works well on sunny days—I'm pretty sure it does—and we've got the storage on top of it, so when the sun goes down in the evening, we can take advantage of it as well.

Bloomberg has said, actually, that the investment just in solar next year will be higher than oil and gas, because solar is the cheapest source of electricity generation.

So I'm just curious—if we have a competitive procurement process, we're investing in storage and you're doing the right things in that regard, why aren't we taking advantage of the lowest-cost sources of generation?

Hon. Todd Smith: I know, MPP Schreiner, that you're concerned about land use—and I want you to think about this for a second: On a footprint the size of Darlington—how many megawatts are coming out of that footprint? It's a pretty small footprint, really, for 3,400 megawatts or 3,500 megawatts. And look at the footprint at Bruce Power. Almost 7,000 megawatts of electricity are coming out of

that small footprint. If we were to try to replicate that with solar, we would have to cover over most of the province with solar panels, and then you would still only be able to back it up for a certain amount of time.

I think from a land use perspective—and you'd have to agree, as the Green Party leader—this makes far more sense when it comes to preserving land in the province and using land wisely.

Mr. Mike Schreiner: Chair, through you to the minister: I'm not arguing against Darlington or Bruce, just to be really clear. I'm just raising concerns of why we would be ramping up gas plants, hurting our competitive advantage—which you've talked about and the Minister of Economic Development has talked about—to deal with peak power, when we could invest in lower-cost solutions. It would actually make that storage we're investing in—and I compliment you for investing in that—more efficient and more cost-effective. I just don't understand why that isn't happening.

Hon. Todd Smith: Well, let's be clear: They're able to participate in the competitive procurements just like any other technology does, and that is happening. They have to be able to guarantee that they can provide four hours dispatchable. It's got to be dispatchable for four hours—

The Chair (Mr. Aris Babikian): One minute.

Hon. Todd Smith: —and they can't do it. We have natural gas facilities in the province that we've recontracted because they can do it. We know they're going to be there when we need them, just like last Thursday, when we saw a record temperature set. Electricity use was going through the roof with air conditioners being turned on. If we didn't have our natural gas fleet last week, we would have experienced not just brownouts; we would have experienced blackouts.

Mr. Mike Schreiner: Just to be clear, I don't think we should get rid of natural gas right now. I agree; on Thursday, we needed it.

Looking forward, I just want to make sure we're choosing the lowest-cost solution. That's the main concern.

I know we're probably out of time—

Hon. Todd Smith: And that's what we're focused on. We're focused on making sure that it's affordable, because if it's not affordable, people aren't going to make the switch to electric. So it's got to be affordable and it's got to be reliable, or they're not going to make the switch. And we're doing everything we can to ensure, as we put new assets on the grid, that they are clean, non-emitting sources, and that includes nuclear—

The Chair (Mr. Aris Babikian): Thank you, Minister. The independent member's time is up.

Now we'll move to the government side. MPP Dixon.

Ms. Jess Dixon: Minister, I was going to have the chance—I think last weekend or two weekends ago—to go see unit 6 up at Bruce being refuelled as it's coming back online, but the team up at Bruce was so efficient that they actually finished the refuelling eight or nine days earlier, so I didn't get a chance to see it.

The nuclear refurbishment projects that we've been doing are very important in Ontario's nuclear industry.

We've been seeing really great work from Bruce, from OPG, from all of our partners.

Can you talk a little bit more about the current status of some of our nuclear refurbishment projects in Ontario?

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Hon. Todd Smith: Yes, absolutely.

Thanks, MPP Dixon, for the great work that you're doing as a parliamentary assistant at the Ministry of Energy, as well, in driving a couple of significant initiatives forward.

First of all, I think it's really important to recognize the amazing work that's happening at Ontario's nuclear facilities and the great job those skilled workers are doing each and every day, providing up to 60% of our electricity that's there when you need it—flick the switch, you know the electricity is going to be there. Our government is standing shoulder to shoulder with these workers and keeping these good-paying jobs in the skilled trades in the Durham region, and also up at the Bruce, as you mentioned. They're so important to our clean, reliable, affordable and safe grid that we offer here in Ontario. It's extremely unfortunate that some members of the opposition would like to see these jobs disappear, that they're not in favour of our nuclear facility, which is such a tremendous Ontario advantage. There are members sitting around this table who don't seem to want to acknowledge the role that facilities like Pickering and Darlington and Bruce and CNL up in the Ottawa Valley play in our system, in ensuring that we can continue to move forward to a zero-emissions electricity sector in Ontario.

The major component replacements, the refurbishments at OPG, thanks to careful, robust planning processes, are going extremely well, and I know that's what has given us the comfort to move forward on the next frontier of nuclear development, which is small modular reactors. It's why we're playing such an important role for the world, and with our NATO allies and other nations that are partners with us, to develop that small modular reactor at the Darlington site, the BWRX-300 with GE Hitachi. I've got to commend the folks at OPG; I've got to commend our Premier, actually, for driving this process forward, working in collaboration with New Brunswick, Saskatchewan and Alberta on a small modular reactor strategic plan and rolling this out to the point where countries literally from around the world are coming to see us at OPG and coming to see me at the Ministry of Energy to talk about how they can get this type of technology in their community.

Maybe to talk a little bit more about our nuclear sector, which we're so proud of at the Ministry of Energy, I'll invite Deputy Minister Fitzsimmons to provide some remarks—and I apologize for calling you “Fitzgibbon” earlier, but I had a meeting with Minister Fitzgibbon in Quebec last week, so he was on my mind.

Mr. Jason Fitzsimmons: The one thing about the nuclear industry is that it has done a tremendous job on operating experience and sharing lessons learned from around the world in terms of their maintenance practices and opportunities for improvement and opportunities for innovation. I think the fact that significant planning did go into these refurbishments, including the building of a whole

turbine reactor mock-up building so that maintenance crews could practise in an environment where they weren't exposed to radiation to reduce the time on jobs—it was a significant investment that paid off very, very well in terms of real-time deployment of maintenance work it was required to undertake, and very, very complex maintenance rework on the face of the reactors. That has played out very well, as we're seeing both at the Bruce and at the Darlington refurbishments. Our report-backs on a regular basis are that the work is on time and on budget, leading out to the eventual return to service of the Darlington units in 2026, and the Bruce units in 2033. So we have independent oversight, we have regular updates from both Bruce Power and Ontario Power Generation, and the work is proceeding really well.

Hon. Todd Smith: Again, I just want to thank MPP Dixon for her work on a couple of key points. I mentioned them, but I didn't mention what they were. I think it's really, really important, and I know she's working extremely hard, to have nuclear as a discussion point in our Ontario education. She's hugely supportive of driving the effort to get more women involved in our nuclear sector, as well. And I have to give full credit to the folks who work in the sector now. Every time I walk into a plant, I see more women filling very, very important leadership roles in those facilities. MPP Dixon is doing great work on that front, as well, just to drive the importance of that.

The Chair (Mr. Aris Babikian): Further questions? MPP Sarrazin.

Mr. Stéphane Sarrazin: I would first like to congratulate you, Minister Smith, and your team on the good work you're doing. I've been in the energy sector for quite a while, and I remember, prior to our government being in power, that Ontario was the example of what not to do when it comes to energy. I used to travel—and we were talking about that. Now it seems like the world is watching—and that's something really impressive.

I'd also like to congratulate the IESO, because all these predictions—they must be so hard to do, because technology is driving so fast.

I was at Carleton University last weekend, and they have a facility there—of course, the Ontario government and the federal government did invest in that facility—where they were doing research on different products to make sure that homes are becoming more efficient.

What role will conservation play in managing the growth of electricity demand, and what are you making—more options available to electricity consumers?

Hon. Todd Smith: Thanks, MPP Sarrazin—another important PA with the Ministry of Energy. Thanks for all the work that you're doing with us at the ministry, as well.

When it comes to conservation demand management programs—“energy efficiency programs” is the easier way to say it—we know that the cheapest power plant to build is the one you don't have to build. So if you can conserve electricity, if you can conserve energy, that makes a lot of sense; you don't have to build another plant.

When the previous government brought in their CDM programs or energy efficiency programs, it was a time

when we had a massive, massive surplus in Ontario. Three hundred thousand manufacturing jobs had left Ontario. We were selling our excess electricity overnight, in particular, at a loss, which is just unacceptable. It all comes back to the contracts that were signed. Instead of taking a very pragmatic approach and a scientific approach to running our electricity grid, it was an ideological approach. So if you had the ideological angel on this shoulder and you had the pragmatic one on this one—and the ideological one was winning every discussion with the previous government.

There's nothing wrong with wanting to put clean generation on the grid; we're doing it now, but we're doing it in a way that is competitive and ensuring that we're getting the best results for Ontario consumers.

When it comes to energy efficiency programs—it's why we're investing in CDM to the extent that we are, up to \$1 billion now with the \$342 million we announced last fall, to make those IESO programs even better. By ensuring that we're reducing the amount of electricity that we use during peak periods—we announced the Peak Perks program a couple of weeks ago here in Toronto, and we believe that's going to be a success now, at a time when we actually need to conserve because our economy is growing. We're bringing in those energy efficiency programs for community buildings—as I mentioned, a new ice chiller, or perhaps a more energy-efficient air conditioning HVAC to a municipal building out there.

All of these programs are available at saveonenergy.ca, through IESO. saveonenergy.ca is where any of us around the table who have a constituency office would refer those folks to find out more about these really, really important programs, which aren't just going to save energy for you, which is great, but you're also going to save money on your bills because you're using less energy, less electricity. I would encourage all of the MPPs, when they do get calls, to point their constituents to saveonenergy.ca and see if they can take advantage of these programs.

There's another program that's really, really important for our greenhouse sector, particularly down in southwestern Ontario, where most of the greenhouses are. It's a specific conservation demand management program that I know Anthony Leardi, our MPP for Essex, is aware of. His greenhouses down there, which provide so much of our fruit and vegetable stock in the province under roof, will be able to save money on their energy bills, and I know many of them have already taken advantage of those programs.

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Energy efficiency is a key part of what we're doing, and by increasing by \$342 million to \$1 billion in the four-year framework, that takes us to the end of 2024, and we'll be consulting on new energy efficiency programs to be delivered by the IESO once that period is completed. We'll be starting that consultation soon with folks in the sector to see what the next energy efficiency programs should look like for Ontario.

The Chair (Mr. Aris Babikian): MPP Flack.

Mr. Rob Flack: Thank you, Minister, Deputy, for your remarks so far.

As I think everybody knows, Ontario is in need of a safe, reliable, affordable and clean energy source. As the economy grows and the electrification of this province takes place in my riding of Elgin–Middlesex–London—Volkswagen is coming, as the minister pointed out—I know a lot of people are asking about grid capacity to make sure that we have that capacity to meet the demand not only for Volkswagen but for the tertiary businesses, the support supply chain that will be there to support them.

So my question is, what is your ministry looking at as we are experiencing economic growth and the decarbonization efforts that I know you're looking at, and a growing demand for electricity? What are we going to do to make sure that that capacity is met, along with the goals of decarbonization and economic growth taking place?

Hon. Todd Smith: Thanks for the question, MPP Flack, and thanks for the good work you're doing in making sure that we're seeing investment, particularly in your role as parliamentary assistant on the agriculture and agri-business side of things too, because that's an opportunity where we can continue to see good things grow in Ontario—and that just isn't talking about the fruits and vegetables coming out of the ground, but also great jobs in that sector. Of course, we're going to need power, we're going to need electricity, we're going to need energy to make that happen.

I'll pass it over to my deputy minister, Jason Fitzsimmons, in a moment.

We're doing a lot of things, including embarking on a small modular reactor program, which I outlined earlier; making sure that we're refurbishing our big workhorses, our CANDU reactors at Bruce and at Darlington and potentially at Pickering; going forward with the procurement of energy storage facilities to make our renewable generators that we have more efficient to be there at times when we need them; increasing our energy efficiency programming, as well; and so much more.

I'll turn it over to the deputy.

Mr. Jason Fitzsimmons: Thank you for the question.

Certainly, as noted before, the IESO, for a number of years, had projected load being flat or declining, and that's obviously a significant change in the last few years. The IESO has identified needs. We've asked the IESO to conduct work on the procurement of 4,000 megawatts through various procurement processes. That work is proceeding very well. They had significant interest on battery technology in the recent expedited procurement process that we underwent.

In addition to that, in the southwest, of particular interest for you, there are five transmission lines that are being built. Also, some of our targeted investment for conservation and demand management is going to relieve some of that congestion in southwestern Ontario to make it easier to facilitate business in that area between the agricultural growth and interest from the auto sector.

In addition to that, we have recently initiated, as has been mentioned previously throughout the course of the discussion today, work on the Pathways to Decarbonization report issued by IESO and consultations on no-regret options for long-term build-outs—

Mr. Rob Flack: What do you call it?

Mr. Jason Fitzsimmons: A “no regret”—undertaking the necessary work to start to study the feasibility of generation and transmission to meet the needs in several decades to keep pace with electricity demand as it picks up. A lot of these facilities require 10 to 15 years between studying and construction, so we need to be ahead of that, and we’ve undertaken the work to do that. As the minister noted, we will have more to say about that in the next few months.

The Chair (Mr. Aris Babikian): MPP Smith.

Mr. Dave Smith: How much time is left?

The Chair (Mr. Aris Babikian): Four minutes.

Mr. Dave Smith: I’ve got an interesting layout in my riding. I’ve got the city of Peterborough, which is an urban centre, but I also have a significant rural portion to my riding.

I know that we’ve got a pilot project in Peterborough right now with Enbridge, but when I look to some of my rural part of the riding, they have choices between oil, propane or electricity for their heat.

In the rural part of Ontario, I think I’m safe in saying that electrical costs are a significant portion of what people have to pay. Me, personally? I’m outside of the city. I have electric heat, and when you talk about the average electrical bill, I laugh and wish mine was that low, because I have electric heat.

I know that we’re doing a number of things to help people manage their energy costs. The costs of everything are going up.

This is estimates; it’s about costs, and it’s about what we’re spending.

Can you tell us a little bit more about what the ministry is doing to help consumers manage their electricity and even their natural gas costs, to keep them as low as possible?

Hon. Todd Smith: Hello to everybody in Peterborough, and congratulations to the Petes on a good run at the Memorial Cup.

There are a number of different programs. Of course, I’ve talked already about the CEP, the comprehensive electricity plan, which is probably the biggest chunk of the programs that we have in the province. This is the greatest share of all of the subsidy spending, and the greatest share of that greatest share is because of the overspending that we saw on over-market contracts signed by the previous Liberal government; the feed-in tariff programs, as a result of the Green Energy Act, which they brought forward. And there is good news when these contracts start to come to an end. Those contracts are going to come off the books starting later in this decade. As I mentioned earlier, a lot of them still have about 15 years left on them, but they will come off the books, and spending eventually is going to drop a little later on this decade in about half on those programs.

There are a number of other programs that are available to folks in rural Ontario. There’s the Rural and Remote Rate Protection Program, which provides rate assistance to eligible customers located in rural or remote areas where the cost of providing electricity service to these customers is high—and these are the people you may be

speaking of. In the 2023-24 estimates, we have allocated for another \$251 million—

The Chair (Mr. Aris Babikian): One minute.

Hon. Todd Smith: —in that program.

There’s the Distribution Rate Protection program—the DRP, as we affectionately call it. There’s an additional \$415 million in that program.

There’s the OESP, the Ontario Electricity Support Program. It’s a direct monthly on-bill credit that reduces electricity costs for lower-income consumers by an additional, in 2023-24, \$222.7 million.

There’s the First Nations Delivery Credit—an additional almost \$30 million in that program, and that’s on top of the Renewable Cost Shift and the OER and the CEP and, and, and.

Unfortunately, we’re in a situation, because of the actions of the previous government, where we have had to increase these programs, but the good news is that those FIT contracts will be coming off the books later on this decade, and the price of these subsidy programs will decrease as a result.

