

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

**COMMITTEE**

**ON**

**PUBLIC ACCOUNTS**

**Wednesday, February 2, 2022**

**VIDEO CONFERENCE**

**Nova Scotia Cap-and-Trade Program**

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## **Public Accounts Committee**

Hon. Kelly Regan (Chair)  
Nolan Young (Vice-Chair)  
Dave Ritcey  
John A. MacDonald  
Melissa Sheehy-Richard  
Trevor Boudreau  
Hon. Brendan Maguire  
Claudia Chender  
Susan Leblanc

[Dave Ritcey was replaced by Kent Smith.]

### In Attendance:

Kim Langille  
Legislative Committee Clerk

Gordon Hebb  
Chief Legislative Counsel

Kim Adair,  
Auditor General

### **WITNESSES**

#### Department of Environment and Climate Change

Lora MacEachern - Deputy Minister  
Jason Hollett - Associate Deputy Minister  
Nancy Rondeaux - Executive Director, Climate Change  
Michelle Miller - Manager, Climate Change Mitigation



House of Assembly  
Nova Scotia

**HALIFAX, WEDNESDAY, FEBRUARY 2, 2022**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**9:00 A.M.**

CHAIR

Hon. Kelly Regan

VICE-CHAIR

Nolan Young

THE CHAIR: I'm calling the meeting to order. This is the Standing Committee on Public Accounts. My name is Kelly Regan. I am the Chair of this committee and the member for Bedford Basin.

Just some reminders before we start. Keep your video on during the meeting. Keep your mics muted until you are called upon to speak, and wait until after the Chair has recognized you to unmute your mic. Please indicate your wish to speak by raising your hand, and a reminder to place all of your cellphones on silent or vibrate.

I would like to ask the committee members to introduce themselves. We will start with Mr. Young.

[The committee members introduced themselves.]

THE CHAIR: On today's agenda we have officials with us from the Department of Environment and Climate Change to discuss the Nova Scotia Cap-and-Trade Program. I'm now going to ask the witnesses to introduce themselves. We'll begin with Deputy MacEachern - it's lovely to see you again, deputy.

[The witnesses introduced themselves.]

THE CHAIR: Thank you, all. Welcome to the Standing Committee on Public Accounts.

Deputy MacEachern, you may make your opening remarks now.

LORA MACEACHERN: It's a pleasure to be here today and a pleasure to take some time to speak about the province's cap-and-trade program. Because of the highly technical nature of this program, I'm pleased to have the three officials who have just introduced themselves join me here today to be able to answer your questions in detail.

Nova Scotia is a national leader in reducing greenhouse gas emissions. We've already reduced our total emissions by almost 30 per cent below 2005 levels. Based on our actions, we're on course to meet our 2030 greenhouse gas target of 53 per cent below 2005 levels, and net zero by 2050. We're doing this because we know that we're in a climate emergency and we need to reduce our contribution to climate change.

The new Environmental Goals and Climate Change Reduction Act that was passed last Fall is part of the response. The legislation, as you know, was unanimously supported by all parties. The department is also working on a climate plan to be released in the Spring, and it will detail more actions on how we will reach our goals.

We know that carbon pricing is an effective way to reduce greenhouse gas emissions. In response to the federal requirements, Nova Scotia launched a cap-and-trade program on January 1, 2019, that put a price on carbon pollution. It's a market-based system internal to Nova Scotia. This program has caps established for 2019 to 2022.

Nova Scotia's Cap-and-Trade Program has met the initial federal assessment from 2018, and has continued to meet the annual assessments since then. Regulated companies under the program include large industrial facilities, fuel and natural gas suppliers, and electricity importers. Under the program, regulated companies remit one allowance to the Province for every tonne of GHG emissions they report. Reporting is done at the end of the four-year compliance period.

The Province distributes most allowances for free, and the rest can be purchased through government-run auctions and through reserve sales, or through trading with other companies participating in the program. Many revenues raised by the program through the cap-and-trade program go to our Green Fund, and since 2019, Nova Scotia has raised \$73.5 million from four options we've held to date under the program for our Green Fund. This money is legislated to be reinvested in the programs that support the environment, reduce greenhouse gas emissions, and increase our capacity to understand and to respond to the impacts of climate change.

The minister recently announced the latest \$37.3 million investment. This includes \$15 million for the Sustainable Communities Challenge Fund, a program that will support communities to adapt to the impact of climate change and to reduce greenhouse gas emissions. Other investments announced this year include support for the SolarHomes Program, affordable housing retrofits, off-oil energy efficiency programs, and the creation of updated flood line maps.

While we've worked hard to create a carbon pricing program that works for Nova Scotians, we are also working on what comes next. In 2021, the federal government released updated benchmark requirements for provincial carbon pricing programs from 2023 through to 2030. This means all provinces and territories must implement more stringent programs. Our department is analyzing these new federal requirements, and we hope to be able to share more details soon on what will come next.

The goal for us, of course, is to have an approach that reduces greenhouse gas emissions in a way that is best for Nova Scotians. We need to change our programs to meet the new benchmark, and the federal government wants fairness and consistency across the country. Their changes include a higher price on carbon, more greenhouse gas emissions covered, and the removal of some exemptions and design options that would negate the impact of carbon pricing. As I mentioned, our team is busy analyzing the options, and we hope to have more details to share soon.

Before we take your questions, I do want to explain the limitations that we do have on sharing market-sensitive information. Our program allows for the market to determine the price of allowances that are bought and sold. We can't say anything that could impact the market and cause fluctuations within it. We would be violating market rules. These rules prevent abuse such as insider trading, tipping, bid coordination, unlawful disclosures, fraud, and market manipulation, and ensure the integrity, accountability, and transparency of the program. We're confident that we can have a full conversation on the cap-and-trade program while respecting these market rules.

So, thank you, and we look forward to the discussion.

THE CHAIR: Thank you, Deputy Minister MacEachern. We'll now begin the question period of our meeting today. Each caucus will have 20 minutes. First, we'll start with the Liberal caucus, followed by the NDP and the PC caucus. Just so you know, when we reach the 20-minute mark, I will end questioning there. I'm not being rude - I'm just stopping questioning when I'm supposed to.

We will first begin with the Liberal caucus. It is 9:09 a.m. Mr. Maguire, you're up.

HON. BRENDAN MAGUIRE: Thank you for your presentation, and congratulations on your new role. I know you'll do exceptionally well in that role.

I'm just going to ask some questions. Looking for some quick answers on these things.

I remember this debate very clearly. This was a very contentious debate and the Official Opposition at the time - the current government - was vehemently against this bill. They fought tooth and nail. They actually filibustered this bill. We heard things like the now Leader of the Progressive Conservative Party call it a Trudeau vanity project, that cap and trade was a Trudeau vanity project. That's in Hansard for anyone that may want to look that up.

We also heard the now-Finance and Treasury Board Minister say that this bill was not going to help climate change and that prices at the pumps were going to skyrocket, the prices of everything were going to skyrocket even though this was a made-in-Nova Scotia solution.

Deputy, do you know how the price increase this program produced compared to the - I don't want to call it the blanket federal program, but the federal program that they were recommending? What's the difference in the price increase between the Nova Scotia program and the federal program?

LORA MACEACHERN: We do have an answer to that question. I'm actually going to turn it over to the team, but I will just say before we answer this specific question that just like all provinces, we had some requirements to look at in terms of determining which way to go. There were a couple of different options. The conclusion reached was our cap-and-trade program.

It is a bit too early to be able to say whether the program has effectively achieved its purpose. The compliance period for the program is four years, and we're not quite at that four-year mark. We're now evaluating the program and taking a look at it, and also comparing it to the new federal requirements for going forward to determine whether it's the best option going forward or whether some differences should be made. Some program design changes will be required, no question, and that's part of our current work.

To answer the specific question, I believe Jason Hollett might have the best answer.

THE CHAIR: Mr. Hollett.

BRENDAN MAGUIRE: I'm just looking for some quick information on the price difference.

JASON HOLLETT: Thank you, deputy, and thank you to the member for the question. At the pumps, we see an increase of a little bit over a cent a litre as a result of the cap-and-trade program. That fluctuates a little bit depending on the closing prices of

allowances at our auctions that we hold twice a year. Under the federal government program, the cost is about 8.8 cents per litre.

BRENDAN MAGUIRE: Again, what I wanted to do today is clear up some of the misinformation. We heard things like, it was going to be 10, 15, 20 cents at the pump. The Progressive Conservative party said the price of gas was going to skyrocket. We're almost four years into the program now - we're creeping on four years - and the price is one cent a litre.

What I would like to know also is, what is the impact on the GHG? Did it help address the GHG emissions, and did it help reduce the emissions?

LORA MACEACHERN: Great question.

THE CHAIR: Deputy MacEachern.