The Chair (Mr. Aris Babikian): Now we’ll move to the second round of questions and answers. We’ll start this round with the opposition. MPP Tabuns.

Mr. Peter Tabuns: Minister, what’s happening with the three pumped hydro storage procurements? The IESO was supposed to report back by January 31 of this year. I haven’t seen a report yet. Where do things stand?

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Hon. Todd Smith: Yes, there are a number of projects—the three projects—that are at gate 2 or stage 2 of the IESO’s unsolicited proposals category. You’re talking about the Marmora pumped storage project. There’s the Meaford project. I’m not sure what the other project is that you’re referring to. I believe there are two other pumped storage projects that are under consideration. In stage 2, those who were proposing those projects were informed that they should go back and analyze the numbers on the project, as the IESO is doing as well, and we look forward to getting some new information from the IESO and those proponents very soon, actually.

Mr. Peter Tabuns: A second question: In terms of operating the system at the lowest possible cost, the Electricity Distributors Association published a report this year on conservation demand management, showing that Ontario could implement, through them, a program to reduce demand and meet capacity needs at about 1.5 cents to two cents a kilowatt hour. That would be an awful lot cheaper than the gas we’re paying for. Their calculation was that, by 2026, their conservation program would eliminate 94% of the energy supply shortfall; over 10 years, the energy supply gap would be eliminated; and peak energy shortfall would be reduced by 55%. I’m talking about under two cents a kilowatt hour. Earlier, I was told that the price for residential and small business is 17 cents a kilowatt hour; for large consumers, ICI, 14 cents. So 1.5 cents to two cents, man, is a really good price. IESO has previously said that the local distribution companies deliver it effectively. The reductions that they promised, they delivered, and their prices were accurate. So why are you not implementing this

plan? Have you considered this plan, I guess I should ask first and, then secondly, if you've considered it, why are you not implementing it?

Hon. Todd Smith: I'm not sure if you were here when we were discussing the conservation demand management investments that we've just made through the Independent Electricity System Operator, increasing the amount of funding in that IESO box of energy efficiency programs to \$1 billion over the four-year framework. And we are going to be going out to consult with the community in the very near future on what the next phase of CDM programs looks like.

I want to thank the Electricity Distributors Association for their partnership. They've been great partners on a number of different programs that are resulting in people saving money on their electricity bills, including the Green Button program, which we have now mandated for all local distribution companies across the province to roll out. We have also rolled out the ultra-low overnight rate. It's available with a number of different LDCs right now, but it will be mandated across the province later on this year.

Mr. Peter Tabuns: I appreciate the tour of the programs.

The Electricity Distributors Association says that the crunch that we're facing now, that you've talked about, is one that can be met at a dramatically lower cost than we're currently paying for electricity. They are actually estimating about a \$2-billion cost over the next decade. They're suggesting that it's a lot cheaper to have those programs delivered by the local distribution companies rather than through IESO or, I imagine, Enbridge. Why have you not adopted their plan, given, really, the billions of dollars that would be saved for electricity consumers?

Hon. Todd Smith: We have adopted pieces of the plan for sure, with the ultra-low overnight rate. That came to us after some great work that was done by the folks at Alectra—Brian Bentz and the team there. Green Button comes from London Hydro and the EDA, as well.

Mr. Peter Tabuns: Minister, if this plan meets the electricity needs, why are you engaging in all kinds of other purchases when in fact we have a pathway that's very low-cost that would meet our needs? Why aren't you adopting this plan, implementing it, as opposed to spending billions on new gas-fired power plants?

Hon. Todd Smith: Why are you opposed to closing down gas-fired power plants? You're making a decision that you would like to see natural gas phased out of our electricity system today—

Mr. Peter Tabuns: I've never said that, actually.

Hon. Todd Smith:—and if we followed your plan, MPP Tabuns, we would have experienced a blackout last Thursday and then another one on Friday.

Mr. Peter Tabuns: I'll just say—

The Chair (Mr. Aris Babikian): Before I give you the opportunity to ask the question, I would like to remind everyone that all questions should be directed through the Chair.

Mr. Peter Tabuns: The question I've asked the minister, Chair, is, why doesn't he adopt a low-cost plan to meet our needs? Instead, he's going on about why he wants to keep going with gas. I don't think you can shut down gas tomorrow—you'd have the lights out—but I think, over a

decade, you could dramatically reduce or eliminate gas in this province from power generation. We have a practical plan from a legitimate proponent within our system—one who has got a really good track record—that's dramatically cheaper than what the government is proposing. Why is the government not adopting it, in total, to meet our electricity needs at a price that Ontarians would actually be very happy with?

Hon. Todd Smith: We're investing in the CDM programs, the energy efficiency programs, through the IESO—\$1 billion during the four-year framework of that plan. We're also working with the EDA on a number of different, significant projects that are going to reduce energy costs for consumers and save energy as well—the ultra-low overnight rate, the Green Button program and a number of others that are going to have a significant role on energy consumption in the province.

I'm glad to hear MPP Tabuns say that he's not in favour of phasing out natural gas now. Perhaps he will say the same thing about nuclear—because we know he's opposed to nuclear, and we need nuclear to run our systems.

The Chair (Mr. Aris Babikian): MPP Tabuns.

Mr. Peter Tabuns: I would appreciate it, Chair, if the minister actually answered my questions.

Hon. Todd Smith: I believe I did.

Mr. Peter Tabuns: He can go around the flagpole as much as he wants, but I've concluded that, no, he's not going to adopt the low-cost plan. He may cherry-pick bits, but he's actually set us on a course of higher cost—and his Liberal predecessors did the same. Chair, I've sat here or in comparable rooms, and I've made similar arguments to Liberal ministers. They did exactly what they wanted: They went with the highest-priced option they could find.

So you're not going to do the low-price option—fair enough. I understand what your strategy is, then.

The other question is: What will the effect be on electricity rates if federal clean energy regulations force the shutdown of new gas generation facilities with several years of mortgage payments left to pay—that would be 2035.

Hon. Todd Smith: We've been having great discussions with my colleagues at Natural Resources Canada. As a matter of fact, I spent a good part of Friday with Minister Wilkinson when the Polish Prime Minister was in town visiting our small modular reactor site at Darlington. The federal government has indicated that we will be able to use our natural gas facilities in the province to meet peak demand, which is what we're using our natural gas facilities for now—for ensuring that we keep the lights on in the province.

Everybody is in favour of making sure we have a reliable grid, and I think that includes members of the NDP, the Green Party, the Liberals and the PC government, certainly.

Mr. Peter Tabuns: I think he has given me the answer. He thinks there will be flexibility with the federal government.

I will just note—and maybe the minister or the deputy minister can correct me—actually, what's happening in Ontario is that our gas plants are moving to baseload as we

have our refurbishment going on, and you're putting in additional plants for peaking.

I'll put that as a question: Are we, in fact, using a large part of our gas fleet for baseload at this point?

Hon. Todd Smith: We have four of our Candu reactors that are down for refurbishment right now. And I will ask, because you've asked to speak to the deputy minister on this—but what we're ensuring is that there is power and there is reliability in the sector. So I'll ask the deputy minister before you cut me off again.

The Chair (Mr. Aris Babikian): Deputy Minister.

Mr. Jason Fitzsimmons: If you look back over a number of years, gas does what it's intended to do as a bridge strategy and as a peaking operation. It moves up, and it moves down. It depends on the year. It depends on what the demand was in the province at the time. It depends on when nuclear outages were occurring or other baseload was unavailable. But on average, it represents about 10% annualized in terms of its contribution to the system.

Mr. Peter Tabuns: Are we moving to greater and greater use of the gas-fired power plants for baseload?

Hon. Todd Smith: I think it's really, really important for MPP Tabuns and all the members of this committee to understand that we're going to use the gas when we need to use the gas. I just want to give him an example of last Thursday—

Mr. Peter Tabuns: That's—

Hon. Todd Smith: No, this is a really, really important number.

Mr. Peter Tabuns: I actually don't need more from the minister—

The Chair (Mr. Aris Babikian): We don't want to get into an argument with each other. Please direct the questions through the Chair, and when we ask the questions, let the witnesses answer them. That way we can get our proper dialogue or clarification.

1520

Mr. Peter Tabuns: And if he was answering them, Chair, it would be much simpler. But I think he has given me all the information I need or that I'm going to get, and I'm willing to move on to my next question.

The Chair (Mr. Aris Babikian): Okay, move on to the next question.

Mr. Peter Tabuns: What are the estimated capital costs of the small modular reactors being built at Darlington, and how many in total are planned?

Hon. Todd Smith: You know I can't give you those numbers as negotiations are continuing with the folks at OPG, Synthos Green Energy, GE Hitachi—the technology—and also the Tennessee Valley Authority. What I can tell you is that there's a partnership there between those four collaborators on this project to develop a first-of-its-kind small modular reactor, a 300-megawatt reactor that isn't just going to help clean up emissions here in Ontario; it's going to clean up emissions in Saskatchewan, Poland and jurisdictions around the world—

The Chair (Mr. Aris Babikian): Okay, MPP Tabuns.

Mr. Peter Tabuns: Chair, I think he has answered the question. He said he can't tell me the price. I don't know how he can determine whether or not it's a good business plan. Generally, when I commit to investing hundreds of millions or billions of dollars, I like to know what the price is going to be, but he can't tell me. Maybe the price does not yet exist.

The other question is, even if there's not a price right now, who is going to pick up the cost for the overrun, should there be one?

I'll note, the Vogtle plant with Tennessee Valley Authority went over by 100%. It caused the bankruptcy of Westinghouse. Its parent company Toshiba had to sell off most of its assets to save its skin. So I'd like to know, are we in Ontario, the taxpayers and ratepayers, responsible for any overruns that come out of that project?

Hon. Todd Smith: MPP Tabuns likes to talk about projects in other parts of the world. I would prefer to talk about the projects here in Ontario, like our refurbishment at Ontario Power Generation. They have learned so many lessons and have a contingency plan that's as thick as can possibly be. That's why we have refurbishments that are ahead of schedule and under budget, and that's what's given us the confidence to move forward on the small modular reactor project.

Mr. Peter Tabuns: Chair?

Hon. Todd Smith: On a per unit price, that SMR—

The Chair (Mr. Aris Babikian): MPP Tabuns.

Hon. Todd Smith: —in my briefings, is showing that it's going to be comparable to other generators—

The Chair (Mr. Aris Babikian): Thank you, Minister. MPP Tabuns, go ahead.

Mr. Peter Tabuns: Well, the minister said to me a few minutes ago that he can't tell me what it's going to cost. He's now telling me it's comparable in price to other projects. I'll pick one of those: He either doesn't know or it's comparable to others. That's one answer.

But if there's an overrun, I don't know who's on the hook. I know Westinghouse had to pay several billion dollars to get out of their guarantee to pay for the overrun. A number of people who are going to be involved in the SMR project have got connections to other projects that may have had some difficulty.

Who is on the hook if we have an overrun? If you'll remember, the Darlington plant went four times over budget. It caused electricity prices to go up by 25% in Ontario over a two-year period. I'd like to know who is on the hook.

The Chair (Mr. Aris Babikian): Minister.

Hon. Todd Smith: The Ontario Energy Board, as the member knows, the regulator in our province when it comes to the price of energy and the price of electricity overall, is responsible for determining the price. We feel very, very comfortable with the oversight mechanism we have in place at Ontario Power Generation and the briefings that we have had so far that this project is on time. We're expecting it to be producing electricity by the end of 2028. As I mentioned, there are some sensitivities around who owns what IP, and those conversations are continuing with

the folks at TVA and Synthos, OPG and GEH nuclear as well. But we will not be going forward with something that is not in the best interests of electricity customers in the province of Ontario—and it's not just us saying this; the OEB will see to that.

Mr. Peter Tabuns: Well, I'll just say—through you, Chair—that it doesn't give me a lot of assurance that we can't find out how much it's going to cost, and I don't have any categorical statement from the minister that the people of this province will be protected from an overrun.

How much time do I have left?

The Chair (Mr. Aris Babikian): Four and a half minutes.

Mr. Peter Tabuns: Well, just to make sure I don't lose the opportunity, because sometimes I'm surprised at how quickly the time goes—I won't be voting for the estimates here, just to say I don't trust the government's approach. They won't give firm prices, they won't give guarantees, and they're picking high-cost options. I would say that they're replicating what the Liberals did at the beginning of this century and what they did in the 20-teens. I think that people in Ontario are going to be stuck with some pretty big bills.

My last question, then, in my remaining minutes: I'm sure the minister is aware that Enbridge is engaged in a very large-scale rate hearing at the Ontario Energy Board. One of the things that they're dealing with is the energy transition. Residential customers are about 30%, 35% of the customers, but they supply something like 52% of the revenue to Enbridge. When a big chunk of them—the minister earlier said to me that the IESO projects that people will be moving out of gas into electric. When a big chunk of them move out, the people left behind are going to be carrying the cost for a very large system of pipes, compressors, storage etc. I expect that will likely mean their prices will go up, which seems to be the direction that the consultants from Enbridge are pointing out in their documentation.

What step is the minister taking to ensure that the people of this province are protected from price increases as people in Ontario move away from gas to electric?

Hon. Todd Smith: It's why we've formed the Electrification and Energy Transition Panel—and the good work that David Collie and the team are doing right now in meeting with stakeholders to determine the best practices going forward from a regulatory framework with that committee.

What I can tell you is that we've been very fortunate over the last—plenty of time—years that we have a supply of natural gas at the Dawn Hub, one that's there to ensure that we have heating fuel that we need, where other jurisdictions certainly haven't had that. Given the circumstances in Ukraine and the unprovoked attack by Russia in Ukraine, we have seen jurisdictions around the world that have had major shortages and enormous price hikes over the past six to eight months. We have experienced some price hikes throughout the winter as the commodity price increased, but those prices are coming back down and the quarterly rate adjustment measure is ensuring that those prices are affordable for the people of Ontario and that we have an ample supply at the Dawn Hub—

The Chair (Mr. Aris Babikian): MPP Tabuns.

Mr. Peter Tabuns: I gather from the minister that there is no real plan to protect customers of Enbridge from the transition costs in the decade to come.

I'll go to my last question. The Lake Erie Connector project was cancelled within, roughly, the last 12 months. Can the minister indicate to us why that happened?

Hon. Todd Smith: The proponent for the project decided not to proceed at this time. As a lot of construction projects and proponents for those projects have done, given the costs of materials that it would take to complete such a project, at this point in time they've taken a pause on that project. It is something that we would continue to look at. It does seem to make sense, although we have to ensure, at the end of the day, if we were to proceed with that project, that there would be a benefit for the ratepayers of Ontario by moving in that direction. Connecting to the PJM market in the United States, one of the largest electricity markets in North America, seems to make sense, but the project is not alive at this moment and time.

Mr. Peter Tabuns: I assume I'm out of time.

The Chair (Mr. Aris Babikian): You have 20 seconds.

Hon. Todd Smith: Say something nice.

Mr. Peter Tabuns: Well, I would say that the civil servants who are here today work hard, and I appreciate their efforts. I think that's very nice, and I think it's accurate.

The Chair (Mr. Aris Babikian): Now we'll move to the independent member. MPP Schreiner, you have 10 minutes.

Mr. John Yakabuski: You may want to pick up on that thought.

Mr. Mike Schreiner: That nice thought, eh?

Through you, Chair, to the minister: I recognize that you can't divulge capital costs on SMRs, but do you have a price range on what you think the per-kilowatt-hour cost of that electricity will be?

Hon. Todd Smith: Maybe the deputy minister can expand on this a little bit, but there's little we can say other than, at this point in time, we expect to be on par with the unit cost of other similar baseload forms of generation. I think, from the briefings that I've had so far with the Darlington new nuclear project team, things are going extremely well and the collaborators on the project are very comfortable with the way things are going.

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Mr. Mike Schreiner: I'm just curious, because I've seen organizations look at IESO data, at Dunskey report data and other data out there, suggesting that the range could be between 14 cents and maybe even as high as 25 cents a kilowatt hour. Is that accurate or is that inaccurate?

Hon. Todd Smith: No, no. I think that's not accurate in any way.

Mr. Mike Schreiner: Can you provide us with any documentation, then, that would show the inaccuracies of those reports? It's based on credible players putting out information.

Hon. Todd Smith: Sure. I think, MPP Schreiner, the really important part of this is that we're building something that is going to be modular. The first of the kind is obviously going to be expensive, but as you continue to

build and deploy these small modular reactors—in Saskatchewan, where they're looking at deploying four; in Poland, where they're looking at deploying dozens of these small modular reactors—the price for the components of all of these is going to come down. The first one will be the most expensive—that's just the way it works—but the modular build is going to be a tremendous advantage, and then when you factor in the impact that it's going to have on our supply chain and our export opportunities to our GDP, we believe this is a safe bet and will be a positive investment for the province.

Interjection.

The Chair (Mr. Aris Babikian): MPP Schreiner.

Mr. Mike Schreiner: I appreciate that, Chair.

That sounds exactly what the Liberals said about wind and solar a decade ago, and we saw what happened with those contracts.

I want to move to the gas plants. Do we have a breakdown of what percentage will be for baseload and what percentage of the use will be for peak load or peaking power?

Hon. Todd Smith: The gas plants are for peaking.

Mr. Mike Schreiner: Peaking only? No baseload at all?

Hon. Todd Smith: That's what we're looking at.

To your point about wind and solar—and I know you were talking about wind and solar in your last round of questions, and what an important role they could potentially play in our province: I would love to share this information from last Thursday that showed that between 4 p.m. and 5 p.m., peak demand in the province was over 21,000 megawatts. That's the highest we've seen in quite some time. And wind almost completely disappeared—it was at 13% of its over 4,300 megawatts of capacity, at just over 571, so it was really important that we had a natural gas fleet that was able to pick up the lost capacity in the wind sector. Solar was there at 42% of its capacity, but keeping in mind that we only have 438 megawatts available in the province, it was only providing 186 megawatts at that time. So we need those natural gas facilities there to provide the flexibility, the balancing act that's required for our grid with so many intermittent renewable projects there, and there are over 33,000 of those generators across the province.

The Chair (Mr. Aris Babikian): MPP Schreiner.

Mr. Mike Schreiner: I'm curious: Do you have a predicted price range for peaking gas generation on a per kilowatt hour?

Hon. Todd Smith: Ah, jeez. Well, what I can tell you is, it's affordable and provides the reliability that we need. But I don't have something like that at my fingertips.

Mr. Mike Schreiner: I'm just looking at some of these charts, based again on IESO data, showing that peak gas-fired cost estimates are over 20 cents a kilowatt hour—22.7.

Mr. Stéphane Sarrazin: It's less than 80 cents.

Mr. Mike Schreiner: Oh, I know it's less than 80 cents, but right now solar is around five cents globally. You're comparing something from 10 years ago.

I'm just curious, is it accurate to say that peak gas is about 20 cents a kilowatt hour?

Hon. Todd Smith: No, not at all. I think we currently pay around 10 cents or 11 cents a kilowatt hour.

Mr. Mike Schreiner: Does IESO have incorrect data they're putting out?

Hon. Todd Smith: We don't want to get into talking about exactly what we're paying, because we do have a market-based process in place with the hourly market, the capacity auction and all those things. So from a competitive point of view, we want to make sure that we're getting the best price we can for the ratepayers in Ontario and—

Mr. Mike Schreiner: Chair, on this I agree with the minister, which is exactly why I keep asking for these price estimates, because I want to know what we're on the hook for. It sounds like we're on the hook for a lot of expensive new generation here.

I'm going to shift gears a little bit. MPP Tabuns brought up the electricity subsidies, which now, I believe, are \$6.5 billion. That's actually more than 10 ministries' entire budget. It's more than we spend on long-term care. And I believe it represents 97% of the ministry's budget itself. And they're only going to go up, from what I can see.

I think most people would agree that a support program targeting low-income households makes a lot of sense, and I think the rural and remote program makes a lot of sense. But people have raised concerns about the Ontario Electricity Rebate program, primarily because if you look at the FAO numbers, it disproportionately benefits high-income households. So I'm just curious why people with six-figure incomes and even seven-figure incomes are getting a rebate on their electricity bills, when maybe we could target those lower-income households who really need it.

Hon. Todd Smith: As you rightly pointed out, we do have a number of different programs that are targeted programs: the Rural and Remote Rate Protection Program; the DRP, the Distribution Rate Protection program; the OESP, the Ontario Electricity Support Program; and the First Nations Delivery Credit program. When it comes to the comprehensive electricity plan, which is the one you're referring to, along with the Ontario Electricity Rebate, those subsidy dollars will be coming off as those bad Liberal contracts start to end; that's a little bit later on this decade. We know we're coming up to the 20-year anniversary of the Green Energy Act, which is not an anniversary that anybody in our province wants to celebrate, because it has meant having to have a program like this that's taking dollars away from programming that we would like to put elsewhere, perhaps in the ministry; however, it's necessary to do because if we kept those over-market contracts in place, we wouldn't be seeing the new investments in our province that we are seeing from Volkswagen, Stellantis, Umicore, and the list goes on and on.

Mr. Mike Schreiner: Chair, could I just ask—this could be yes or no: Is there any consideration of means-testing the programs so people with six- and seven-figure incomes don't qualify for this rebate?

Hon. Todd Smith: We are putting these various programs in place to help folks who need the help—

Mr. Mike Schreiner: Excuse me, Chair.

Do people with six- and seven-figure incomes need the help?

Hon. Todd Smith: I think it's important to note that this subsidy spending is going to be coming off the books soon.

We're happy with this current program because it is providing us the stability that we need when we go out there looking for foreign direct investment—to say that we are competitive with neighbouring jurisdictions; plus, we have a grid that is cleaner than most, meaning we're going to pick up more than our fair share when it comes to new investment in the province. I think you've seen the results of that over the last four or five years, since we've been able to fix the cost of electricity in the province.

The Chair (Mr. Aris Babikian): One minute.

Hon. Todd Smith: Revenues in our province have gone from about \$154 billion to \$205 billion without raising any taxes or—

The Chair (Mr. Aris Babikian): MPP Schreiner.

Mr. Mike Schreiner: I just want to try to get one more question in, Minister. I appreciate that.

You, yourself, said this, and it's something I agree with, actually: The lowest-cost solution is energy efficiency and conservation. That is way cheaper than building new plants. I fully agree with you.

I want to go back to a question that MPP Tabuns talked about. The Electricity Distributors Association has put forward a plan of how we can meet most of our energy needs through demand management and conservation. I respect the fact that you've adopted certain elements of that plan, but would the ministry consider a full adoption of the plan, because it seems to be the lowest-cost solution?

Hon. Todd Smith: We asked IESO to come back to us with the conservation and demand management programs, those energy efficiency programs that are going to work best, and they've come back to us with a fleet of different initiatives that we've now invested in, while at the same time—

The Chair (Mr. Aris Babikian): Thank you very much, Minister. The time is up.

Now we'll move to the government side. MPP Leardi.

Mr. Anthony Leardi: Good afternoon, Minister. You know that I come from the riding of Essex. We always have a lot of growth in Essex, which is really awesome, and one of the challenges of new growth is new demand for energy, and so I have a twofold question for you: Number one, what is the ministry doing to ensure that you're going to be able to supply enough energy to Essex county; and, number two, a general question about the province in general as well, the same question.

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Hon. Todd Smith: Certainly, we are doing a lot to ensure that your part of Ontario has the power that it needs going forward. There's a lot of great people working extremely hard in that part of the world, including you and our colleagues Trevor Jones and Andrew Dowie, to ensure that everybody understands there is a need for energy there. We're working with our partners at Hydro One, and we've designated five different hydro lines to ensure that we can get the power that we need to southwestern Ontario. Great mayors, like Drew Dilkens in Windsor—and his council—have supported resolutions to ensure that we have expanded facilities at current locations for gas plants and new energy

efficiency programs to ensure that our natural gas fleet is there to support the growth that we're seeing in the region.

I'll have Deputy Minister Fitzsimmons talk a little bit about some of the other projects that are under way in southwestern Ontario. But it's clear that southwestern Ontario is growing, with Stellantis, LG, with the greenhouse sector that wants to expand and grow and is expanding and growing, and a manufacturing sector that's being repatriated back to our province—plus the population growth that you are experiencing down in southwestern Ontario. We're going to need the power, and we've taken a number of steps to ensure that we're getting those electrons back to the folks in southwestern Ontario, including Essex.

Mr. Jason Fitzsimmons: Three things I think of in particular—number one, as the minister mentioned, is five transmission lines all at various stages of development; some of them are long lead lines, as well. The initial report-backs we have from Hydro One are that both the community consultations and, in particular, Indigenous consultations are going extremely well on those lines, and we look forward to the commencement of construction on some of the lines, which will start soon.

The second thing I had noted before was some of the conservation demand management efforts we're doing, particularly with greenhouses. I think that removes about 235 megawatts of congestion on the system in that area. And then the re-contracting of the Brighton Beach facility for peaking arrangements for generation is also integral to the continued supply in the area.

The Chair (Mr. Aris Babikian): MPP Bresee.

Mr. Ric Bresee: Minister, this government has been very, very focused on housing, and a big part of the reason that focus has been there is because we're anticipating literally millions of more people coming into this province over the next decade or so. Well, with millions of more people coming in, we are obviously going to have a much higher demand, not to mention the fact that we are also bringing a lot more industry back, as we've seen huge successes with that, and the focus on the electric vehicle, the entire critical mineral extraction processes and the supply chain—again, you mentioned it earlier—right back to the Umicore plant in Loyalist township that I'm so happy to repeat as often as I can. We are going to see an absolutely massive increase in our need for electricity. We're currently sitting at an excellent rate for green electricity. Can you tell us more about what we are doing to make sure we'll meet that demand and in a way that is both clean and energy-efficient?

Hon. Todd Smith: Thank you, MPP Bresee, for your work in helping us secure that Umicore plant in your former municipality, where you were the mayor for so long and a member of the council there.

Electricity capacity and supply needs in the years up to and including 2024 are expected to be met through the planned actions identified in the 2021 AAR, which comes from the IESO, the Independent Electricity System Operator, including continued growth of the capacity auction as well and resources secured through bilateral negotiations.

While some of the capacity needs identified for 2025 and 2026 are expected to be met through the 2021 plans—

to your point—we know more supply is needed. Ontario is on track to acquire the electricity supply needed to power increasing electrification and economic growth. In August of last year, the IESO concluded the first medium-term RFP, which I was mentioning earlier in our discussions this afternoon, and has offered five-year contracts to several existing resources that are currently coming off contract.

The continued use of existing facilities is just one cost-effective way to help address immediate electricity supply needs, as well as ensuring these facilities continue to support reliability in Ontario. Together, these facilities contribute more than 700 megawatts of capacity to the system, ensuring ongoing value from previous investments in supply. This supply is going to be available between 2024 and 2026 at an average contract price that was about 30% lower than the average price under the previous contracts. So this competitive way of procuring is working.

Additionally, in October last year, we directed the IESO to acquire 4,000 megawatts of new electricity generation and storage resources, ensuring that the province has the electricity that it needs to support the growing population and economy. The IESO then issued the long-term request for qualifications, establishing a list of applicants with the experience and capability to successfully develop, construct and operate facilities acquired through these procurements. The LT1 RFQ is now complete. The CDM programs are among the cheapest, fastest ways of meeting electricity system needs and can help ensure Ontario has a reliable, affordable, clean electricity system.

We've talked at length about the investments in our energy efficiency programs through the IESO and some of the other programs that we've put in place with our partners from local distribution companies, like the ultra-low overnight rate, which isn't just going to save people money on their electricity bills; but it's also going to reduce demand on the peak. I want people to think about this ultra-low overnight rate and what it means. You come home from work; these cars are fully programmable now—these electric vehicles. You can set your charging station to charge your car at 2 o'clock in the morning at this ultra-low overnight rate of 2.4 cents a kilowatt hour so that that charging is occurring in the overnight period, at a time when the previous Liberal government was selling our hydroelectric and nuclear power at a loss to neighbouring jurisdictions. It was completely unacceptable.

We met with the Ontario Society of Professional Engineers—I actually did, as a critic, way back in 2017 or 2018—and they suggested that there was a dynamic pricing need in the overnight period that would help solve this problem of sending our electricity, produced at four cents a kilowatt hour in the case of hydroelectric, to neighbouring jurisdictions at a loss; for nuclear at that time, it was seven or eight cents a kilowatt hour.

The ultra-low overnight rate is available to anybody who can shift their load. Most of the appliances that you buy now that are Energy Star approved and programmable will allow you to set them for 4 o'clock in the morning so you can have your shirts nice and clean and dry and smelling wonderful when you head off to work in the morning.

These are just some of the programs that we've put in place to help ensure that we have a system that's reliable and one that's affordable.

We talked a little bit about the Oneida project earlier which was, at the time, three months ago, the largest battery storage facility in Canada's history, that we announced with the Premier in a partnership with the federal government and the Canada Infrastructure Bank. Since that time, we now have two even larger storage facilities that are going to be built: one in your neighbourhood, in Greater Napanee, that's going to support the Umicore project being built in Loyalist township and other investments in eastern Ontario, and then an even larger one that's going to be built down in Hagersville, Ontario that's going to support Volkswagen and continued growth in the St. Thomas-London-Windsor corridor, along with a number of smaller energy storage facilities.

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By moving to competitive procurement and continued bilaterals and trade with our partners like Hydro-Québec—Hydro-Québec is now participating in our capacity auction and in our other market-driven systems, trading electricity more now than at any point in our province's history, and we're getting a good deal for that hydroelectric power here in Ontario.

I think it's important to note that we're providing electricity to Quebec in the wintertime, when they have some freeze-ups in some of their hydroelectric facilities and the temperature is extremely cold. In Quebec, they rely on us—our natural gas plants, our nuclear facilities—to provide them with the electricity that they need. They are a winter-peaking jurisdiction, because they heat their homes largely with electricity, as opposed to Ontario, where we have a largely natural gas home-heating program across the province. As we've discussed today, that is going to change over time as more and more individuals make the choice to either participate in our Clean Home Heating Initiative for the hybrid heat pumps with Enbridge Gas or they just go out and buy an open-air source heat pump like I did a few years ago, which is a very, very efficient way to heat your home. I can tell you, my electric furnace turned on, I believe, twice last winter, because I have one of those open-air heat pumps. It's a great unit and does a great job, and it heats my home, which is out in the country; I'm not on a natural gas line.

As the same time, there are many customers across the province, particularly in rural Ontario, who are looking to get natural gas in their communities. We've expanded our natural gas expansion program. In phase 2, all of those projects are being rolled out and there are shovels in the ground on many of them. We continue to hear from mostly rural municipalities that don't have natural gas in their communities, that are looking to have the option for homes—for farms, in particular—that are looking to move from either propane or another more emitting, costly form of fossil fuel generation on their facility to a cleaner, greener, more affordable natural gas facility.

A lot of economic development needs in rural Ontario have also been identified to our ministry, and we are going

to be starting consultations soon on phase 3 of the natural gas expansion program, to get feedback from municipalities and other stakeholders across the province on what they want phase 3 of the program to look like. So we're continuing to work with our partners on those projects, as well, to ensure that Ontario has the energy that it needs.

Mr. Ric Bresee: Forgive me, Minister, but there are a lot of terms that are being used around the table today, and for those of us who aren't as dialed into the energy sector as you or some of my colleagues are, some of the terminology—I just want to make sure that I'm understanding it.

Baseload: Nuclear and hydro provide a very consistent, very predictable amount of electricity all the time, no matter what. Historically, we've used natural gas to deal with the fluctuations, the peaks and valleys above that baseload; we still do, but with the battery storage coming on, with the pumped storage projects that are potentially coming forward, those will start to balance out the need for natural gas, if I'm understanding that correctly. Can you speak to the future of alternate sources for that peak demand process?