LORA MACEACHERN: Yes. I will remember that. My apologies.

BRENDAN MAGUIRE: She's as bad as me.

THE CHAIR: No, she's not. (Laughter)

LORA MACEACHERN: As I mentioned, where it's a four-year compliance period, the companies that are part of the program have four years, so we're just at that point of shoring it up. We'll have a better sense in the near future around the impacts on GHG emissions associated with the program. As I said, we're evaluating and looking at that plan forward.

I would also add that by way of the program over the last four years, \$73 million has been generated to our Green Fund, and the Green Fund, as was mentioned, requires by legislation that it go back into efforts to reduce GHG emissions. We've got lots of examples of some good programs that have been invested in and that support that effort.

BRENDAN MAGUIRE: Like the solar program, which recently made news with Nova Scotia Power trying to go to NSUARB and essentially destroy that program, but we won't get into that right now.

LORA MACEACHERN: We're happy to discuss it.

BRENDAN MAGUIRE: I will get into it, then. What we know is that the cap-and-trade program took the burden off of everyday Nova Scotians and actually put it on the biggest polluters. That's what we were trying to do with this program. We were trying to remove the cost burden from Nova Scotians, because we know the price of everything is

increasing. The last thing people need is an extra huge amount of money coming out of their pocket.

[9:15 a.m.]

At the time that we introduced the program, there was a lot of criticism. It said that this would not be a cost-effective program. We kept going back to that we understood that the federal program that was being introduced was going to put expenses on everyday Nova Scotians, and we didn't want to do that. Can you discuss the cost effectiveness of Nova Scotia's Cap-and-Trade Program?

LORA MACEACHERN: Well, thank you. Certainly, cost effectiveness was a consideration with the design of that program and will be a consideration as we move forward and look to what our plan will be under the new federal rules.

I think I'll turn it over to Jason Hollett. He's got more of a history. I'm six weeks in and do not have the history of when it first was put in place. I'll turn it over to Jason.

JASON HOLLETT: In terms of cost effectiveness, it really depends on how you're measuring cost effectiveness. I think one of the primary objectives was to make sure that we were minimizing costs to Nova Scotian consumers.

To your earlier point on the price at the pump, of 8 cents under the federal program and around 1 cent under our program, I think that shows that we're showing some success on that. That would be the same across all fuels. That'd be the same with diesel or natural gas or fossil fuel or other home heating fuels that you would use.

This is an important point, and we talked a lot about it, I think, when we were setting up the program, as well. The cap-and-trade program has more administration behind it than the alternative. It did require us to build a small team with Environment and Climate Change to make sure that we were standing up to regulations and had the support to be able to enable that.

It does put a little bit more of a regulatory burden on the participants in the cap-and-trade program, as well, because they do have to make sure that they are reporting greenhouse gas emissions on an annual basis and that they are participating in the actions that they need to do in order to comply, like buying allowances on auction or reducing their own greenhouse gas emissions and monitoring that a little bit. There are a few different ways to evaluate that.

BRENDAN MAGUIRE: The other question that I have around the continuation of this, and I think this would be for Mr. Hollett - what impact did we see on the other thing that we heard in the Legislature at the time, that power rates were going to skyrocket

because of this scheme and it was going to add a huge price increase to Nova Scotians' power rate?

What impact did the cap-and-trade program have on Nova Scotia's power rates? Are you able to compare it to what would have happened if the federal program was implemented?

JASON HOLLETT: As far as we understand, there has been no discernable impact to electricity rates from the cap-and-trade program. I would highlight, though, as the deputy mentioned earlier, it's a four-year compliance period. We're in the middle of that compliance period right now. All companies and all participants have that full four years to make sure that they comply. There may be some costs for a company at the end of the compliance period that they would represent as it comes up toward the end of that, and they make sure that they are remitting all of their allowances based on their obligation.

The second part of your question on what the impact would be under the federal government program, I can't answer with any confidence because the federal government's program wasn't implemented. Here in the province, we were able to stand up our own program. At the time when we implemented our program, the federal government was really putting together the details of what their backstop would look like.

I think, in general, our preference is to put in place provincial regulations and provincial requirements. We can work closely with the utility. We understand their operations a little bit more. We usually start from that principle itself.

BRENDAN MAGUIRE: I wanted to go back and pick up some of the quotes and some of the arguments that were made by all parties during this debate. It was probably one of the more heated debates that we had in the Nova Scotia Legislature. We're seeing now that a lot of what was said by the Official Opposition - now the government - did not come true.

One of the things that I remember hearing was the now-Premier called it a scheme that was collecting more tax money from Nova Scotians, and that Nova Scotians would not see a benefit from this, that this was just another way of fattening the public coffers. We know that the Green Fund was set up to put that money and resources back into the public's hand.

Can we get a clarification on how that money from the Green Fund was put back into programs that help to benefit Nova Scotians?

LORA MACEACHERN: We're happy to speak to the investments out of the Green Fund. As I mentioned, \$73 million over two years has gone into our Green Fund. It's been invested in a number of good projects. The current government recently - two weeks ago - invested another \$37 million into programs, and that includes \$15 million for a new

program called the Sustainable Communities Challenge Fund, which is quite interesting, and also to the solar program and to some off-oil heating programs.

I'd like to turn it to Nancy Rondeaux. She works very closely with the Green Fund and is well familiar with all our programs, particularly those that have been funded out of the Green Fund that in particular help the average Nova Scotian.

THE CHAIR: Ms. Rondeaux.

NANCY RONDEAUX: Thank you for that question. I think ensuring a just transition where no one is left behind is definitely a priority area. Specifically around the Green Fund, we've invested \$18 million in programs that support low-income Nova Scotians, and as was mentioned, on January 17<sup>th</sup>, government made an announcement on some new areas of investment: the off-oil programs, as well as the solar program and the Sustainable Communities Challenge Fund.

I also want to draw attention to the funding that's been put forward for affordable housing. What we're looking to do is deep energy retrofits of affordable housing units, and we're starting with a pilot in Cape Breton. It will be one- to two-unit housing units, and we will be looking to get those homes fully off oil. We'll be looking to do insulation, attic-basement insulation, panel upgrades where required, and converting to heat pumps. I think that will be a really great initiative.

Another area where the Green Fund has invested is also in the HomeWarming program, which has been around for a number of years. That covers the full cost of a deep energy retrofit for low-income homeowners, and we've recently extended that to affordable housing for low-income renters as well. We'll plan to expand these programs in the coming years.

BRENDAN MAGUIRE: Obviously, with the offensive requests from Nova Scotia Power going through to the NSUARB - including a 10-per-cent rate increase, a connection fee for when Nova Scotia residents lose power due to storms, and of course the solar program - it's been a hot topic.

The previous Liberal government pushed the SolarHomes program. Myself, I took advantage of that program and have continued to promote and push forward not just the program but the jobs it's created, the small businesses, and the opportunity to create it. We know that the solar industry has exploded from 13 companies just a couple of years ago all the way up to 70 now.

When I personally first tried to get solar, it took about eight months to get my solar panels, from start to finish. Some people are now looking at a year and a half to two years because the industry is so busy.

What I want to know is, is the government looking at topping up the solar program? We know that the rebate has decreased over the years because of so many people using the program. Also, what was the importance of that program, and what is the importance of that program for the prosperity of the future of solar in this province?

LORA MACEACHERN: I think we're agreed about the importance of solar. We're very committed, and the new legislation reflects how committed we are to greenhouse gas reductions and our goals and targets there. We definitely see solar as part of the solution.

You may have noted that just this morning, government has announced that it will be taking some steps to ensure that the existing Nova Scotia Power program continues. We'll be making some regulatory changes to preserve that program, and it has also announced that some additional supports being considered for the solar program. Government has acted to support solar.

Also, just to mention as well the recent funding out of the Green Fund, really specific to the cap-and-trade program. Two weeks ago, another \$8 million was invested into the SolarHomes program, which is a strong incentive program. A number of positive steps are being taken. Certainly the voices of concerned Nova Scotians and the solar industry have been heard, and steps are being taken.

THE CHAIR: Mr. Maguire, you have two minutes.

BRENDAN MAGUIRE: First of all, I will applaud the government for doing a 180 on their position. It looks like they've done a 180 on their position when it comes to the environment and when it comes to climate change.

Again, I will never forget, I felt like I was arguing - it felt like the 1920s or something. We were arguing about whether climate change is real. We heard one of the members stand up and say, climate change has always been around and basically we don't know why it's such a big deal now. It's been around since the beginning of time, and we've seen the changes. We've heard them say it was a vanity project. There were other things that were said off record that we heard during all this.

I'm glad to see that they've done a 180 and they realize that this isn't about their own beliefs. This is about what Nova Scotians believe. We are all elected for the will of the people. Overwhelmingly, Nova Scotians believe in climate change and they believe in protecting our environment and our coastlines.