Hon. Todd Smith: As you rightly point out, battery storage is going to be on-grid by 2025-26 as a result of the Oneida project, but also the procurement that you've mentioned, and there are future storage projects to be approved through the competitive process that we have set in motion through the Independent Electricity System Operator.

As I mentioned earlier in a response to one of my colleagues from the opposition, those battery storage projects have to be able to distribute power for a minimum of four hours. Then there are the long-duration storage projects, like the Marmora pumped storage project, which I know is close to your heart, being the member for Hastings-Lennox and Addington, where the Marmora mine site is located. There is also a Meaford project that's being proposed through the long-duration storage process. The Marmora project is a 400-megawatt project with OPG and Northland Power as the proponents. Meaford is a 1,000-megawatt project with TransCanada Energy as the proponent. Each of these would play a different role.

I'll pass it over to my deputy minister if he wants to elaborate, because I've been doing a lot of the talking here today.

Deputy, do you want to take it over, on the role that long duration could play in the system?

Mr. Jason Fitzsimmons: As the technology emerges, the key is reliability. As it stands today, even our nuclear plants are backed up by diesel generation. If something goes wrong, they have a backup, which is a reliable, simple, mechanical feature with a reliable fuel. Conceivably, there could come a point in the future when a small modular reactor may be the backup power to a nuclear plant, so the technology will continue to evolve. I think that's why the diverse mix that we have in Ontario is very significantly important. Sometimes I like to compare it to the airline industry. You have commercial jets; you have small aircraft; you have helicopters. They all will get you in the air, but they all serve very, very different purposes. I think, respectfully, it's the simplest way to think about it.

The Chair (Mr. Aris Babikian): Any further questions?

Mr. John Yakabuski: How much time do we have, Chair?

The Chair (Mr. Aris Babikian): Three minutes.

Mr. John Yakabuski: First of all, Minister, thank you very much for joining us today. I really appreciate all your input and answers.

I just want to clarify, and I don't know if there will be enough time, but I hear so many times the member for Toronto-Danforth—and I understand that he knows his job; he does it well. But sometimes it's not a complete picture. I've heard him talk for so many years about—and it's true: The cheapest energy is the one you don't build. But we can't conserve our way out of where we're going in this province. We've got 15 million people in this province today. Every single person is an energy consumer. The more our population goes up, the more consumers we have. We're going to build 1.5 million homes by 2031. Every single home is an energy consumer. No matter how efficient we are at using that energy, our needs, as your projections said, were tripling by 2050, but our energy demand isn't.

I remember the day, in August 2006, when we hit 27,005 megawatts; that was a scorcher, and that was an amazing amount. The fact that we didn't go down was actually pretty amazing.

We're not going to be able to meet that demand if we aren't building more generation. We keep telling the world that we're going to be the electric car—everybody's going to be driving electric cars. Not everybody's going to be charging them at 2 o'clock in the morning; I'll just be coming home from the bar at that time. Just kidding. But we just—

Mr. Peter Tabuns: That early?

Mr. John Yakabuski: Yes. We are going to need to build more energy. We can't just build stuff that—as Mr. Schreiner says, build it in wind—

The Chair (Mr. Aris Babikian): One minute.

Mr. John Yakabuski: —and solar that is not—they call it green—and nuclear. And we have to have that ability to have dispatchable generation from natural gas. I just need you to put the finishing touch on that, Minister, so people understand how important our energy future is and that we're not going to let them down here in Ontario.

Hon. Todd Smith: No, that's right. Investing in baseload is the best way to do that, because it's nuclear that has allowed us to eliminate our emissions—it has allowed us to shut down our coal plants in Ontario. It's a great story for our province. According to the Pathways to Decarbonization report, we are going to need about another 18 gigawatts of nuclear on top of thousands of megawatts, potentially, of hydroelectric power, which can provide baseload to our province as well. But we are going to build new generation. It's going to be generation that's cost-effective to ensure that we're meeting the needs of the new investments that we're seeing in the province—

The Chair (Mr. Aris Babikian): Thank you, Minister. Time is up.

This concludes the committee's consideration of the estimates of the Ministry of Energy.

Standing order 69 requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote? Thank you.

Shall vote 2901, ministry administration program, carry? All in favour? Opposition? The motion is carried.

Shall vote 2902, energy development and management, carry? All in favour? Opposition? The vote is carried.

Shall vote 2905, electricity price mitigation, carry? All in favour? All in opposition? The vote is carried.

Shall the 2023-24 estimates of the Ministry of Energy carry? All in favour? All in opposition? The vote is carried.

Shall the Chair report the 2023-24 estimates of the Ministry of Energy to the House? All in favour? Opposition? The vote is carried. I will report to the—

Interjections.

The Chair (Mr. Aris Babikian): Okay.

We will take a short recess now, and we will reconvene at 4:10.

The committee recessed from 1601 to 1611.

MINISTRY OF MINES

The Chair (Mr. Aris Babikian): Good afternoon, members and Minister. The committee is about to begin consideration of the 2023-24 estimates of the Ministry of Mines for a total of two hours. Are there any questions for members before we start? I see none.

I'm now required to call vote 4901, which sets the review process in motion. We will begin with a statement of not more than 20 minutes from the Minister of Mines.

Minister, the floor is yours.

Hon. George Pirie: Good afternoon. Thank you to the committee members for the opportunity to speak today. It's an honour to address the Standing Committee on the Interior to discuss the 2023-24 estimates for the Ministry of Mines. I'm looking forward to speaking about the good work under way at the Ministry of Mines that is making a real difference in the lives of all Ontarians and to answering questions from the committee about this important work. Our government truly understands the importance of mining in this province, not only to our history, but for our future. That's why, for the first time in over 50 years, our government created a stand-alone Ministry of Mines.

We all know that Ontario has a long history of mining as a cornerstone of the economy, especially in the north and in my home riding of Timmins. My ministry continues to build on that proud heritage for this generation and future generations to come.

I want to take a moment to thank the staff in my ministry for their great work in preparing for our appearance today, especially my deputy minister, Monique Rolf von den Baumen-Clark, who joins me here today.

Thank you, Deputy.

I'm also joined by assistant deputy ministers Afsana Qureshi from mines and minerals; Jamesene King—is she here today?

Ms. Monique Rolf von den Baumen-Clark: She's online.

Hon. George Pirie: She's online, okay—from the strategic policy division; and Scott Mantle, CAO from the corporate management division from Sudbury.

Welcome. I'm glad you guys are here.

They are happy to support and answer any questions asked, should it be required.

We all know Ontario has what the world needs: the critical minerals that will fuel the EV revolution and the technologies of tomorrow. Just as the discovery of oil in Texas fuelled the US economy for a century and a half, so will the critical minerals of northern Ontario fuel the electric vehicle economy of this province for generations to come. The north is home to some of the most mineral-rich deposits in the world, like those in the Ring of Fire. Minerals like nickel, cobalt and lithium that are used in manufacturing batteries for electric vehicles and in so many other things in our day-to-day lives are found across Ontario.

Our province also enjoys many competitive advantages in this vital economic sector. We have tremendous mineral wealth, a strong environmental track record that attracts significant investment, and a world-class manufacturing sector ready to add value to the raw materials extracted from the Ontario mines. We have the experts, the knowledge and technology to do mining the right way, with the rest of the world watching, and a plan backed by strategic investments to get it done for the people of Ontario.

Critical minerals are found in smart phones, pharmaceuticals and advanced manufacturing technologies that are essential for modern life. We know that Ontario is a world-class mining jurisdiction and is among the top 10 jurisdictions in the world for mineral exploration spending. The industry contributes nearly \$13 billion annually to Ontario's GDP and provides 75,000 jobs.

Ontario's mining sector has one of the highest proportions of Indigenous workers in all industries in the province. Indigenous employment accounts for 9% of direct mining jobs in Ontario. We know that mining is and will continue to be a key driver of growth and prosperity for Ontario, particularly in northern and Indigenous communities. That's why our government is laser-focused on ensuring this industry continues to grow and thrive, because we know what it can do for everyone in this province. That's why we have made investments in innovation and infrastructure that are creating jobs across the entire province, including northern and Indigenous communities.

Our Critical Minerals Strategy is another way we are ensuring Ontario's mining sector is prepared to meet the ever-rising global demand for these materials. This strategy is helping Ontario's mining sector realize its true potential by attracting investment, promoting further Indigenous participation in mining, and creating more high-quality employment in the critical minerals sector. One of those investments was the \$5 million through the Critical Minerals Innovation Fund—CMIF—to enhance research and development of new technologies. The Ontario-based companies that receive funding are leading the development of new mining technologies. This funding will help further their

groundbreaking work to solve supply chain challenges in exploration, mining and processing through innovation. Ontario's expertise will allow us to tap into new and growing markets while ensuring we capitalize on the growing demand for critical minerals. We're also promoting a competitive business climate that will encourage early exploration, mineral development and mine construction through programs such as the Ontario Junior Exploration Program—OJEP—which helps exploration companies find the critical minerals of the future. After all, there is no supply chain for EVs without mining and exploration.

This is a historic time for the mining industry in our province. Recent geopolitical events have exposed how conflict overseas and global supply chain risks for natural resources present an unprecedented opportunity that puts Ontario at the centre of the solution. There is a tremendous sense of urgency to secure the minerals we need to build a made-in-Ontario supply chain for electric vehicles and other innovative technologies. And during these uncertain times, we know that our government's role is to create the right business conditions to attract investment, optimize competitive advantages and enable Ontario's mining sector to do what it does best: build mines—because governments don't build mines; companies do.

We have the fuels of the future right here that are going to be powering the electric vehicle revolution, but we need to build more mines to realize our full potential, and that's happening in northern Ontario, in our backyard. Folks up north ought to be very proud of what they are doing and the industry they are involved with, because our children are going to be talking about this. People of the north can be excited when experts and companies come into our towns to talk about the future they envision in northern Ontario, in Sudbury, Timmins and in Thunder Bay. It's happening right now. This is our time. This is a pivotal moment in our history, and it all starts with mining.

I grew up in a proud mining family and have been involved in mining operations my whole life, and I have worked in the industry for decades. I've been lucky enough to work around the world in places that made me proud to be mining with Canadian standards. But I also know we can always do more in this province to improve our processes and fine-tune our legislation and regulations to help ensure the sector remains effective, efficient and able to meet the urgent demands of the global economy.

Our plan will continue to create good jobs for Ontarians and supply our province, country and allies with the critical minerals we need to fuel the EV revolution.

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That's why our government passed the Building More Mines Act. We believe the mining industry's best days are still ahead, and this act will help create the conditions for an unprecedented era of prosperity and job creation for the north, for Indigenous communities, and for all of Ontario. The changes in the Building More Mines Act will set the stage for our province to become the leading global jurisdiction for mineral investment and development. It will help cut red tape, clarify requirements for rehabilitation and create regulatory efficiencies and, more importantly,

regulatory certainty. The act will create the right legislative and regulatory environment for companies to build mines faster and more efficiently, to build a made-in-Ontario supply chain that will fuel the EV revolution, all without sacrificing anything on the duty to consult; we won't sacrifice anything. In fact, there is not a word changed in Bill 71 on two very important points, the duty to consult and our environmental regulations, because we won't let them be changed or harmed, because we know how to mine correctly.

Here in this province, we have the mineral resources, industry expertise and brilliant workforce to supply and manufacture the innovative technologies of tomorrow. But as I said, we need to have the right regulatory environment to help attract investment, leverage competitive advantages and allow the mining industry to do what it does best. Under the leadership of Premier Ford, a thriving mining sector has always been and will continue to be a key priority of our government. But just because we are one of the best doesn't mean we can't do better if we want to accomplish our goals.

Simply put, it cannot take 15 years to build a mine. I have heard time and time again from industry partners that the legislation was out of step with the sector and our government needs to cut red tape to meet the demands of the global supply chain. In doing so, we'll provide significant economic development opportunities for northern and Indigenous communities, and we'll always maintain Ontario's strong standards for environmental protection and meet the duty to consult.

Our industry stakeholders and our experts all provide valuable feedback and insight on specific challenges and delays they face with respect to processes and approvals; this includes topics such as financing for projects, closure planning and ministry reviews. We heard loud and clear that the Building More Mines Act will create efficiencies, reduce delays, attract investment, and boost Ontario's competitive advantage.

The mining industry has applauded our efforts, and they are not the only people who have expressed their support. We have heard from the chambers of commerce in our northern mining hubs, who represent the interests of thousands of local businesses, including mining supply and service companies, and who work tirelessly to improve the quality of life and advocate for the communities.

It is evident that people and organizations across the province support the changes we're proposing. The many stakeholders who have praised our amendments in this bill all agree that we will create business certainty, remove barriers, increase competitiveness, and that will lead to more investment and prosperity for our communities.

My ministry has also been engaging directly with Indigenous communities and organizations, and we have listened carefully to their feedback on the legislative amendments, associated regulatory amendments and the consultation process.

As our government has said many times, there is no supply chain for electric vehicles without mining. We know that we need a plan to build mines quicker and procure the critical minerals which our province has in abundance.

That's why we launched our Critical Minerals Strategy last year. The strategy will see us boost the resiliency of our supply chains, expand innovation and increase our exploration capacity. Our Critical Minerals Strategy is connecting our mineral-rich north with our world-class manufacturing sector in the south. We are developing critical minerals the right way and making Ontario a global leader for supplying the critical minerals we need for the electric vehicle supply chain.

This generational critical minerals opportunity has the potential to truly make a difference in communities across our province. In 2022, the value of critical mineral production in Ontario was \$5.7 billion; this is an increase of \$1.6 billion, or a 41% increase, from 2021. And in 2022, the value of critical minerals exploration expenditures grew by \$55 million, an increase of 20% over 2021. Additionally, there were 187 active critical minerals exploration projects in 2022, up from 128 in 2021. These figures prove our strategies and investments are working.

Through our Critical Minerals Strategy, we are unleashing the full potential of the sector by connecting our world-class minerals in the north with the manufacturing sectors in the south. A manufacturing and auto sector that, by the way, has attracted over \$17 billion and transformative automotive investments, including \$12.5 billion in EV and EV-battery-related manufacturing investments—a phenomenal sum. These investments show our government is addressing the supply challenges from all sides, to ensure we capitalize on this generational opportunity.

We know that unearthing the province's vast supply of critical minerals requires innovation. That is why last November, I was pleased to launch the Critical Minerals Innovation Fund, or CMIF. The Critical Minerals Innovation Fund supports the critical minerals sector by funding research, development and commercialization of projects to create investments in Ontario's critical minerals supply chain. And I was very proud to announce the successful projects receiving funding at last year's PDAC convention. This \$5-million fund is supporting Ontario-based projects and critical minerals sector projects ranging from mining and mineral processing to the recovery and recycling of minerals.

CMIF is supporting companies like EV Nickel, who are working to reduce carbon emissions through bioleach extraction; and Carbonix, a First Nations-owned company that is working on converting mine waste and other by-products to high-energy-density graphite for use in the battery supply chain. Projects like these showcase that Ontario has the mineral resources and industry expertise to move the sector forward. These projects prove that our government is creating a globally competitive and integrated supply chain—a made-in-Ontario supply chain with the power to create not just good-paying jobs but meaningful careers while we increase the province's competitive advantage and build up the economy.

Another way we're investing in the Critical Minerals Strategy is through the Ontario Junior Exploration Program, OJEP. This program helps junior mining companies search for the mines of the future. As announced in our 2023 budget, Building a Strong Ontario, we are investing an additional

\$6 million over the next two years in this successful program which will help more companies search for potential mineral deposits and attract further investments in this growing sector. With this new funding, the government's total investment in OJEP is \$35 million, which includes \$12 million for a critical minerals stream.

We know that unlocking Ontario's critical minerals is key to the economy of the future. It will help bring investments and better jobs with bigger paycheques to Ontario. Critical minerals are some of the most sought-after commodities in the global economy, and northern Ontario happens to be one of the rare places on Earth with many of these natural resources available. This is an advantage that simply cannot be ignored.

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Part of our vision of becoming the leading global jurisdiction for mineral development and investment is the Ring of Fire. The Ring of Fire is one of the most promising mineral deposits in Canada, if not the globe. It has the potential to play an important role in fuelling innovative technologies for high-growth sectors such as batteries, electronics and electric vehicles and to bring multi-generational opportunities to northern and First Nation communities.

To date, there has been much progress made that we can all be proud of. Our government is building the roads to the Ring of Fire in close partnership with Webequie First Nation—

The Chair (Mr. Aris Babikian): One minute.

Hon. George Pirie: —and Marten Falls First Nation. We have invested \$1 billion to support critical legacy infrastructure such as all-season roads, broadband connectivity and community supports in the Ring of Fire region to keep moving the projects forward.

We have been working collaboratively with Marten Falls First Nation and Webequie First Nation, who have shown extraordinary leadership in advancing our mutual goals. By working with First Nation partners, Ontario has a tremendous opportunity for a corridor to prosperity that can leverage health, economic and social benefits, while unlocking significant economic growth.

All-season, dependable road access is paramount to unlock opportunities in the region and create better supply chain connections between Ontario industries, resources, workers and communities in northern Ontario and manufacturing in southern Ontario. It would also help bring prosperity to First Nations, improving access to education—

The Chair (Mr. Aris Babikian): Minister, thank you.

We will now begin questions and answers in rotations of 20 minutes for the official opposition members of the committee, 10 minutes for the independent member of the committee, and 20 minutes for the government members of the committee for the remainder of the allotted time. As always, please wait to be recognized by myself before speaking. All questions and comments will need to go through the Chair.

For the deputy ministers, assistant deputy ministers and staff: When you are called on to speak, please give your name and your title each time so that we accurately record in Hansard who we have.

I will now start with the official opposition. You have 20 minutes. MPP West.

MPP Jamie West: Good afternoon, Minister, and all of your guests.

You spoke about Bill 71 in your opening statement. Part of Bill 71 eliminated the Director of Mine Rehabilitation and put those powers and responsibilities in the minister's hands.

What are the current expenditures of the Office of the Director of Mine Rehabilitation?

Hon. George Pirie: I don't have that specific figure, so I will pass that over to the deputy minister.

Ms. Monique Rolf von den Baumen-Clark: I'm Monique Rolf von den Baumen-Clark, deputy minister, Ministry of Mines.

I will ask Scott Mantle if he has the detailed information that he can provide, and if not we can follow up with you on that question.

Mr. Scott Mantle: I'm Scott Mantle, assistant deputy minister and CAO for the Ministry of Mines.

MPP West, it's a fairly small office, but it does have many disciplines, so it's not just specific to that one area. It's an office that consists of about 20 people, including a director and various staff who are responsible to it. The total cost—and I'm rounding this, so please give me a little bit of rope there—for the office is probably in the neighbourhood of about \$3 million to \$4 million.

MPP Jamie West: That would be a ballpark for everything?

Mr. Scott Mantle: Yes.

MPP Jamie West: The people who are working in the office—are they being absorbed anywhere or do they wear multiple hats?

Mr. Scott Mantle: They wear multiple hats. It's an office that does not only the day-to-day regulation, but it also does a lot of activity with respect to historical mining that needs to be rehabilitated. They do some review of a number of permits. If you want the full scope of detail, we do have—

MPP Jamie West: No, I'm fine with that. I just wasn't sure if it was a stand-alone branch.

As we move away from eliminating the Director of Mine Rehabilitation and the minister takes on his role, how is the minister assisted to make these decisions? Are there people—

Mr. Dave Smith: Point of order?

The Chair (Mr. Aris Babikian): MPP Smith, go ahead.

Mr. Dave Smith: This is a committee on estimates, not on policy, so the questions would have to be around the finances of that part of the ministry, not what the ministry would be performing or what the minister would be performing.

The Chair (Mr. Aris Babikian): The questions about the estimates can be very broad, but I will ask the opposition members to focus on the estimates.

MPP Jamie West: That's fine. I was just curious in terms of costs for that role, but if you don't want to answer, I'm fine with my colleague's—

Mr. Dave Smith: Point of order.

The Chair (Mr. Aris Babikian): Yes, go ahead.

Mr. Dave Smith: That's unjust—

The Chair (Mr. Aris Babikian): Okay. MPP West, do you have another question?

MPP Jamie West: Yes. It's well-documented, and the minister obviously knows, with his background in mining, that the cost of rehabilitating former mine sites has cost the public hundreds of millions of dollars—this is going back; I'm not speaking specifically about this government, obviously.

How many closed mine rehabilitation sites are there currently in the province?

Hon. George Pirie: I would like to say, first and foremost, the health and safety of all Ontarians is always top of mind for our government, and, again, we uphold the highest safety and environmental standards in the province of Ontario. I will tell you that we've—

MPP Jamie West: But in terms of the number of the number of sites—

Hon. George Pirie: Ontario has spent \$219 million rehabilitating over 124 of the province's highest-priority sites. Is that the number you're looking for?

MPP Jamie West: But I don't know if that's the number of sites completely or the number that we're currently working on. That's why I was asking.

Hon. George Pirie: These are the ones that we're working on right now—124 of the province's highest-priority sites.

MPP Jamie West: And will we be able to find out how many in total? I just don't know what the number is.

Hon. George Pirie: I think I could give this to—
Interjection.

Hon. George Pirie: Yes, that's the figure I just gave, \$219 million.

I think there are approximately 4,600 abandoned mines in Ontario that fall under the Mining Act's jurisdiction. Approximately 2,400 of those mines are located on crown land.

MPP Jamie West: Would you be able to provide how much the province has received in the form of financial assurances from the proponents, from the mining companies for mine closure plans in 2019, 2020, 2021, 2022?

Hon. George Pirie: I'll have to pass that off to the deputy.

Ms. Monique Rolf von den Baumen-Clark: Thank you for the question. I will call upon Scott Mantle to come up to provide that information.

Mr. Scott Mantle: It is included in public accounts, by the way. It is disclosed every year—the total amount of financial assurance that is on file every year. It's north of \$2 billion that's on hand in all of the various forms of financial assurance. I just wanted to make sure you were aware it's noted in public accounts every year.

MPP Jamie West: Thank you for that.

North of \$2 billion—sorry; I'm just looking at some of the answers that are going to be covered in here. Sorry, Scott. I know you went and sat down, but you might be the one to answer this: Over the last 10 years, is it \$2 billion a year that comes in? I'm just trying to get some clarity.

Mr. Scott Mantle: No, it's a cumulative fund. As a mining company goes into various stages of production or the various stages of the mining cycle, it's required through the Mining Act to hold assurance while they complete those phases, and it's not returned in its entirety until it meets its official closure obligations. So the number I quoted is essentially a number that is sitting on the balance sheet of the province of Ontario that encapsulates the full portfolio of active mining activities.

MPP Jamie West: Okay. I'll move on.

Now, with Bill 71, it will be a partial scope, but it will still work similarly. What I'm trying to get to is—actually, I'm going to bypass that.

Is there a method the ministry uses to track if mining projects have become insolvent at various stages?

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Hon. George Pirie: Would you ask that question again, please?

MPP Jamie West: I was wondering how the ministry tracks how many mining projects become insolvent at various stages. I know the design for Bill 71 was that instead of paying the whole shot upfront, it allows some financial flexibility. I'm curious about how many mining projects just become insolvent in between.

Hon. George Pirie: How many mining projects or mines go insolvent during the year?

MPP Jamie West: Yes.

Hon. George Pirie: I don't have that specific number. Is that tracked?

Ms. Monique Rolf von den Baumen-Clark: I'd like to ask Afsana Qureshi.

Ms. Afsana Qureshi: I'm Afsana Qureshi, assistant deputy minister of the mines and minerals division at the Ministry of Mines.

Thank you for your question. I just want to make sure I'm understanding it. Is your question about the phased approach related to Bill 71?

MPP Jamie West: I think it would be too early to determine that. The bill was just recently passed.

I'm just trying to understand. Mining projects, as they proceed—or mining companies. How many each year become insolvent?

Ms. Afsana Qureshi: We monitor mining projects, but the purpose of closure planning is to make sure that in advance of mine development, the ministry has on file appropriate financial assurance to deal with hazards that are on-site. So closure planning is filed before construction begins, and then the ministry does monitor how mine projects progress.

MPP Jamie West: I understand that. So, in 2019—would you be able to tell me how many went insolvent? Even though they have the surety in place, I'm curious what the number would be.

Ms. Afsana Qureshi: I'd have to get back to you on that specific year for that. I don't think it happens exceptionally frequently. But I'd have to get back to you on the specific number for that specific year.

MPP Jamie West: Okay. I don't have it either. If I could ask for 2019 and 2020—going back to 2019, just to have the number, that would be great.

When there are mine proposals that are led by your ministry or participated in by the ministry, how much is budgeted toward consultation tables with impacted or rights-holding First Nations?

Hon. George Pirie: Well, if you're talking specifically about the Ring of Fire, the province has had a fund—it's \$1 billion—that includes consultation in that specific area. Primarily, when we're talking about the duty to consult, the companies themselves engage with the Indigenous communities directly. I don't have a figure, of how much is spent within our ministry directly related to consultation. There is a process where, in fact, the ministry decides the First Nations that should be consulted. That happens on a regular basis as projects are built and expanded. If you want a specific number, then we have specific individuals who have that authority.

If you want a detailed answer, I'll pass that off to the deputy again.

Ms. Monique Rolf von den Baumen-Clark: If you would like to know specifics, we have some consultation funding that we provide to communities. Would you like that number? Or are there specific numbers you were interested in?

MPP Jamie West: Well, I'm just trying to understand—we have treaty territories all across Ontario; I honestly don't know enough about them to be able to cross-reference per mine. But I would assume that as the Ministry of Mines, in working with Indigenous communities and First Nations communities, there would have to be a budget of some kind to facilitate this, unless I'm misunderstanding it. So I'm just wondering what that number would be.

Ms. Monique Rolf von den Baumen-Clark: Certainly, we can give you some numbers that you're looking for in terms of money spent around consultation.

Go ahead, Scott.

Mr. Scott Mantle: There are probably two pockets of money you're interested in. One pocket of money is that we have, again, an internal department that does a lot of Indigenous consultation work. They work with partner ministries as well, because usually it's not just exclusively about mining; it usually touches on other mandates. And then we typically have some support funding that goes directly to the communities so that they can bring themselves to the table as well and make sure that they're properly supported with proper advisers at the same time. That number changes based on the activity that's happening in any given year. Again, the largest pot right now is probably the Ring of Fire, but that does get redistributed as the need for consultation changes based on what the circumstances are of what activities are happening across the province.

MPP Jamie West: If I were to ask for amounts for the last four years, would I be able to get what the amounts are, or is it just that there's a billion-dollar pot, right now it's all—not all, but close—at Ring of Fire and it's transferred across? I'm just trying to understand how it works.

Mr. Scott Mantle: If you were to ask for the last four years, "Please provide financial expenditures that went to both supporting communities and to the internal resources in terms of the internal personnel to facilitate and help the

communities, and help them have conversations with the mining proponents,” we have those numbers. Again, they’re documented in public accounts. It may be a little bit difficult to extract the precise numbers, but we could provide them.

MPP Jamie West: If I could get those for the last, let’s say, five years and then separately, that would be great.

How much was received by mining companies in terms of subsidies, grants or any kind of program streams in 2021-2022?

Hon. George Pirie: Could you repeat that question again please, Jamie?

MPP Jamie West: How much was provided through the province to the mining companies in—I’ll just say the last five years, but if you want to start with last year and go backwards; I don’t know the easiest way to answer. I know it’s a lot to ask you, Minister. I appreciate you relying on your team, because I don’t know if I’d have those numbers either.

Hon. George Pirie: The usual course of events, of course, is that the ministry doesn’t hand out money to mining companies.

But if you want a specific number, if there is one, then we’ll pass it off to the deputy.

Ms. Monique Rolf von den Baumen-Clark: We can talk about some of the programs; you can tell us if those are some of the things you’re interested in, and then we can get some financials. There are some programs that they could be eligible for—funding programs that the minister also spoke to earlier in his remarks.

Hon. George Pirie: The Ontario Junior Exploration Program, the innovation fund, yes. They’re well-documented.

Ms. Monique Rolf von den Baumen-Clark: Would you like those?

MPP Jamie West: Yes, I think those are the numbers we’re looking for, in terms of any kind of grants or funding or support that’s available.

Ms. Monique Rolf von den Baumen-Clark: I don’t know if you had one off the top of your head, Scott, or we can get back to him on the last five years.

Mr. Scott Mantle: Sorry; I can maybe step aside and let—

MPP Jamie West: Yes, no problem.

Mr. Scott Mantle: I thought I understood your question was, “What have we received from the mining companies?”

MPP Jamie West: No, what I have here is, “How much was received by mining companies as subsidies and grants through all program streams?” and a variety of dates. I believe what I’m looking for is in terms of any grants or subsidies or help that the province provides to mining companies to be successful or to work on capital projects or anything like that.

Mr. Scott Mantle: That type of information—now I understand what you’re looking for—would go beyond just the Ministry of Mines; that would be from all ministries, I’m assuming, that would go to mining companies. There are other types of programs that support mining

companies, like the electricity programs from the estimates ahead of this. Again, we could pull that information together for you for the time period that you’re interested in.

MPP Jamie West: Okay. I’ll request that.

In estimates, Minister, it lists \$194 million being distributed through resource revenue-sharing agreements. What is the time period when that’s estimated to occur?

Hon. George Pirie: Thank you very much for your question.

Right now, there are eight resource revenue-sharing agreements representing 40 First Nations communities in Ontario and two Métis organizations representing communities. Since 2018, Ontario has shared \$194 million with Indigenous partners from mining, forestry and aggregate revenues.

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MPP Jamie West: So from 2018 until now it has been \$194 million? Is this the final year of that program, or is it going out for the next—

Hon. George Pirie: No. It’s going on, yes.

MPP Jamie West: And what is the timeline that we’re expecting to use all of it?

Hon. George Pirie: Really and truly, it’s not a matter of the spend. Obviously, this is revenue-sharing. The agreements were extended by one year. They will be renewed—they’re proposed to be renewed—next year. Of course, if the revenues associated with those activities—mining, aggregate supply and forestry—are higher, which you’d expect they would be because the prices are higher, then there will be more to share.

I don’t have that—I don’t even know if there’s an expected budget for next year. I’ll pass that off to the deputy as well.

Ms. Monique Rolf von den Baumen-Clark: As the minister said, it is reflective of what the royalties are; it’s a share of it. It will change as the royalties change, and so that’s the fluctuation.

The Chair (Mr. Aris Babikian): One minute.

Ms. Monique Rolf von den Baumen-Clark: But there’s an agreement that we enter into, and those monies go over as part of it, with those communities that the minister mentioned.

MPP Jamie West: So in estimates, when I see \$194 million distributed through the resource revenue-sharing agreement, is that the estimate for this fiscal year? Or is that—

Ms. Monique Rolf von den Baumen-Clark: That’s in total.

Hon. George Pirie: Yes, that would not be the estimate for this year, because that’s a cumulative total since 2018.

Ms. Monique Rolf von den Baumen-Clark: Would you like this year?

MPP Jamie West: Yes. I might be misreading it, and I apologize for that. I’m just trying to get clarity on how it works.

Mr. Scott Mantle: It is a little tricky to estimate what’s going to come in in tax revenues from the mining companies for the year ahead, so the placeholder that is secured in estimates is based on the exact payment that was made last

year to the communities. We hold that in estimates as our best anchor point at this point in time, until such time that the quarterly financials start coming in from the mining companies, because they're—

The Chair (Mr. Aris Babikian): Thank you very much. Time is up.