I think it's very important that every single MLA and every single member stand up and fight, especially when it comes to the change to the solar program. This isn't . . .

THE CHAIR: Order, the time for questioning from the Liberal caucus has elapsed. We'll now go over to the NDP caucus. Ms. Chender.

CLAUDIA CHENDER: Nice to see you again. Congratulations, deputy. I guess my critic roles follow you. Nice to be able to ask you questions.

In your opening comments, you were pretty clear that you're looking at the new federal guidelines, but I do want to ask just a little bit about where the thinking is there, because that is going to change.

I know in the cap-and-trade program as designed - and I have to confess, I have capacity for a lot of complexity in my brain, but this is a big one. If I have a misunderstanding, please point it out. My understanding is that in this first period, the cap lowers every year, so that's the incentive. This would be a more stringent cap.

[9:30 a.m.]

Are we again at a point where we either go the federal way or we redesign our own program? Is that the point? I think you said you were analyzing options. I just want to understand a little bit more about what those options are.

LORA MACEACHERN: Yes, important question. We're happy that you asked it.

I would like to just turn it over to Jason Hollett. He's best positioned to explain the various options that we are looking at and that other provinces have utilized.

JASON HOLLETT: The federal government has what they call a carbon pricing benchmark that they publish. They published it back in 2018 to provide guidance to provinces who wanted to design their own carbon pricing program. There was a guidance that we used when we put together our cap-and-trade program. We had to make sure that it conformed to the federal government directions.

They've updated and strengthened it, as the deputy mentioned. There's more stringency that's included in that carbon pricing benchmark now. Probably most significant is the carbon price that they use as guidance. From the 2019 to 2022 period, it started at \$20 a ton and increased to \$50 a ton. The new guidance increases that amount by \$15 per ton every year until it reaches \$170 in 2030. With that, obviously, is a lot more stringency in terms of what the provinces have to do in order to meet those objectives. They've also made some changes on potential exemptions and some program design details that are important.

The options that are available to us, though, are the same as they were before. We could do the benchmark would allow provinces to do a full carbon price. That's what you see in B.C. and the Northwest Territories. That's just a flat cost per ton of carbon that's applied at the point of sale. If you fill up your tank or you're getting home heating oil or natural gas or whatever it is, you would see a charge for that carbon tax on that. That

matches the federal price as it increases. It would be \$50 this year, \$65 next year, and so on and so on.

The second option is cap and trade, as we have here and as Quebec has. Our programs are a little bit different, in that Nova Scotia's cap-and-trade program is internal and Quebec's is linked to California. But the requirement for cap and trade is that we have to model the GHG emissions that you would see from the federal government's carbon price over time, and our cap has to match that model as it goes down. That's how we would have to make our cap-and-trade program.

The third option is called the hybrid approach, and it's the federal government's backstop. If we don't do anything, the federal government comes in to do this, or we can choose to do it ourselves. It's the federal carbon tax on fuels itself - so gasoline, diesel, natural gas, home heating fuel - but it's the performance standard approach on industry, so that would cover electricity, cement, or any other larger industry that we have here. That performance standard is a little bit complicated, but it operates a lot like a cap-and-trade program. It sets the GHG emission standard for all of those industries that can participate in order to meet, and that has to decline over time.

The principle behind all of them, though, is that you're putting a price on carbon and that it's applied fairly and consistently across the country. I think that's the federal government's objective. The tax itself provides a strong price signal that incents consumer reaction - the same thing with the cap-and-trade program. It provides a price signal, and they both would generate revenues for government that they can choose how they would recycle back out to, in this case, Nova Scotians to deal with what those higher prices may be.

CLAUDIA CHENDER: Thank you. I feel like I could ask about this all day, but I do have other questions.

I just have a couple of little follow-ups. Given the kind of, I guess we could say, declining industrial mix here in Nova Scotia, is it realistic that we could stick with cap and trade? Like, would the lowering of those emissions modelled on the new government standards require something too drastic too quickly from the participants if we're still staying in a Nova Scotia model, in your opinion?

JASON HOLLETT: That's a great question. We're really getting into the fun design details now. One of the fundamental differences between our cap-and-trade program and the federal government's approach or tax is that under a tax, there's no GHG target that the Province would have to commit to meet over time. You pay the tax, you pay the fee, but emissions can go up over time if people are willing to pay the additional money to allow that to happen. You hope that the pricing is high enough, that is incents people to change, and I think that there's lots of good evidence that that's actually what happens, but there's no cap on emissions from that particular tool.

The cap-and-trade program does have a cap, so you have to set your line that declines over time, and you can't go above what that is if you still want to comply with the benchmark. One of the issues with that is that if industrial emissions are going up over time, if you're adding new industry, that does put upward pressure on that cap and can make it difficult.

Here in the province, we have an internal cap-and-trade program. It's obviously a really small market, so we understand that here. In Quebec and California, in quite frankly a lot of other jurisdictions - even the United Nations has an emissions trading program, some other countries do as well. They have a larger market and that gives you a lot more wiggle room to deal with those industries or emissions that may be going up or down over time.

CLAUDIA CHENDER: I'll take that as a maybe. I know that we all want to talk about Nova Scotia Power, but we're not really talking about Nova Scotia Power. I will note that Nova Scotia Power's integrated resource plan is insufficient. I think that's acknowledged by everyone. It doesn't price carbon properly, it doesn't price it out any further than we are. It certainly doesn't take into account where we are.

We also know that with the regulator, there is no sustainability advocate. There is no ability in the regulatory scheme right now for the regulator to take into account how quickly Nova Scotia Power is getting off fuel, so it seems to me that this cap-and-trade program is one of the only ways that we can incent or control Nova Scotia Power's emissions as Nova Scotians.

I wonder if you could just talk a little bit about that. How does that work with them in particular?

JASON HOLLETT: The cap-and-trade program is one tool that we have to reduce emissions specifically from the electricity sector in this case. I think the other big tools that we have that we've legislated as part of the new Environmental Goals and Climate Change Reduction Act, there's a legislative requirement for Nova Scotia Power to reach 80 per cent renewables by 2030 and to close coal plants by 2030. Those are two really significant complementary policies to carbon pricing that's really going to drive GHG emissions down over time significantly in a very short period of time.

I think the other tools that we have that we've been using really effectively here in the province are energy efficiency programming. We have Efficiency Nova Scotia that collects money from Nova Scotia Power ratepayers and is really a national leader on energy efficiency programming. It helps Nova Scotians directly save money on their bills from just reduction of consumption of GHG emissions.

I think also the SolarHomes program and other investments by government to reduce electricity consumption or to incent renewable energy on the grid, all of those things

work together to help transform the electricity sector to a low-carbon future, which is really where we need to go.

CLAUDIA CHENDER: I will note that most of that's a bit of an end-around but very useful, nonetheless. I guess I want to ask a whole other set of questions. We do have those legislative targets, but there's also no penalty if they're not met, as far as I understand. We're a bit concerned about that.

When we're talking about GHG reductions and our targets, how are we measuring that? We have our cap-and-trade program, but we also have these tens of millions of dollars from the Green Fund going into incentives that are mandated to reduce GHGs. Are we measuring that? Is there a formula? Is there a spreadsheet somewhere? I'm curious how that works.

JASON HOLLETT: Yes, we do measure GHG emission reductions over time in a number of ways. Economy-wide, we partner with Environment and Climate Change Canada on their annual accounting of GHG emissions. We directly measure and require companies to report their GHG emissions to us under our cap-and-trade program. Over 85 per cent of all the emissions in Nova Scotia are captured under that cap-and-trade program.

In terms of the Green Fund, specifically when we're evaluating projects to fund, we do include greenhouse gas emissions as a measure. It's not always the most important measure - we also invest in things like adaptation and climate resilience. Some of the investments to support low-income Nova Scotians may not have greater GHG emissions, but they definitely have other benefits that are important.

Current program funding from the Green Fund, we estimate, is about 27,000 tons of reductions per year. The only thing that I'd note is that it doesn't account for some of the bigger investments we've made in a program like the Sustainable Communities Challenge Fund, where we're actually asking communities to bring their projects in to us where, again, we will evaluate on potential GHG emission reductions over time. Hopefully what happens is that you're creating a good marketplace for a lot of these technologies and programs that start to percolate across the province and really expand those reductions.

This is probably the most important, and I forgot to mention it: We're required to report annually on the Green Fund to the Legislature. One of the metrics that we do report on is greenhouse gas emission reduction.

CLAUDIA CHENDER: I want to ask a question and then have a little time to hand it over to my colleague. When we talk about measuring greenhouse gas emissions in the province - and we spoke about this last time in committee, Mr. Hollett - my understanding is that we are not measuring biomass. That remains a concern for many Nova Scotians and certainly for our caucus.