Now we'll move to the independent member. MPP Schreiner, go ahead. Ten minutes.

Mr. Mike Schreiner: Thank you, Minister and staff, for being here today; I certainly appreciate it.

I was going to go in a different direction, but I'll start with royalty rates and benefit-sharing agreements because I did want to ask some questions on that. I'll start there since we're kind of there right now.

On the revenue-sharing agreements: What percentage of royalty rates is shared with Indigenous nations and also, I believe, some with municipalities as well, if I'm not mistaken?

Hon. George Pirie: Thank you again for that question. It ranges between 40% and 45%.

Mr. Mike Schreiner: That's what I thought.

Hon. George Pirie: I think you know that I was a member of Wahgoshig Resources Inc. for a period of time; they were the commercial entity for Wahgoshig First Nation. In my own opinion, these agreements are tremendous agreements because it puts the money right back into the communities. I think they're enlightened agreements. When I was with Wahgoshig, the last year I was with them, Wahgoshig First Nation had a \$23-million surplus, and what they did with it—I think I've told you this already—is, they took the money and they built homes with it. It was an incredibly empowering event for them because they were the author of their own destiny, building their own homes. They weren't waiting for the funding from the federal government; they were building their own homes.

I haven't been back to Wahgoshig for a few years, and I haven't been involved. I do know that the next thing they were going to do was build their health clinics. Again, I thought it was very enlightened legislation. It put money right back to the First Nations, and they used it to benefit their individual First Nation communities. Again, I thought it was very empowering. We renewed it for one year, and it's due next year. I think it was originally a five-year agreement, and we renewed it for one year, and it will be looked at again next year.

Mr. Mike Schreiner: Through you, Chair: You've anticipated my next question. I was a proponent. I thought this was smart legislation, as well, I guess, six years ago, when it was brought in.

Is there any inclination to have a longer-term renewal, rather than year to year? That, obviously, then would provide some predictability and long-term-planning ability for First Nations.

Hon. George Pirie: Thank you very much for the question.

I think the first term was five years. That expired, and that's why we just extended it for one year—because we needed to get feedback from the First Nations communities. So we're waiting on that, and it will come up, I guess, next year, probably in April.

Mr. Mike Schreiner: So there is a possibility for longer-term renewal once the consultation process finishes.

Hon. George Pirie: There's a possibility, for sure.

Mr. Mike Schreiner: Interestingly enough, the biggest variance in the estimates is in revenue-sharing. If you look at anticipated versus what was actually in the estimates, it's significantly higher than estimated. Is that because of higher economic activity, higher revenue that's then being flowed through the revenue-sharing agreements?

Hon. George Pirie: Thank you again for the question.

You're exactly right; they're based on the royalty schemes, and the royalty schemes, of course, are associated with the prices. I can't think of a commodity that might be lower right now than it was. Obviously, the gold price spiked recently to over US\$2,000.

Mr. Mike Schreiner: So mostly driven through commodity price increases. We've all been hearing about that.

Hon. George Pirie: Yes.

Mr. Mike Schreiner: If royalty rates were to change, go up or down, that doesn't affect the percentage? If the royalty rate percentage were to go up, the 40% or 45% share rate then would still be part of that higher royalty rate? Am I correct with that?

Hon. George Pirie: Thank you very much for that question.

Yes, you're quite correct.

Mr. Mike Schreiner: So the variations right now are due to commodity price changes, but there could also be variations due to changes to royalty rates if the government were to decide to do that.

Hon. George Pirie: Yes.

Mr. Mike Schreiner: I appreciate that. Thank you for your patience on that.

I'm going to shift gears a little bit. I believe it was in the 2015 Auditor General's report that there was a \$3.1-billion abandoned mine liability that the province has. Some have estimated that could be higher, and obviously it's dated a bit now, so things could have changed. Where does that show up on a balance sheet? I'm assuming liabilities show up on a balance sheet somewhere. Which balance sheet would those show upon?

Hon. George Pirie: The specific number or the specific locations?

Mr. Mike Schreiner: Let's say just abandoned mine liabilities—where would that liability show up on the province's books?

Hon. George Pirie: I will pass that on to Monique. Deputy minister?

Ms. Monique Rolf von den Baumen-Clark: I will ask Scott Mantle, our CAO, to provide you with some specifics.

Mr. Scott Mantle: It shows up in three places, because there are three ministries that have the combined pool of abandoned mines. The Ministry of Mines is the largest. The Ministry of Natural Resources has responsibility for one site—

Mr. Mike Schreiner: Would that be aggregate, or—it would be a mine site?

Mr. Scott Mantle: It is a mine site. It's out in the west. It's called Steep Rock. MECP has one site, as well. That's

because of the disciplinary functions that lend themselves to rehabilitating those sites. They fit better with certain ministries. Again, you would find them in public accounts. The totality of those liabilities—which the Auditor General pays very close attention to on an annual basis and talks to me about regularly—you would find them specifically tied to the three ministries, adding up to that amount.

Mr. Mike Schreiner: I'm assuming the AG is going to pay close attention to those, for sure. I appreciate that.

How would the ministry determine what to charge for mine rehabilitation to avoid us having those kinds of liabilities in the future? Does what I'm asking make sense?
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Hon. George Pirie: Thank you very much for the question.

I was lucky enough that I had a bit of time last week with Scott, and we were talking about that question. The estimates that are developed are based on—I mean the good people within the ministry. I was out there and I was really impressed with the people I met on the ground, talking about this. We just happened to be talking about building a road.

I think I'll leave the rest of the answer to the deputy minister—probably back out to Scott, because he gave me a little bit of a lesson on how to think about that liability.

Mr. Mike Schreiner: We could all use a good lesson on how to avoid liability, so let's hear it.

Ms. Monique Rolf von den Baumen-Clark: I'll refer right over to Scott. He can tell you a little bit about that.

Mr. Scott Mantle: Probably two parts to this: The first part is our own internal experience where we have to deal with the abandoned mines—there's no longer an active commercial proponent that is dealing with it—and that's just based on experience. So we have a number of people who procure costs to go out and drill the sites and test the sites and get an idea of quantity, risk and proximity and the type of science that has to be employed in the rehabilitation plan.

The Chair (Mr. Aris Babikian): One minute.

Mr. Scott Mantle: Most of these plans are very complex, so there's a lot of risk that gets applied to the calculation, as well. That's typically the conversation I have annually with the auditor—have we taken reasonable due diligence in the assessment of all those plans?

Mr. Mike Schreiner: You are almost out of time.

Mr. Scott Mantle: Sorry.

Mr. Mike Schreiner: In the process of doing that, have you taken steps to avoid us having a \$3.1-billion unfunded liability moving forward? Have you learned from that?

Mr. Scott Mantle: We've learned a lot.

To be honest, it's not unfunded; it has been funded. It has been booked by the province. It's a responsibility and accountability that has been accepted on the part of the province and put through the expenses of the province. So it is fully funded.

Mr. Mike Schreiner: But we, as taxpayers, are on the hook for that, versus the mining companies. So how can we avoid putting taxpayers on the hook for it?

Mr. Scott Mantle: That's where I wanted to distinguish the two parts of the conversation. We take that intelligence and that due diligence and we look at the closure plans that have—

The Chair (Mr. Aris Babikian): Thank you. The time is up.

We'll move to the government side. MPP Leardi, go ahead.

Mr. Anthony Leardi: The Ring of Fire is one of the most promising regions for mineral deposits in the world. It has the potential to play an important role in supporting innovative technologies for high-growth sectors such as batteries, electronics, electric vehicles and clean tech, and to bring multi-generational opportunities to northern Ontario and First Nations.

Could you please tell us how the Ring of Fire is part of Ontario's vision to become a leading global supplier of critical minerals, and how Ontario's work so far to advance development in the area demonstrates our commitment to Indigenous partnerships?

Hon. George Pirie: Thank you very much for the question.

I'm grateful for the opportunity to speak about the important work under way to unlock the enormous mineral potential in the Ring of Fire, something our government is passionate about. By working with First Nation partners, there is a tremendous opportunity for a corridor to prosperity that can leverage health, economic and social benefits while unlocking significant economic growth for First Nations and all Ontarians.

Growing national and international interest in the Ring of Fire, located approximately 540 kilometres northeast of Thunder Bay, continues to highlight the value of the mineral wealth in this part of Ontario, especially as it relates to critical minerals including nickel, chromite, copper and platinum. Rapidly changing technologies are increasing global demand for these and other critical minerals.

We're building an integrated supply chain to fuel the EV revolution and other technologies—a made-in-Ontario supply chain—by connecting critical mineral resources in the north, including those in the Ring of Fire, with the manufacturing might in the south.

We know the Ring of Fire offers tremendous opportunity not only for economic development and job creation, but also for working with and sharing benefits with Indigenous communities. The government has committed \$1 billion to support critical legacy infrastructure, such as all-season roads, broadband connectivity and community supports in the Ring of Fire area. All-season, dependable road access is a prerequisite to unlocking opportunities in the region and creating better supply chain connections between Ontario industries, resources, workers and communities in northern Ontario and manufacturing in southern Ontario. It would help bring prosperity to First Nation communities, improving access to education, health care, goods and services, and housing.

I believe the future of mining in this province lies in strong partnerships with Indigenous communities. Indigenous leadership is best positioned to understand and leverage economic opportunities for their communities, and partnerships are key to economic diversification.

Our government continues to support the environmental assessments for the Marten Falls community access road project, the Webequie supply road project and the Northern Road Link Project led by Marten Falls First Nation and Webequie First Nation. The terms of reference for the provincial environmental assessments for the Marten Falls community access road and the Webequie supply road were approved in 2021. The terms of reference for the northern road link were approved in March 2023. It's thanks in large part to the extraordinary leadership of these two First Nations that we've made much progress in advancing our shared goals to develop the Ring of Fire.

The Chair (Mr. Aris Babikian): MPP Flack, go ahead.

Mr. Rob Flack: I think everyone knows that the EV battery potential in this province is not before us; it's here. We're in the process of making these investments now to attract large automotive manufacturers to come. As such, to help seize the economic potential of the province's minerals, our government introduced legislation earlier this winter to amend the Mining Act. The amendments recently passed for the Building More Mines Act will create necessary conditions for mining proponents to build more mines more efficiently while maintaining Ontario's world-class standards for environmental protection, which is important, and obviously meeting the duty to consult with Indigenous communities.

Minister, could you elaborate a little bit about how the changes through the Building More Mines Act are going to help complement the expansion of EV battery production in Ontario, creating jobs, and how these mining investments will unlock more critical minerals in the supply chain, helping the economic growth not only in southwestern Ontario but complementing what we need in northern Ontario as well?

Hon. George Pirie: Thank you for the question.

It's my pleasure to speak about our government's plan to build up the mining sector through the Building More Mines Act, which recently received royal assent.

Members of the committee, we find ourselves at a critical time for our global economy. Rapidly changing technologies are increasing demand for natural resources such as critical minerals. Fortunately, Ontario is blessed with some of the most mineral-rich deposits in the world—minerals like nickel, cobalt and lithium that are used in manufacturing batteries for electric vehicles and in so many other things in our day-to-day lives.

Ontario's world-class labour, health and safety, human rights and environmental standards make the province a jurisdiction of choice for mineral development. This made-in-Ontario supply chain and other countries' interest in acquiring our critical minerals have positioned Ontario to take advantage of this economic opportunity in the mining industry. We know the world wants Ontario's critical minerals, and we are one of the first governments that is

paving the way for this sector by investing in exploration and innovation through the government's Critical Minerals Strategy and by cutting unnecessary red tape.

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During these uncertain times, we are acutely aware that our government's role is to create the right business climate and conditions to attract investment, optimize competitive advantages and enable Ontario's mining sector to do what it does best—because governments don't build mines; companies do. That's why we introduced the Building More Mines Act. We need a legislative and regulatory environment that enables companies to build mines faster and more efficiently and to support an integrated supply chain and supply the EV revolution; in doing so, we are helping provide significant economic development opportunities for northern and Indigenous communities. I want to emphasize that we'll always maintain Ontario's strong standards for environmental protection and meet the duty to consult.

Simply put, we put forward this legislation because it shouldn't take 15 years to build a mine. This legislation will ensure Ontario has a competitive regime for mineral exploration and development, setting the stage for Ontario to become a leading mining jurisdiction globally. Our action will help attract investments to secure the critical minerals that support the made-in-Ontario supply chain for new technologies like batteries and electric vehicles. The amendments we are making to the Mining Act will save companies time and money by reducing administrative burden, clarifying requirements for rehabilitation, and creating regulatory efficiencies. Throughout the legislative process, we engaged with industry, First Nations, Métis groups and associated Indigenous organizations on our proposed changes to the Mining Act, and we are consulting right now, and will be on future regulatory changes, as we build out this bill.

Our government's many investments and initiatives, including the changes put forward in the Building More Mines Act, are working in tandem to support every stage of the mining sequence, from exploration and development to mining production and closure. Through this legislation, we are indeed building up the entire mining sector and building up Ontario.

The Chair (Mr. Aris Babikian): MPP Dixon.

Ms. Jess Dixon: What's our time, Chair?

The Chair (Mr. Aris Babikian): Ten minutes.

Ms. Jess Dixon: Thank you.

Some of those who were up with me on the Timmins consultation may remember a gentleman who came in; I think he was in his eighties. He was very opinionated about prospecting, and I remember him fondly. I believe his main point was that we had it all backwards, because without prospecting, you have no mines. In honour of that gentleman, Minister, perhaps you can tell us a little bit more about mineral exploration in the province of Ontario.

Hon. George Pirie: Well, thank you for that question.

That gentleman is right; without prospecting, there's no exploration and there's no mining.

I appreciate the opportunity to speak to early exploration in Ontario and how we're supporting this exciting sector.

Northern Ontario is home to some of the most mineral-rich deposits in the world, with the potential for billions of dollars in discoverable minerals. Ontario is promoting a competitive business climate that will encourage early exploration, mineral development and mine construction through programs such as the Ontario Junior Exploration Program, OJEP, which helps exploration companies fund early-stage projects.

I'll elaborate more on OJEP in a moment, but for a little more perspective on exploration in Ontario, let me share just a few statistics with you. In 2022, Ontario was first in Canada for mineral exploration expenditures, totalling \$989 million—roughly 24% of mineral exploration expenditures in Canada. Approximately \$659 million of Ontario's exploration expenditures targeted gold, up from approximately \$613 million of Ontario's exploration expenditures in 2021. As of April 30, 2023, there were more than 360,000 active mining claims and 31 significant exploration projects under way in Ontario. There are about 200 companies actively exploring approximately 300 projects in Ontario. Most of those projects are located in northern Ontario. All of these projects are at various stages of exploration. There are a number of projects that are in a more significant stage of development as they have moved from resource to reserves and have positive preliminary economic assessments or equivalent studies completed. In 2022, junior companies accounted for \$388 million of Ontario's total exploration spending, up from \$365 million in 2021.

We know that early exploration is key to making promising geological discoveries that can lead to future mines and position Ontario to meet the increasing global demand for critical minerals.

That is why the government is continuing to invest in the Ontario Junior Exploration Program, OJEP, which began in 2021. OJEP helps junior mining companies finance early exploration by covering up to \$200,000 in eligible costs for critical and precious minerals exploration and development. The government is investing an additional \$3 million in 2023-24 and \$3 million in 2024-25 into this successful program, which will help more companies search for potential mineral deposits and attract further investments in this growing sector. With this new funding, the total commitment investment in OJEP is \$35 million, including \$12 million for the critical minerals stream.

From exploration to innovation to help Ontario build more mines, our government continues to provide support throughout the mining life cycle, building a made-in-Ontario supply chain and building on Ontario's competitive advantages and securing our place as the number one mining jurisdiction in the world.

The Chair (Mr. Aris Babikian): MPP Sarrazin.

Mr. Stéphane Sarrazin: I would like, first, to thank you, Minister Pirie and your team, for being here. I find it's such a nice learning experience to meet with all of you ministers and to learn more about your sector.