I want to ask what your opinion is about the notion - which I think has been widely discredited - that biomass is a carbon-neutral energy source. It's fairly clear that burning our forests for energy is not where we want to go in terms of greenhouse gas reductions. I want to just clarify that currently none of those emissions are accounted for in cap and trade, and to ask where we are in considering how we measure biomass emissions.

[9:45 a.m.]

JASON HOLLETT: Last Spring, when you asked me before, I guess it's good practice for me to prepare for the question again today. Currently, emissions from biomass are not accounted for in the cap-and-trade program or on the provincial ledger of greenhouse gas emissions in terms of their use to produce energy.

We follow federal guidelines on the measurements of greenhouse gas emissions to make sure that we're consistent with what's being applied federally. The federal government follows international standards to make sure that there is a consistency in how GHG emissions are measured and compared worldwide.

To your point, I think there are lots of discussions that are happening right now on the validity of, or the approach of, measuring biomass emissions, especially from energy generation. I think the conversation is very nuanced because there are so many different ways to produce energy from the use of biomass or biofuels. There's some pretty traditional technology, like some of us have woodstoves and burn wood to heat our homes, to using it to produce electricity. There's a lot of work being done on second- and third-generation biofuels as well.

It's a complicated equation where you need to incorporate the source of the biomass. Is it trees? Which grass is it? Something else? Is it waste? How is it used? How does it compare to the alternative? I'm not trying to deflect from the question - it's a very complicated issue.

One of the better and a more emerging tool is something called a life cycle analysis, where you take a look at the cradle-to-cradle emissions and compare it to the alternatives when you're doing those evaluations on how to approach, so we follow that closely. We know the federal government is looking at it closely in some of the regulations that it's adopting for its clean fuel standards, where it's trying to reduce the carbon intensity. We'll continue to do that.

THE CHAIR: Ms. Leblanc.

SUSAN LEBLANC: I thought my colleague was going to follow up on that, but I will follow up. That life cycle analysis, Mr. Hollett - is that being contemplated? Is the department looking at that? Why can't we be looking at that analysis right now to have a better picture of biomass?

Also I guess a Part B of that is that we've talked about a made-in-Nova Scotia solution or approach to all of these things. We understand that there are some big international biomass generators who are now being taken out of consideration as clean energy. Is there contemplation of Nova Scotia looking at that life cycle analysis and making our own decision not based on what the federal government or the international community are doing?

JASON HOLLETT: Currently we continue to follow federal government guidance and international guidance on how we account for and measure greenhouse gas emissions. As I mentioned earlier, we are watching this really closely to see where these conversations are going. I think it's important, to your point, that we prepare for what may be coming next, but currently, we just continue to follow the federal government's guidance.

SUSAN LEBLANC: I want to turn back to the Green Fund for a minute. I have a couple of questions about that, but one is in the contemplation of different systems as we move forward. As you were saying earlier, there are a couple of different options in what direction we can go.

If we decided to go more with carbon pricing and less with the cap-and-trade program, what would happen to the contributions that go into the Green Fund? What would happen to that? How would the Green Fund continue to exist, is my question.

JASON HOLLETT: It opens up a really great discussion on design details of carbon pricing, and the details really do matter on how you approach it. Right now under cap and trade, we hold auctions, we generate revenue, and we put that into the Green Fund. Our legislation gives us some guidance on what we can spend those funds on. Under a carbon tax or the backstop or the hybrid approach, we would still continue to generate revenue to the province, both through the tax but also potentially through the performance standard system, where we'd be regulating industry and they could potentially be paying into what could be a Green Fund again as well.

I think in the case of the alternative, the revenues would be a lot bigger because you're applying the tax on a greater swath of energy sources in the province.

THE CHAIR: Order. The time for the NDP caucus has elapsed. We'll now go over to the Progressive Conservative caucus. Mr. Young.

NOLAN YOUNG: Just around the Green Fund again - Mr. Hollett, I believe. Could you give me some more details or expand a bit on some of the projects within the Green Fund? Perhaps the Sustainable Communities Challenge Fund?

JASON HOLLETT: Happy to. I can start to talk about the Sustainable Communities Challenge Fund, and then I may turn it over to my colleague Nancy Rondeaux to get into the details of some of the other ones.

The Sustainable Communities Challenge Fund is a regulator requirement that we included in the Environmental Goals and Climate Change Reduction Act. It's really meant to recognize that our municipalities, our towns, and our communities really play an important role in reducing greenhouse gas emissions and preparing for the impacts of climate change. The purpose of the fund is to really capitalize on that set opportunity and make sure that we are able to support those communities and that they can bring their projects forward and have an avenue to get some funding.

There are currently no federal government sources of money that communities can apply for. A lot of them invest their own money. We have some great communities here like HRM, Canso, Port Hawkesbury, and some others that are really driving forward on a strong climate change agenda. We want to make sure that we're supporting that, and we want to make sure that we're creating opportunities for all communities so that they can come forward with projects such as retrofitting their own buildings, incorporating active transportation like bicycle lanes or walking lanes in their communities, electrifying their fleets, or installing EV chargers.

I think the point is we want them to come with the priorities that they've identified with their community, and we want to be able to support those. I'll hand it over to Nancy Rondeaux, who can talk a little bit more about the other programs that we've put together.

NANCY RONDEAUX: I'm happy to talk about some of the programs that have been funded this year.

As I mentioned earlier, we have the Affordable Housing retrofits program. That will do deep energy retrofits of 113 one- and two-unit housing units in Cape Breton. That's on a pilot basis. We've also funded the SolarHomes program. That will provide 1,680 homes with a solar PV and will save those homeowners \$2.9 million annually on their energy bills.

We also fund the Home Energy Assessment program. That's an off-oil program and the objective there is of 3,000 homes with an annual bill savings of \$3 million. We've also funded flood line mapping. That's going to be work that will be joint between the Department of Municipal Affairs and Housing, ECC, and GeoNOVA. That will provide communities throughout Nova Scotia with coastal and inland floodplain maps that will incorporate climate change projections.

Other provinces in the Atlantic region have done this recently, and we're doing this as well. It's going to help us to mitigate losses, to enable us to plan appropriately and to build capacity and understanding on what climate change projections we're going to be faced with.

We also funded the Atlantic Data Hub, and that's a new organization called CLIMAtlantic. It's going to be housing, really, just data on climate projections. A big

objective of the organization is to enable that data to get to decisionmakers, to engineers who are designing infrastructure, to architects, and for us, as well, to really understand where things are going and to help plan for that.

What else can I talk about. We also have funded the Climate Adaptation Leadership Program, where we're developing climate adaptation plans and strategies with departments, as well as various sectors: the water resources sector, the forestry sector, and others. I think that's a really important initiative to highlight. I'll leave it there.

NOLAN YOUNG: How do you make decisions on what to invest Green Fund revenue in?

JASON HOLLETT: I'll start and then hand it over to Nancy, who works a little more closely on the program.

It's really important for us to consider a few factors. Number one is the legislation. We have six permitted legislated areas where we can invest the Green Fund. It's areas of GHG reduction, making sure that we're helping Nova Scotia to adapt to and be resilient to the changes. It can be innovation and research and development and innovation programs. It can be things that focus on public education, as well, or help us with our international partnerships.

That's on a high level that guides what we are permitted to invest the money in. I'll turn it over to Nancy to talk a little bit about how we get into the specifics of each program.

NANCY RONDEAUX: I would just add, in terms of priorities of where we focus, we're collaborating across government to identify priorities and to expand existing programs as well that benefit Nova Scotians. We're looking for strategic opportunities as well to leverage federal funding sources where we can and to get input from our stakeholders and community groups on priorities.

We're looking for projects that are action-oriented, that are very impactful, that have really well-defined outcomes, that are community-based, and that meet the criteria that have been set out for the Green Fund.

NOLAN YOUNG: Speaking of the federal government, how will the new federal benchmarks impact revenue from 2023 to 2030?

JASON HOLLETT: I think the question was, what's the impact of the federal government's new benchmarks from 2023 to 2030? I think as I had summarized a bit before, the big headline impact on the benchmark is the carbon price itself, so the increase from \$50 a tonne this year to \$65 a tonne next year, and then an increase of \$15 a tonne every year until it reaches about \$170 in 2030. That's the one that's the most impactful.

The benchmark does also get into the details a little bit on trying to make sure that carbon pricing is fair and consistent across the country, so it actually starts to target some of the exemptions that some provinces put in place in the previous version, or rebates that they sent directly to consumers that negated the price signal. They're trying to make sure that every province and territory has an equal impact from the carbon pricing program that they put in place.

A consequence of a province or territory not meeting the benchmark is that the federal government will come in in their stead and implement their backstop in that province or territory.

NOLAN YOUNG: When the McNeil Liberal government in 2016 requested and received an extension to burn coal to 2040, which is 10 years past the federal deadline, what was the agreement that was reached in terms of carbon pricing and credits for Nova Scotia Power for these additional 10 years?

JASON HOLLETT: We did negotiate with the federal government a few times in the 2020s for what we call an equivalency agreement, so that Nova Scotia would regulate GHG emissions from the electricity sector, instead of the federal government. As part of that negotiation, it really just focused on the federal government's coal-fired electricity regulations and didn't contemplate carbon pricing at that time. In the original period, when we first negotiated equivalency back in 2012-2013, there were no indications of carbon pricing.

The second important point I think is that there are several ways to regulate the electricity sector. One way is through carbon pricing, the other is, as I mentioned earlier, that the Environmental Goals and Climate Change Reduction Act does have the requirement to close coal plants and has renewable energy targets as well. All of these approaches work together to help us achieve our 2030 target and set us on the path to net zero by 2050.

NOLAN YOUNG: I'll pass it to my colleague, Mr. Smith.

THE CHAIR: Mr. Smith, you have 10 minutes.

KENT SMITH: I'm a rookie here. I've only been part of the Legislature for the last six or eight months or so, so I really didn't have a good understanding of how interesting and informative this committee work can be, especially on a topic like this that I had a limited knowledge on. I have certainly learned a lot in the last few days, and feel really lucky just to be a substitute on this committee today.

I don't like to look backwards like some of my colleagues do and talk about the past. I prefer to look into the future and talk about some of the good things, but there's one bit of clarification. When the considerations were made on what option to take, what was

the discussion? What were the conversations back in 2017-18 when decisions were made on cap and trade versus the alternatives?

[10:00 a.m.]

JASON HOLLETT: At the time when the federal government announced that they wanted a national carbon pricing program and were giving the provinces and the territories the ability to put their own in place as long as it met the benchmark, the direction that we were working with at the time was to make sure we complied with the federal benchmarks. That was very important. We had to meet the rules and the requirements of the federal government, but at the same time, we wanted to make sure we were keeping costs to consumers at a minimum.

From those two points, cap and trade was the program that enabled us to do that. That's why that decision was made at that time.

KENT SMITH: Thank you for the answer, Mr. Hollett. How are the caps set under this program? Forgive me if I missed it earlier - a lot of information, a lot of details coming at us.

JASON HOLLETT: The caps are set through a negotiated process with the federal government. What we need to do for Nova Scotia is to demonstrate to them that we can reduce our emissions at an amount that would be the same as if we had the carbon tax here in the province. It's a modelling process with the federal government where they model the impact of their price on our economy and they come up with a line that says, okay, if you have a \$20-per-ton carbon tax in your jurisdiction, here's how much your emissions should go down - \$30 the next year, \$40, and then \$50. That's how we created our cap.

Once we have that cap, it comes over to the province to develop the design details. We have the ability to say, okay, underneath that cap, here's how we want to design the program, here's how we allocate emissions under that cap, here's how we set up our cap-and-trade program to meet those objectives.

Every year the federal government does an assessment and analysis of our program to make sure that we're conforming with those requirements. I'm happy to say that we've successfully passed their assessment since we've had the program in place.

KENT SMITH: Well, congratulations. Are there any other comparable-sized jurisdictions with a similar type of program?

JASON HOLLETT: I think it would be safe to say that we are one of the, if not the, smallest jurisdictions to have cap and trade, or at least the cap-and-trade program that we have in place, which is internal only to Nova Scotia. There are a number of countries. China has kicked off a cap-and-trade program; Korea; New Zealand has it; Quebec and California

have a linked program; the European Union has a trading system; and the United Kingdom has a trading system. Washington State just set up their own internal system at the beginning, but again, Washington State's economy is fairly larger than Nova Scotia's.

KENT SMITH: Thank you for the answers, Mr. Hollett. I was going to ask another one about the importance of Bill No. 57, the Environmental Goals and Climate Change Reduction Act, but I've heard you talk a couple times about the important link between this program and that legislation that we put through in the Fall.

I'll pass the question and the remaining time on to my colleague Melissa Sheehy-Richard.

THE CHAIR: Ms. Sheehy-Richard.

MELISSA SHEEHY-RICHARD: Thank you, and thank you for coming today to join us on our committee. I too find these very informative and am enjoying them much more than I maybe thought I would.

I just want to try to go back to some of the new federal benchmarks - it is a lot of information to process, I will say. Some of these new, updated federal benchmarks - do you have any ideas of the implication, how it's going to affect consumers? Mr. Hollett, perhaps?

JASON HOLLETT: Those are the important considerations that we need to be focusing on as we analyze what the options are - always when we're looking at climate change programming in general, but I think in this place in particular because of the increasing carbon costs over time. GHG emissions are definitely one of the high-level objectives of carbon pricing, so we need to make sure that we're doing it in a way that's best for Nova Scotians.

We do foreground that as one of the most important points when we're analyzing. The way that we need to look at it is with the increasing carbon price over time, whether that is with the federal government's system or with a cap-and-trade program over the next eight years. What are the impacts on Nova Scotians, what's the impact at the pumps, on their heating oil bills?

Also, I think it's important to consider how we can help with that. Under each one of these programs, we do get revenue through government as well, and that increases our capacity to help Nova Scotians. In some jurisdictions, they send payments back to their constituents or they increase program funding.

I think the ultimate objective is that we want to lower greenhouse gas emissions here in the province. The lower the GHGs are, the less impact any carbon tax would have. It's a good balance on making sure that we have programs in place to get people away from

fossil fuels and onto cleaner sources of electricity so that carbon pricing isn't such a significant impact in the longer term.

MELISSA SHEEHY-RICHARD: Again, can you allude to the impact of the new benchmarks on Nova Scotians, and maybe talk about some of the impact on businesses.

JASON HOLLETT: That's the kind of analysis that we're doing right now and we're taking a look at the options under this. I can say as an example, when we launched the cap-and-trade program back in 2018, the analysis that we did on the impacts of our program showed that the cost per litre of gasoline would be about a cent per litre. The average household cost would be somewhere between \$50 to \$75 per household, with commensurate impact at the business level as well, because they also are energy consumers.

As we go forward, because the federal benchmark is more stringent and the price goes up over time, I think it's safe to assume that these impacts are going to be much larger as well. When we're looking at the options that are available to us, the main difference between the cap-and-trade program and the carbon-pricing program is really the price that comes out of it. The cap-and-trade program creates a market where the objective is to achieve reductions at the lowest cost per tonne. The carbon price is just the set price that increases over time, so you can relatively easily calculate what the impacts will be under the carbon price. Under the cap-and-trade program it's a little bit more difficult because you're relying on those market impacts.

We can say under the federal government benchmark, if that's the program, the cost per litre of gasoline in 2024, I believe, is around 17 cents a litre, and that would increase to about 35 cents a litre by 2030.

THE CHAIR: Ms. Sheehy-Richard, you have one minute.

MELISSA SHEEHY-RICHARD: I'll try to be quick. Have you identified any potential large sources of renewable electricity at this point, or are there some directions that you're looking towards?

JASON HOLLETT: Renewable energy is going to play a really important role in the transformation obviously because we do still get half of our electricity from coal-fired plants. Government has recently announced the procurement of 350 megawatts of wind. That will go a long way in helping us to reduce our emissions over time.

As I'm sure everyone is aware, there's an effort underway between Quebec, New Brunswick, Nova Scotia, and the federal government to try to get access to clean electricity from ...

THE CHAIR: Order. The time for the PC caucus has elapsed. Now we'll do our quick round. Each caucus will have three minutes. We'll begin with Mr. Maguire.

BRENDAN MAGUIRE: I don't even think I can say my name in three minutes. I do want to take a moment to applaud the government for their very timely announcement today around net metering. I look forward to seeing that piece of legislation coming forward and working with them and supporting it. I think it's very important and I'm glad that they listened. The solar industry, I think we're all very much aware, was about to be decimated. It just was not going to be affordable to have solar panels and solar in residential areas.

The one thing I will say to all members is I feel that the solar issue, while it's extremely important, is a bit of a distraction also. If you look at what's being proposed to the UARB, it is a 10-per-cent hike on residential homes, up to 11 per cent on small businesses, and 15 per cent on large industries. That will trickle down to Nova Scotians, so we will be double hit by this. They're looking to reintroduce the EfficiencyOne line on your bill, which was removed in 2014. That will be an extra cost to Nova Scotians.

I don't know how they do this and look in the mirror, but they are looking to introduce a fee for all Nova Scotians for reconnections after storms. This has nothing to do with Nova Scotians. This has to do with repairs to the line. We've heard from individuals - all of us as MLAs have heard about trees overlapping on lines and the lack of repairs and upgrades to the system.