Of course, I was thinking, if it takes 10 to 15 years to open mines and start producing minerals—we're hoping to have cars that would drive by themselves within 10

years. Will the government be the one that will actually be the enemy of technology? That's why we have to do better when it comes to—we've got to get things faster.

Our government went on with the Critical Minerals Strategy and launched it in March 2022, and since then, I would like to know what has been done to progress critical mineral development and why critical minerals are so important to Ontario's economy.

Hon. George Pirie: Thank you for your question.

I know that investing in today's mining sector is an investment in the future and the future well-being of Ontario and this great country. That's why I'm happy to talk about our government's progress in the Critical Minerals Strategy.

We know that jurisdictions that support their homegrown industries and set them up to succeed are best positioned to contribute to the ever-changing demands of technologies of tomorrow.

That's why we launched our Critical Minerals Strategy last year—our comprehensive, five-year blueprint to strengthen Ontario's position as a global leader in supplying critical minerals. The commitments in this strategy will see us boost the resiliency of our supply chains, expand innovation and increase our exploration capacity.

Ontario's Critical Minerals Strategy is helping secure the province's position as a reliable global supplier and processor of responsibly sourced critical minerals. Our government's work to advance Ontario's Critical Minerals Strategy is helping to support better supply chain connections between industries, resources and workers in northern Ontario and manufacturing in southern Ontario, including Ontario-based EV and battery manufacturing. Sharpening Ontario's competitive advantage on the global scale is serving to keep the mining industry strong and building prosperity for communities all across this province, creating opportunities in Ontario's mining sector while supporting transition to green and renewable technologies. And one year after the launch of our strategy, the progress is clear. Our plan is working.

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As part of our strategy, last November, we launched the Critical Minerals Innovation Fund, the CMIF. The CMIF supports the critical minerals sector by funding research, development and commercialization of projects to stimulate investments in Ontario's critical minerals supply chain. This \$5-million fund is supporting Ontario-based projects in the critical minerals sector—projects ranging from mining and mineral processing to the recovery and the recycling of minerals. Projects like these showcase that Ontario has the mineral resources and industry expertise to supply and manufacture innovative technologies for sectors such as batteries and electric vehicles. All these projects prove that Ontario is hard at work to create a globally competitive and integrated supply chain with the power to create good-paying jobs, increase the province's competitive advantage and build up the economy.

The Ontario Junior Exploration Program, which began in 2021, helps junior mining companies finance early exploration projects for critical and precious mineral exploration and development. As announced in our 2023

budget, Building a Strong Ontario, we are investing an additional \$6 million, investing over the next two years in this successful program, which will help more companies search for potential mineral deposits and attract further investments in this growing sector. With this new funding, the government's total investment in OJEP is \$35 million, which includes \$12 million for the critical minerals stream.

As always, we will promote—

The Chair (Mr. Aris Babikian): One minute.

Hon. George Pirie:—strong relationships and respectful partnerships between Indigenous communities and mining companies that lead to economic prosperity. Indigenous partners are best-positioned to understand and leverage opportunities for their communities. Partnerships are key to ownership and equity and will enable long-term economic diversification.

Ontario stands ready to meet the soaring demand for responsibly sourced critical minerals and to reap the benefits for all Ontarians. Working together, we'll embrace today's unprecedented opportunities in the critical minerals sector to maximize the full potential of Ontario's economy—and that includes rare earths. We've got rare earth discoveries 20 miles west of Otter Rapids, a fantastic prospective piece of ground that truly is under-explored, because people—

The Chair (Mr. Aris Babikian): Thank you, Minister. The time is up.

Now we will start with the second round of questions and answers. We will go to the NDP, the opposition. MPP West, you have the floor.

MPP Jamie West: Minister, the mines and minerals program accounts for about 66% of the estimated Ministry of Mines budget for 2023, and then for 2023-24, the estimated budget jumps to over \$155 million.

Let me back up, because it's probably easier if I go on the timeline: So, 2022-23 was estimated to be \$30.5 million, and then the actual expenditures for 2022-23 were \$146 million, and the estimates for 2023-24 are now \$155 million. What accounts for the increase from the program's estimated amounts of \$30 million to \$146 million?

Hon. George Pirie: I missed the first part of your question, Jamie.

MPP Jamie West: Yes, sorry; while I was rereading it, I was going forward in time and backwards in time.

In 2022-23, it was estimated to be \$30.5 million, and the actuals were \$146 million, so what accounts for the increase in that difference?

Hon. George Pirie: In what, specifically?

MPP Jamie West: Well, when an estimate goes from \$30 million to \$146 million—

Hon. George Pirie: No, sorry; what line were you talking about? That's what I'm asking.

MPP Jamie West: Oh, I'm sorry. That makes more sense—the mines and minerals program.

Hon. George Pirie: Well, again, we've got a very detailed compilation of that number available, so I'll pass it over to the deputy.

Ms. Monique Rolf von den Baumen-Clark: Thank you for the question. I'll ask Scott to come up to provide you with some of the information.

Mr. Scott Mantle: It is an important clarification, and I do appreciate the question.

I can draw your attention specifically to page 59 of 61 in the estimates, because there are two very unusual adjustments that had to do with the line of questioning that we had before. Given the size of the portfolio of the abandoned mines that we're dealing with, the Auditor General raised a question about two and half years ago, which is, the current rate of inflation that was being experienced in the province of Ontario in the road-builder community and in the contractor community—would this have a significant bearing on our portfolio of abandoned mines? Essentially, we undertook a comprehensive reassessment of our estimates at that time. About 50% of the portfolio was completed in 2021-22, and again, on page 59 of 61 you can see those very unusual adjustments there. Another 25% of the portfolio was completed in 2022-23, and we're undertaking work this year and probably into next year to complete the remaining portion of the portfolio. At that point in time, our assumption is that it will be relatively up to date, given the market conditions that we're working with now, with the procurement community that we deal with to do this type of work.

MPP Jamie West: If I understand it properly, we had estimated \$30.5 million, and in the last two years we're getting close to \$155 million because of abandoned mines?

Mr. Scott Mantle: Yes, but those are just one-time adjustments. Those were adjustments to right-size the liability estimate for the portfolio—so that's once.

Again, the conversation that I have with the Auditor General is, what's a reasonable period of time to wait between doing those kinds of wholesale reassessments? When economic conditions are unusual—like high rates of inflation or limited capacity to the market that does this kind of work—you may want to do those reassessments more frequently. This was obviously one of those periods when it was reasonable to undertake a comprehensive adjustment, and we found it resulted in a material reassessment of the portfolio.

MPP Jamie West: If I try to think about finances for a household—if my kids had \$30,000 of school loans and then were reassessed and it was \$155,000, I think they'd find that shocking and startling, and they'd want to know whether they'd be accountable for it.

Is that money that's committed to the spending of these mine sites, or is that money that's set aside for them?

Mr. Scott Mantle: It's set aside.

As we were discussing before, we're obligated by virtue of the accounting rules for specific types of liabilities; namely, where there is presence of a contaminant. So it's a contaminated site, and we are required to actually book those through the accounts, incur the expense and make sure that it is sitting on our balance sheet as obligations in the form of liabilities.

MPP Jamie West: Minister, you talked about CMIF a couple of times, and it sounds like a very exciting program. Has all the \$5 million been allocated, or is there still money to go out?

Hon. George Pirie: It has been a very successful program. I believe, and I can check on this, that the applications were put in and filled immediately.

As you know, there is some very exciting innovative work that's being done—including rare earths right in Sudbury, in the old tailings and heap dumps of Sudbury. MIRARCO is leading the charge there on that, and they're looking at bioleaching.

Specifically, so I'm giving the correct answer, I'll pass that question over to the deputy minister.

Ms. Monique Rolf von den Baumen-Clark: Afsana Qureshi, ADM for our mines and minerals division, can give you a little more detail on that fund.

Ms. Afsana Qureshi: Thank you for the question.

You're right; it was a very successful program. We did get a number of applications and 13 were successful, which fully made sure that \$5 million was allocated. So there were 13 successful projects that fully used up that \$5-million fund.

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MPP Jamie West: In the briefing, the ministry said that there were 344,000 active mining claims in Ontario. I was going to try to guess where they were, but Minister, can you describe roughly where they are? I'm assuming most are in northern Ontario.

Hon. George Pirie: Thank you very much for that question. You want me to detail 344,000 claims that are outstanding in Ontario?

MPP Jamie West: No, not each one—just in terms of the range of where they are.

Hon. George Pirie: Most of those claims, of course, would be in northern Ontario, as you would expect, in the Sudbury area, the Timmins area and around the Ring of Fire in northwestern Ontario. But you'd also be surprised to know that there are a lot of active mining claims that are along the Kapuskasing structure as well. As I said, that's on the back of discoveries like VR industries that have discovered rare earths in an area that was really not prospective. The Kapuskasing structure is an incredible geological structure, but it is very difficult to determine how to find anything there.

The Borden mine is just on the edge of the Kapuskasing structure. When I was at the Borden mine with Dr. Palmer, we walked across this piece of rock where the Borden mine sits, and I said to the good doctor, "I wouldn't have bent over and picked up that piece of rock because the rock is the colour of pudding." It is the nature of the geological event. So you've got gold; you actually have potash; you have lithium; you have pegmatites; you have diamond showings; you have niobium; you have rare earths—it shows the incredible geological event that happened in that particular area. It's an area that goes from Lake Superior right back over to James Bay. It's incredibly interesting, but it demands a lot of work and innovation to figure out where these are. There's a trench that they're working on right now with VR industries.

You can get very excited about these discoveries. The world has changed from nickel, from big deposits like Sudbury and places like that, and we weren't looking for critical minerals—

MPP Jamie West: I was right with you because I enjoy mining, and then I forgot we have a time limit. I do appreciate that.

In terms of the amount of work that's going on in mining, it is exciting. There's a lot of stuff that you and I, I think, agree on because our roots are both tied to mining. My dad was a miner, as well.

I have heard rumours that the ministry office in Sudbury is short-staffed. I don't know if this is part of estimates, but have you heard anything about that?

Hon. George Pirie: I've been there many, many times.

Quite frankly, I'd have to pass that question to get a specific answer.

I will tell you that I'm impressed with every single individual at that Willet Green complex—fantastic people.

MPP Jamie West: It's a good organization. That's why I want to make sure they're successful.

Ms. Monique Rolf von den Baumen-Clark: Thank you for the question.

The minister was successful in getting us additional FTEs, as they're called, so we are actively recruiting for additional positions as a result of his work to get us some additional positions to help with all the work that is going on in the mineral exploration and mining industry. If you'd like numbers, we can ask Scott to come up and he can give you—

MPP Jamie West: I think it would be interesting for my community if the numbers were able to tell us if we need people.

Scott?

Mr. Scott Mantle: As a result of the analysis that the minister's office asked us to do that's specific to the volume of work, the surge of exploration activity, it was clear that additional resources were required, and the minister was able to secure those for us. In terms of where those resources actually reside provincially, it is far more complex. It definitely will have some flexibility—people are afforded a certain flexibility now in terms of where they do the work from because of the technological advancements. So we're far less certain about where jobs actually get located now than we used to be. A lot of these are contributing to the regulatory work that we do, which is a system-accessible platform that can be done from virtually anywhere in northern Ontario, which is very exciting.

MPP Jamie West: I'm just as excited about mining as the minister is, so I want to make sure we're not the bottleneck.

Hon. George Pirie: No. If I could answer that question as well—Scott talked about it, but it's not just Sudbury. We're obviously recruiting people, as well, in Thunder Bay—I know that's, again, a very, very active mining jurisdiction.

MPP Jamie West: And then the Clean Water Program, Minister, is listed in the estimates briefing materials, but it doesn't show a budget allocation for 2022-23, and there's no budget allocation for 2023-24; if I'm reading this wrong—I'm fine to be corrected—minus \$3.3 million in

actual spending in 2021-22. I don't understand this, so if you could help me understand.

Hon. George Pirie: I'll pass it again. If you wanted the detailed accounting on that one specific account, it will be provided.

Ms. Monique Rolf von den Baumen-Clark: Thank you for the question. We'll ask Scott Mantle to come up, and he can provide some further information on those line items.

Mr. Scott Mantle: My apologies, MPP West; can you just give me a page reference? You've got me stumped here.

MPP Jamie West: Page 14 in the PDF, the Clean Water Program. I have accidentally closed my PDF, and I have no idea how to find it again, so I just have a note in the corner: page 14.

Mr. Scott Mantle: The Clean Water Program I think is associated with other ministries' estimates. Our page 14 is the historical trend analysis. My apologies; I didn't want to repeat myself and chew up your time.

MPP Jamie West: That's okay. I can maybe reach out and just write a question and ask for it.

There was a large increase in the mining budget in 2021 and 2022, and then a reduction in the last fiscal, which I hope is on page 15 of the PDF, in the historical trend analysis data table. The actual ministry budget for that year was over \$318 million, and the estimate for this year is \$172 million. What explained the increase that year, when it jumped to \$318 million?

Hon. George Pirie: Thanks again for that question. I'm sure Scott can give you a detailed answer.

MPP Jamie West: Thank you, Minister. You and I are going to talk about minerals, and they can talk numbers.

Mr. Scott Mantle: We'll talk numbers. So that is on page 14 of the estimates and, again, the variance between those actual numbers—if we start with 2021-22 to 2022-23 to 2023-24—is largely explained by that very unusual adjustment that is identified on page 59 of 61.

In 2021-22, the adjustment to the abandoned mines liability was \$183 million. It was a one-time adjustment for about 50% of the portfolio to increase those values, and it was virtually entirely attributed to inflation and the economic factors that have to drive through some of these calculations. They're present-value calculations, so it gets into some strange math. But, again, the Auditor General thought that was a reasonable adjustment to make at that year. In 2022-23, the significant variance in that year, which is about \$100 million—again, that's shown on page 59 of 61—gets us through 75% of the portfolio.

The team continues to work on the remaining sites, so there will be another adjustment next year at this time that I'm sure we'll be talking about, to make sure that everything is right up to date.

MPP Jamie West: Just so I understand the adjustments—when the amount goes up by a certain amount, is that difference something the taxpayer is responsible for covering?

Mr. Scott Mantle: When it comes to the abandoned mines, these are mines that were typically operated during the war-effort era. We have a long history. There was no

legislation at that time that provided for the mining proponents to set aside the financial assurance necessary to do the work. Consequently, it's a responsibility that falls to all of us and falls to the Ministry of Mines to make sure the appropriate stewardship takes place. So it does flow through the cost of provincial programming.

1740

MPP Jamie West: It seems to be ballooning and it makes me concerned, as not just an MPP but a taxpayer, as I see the numbers climb. It's like looking at housing. I wish I could have bought my grandparents' house. I don't know if my kids will ever be able to afford a house with the way the prices have climbed. It just becomes a little frightening.

How am I doing for time, Chair?

The Chair (Mr. Aris Babikian): Two minutes and 20 seconds.

MPP Jamie West: How much of the Ministry of Mines budget is allocated to the Ring of Fire's Northern Road Link? I think you may have said it earlier.

Hon. George Pirie: Thanks very much for the question again.

The budget in total—actually, “budget” is the wrong word, but a billion dollars is what the province has announced toward the Ring of Fire development, and that's over the course of the development of it. What's going on right now on those three roads is the environmental assessment process that's being led by Webequie and Marten Falls. Again, if you want a detailed amount of money that's being spent on those three environmental assessments, we can give you that.

Deputy?

Ms. Monique Rolf von den Baumen-Clark: Thank you for the question.

The Chair (Mr. Aris Babikian): One minute.

Ms. Monique Rolf von den Baumen-Clark: Afsana, if you could provide those details.

Ms. Afsana Qureshi: Thank you for the question.

There are a number of line items to support Ring of Fire development. I haven't added it all up, but a rough number here is about \$39 million to support consultation efforts, to support socio-economic efforts, to support work that's going on on the roads. So it includes a whole number of pieces.