What I would say is - this is less to the department and more to everybody in this room - that this will absolutely choke Nova Scotians, adding 2 per cent here, 2 per cent there, 10 per cent here. I ask that the members of the Progressive Conservative government - we've seen today that the Premier of Nova Scotia has come out in favour of supporting the solar system. When you go back to your caucus, I don't know if it's today or tomorrow or when, I would ask that you ask that your minister continue to intervene and not walk away and continue to intervene on these rate increases and these ridiculous new lines that are being added to our power bills.

This will absolutely take away from people's ability to feed their children, to clothe them, to be able to put a roof over their head. This, to me, looks like Nova Scotia Power trying to get one over on a new government. They're hoping that you're not looking. This is why, at the very beginning of your mandate, they are going to the NSUARB with some of the largest increases in Nova Scotia history. I ask that you take this back. I heard Mr. MacDonald recently out there fighting for child care and the private industries.

I also quickly ask the Auditor General that we look into the Green program and the tens of millions of dollars that are being spent, where this money is being spent, and that we are getting the outcomes, because I don't know. Mr. Hollett, you probably have about 30 seconds here. Are you attaching outcomes to these programs that are traceable?

THE CHAIR: Sorry, the Liberal caucus is out of time. We move now to the NDP caucus. Ms. Leblanc.

SUSAN LEBLANC: I just want to ask quickly about carbon offsets. Last year at a Natural Resources and Economic Development Committee meeting, Mr. Hollett was talking about the development of a federal system of offsets. I want to ask whether we're looking at that to take advantage of it. In particular, we know that forest management is among the first protocols being developed at the federal level.

One of the recommendations in the Lahey review is to actively develop options for carbon credits for private woodlot owners. Will the department be working across departments with Natural Resources and Renewables or Economic Development to actively organize private woodlot owners in Nova Scotia to take advantage of that federal greenhouse gas offset system?

JASON HOLLETT: Yes, we continue to monitor the development of the offset program federally. We do think that there are some opportunities here in the province that can be pursued. We are in contact with our colleagues at Natural Resources and Renewables regularly on these opportunities and others that do come up, and we'd be happy to support and work with them and the industry if they would like to pursue opportunities under the federal program.

SUSAN LEBLANC: I'm just going really fast here. I guess the other area is agriculture. Enhanced soil organic carbon is also on the list of first protocols being developed. Again, since we don't have our own system that would reward farmers for switching to that practice, are we positioning farmers in Nova Scotia to take advantage of the economic opportunity federally?

JASON HOLLETT: Similar to the forestry sector, I think there's an opportunity in the agriculture sector to capture carbon emissions in the soil through improved practices. We are monitoring the federal government's program as it gets developed. We actually work very closely with our agricultural colleagues to make sure that those opportunities can be realized.

SUSAN LEBLANC: Well, thank you. I'm just going to keep going.

Last year, Mr. Hollett also mentioned that in the minister's mandate letter - which I think was the former minister - the minister was to apply an equity lens to funding for the Green Fund. I'm wondering if that's still a priority, and if you can share any kind of framework with us for that.

JASON HOLLETT: I think that was with the former minister's mandate letter, but that principle is definitely carried forward into this government. We've seen it as a principle and a goal that was included in the Environmental Goals and Climate Change Reduction

Act as well. It's something that we take very seriously when we're considering and analyzing investments in the Green Fund, but also other policy and program development as well.

It's one of the main reasons why we've invested over \$18 million in programs that really focus on . . .

THE CHAIR: Order. The time for the NDP caucus has elapsed.

[10:15 a.m.]

We now go to the PC caucus and Mr. MacDonald.

JOHN A. MACDONALD: Thank you, Madam Chair, and I look forward to MLA Maguire supporting our legislation to deal with our action on Nova Scotia Power versus reacted. Our Premier spent some time and figured out exactly how to act on it.

My question is actually regarding Nova Scotia Power. From my understanding, they're about 40 per cent of our GDG. Is that about right? I believe that's to Mr. Hollett.

JASON HOLLETT: I think that's correct. It's somewhere around 42 or 43 per cent of total greenhouse gas emissions in the province under the cap-and-trade program.

JOHN A. MACDONALD: In that point, they are expected to report and tell us exactly how much they've emitted. From what I've seen, they say they can't until a third party comes out and does that. Is that a normal process, where somebody who is that big has to have a third party come out and confirm their numbers?

JASON HOLLETT: I'm going to pass it over to my colleague Michelle Miller, who works on the details of the cap-and-trade program. She'll walk you through the process and the importance of third-party verification for our large industries.

THE CHAIR: Ms. Miller.

MICHELLE MILLER: We require all participants to do third-party verification of their GHG emissions annually. It's really important to the integrity of the program that people are not self-reporting and that a third party is verifying that the emissions are correct, because at the end of the program they are required to emit one allowance for every emission that they are responsible for. We have to ensure that those emissions are correct, and third-party verification is a common program used in almost all jurisdictions for reporting.

JOHN A. MACDONALD: The federal government provided \$1.6 million to create a CLIMAtlantic group. I'm just wondering, how is the Province partnering with this group?

MICHELLE MILLER: Apologies. Can you repeat the question?

THE CHAIR: Actually, we've just run out of time.

JOHN A. MACDONALD: I thought we were going to be close. Thank you, Madam Chair.

THE CHAIR: I would like to thank our witnesses, and I believe Deputy Minister MacEachern has a few closing remarks. Just to let the witnesses know, once those have concluded, you're free to leave the meeting. You don't have to remain in the meeting.

LORA MACEACHERN: Just a quick thank you for the time and attention on this really important topic. We know that it's quite technical, and so appreciate your patience as we discuss some of the finer points. It is really important. Our concentration on GHG emission reductions is a priority.

We know we are in a climate emergency. As leaders, it's important that we spend some time concentrating on these issues and doing all that we can do action our goals.

Thank you very much. We appreciate the opportunity today.

THE CHAIR: Thank you very much, Deputy MacEachern, and thank you to your team, as well.

We will now move on to committee business. We do have some correspondence here from Karen Oldfield and Jeannine Lagassé regarding the request to appear with respect to the decision to dismantle the Health Authority board. I note that these two witnesses have been scheduled for our meeting on March 23<sup>rd</sup>. Is there any discussion on this particular matter?

Mr. Maguire.

BRENDAN MAGUIRE: We're just going to move forward with them as noted. Karen Oldfield was part of the Premier's transition team, and the day after the new government came in, the Health Authority was dismantled, so we do feel that these are both proven witnesses. There will be a motion coming in a few minutes on other potential witnesses, but we do feel that those two are two of the proper people to be here.

THE CHAIR: Does anyone else have any further commentary there?

I'll move on to clarification of witnesses re: the EHS contract and service delivery.

The committee approved EHS, DHW, NSHA, and IUOE 727 as witnesses for this topic, but EHS is now a division of DHW, and the clerk is looking for some clarification

regarding whether EHS was meant to be EMCI, which is the vendor that delivers emergency health services under the contract for the province.

Ms. Leblanc.

SUSAN LEBLANC: Apologies to the clerk. I thought I emailed that that is correct. We did make a mistake and we would like it to be EMCI.

THE CHAIR: I don't know whether we need a motion on that or whether it's just simply clarification, but I think I'm seeing a lot of nods around there, so perhaps we could just accept that clarification, and then we can move on.

January 26, 2022, the agenda items and decisions. I am bringing the following items forward from last week's meeting, which was in camera. It was agreed to make the decisions public, so I'm going to read the items into the record.

On the item "Nolan Young, correspondence to the Chair" dated January 19, 2022, and response from the Chair: "Motion: I move that the Standing Committee on Public Accounts, in light of the requests from the Nova Scotia Government and General Employees Union, write to the Office of the Auditor General to initiate an audit of operations at Island Employment." That was moved by Nolan Young, MLA. The amendment, "To add, that includes a forensic aspect to the audit" was moved by Susan Leblanc, MLA. The amendment carried and the motion as amended carried.

We also had emails from Karen Oldfield and Jeannine Lagassé re: the request to appear with respect to the decision to dismantle the Health Authority board, and that was deferred from the January 19<sup>th</sup> meeting. The motion was "To add as witnesses the Chief of Staff and Head of the Transition Team or a member of the Transition Team regarding the dismantling of the Health Authority Board." It was moved by the honourable Brendan Maguire, MLA, and the motion was defeated.

A second motion was, "For the PC Party to come back next week with 2 names besides those who have already been chosen regarding the dismantling of the Health Authority Board." That was moved by the honourable Brendan Maguire, MLA, and the motion was defeated.

Then the third motion was, "That the decisions made here today be made public and part of the public record." That was moved by the honourable Brendan Maguire, MLA, and the motion carried.

I did want to mention that I did indicate recently that I was concerned about the amount of committee business that was taking place in camera. I wanted to speak to the members about how they felt about this, whether they were concerned about it too. Mr. Maguire, I see your hand, and Mr. MacDonald, so I'll be coming to you in a second.

Members may feel that that's okay because it takes up less time and leaves more time for questioning witnesses if we do it in camera, but I did feel that there was a lot of business that was taking place behind closed doors. I wasn't comfortable with it, and I didn't know how the committee felt about it.

I was wondering if people would like to discuss this today. Mr. Maguire.

BRENDAN MAGUIRE: That was one of the motions, and I'm going to put a motion forward right now on this. It is something that in my eight years of being here, we've seen more committee business behind closed doors than we ever have. I do have a quick motion, and I'm hoping that everybody will support it.

I move that all committee business be conducted at public meetings with the exception of the Auditor General's Report, subcommittee business, and committee training. This will take us back to how we were previously. Witnesses, topics, things like that will be brought into the public sphere. Does anyone want to discuss it?

THE CHAIR: Mr. Maguire, I just want to be clear on your motion there. When you say the Auditor General's Report, you're referring to the meetings where the Auditor General does her two-hour briefings with us?

BRENDAN MAGUIRE: Absolutely.

THE CHAIR: Great, okay. Just so that we understand that. It's not the part where she normally would come in and do ...

BRENDAN MAGUIRE: No, no. I apologize. Her briefing, sorry.

THE CHAIR: I wanted to be clear on that. Ms. Leblanc.

SUSAN LEBLANC: That's what I wanted clarification on, too.

NOLAN YOUNG: Just looking for clarification, too. Correct me if I'm wrong, Mr. Maguire - you've been here since 2013 - but witnesses and topics are typically done through the subcommittee. I'm looking for clarity on your motion.

BRENDAN MAGUIRE: I apologize, Mr. Young. The subcommittee business will continue as per usual, and that will be done in camera. What we're looking to do - we've been doing a lot of motions in camera that should be in public. That is what we're trying to get at here.

I'll repeat the motion. It's that, we move that all committee business be conducted at public meetings with the exception of the Auditor General's Report reviews, subcommittee businesses, and committee training.

Essentially, what we're doing is we're going back to what it was.

JOHN A. MACDONALD: Just for clarity because I was going to put a motion, and that's why I'd love it if they were emailed before.

[10:30 a.m.]

I just need to know if this actually is the same intent as what MLA Maguire's is, which is - and I'm not moving it, I'm just asking for clarification. Is it that when we have the Auditor General's briefing in camera, the agenda will have no committee business? I'm trying to figure out what I was looking to do without the unanimous support of the committee, which is what I was looking at it for.

In the event it ever happens, I just want to make sure - based on this motion Mr. Maguire has put forward - that it's the same intent and then I don't have to hash out my discussion. This is 100 per cent from a municipal standpoint - it has irked me and other members of my team here. The amount of stuff that happens in camera municipally is very small. I know this committee is supposed to be non-partisan - did I say the word right or didn't I? To me, it means it really should run like a municipal government because it is non-partisan.

If the intent of Mr. Maguire's motion is that, then I have no issue with it. However, I would really like it if those motions could have been emailed to the clerk, like the NDP has done for us, so we can look at them. Right now, that's my only thing. As long as that's the intent and it's on public record, the intent is the agenda will never have committee business on it when we're having the Auditor General's briefing, I can support it 100 per cent.

THE CHAIR: Mr. Maguire.

BRENDAN MAGUIRE: That is the intent, Mr. MacDonald.

THE CHAIR: Mr. Young.

NOLAN YOUNG: Just asking, perhaps Mr. Maguire would be open to an amendment to include the unanimous consent of the committee within this motion, just for clarity and for the record? Just asking if that would be something that would be entertained.

BRENDAN MAGUIRE: If they want to put that forward, I'm all in support of it. Co-operation.

THE CHAIR: Mr. MacDonald, I think you had an amendment you were planning to put forward. Do you want to put that forward?

JOHN A. MACDONALD: Yes, and just for clarity, I just sent the email. To save the clerk time, I emailed everybody onto it, where the motion would actually read onto it.

I amend it so that it reads: when we have the Auditor General's briefings in camera, the agenda shall have no committee business without unanimous support of the committee.

Just to a preamble, that means that as the side of government, our majority doesn't matter. We can't force it unless all nine members of the committee agree, which I think gets us back to the intent. My motion is just to change it to say, the agenda shall have no committee business without unanimous support of the committee.

Again, I've emailed it to everybody here, and if you want to just wait a minute until they see it before we vote, that would be great. Thank you, Madam Chair.

THE CHAIR: I'll just ask the clerk to send it to my phone rather than . . .

JOHN A. MACDONALD: I apologize.

THE CHAIR: It's okay.

JOHN A. MACDONALD: Madam Chair, Mr. Maguire has a question.

THE CHAIR: Mr. Maguire.

BRENDAN MAGUIRE: I think we all fully understand the amendment, so I'm just calling the question.

THE CHAIR: Mr. Maguire, I would like to make one point here, and that is that there are time-sensitive issues that do come up from time to time. Sometimes something is for the next meeting, so I do think that any motion that is put forward should have some caveat there, where sometimes we have to deal with something of an urgent nature. I would just say that I would want to make sure that the motion reflects that.

That's all I'll say on that. If someone wants to put that forward, that caveat, that's up to them, or not. I will just leave that there.

Mr. Young.

NOLAN YOUNG: With all the back and forth here, would we be able to just have the clerk send this motion out so we can read it verbatim, just to make sure that it's completely understood by all parties? That's all.

THE CHAIR: I'm going to suggest that we just take a - Mr. Maguire.

BRENDAN MAGUIRE: This is a lot more complicated than I thought it was going to be. How about we have the clerk review the motion and the amendment, and then we'll deal with it in the next committee meeting? That will give everybody time to read and review, and we can have a bit of back and forth via email to really shape this.

The intent of this is, we realize in the past that things come up, and we've been able to deal with it in a timely manner. All I'm saying is that over the last few weeks, we have been dealing with issues in this committee in camera that should not be in camera. I know that this has become very complicated, but all I'm asking for here is that we go back to how it used to be.

Yes, there's going to be lots of allowances; we realize that topics and issues are going to come up that we need to deal with immediately. This motion does not stop the NDP or the Progressive Conservatives or the Liberals from bringing something forward, nor should it ever. It's just saying that when we're talking about witnesses and about topics that should be discussed in public, that they're done in public.

I guess what I'm asking is that we move it to the next committee meeting which will give everybody time to review, discuss, and look at amendments.

I ask that the clerk do that for us.

THE CHAIR: I think the clerk mailed around some instructions - Mr. Young, I do see you there. Once you've made a motion, it belongs to the House or, in this case, the committee, so you can't withdraw it without the committee's unanimous consent. You can't revise it, either. You'd have to withdraw it with the committee's unanimous consent, and then you or someone else could make a new motion. That's why we have discussion before we make motions.

If there is a long discussion, normally I'd ask you to restate it. Mr. MacDonald, I see your hand as well. We may need to have unanimous consent to delay voting on this particular one. I'm looking for a nod, a yea or a nay from Mr. Hebb with some advice there.

We can defer this particular motion, which belongs to the House, to another meeting if that is the will of the committee.

We have Mr. Young and Mr. MacDonald.

NOLAN YOUNG: I just wanted to reiterate, the best decisions are made when motions are put out in advance for actual time to think about all the implications, such as in this motion. We're okay to defer this to the next meeting, 100 per cent.

JOHN A. MACDONALD: This is why I sent an email request that we add this to the agenda. This motion has an amendment, and now we want the clerk to deal with it. I know we're going to ask Mr. Hebb for his opinion.

Would it be better for Mr. Maguire and me to each rescind the motion and amendment, and leave it to the clerk to put the motion on the next agenda? Then we'll finally have one motion that we'll be able to work with properly versus an amendment on an amendment. I'm okay with that because if we defer it - I'm not sure if we can defer an amendment to a motion. I've heard of a motion being deferred, but not an amendment to a motion.

I'm wondering if we could get unanimous support for me to rescind my amendment and for Mr. Maguire to rescind his motion, and to move to put this discussion on the agenda for the next meeting. I know this audio's going to be rough, Madam Chair, but I'm fine with getting to the next one. I think we need to have good debate and discussion on the issue to get it to one motion, not a couple of amendments.

GORDON HEBB: I think my audio is working?

THE CHAIR: Yes, it is.

GORDON HEBB: I don't see why you can't simply move a motion, just a majority vote, to defer the whole motion, including its amendment. Just defer the whole discussion of the motion.

THE CHAIR: Ms. Leblanc.

SUSAN LEBLANC: Our caucus would support that. It's important to get this right, but I would say that we have been doing a lot of talking back and forth about these types of - the way the committee functions. I get that, because it's a new group of committee members. I will just say for the record that we do need to work on our working together, our non-partisanship, in this committee.