MPP Jamie West: I'm probably out of time.

Is there a blue-sky estimate of when the road might be completed?

Hon. George Pirie: Thanks again for that question.

Again, that's a very interesting question that depends on a lot of factors. The—

Interjection.

Hon. George Pirie: I missed that, sorry.

Anyway, that depends on a lot of factors—

The Chair (Mr. Aris Babikian): Thank you, Minister. The time is up.

Now we'll move to the independent member. You have 10 minutes. MPP Schreiner, go ahead.

Mr. Mike Schreiner: Thank you, Chair. Through you to the minister: I see land use planning referred to in the estimates a couple of times, but I don't see any money attached to it, and I also don't see a lot of detail in the estimates. The reason I'm asking is that there are concerns. I say this as somebody who supports mining and wants to recognize the important role that mining is going to play in the EV supply chain; I've said that many times publicly. But we also have to recognize that the Ring of Fire, in particular, is on sensitive peatlands. We want to make sure we don't emit more carbon than we save. I think land use planning is going to play a critical role in making sure we do this right.

I'm just wondering where the ministry is in terms of a comprehensive land use plan for the Ring of Fire.

Hon. George Pirie: Thank you for that question.

Again, that depends on a couple of ministries. Certainly, the Ministry of the Environment would have a big part of this.

I'll talk about the roads first. The large percentage of the three roads would be built on an esker. There are small parts of it that will require that it be built through lower areas, very similar to what I did at the Musselwhite road, when we built the road to Musselwhite—built on an esker. You have to locate the border pits, as they're called. You lay down—it looks like snow fencing across these low areas, and out of those borrow pits, you dump the material on top of them, and that's what you drive over. It's very secure. Those roads were built in the 1990s; they just had their 25th anniversary of operating in Musselwhite.

I don't know if you have an opportunity to talk about the Ring of Fire Metals people, but their mine plan right now has everything going underground. They have virtually no surface signature whatsoever, so it's a comprehensive planning process that involves the mining companies and all of the ministries that are involved.

But if you want a specific number on planning, the dollars associated with it, I could pass that off to the deputy minister.

Ms. Monique Rolf von den Baumen-Clark: Thank you for the question.

There is land use planning work that's being undertaken. As the minister said, there are various ministries involved—and so under the Far North Act, there is. I can have Afsana come up, and she can speak a little bit in terms of that. Were you also interested in costs associated with that?

Mr. Mike Schreiner: I'm interested in costs, but you can send those later. I couldn't find them in the estimates. That's why I was wondering if it was even happening, because I couldn't see it in the estimates. But I'm more interested in—

Ms. Monique Rolf von den Baumen-Clark: Is it happening?

Mr. Mike Schreiner: —is it happening, and what are we doing to make sure that we protect those peatlands.

Ms. Afsana Qureshi: Yes, there are a number of things that we work with other ministries on. Community-based land use planning with the Ministry of Natural Resources and Forestry—that is community-led. We work in partnership with the First Nations who are interested in doing land

use planning, but the Ministry of Natural Resources and Forestry is the lead ministry, so we're just a partner there. But that is one tool that is used to help the communities decide what they would like to see on the landscape.

Obviously, the roads in particular that you're talking about are going through an environmental assessment process and a federal impact assessment process. That is another tool that's going to be used in terms of the appropriate planning for road development routes, and the minister talked about building the roads on eskers and things like that.

We have a robust regulatory framework that will help support responsible development in the Ring of Fire, and, again, our partner ministry on that piece would be the Ministry of the Environment, because they are the lead on environmental assessments, but we do work on the Ring of Fire across all provincial ministries and with the federal government. So we take a bit of a whole-of-government approach.

Mr. Mike Schreiner: You may want to stay, because I have two follow-up questions related to that. I'll go to the minister first. One is, some of that planning work—you kind of referenced Indigenous communities, so are Indigenous nations helping to lead that work—

Interjections.

The Chair (Mr. Aris Babikian): MPP Schreiner, can I stop you for a second?

Can we focus on the question and the answers, please? Let's come back to the hearing and stop the side chat, if you don't mind.

Mr. Rob Flack: I'll talk to them, Chair.

Mr. Mike Schreiner: Whip them into shape over there, Flack.

The Chair (Mr. Aris Babikian): Go ahead, MPP Schreiner.

Mr. Mike Schreiner: Is some of this work being Indigenous-led, and are Indigenous nations being funded to help them do that kind of work with the ministry?

Hon. George Pirie: Thanks very much for the question.

I guess the short answer is yes. You should also, when we're talking about roads—we talked about the Ministry of the Environment, but the MTO is involved, as well. There are active discussions on a number of aspects about those roads, but yes, the Indigenous communities are heavily involved in all those discussions.

Mr. Mike Schreiner: I've read this only in the media, so maybe there's more updated information, and granted, a couple of months ago, when we were up north, I was reading about it—the federal government, at this point, is saying they haven't put money into the Ring of Fire, and part of the delay, at least they're saying publicly, is that the environmental assessments haven't been completed. I was just wondering where we're at in terms of completing that work in order to possibly secure some federal funding support.

1750

Hon. George Pirie: Thank you very much for that question.

We've got, again, active discussions with Minister Wilkinson. Your take on the situation is entirely correct, and I know that there has been an overture from the federal government that we're considering—because whatever we want to do, we don't want to make it more difficult; we don't want to have any duplication. So, yes, those discussions are happening right now.

Mr. Mike Schreiner: I know this isn't related as much to the estimates, but I still want to ask this, if you don't mind, while you're here. There were a number of First Nations concerned about the amendments to the Mining Act and issues around consultation. I'm just curious—through you, Chair, to the minister—if the minister has taken steps to reach out to those Indigenous nations and to try to repair some of the trust issues that were raised during the hearings on the Mining Act amendments.

Hon. George Pirie: Thanks again for that question.

I was in Cochrane last week with the Mushkegowuk Council. They had their AGM, and it was a great discussion. In the last presentation before me, they were discussing their financial statements. They had the financial statements reported on by their accounting firm, with a CA, and I listened as they announced that they have got a very healthy surplus with the Mushkegowuk tribal council; as I listened, the reasons came through as being the revenue-sharing agreements and the economic development agreements that are a result of the mining activities in the area.

I had a presentation—I've talked about that presentation. It's interesting, because Mushkegowuk includes the TTN, and as you know, the chief of TTN is Bruce Archibald—

The Chair (Mr. Aris Babikian): One minute.

Hon. George Pirie: —and his older sister is RoseAnne Archibald, and I know she's the grand chief of the nation. You'll understand their view on development. That's a community that's in the Cochrane area—actually, just north of Timmins. They've got great relationships with Canada Nickel. Prior to being involved in development, the unemployment rate was 85%, and now it's below the national average, all on the back of the development. The—

Mr. Mike Schreiner: Can I just interrupt quickly? I'm sorry, Minister; I'm almost out of time, and I just want to make a comment for the record, given this line of questioning.

I think if we're going to advance mining in the north—

The Chair (Mr. Aris Babikian): Thank you, MPP Schreiner. The time is up.

Now we'll move to the last round of questions and answers. It's the government's turn. MPP Leardi.

Mr. Anthony Leardi: Minister, the Critical Minerals Strategy will help Ontario's mining sector realize its full potential by attracting investment, promoting further Indigenous participation in mining, and creating more high-quality employment opportunities.

Indigenous partnerships are an important part of the mining industry in Ontario. Can you share with us how the Ontario government is supporting Indigenous partnerships?

Hon. George Pirie: Thank you for that question. I'm grateful for the opportunity to speak about this important topic today.

We know that Indigenous people are best-positioned to understand and leverage economic opportunities for their communities.

As Minister of Mines, I am deeply dedicated to building up the mining industry in this province to bring jobs and prosperity to Indigenous communities, the north and the entire province—building up Ontario mines, building up all of Ontario, and that includes all Indigenous communities. An important part of that is to ensure Indigenous communities can have meaningful input and benefit from the tremendous resource development opportunities in Ontario. Our government believes the mining industry's best days are still ahead, but we know the key to the industry's long-term success lies in strong partnerships with Indigenous communities—partnerships that can take many forms, but the focus must always be on ensuring that Indigenous communities will reap benefits from mining now and for many generations to come.

Partnerships with individual mining companies present an opportunity to support the economic growth and resilience of Indigenous communities throughout Ontario. Mining projects can present potential benefits that can far outlast the life of the mine itself—benefits such as employment, training and social supports that can help build community self-reliance in the long term; partnerships such as the memorandum of understanding, MOU, between Canada, Canada Nickel and the Taykwa Tagamou Nation, TTN. As part of this MOU, TTN will own and develop the electrical transmission assets necessary to supply the Crawford project with power, and Canada Nickel will rent these assets from TTN over the life of the mine over 20 years, and TTN will be granted an option to acquire a direct minority interest in Canada Nickel. This is simply a tremendous win for TTN as a result of a duty to consult on their minerals in their traditional territories. It transforms the MOU into owners in electrical transmission lines. They're the community I talked about that had an 85% unemployment rate, and now that's below the national average. They're taking this and they're bidding on other electrical transmission opportunities throughout Ontario. That First Nation has a very active economic development agency. They have taken those proceeds and built companies that are self-reliant.

This is what MOUs and development with mining communities, with the Indigenous communities can do. It transforms them into owners; it enables them. It's transformative for these communities, for the industry and for the province.

Chief Bruce and his community are very, very progressive. They search out all of the opportunities that are available to them for activity. We're talking to them all the time in relation to the mineral potential within the Timmins area. I talked to them about basalt. Maybe I haven't talked to you about this, but basalt is a mineral—when it was created, it was created at such a high temperature, it doesn't

have any carbon. When it's heated up, it can be transformed into a rebar type of material that will replace iron rebar—no carbon. It's got the possibility of transforming the building industry on the back of minerals, and that's what this is all about.

Canada Nickel is looking at a hydrogen fleet. Why hydrogen? Because northern Ontario has an abundance of natural gas. There's a 24-inch line that's empty—natural gas—but what's the problem? When you use natural gas to create hydrogen, you create CO₂. So you've got to store the CO₂. Where do you store it? You store it with serpentine. Serpentine is the native rock that this nickel deposit is held in. It absorbs CO₂—it's a mineral that absorbs CO₂. Who's involved with that? The TTN, an Indigenous community that see themselves as being a potential hydrogen superpower. The research is being conducted right now in labs in Kingston, and it's going very, very, very well.

1800

You can imagine the future differently in Indigenous communities. In fact, last year at this time—not exactly this time; it was probably July—I was talking with TTN and said, “Can you imagine this?” You've got the Indigenous community that will, in their hands—it's transformative, the power that they hold to transform the economy not only in northern Ontario or Ontario, but globally. It's an Indigenous community in northern Ontario, close to Cochrane. It's a phenomenal opportunity, on the back of mining, and they seize it; they see it. It's a very progressive community that sees the opportunities that they have with their resources in their traditional territories.

I've talked about Wahgoshig and how they seized the opportunities in relation to the revenue-sharing agreements—the fact that they are developing their own diamond drilling corporations.

These are empowering events—Côté Lake, with Mattagami First Nation and Flying Post First Nation—that fully support the development of a \$2-billion project. Their communities are flourishing. That was the community I talked about that took 17 years to develop that mine. What are they doing with it? They're spending over \$2 billion. They're employing 1,600 people.

The Indigenous communities are thriving with this development. That's what mining does with the communities, when they have resources in their traditional territories—and that's only three that I can mention. These are entirely powerful, empowering events for those communities.

Wabun Tribal Council—that's just in the Timmins area, as well. They have five First Nations. They're thriving on the back, again, of the resources in their traditional territory.

Indigenous communities thrive with these types of agreements and the boon we have in critical minerals. It's entirely empowering.

When I meet with the people in Sudbury, they talk about the First Nations and how they see their future as owners. That's what we want to see. We want to see owners who have a stake in the game—and they do. It's entirely empowering. That's what mining does. It empowers Indigenous communities to see their potential fully. When

I say that, we're doing it not just to say we can be green; we're mining it sustainably.

When you go to the Creighton mine, at 9,600 feet deep—I told you about those three people. One of them was an Indigenous young lady from Moosonee. Why is she there? The air is hot, but it's clean because it's all electric.

Vale is spending \$1.5 billion to eliminate the emissions from that stack. You must remember the evolution of the environmental sciences. The Superstack in the late 1960s was considered to be a solution, and it was. We probably had six separate stacks in the Sudbury area that were replaced by one Superstack. Now we don't even have that. What's produced out of that Superstack? A by-product that you sell.

The Indigenous people see this. They see the future that's possible because it combines not just the minerals in the ground, the potential to enrich the Indigenous communities, but also the fact that it is done in a fashion that doesn't hamper the environment, which is key to the Indigenous people. They can see it all coming together. They benefit in a fashion that keeps their core beliefs solid and pure. That's why the Indigenous communities support this.

I talk about economic development all the time, but I talk about it in relation to the environment, the fact that we do it sustainably, because I am a career miner. I am very proud of what the mining industry has done. We just announced a few weeks ago the lower emissions standards for diesel, and we did that, again, in Sudbury, at NORCAT. We've now got North America's best diesel standards. But we're going to do better. We're going to do better because we can; we can on the back of electric vehicles, haulage vehicles that might be powered by batteries that are lithium or something else, or they might be by—

Interjection.

Hon. George Pirie: Okay. I thought somebody else was going to—I guess I've got to get going. I'll leave it at that.

Mr. John Yakabuski: Aw. We were enjoying that.

Hon. George Pirie: Yes. I guess I'll wrap up.

The Chair (Mr. Aris Babikian): Other questions? MPP Yakabuski?

Mr. John Yakabuski: Thank you, Minister. That was a great way to end this committee.

We have no further questions, but I did want to say how refreshing and absolutely exciting it is to have someone with your history and your background, your lifetime in the mining industry and your institutional knowledge. It brings so much to the table that is so vastly helpful to us to help us understand this industry better, as well. We couldn't have somebody better at the helm as we get into a transformational period in this industry, when the critical minerals of the north are going to supply the industrial might of the south to make Ontario continue to be the leader in electric vehicle and battery production.

I want to thank you for your presentation today. Our committee has no further questions.

Hon. George Pirie: Thank you very much to all committee members, and thank you for your questions. Really

and truly, it's a quick two hours from my point of view. Thank you very much for your questions, the nature of your questions, the mutual respect.

Chair, you've done a great job.

The Chair (Mr. Aris Babikian): Thank you.

Hon. George Pirie: And to our staff here, as well, thank you.

The Chair (Mr. Aris Babikian): This concludes the committee's consideration of the estimates of the Ministry of Mines.

Standing order 69 requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Shall vote 4901, ministry administration program, carry? All in favour, please raise your hands. All those in opposition? Seeing none, the vote carries.

Shall vote 4902, mines and minerals program, carry? All in favour, please raise your hands. Any opposition? Seeing none, the vote carries.

Shall the 2023-2024 estimates of the Ministry of Mines carry? All in favour, please raise your hands. Any opposition? Seeing none, the estimates carry.

Shall the Chair report the 2023-2024 estimates of the Ministry of Mines to the House? All in favour? Any opposition? The Chair will report the estimates to the House.

Is there any other business that the members wish to raise? MPP Yakabuski.

Mr. John Yakabuski: Yes, Chair, I have a couple of motions.

The Chair (Mr. Aris Babikian): Okay.

Mr. John Yakabuski: I move that the committee enter closed session for the purposes of organizing committee business.

The Chair (Mr. Aris Babikian): MPP Yakabuski has moved a motion to have a closed session. Any debate? Seeing none, all in favour? Any opposition to MPP Yakabuski's motion? Thank you very much. The motion is carried.

Mr. John Yakabuski: I have a further motion once we are in closed session.

The Chair (Mr. Aris Babikian): Okay. We have to go into closed session first, and then we will do the business.

We will take a short recess.

The committee recessed at 1811 and later continued in closed session.

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