I also want to say that today we had a really important discussion with the folks from Environment and Climate Change that had to be cut short because of the anticipation of this long conversation, because that's the way it's been going lately. I think that the committee should prioritize the witnesses who join us for our meetings.

Yes, let's defer, but let's take five minutes next time to discuss this if we can figure it out in advance. That way we have more time with the witnesses who are so important for us to be talking with.

THE CHAIR: Ms. Leblanc, that is the point I made: when we do committee business here, we may be cutting our witnesses short. We have had a number of meetings

where we have had a lot of witnesses, and that means that sometimes each witness doesn't get a whole lot of time, either.

I would just ask committee members to think about who we're calling before us and think about who we really need to hear from and who we want to hear from to make sure that we don't have a cast of thousands. We have had some meetings that were incredibly long.

Is there any further discussion on this?

Would anyone like to make a motion? Mr. MacDonald.

JOHN A. MACDONALD: I move that this item be deferred to the next committee meeting, which I believe is February 9<sup>th</sup>.

THE CHAIR: Any further discussion on this particular motion? All those in favour? Contrary minded? Thank you.

The motion is carried.

Mr. Maguire.

BRENDAN MAGUIRE: I have another motion that I'd like to put forward. This is with regard to witnesses, and it's around the topic of the dismantling of the Nova Scotia Health Authority. We've tried several times to bring other witnesses to the table. We know that the Deputy Minister of Health and Wellness and the CEO, Karen Oldfield - who we still want to come - have said that they don't have the information that we require on this topic. We have asked for several witnesses, and all have been shot down, including the head of the transition team and the chief of staff.

We've reached out to the government and said, if you feel that these aren't appropriate, and you have voted them down, take a couple of weeks and come back with witnesses who you feel are appropriate who would have this information, because the witnesses we're bringing forward are saying they don't have all the information for us. In fact, they're saying that they don't have any of the information. In the spirit of working together, we've asked them to bring forward witnesses that they would approve. Unfortunately, that was also shot down.

With that being said, there is one person who would have insight to why this was done the very next day. I move to add Premier Houston to the list of witnesses, speaking on the decision to dismantle the Health Authority Board. I would also request that this be a recorded vote. Thank you.

THE CHAIR: Is there any discussion on the member's motion?

Ms. Chender.

[10:45 a.m.]

CLAUDIA CHENDER: Just wondering if the clerk could tell us if there's a precedent to calling a sitting Premier before Public Accounts Committee?

THE CHAIR: Mr. Hebb.

GORDON HEBB: I've never known it to happen, and certainly, unlike other witnesses who don't come, the committee has no power of subpoena over MLAs.

THE CHAIR: Ms. Chender, did you have anything further you wanted to say on that?

CLAUDIA CHENDER: I'm going to just ask that we take a short recess.

THE CHAIR: We'll take a three-minute recess. Does that work for you, timewise? I know it's a little different when we're not in person. Does that make it difficult for you?

Everyone wants to speak. No, you're all saying five. Okay, we'll take a five-minute recess.

The committee is now in recess for five minutes.

[10:46 a.m. The committee recessed.]

[10:51 a.m. The committee reconvened.]

THE CHAIR: I now call the committee back from recess. We are dealing with the motion by MLA Maguire.

Ms. Chender.

CLAUDIA CHENDER: The point of Public Accounts Committee - and we've had a lot of training - is to query government decisions in spending, particularly. We do that through being able to access the senior ranks of the civil service, which - particularly in the Opposition - we don't get the opportunity to do normally. As Mr. Hebb just pointed out, we do not have the power to compel sitting MLAs or the Premier to appear before us.

If we're talking about the decision around the Nova Scotia Health Authority, which we think is a very important one - that is why we concurred with our Liberal colleague around ensuring that Ms. Lagassé and Ms. Oldfield appear. Notwithstanding the content of their letter, as Mr. Maguire pointed out, Ms. Oldfield was on the transition team and we

absolutely anticipate asking her questions about decisions that were made about the Nova Scotia Health Authority, whether or not she intends to answer them.

As the Auditor General has pointed out, and as others have said repeatedly, this is essentially meant to be a non-partisan exercise and a fact-finding effort by MLAs. Luckily we have a Legislative Assembly. All signs, especially today, point to the convening of a Spring session very soon, where we will not neglect our duty to press all of the important issues that we have directly to the Premier and to the government.

But because the Premier is unlikely to attend, because we think that it creates a hostile and partisan environment in this committee, and because we look forward to putting the questions to the bureaucrats who make those decisions in real time, we will not support Mr. Maguire's motion.

THE CHAIR: Mr. Maguire.

BRENDAN MAGUIRE: I will just quickly say, while I appreciate the comments by my NDP counterpart, they did vote in the past to bring in Stephen McNeil, a sitting Premier. Both the Progressive Conservatives and the NDP voted in the past at Public Accounts to bring Stephen McNeil before Public Accounts Committee. You can't have it one way and not the other. I would just ask that we throw the question on the floor and vote on it.

THE CHAIR: Any further discussion? Mr. Maguire, can you read your motion again, please?

BRENDAN MAGUIRE: My motion is: In regard to the witnesses around the dismantling of the Nova Scotia Health Authority, I move to add Premier Houston to the list of witnesses speaking on the decision to dismantle the health authority. I also request that this be a recorded vote.

THE CHAIR: Mr. Hebb, how does that work in a committee?

GORDON HEBB: You're asking about the recorded vote?

THE CHAIR: Yes.

GORDON HEBB: The clerk can just read out the names and each member can vote.

THE CHAIR: Do we need two members to call for a recorded vote, as you do in the House?

GORDON HEBB: That has not been the practice in committees.

THE CHAIR: We'll ask the clerk to read the names of the committee members.

We will have a recorded vote.

[The clerk calls the roll.]

[10:55 a.m.]

**YEAS**

Brendan Maguire  
Kelly Regan

**NAYS**

Nolan Young  
Kent Smith  
John A. MacDonald  
Melissa Sheehy-Richard  
Trevor Boudreau  
Claudia Chender  
Susan Leblanc

THE CLERK: For, 2. Against, 7.

THE CHAIR: The motion is defeated.

Mr. Maguire.

BRENDAN MAGUIRE: I'm just putting my hand up for afterward, after you're done speaking.

THE CHAIR: I will just say it is 10:56 a.m., and the meeting ends at 11:00 a.m. I just want to make sure if anybody else has any more motions or anything like that, we may need to extend.

Mr. Maguire.

BRENDAN MAGUIRE: We would like to add another potential witness for the dismantling of the Nova Scotia Health Authority. I so move that the former CEO of the Nova Scotia Health Authority, Dr. Brendan Carr, be added to the witness list. This was somebody who was in charge and was let go, and it would be prudent for him to be here.

I request a recorded vote on this motion.

THE CHAIR: Any discussion?

Then we'll call the vote. Because it is a recorded vote, I would ask the clerk to please read the names of the members.

[The clerk calls the roll.]

[10:57 a.m.]

**YEAS**

Nolan Young  
Kent Smith  
John A. MacDonald...

**NAYS**

THE CLERK: Ms. Sheehy-Richard.

MELISSA SHEEHY-RICHARD: I'm a little bit confused. Are we voting to extend the meeting, or on the . . .

THE CLERK: We're voting to add Brendan Carr, regarding the health authority dismantling.

MELISSA SHEEHY-RICHARD: Okay.

THE CLERK: What's your vote?

MELISSA SHEEHY-RICHARD: I'm sorry, I wasn't - I thought we were voting to extend the meeting.

THE CHAIR: Ms. Sheehy-Richard, what is your vote on adding Mr. Carr?

[The clerk calls the roll.]

[10:57 a.m.]

**YEAS**

Nolan Young  
Kent Smith  
John A. MacDonald  
Brendan Maguire  
Claudia Chender  
Susan Leblanc  
Kelly Regan

**NAYS**

Melissa Sheehy-Richard  
Trevor Boudreau

THE CLERK: For, 7. Against, 2.

THE CHAIR: The vote is carried.

NOLAN YOUNG: Point of clarity - my understanding, as Ms. Sheehy-Richard, was that this was to vote to extend our meeting here.

THE CHAIR: I didn't hear a motion on that, and there was no motion on the floor for that. Mr. Maguire had made his motion and had indicated that he wanted a recorded vote. There was no discussion about a recorded vote on extending the meeting. This was clearly not that.

NOLAN YOUNG: Well, to your point, my understanding was it was that . . .

THE CHAIR: Mr. Young, you haven't been recognized.

We are now at 11 o'clock. If the committee would like to extend the meeting, we can do so now.

I am seeing some shaking of heads, so we do not have permission from my colleagues to do so at this time. Unfortunately, we're out of time. I'm going to now have to adjourn the meeting.

[The committee adjourned at 11:00 a.m.]