

*Energy Monitoring Act*

a crisis comes about or there is an emergency, we know we will be vulnerable to allocations through the International Energy Agency. For what are we paying? Is it really to our benefit to maintain such relationships or to continue such activities? I think not.

The amendments to the Oil Substitution and Conservation Act are contained in the final part of the bill. The act has two major sections. There is conversion from oil or the oil substitution program, and the so-called DSEP, which is an extension of the services for taking laterals and distributing natural gas or other supply lines into smaller communities.

There is no question that the first part of the program has been successful, probably more successful than the government could have hoped for in the first instance, but it has created problems. One reason for its success has been the fact that the management of the conversion program is left to the utilities when it involves electricity and natural gas. Much of the administrative work has been carried out efficiently and effectively. This is all well and good. On the other hand, there has been great difficulty with conversions other than to electricity or to natural gas. These have fallen within the purview of the federal government.

It has taken the government a long time to get its act together. It is lagging behind, and there are many difficulties in the program. We all hope that many of those administrative problems will be worked out, but there is a real question as to whether or not in terms of improving the balances the objectives are being achieved so far as renewables and other alternatives from electricity and natural gas are concerned. I think that is a debatable question. I believe there can be much more effort applied in that area to improve those balances and to provide as many conversions as possible in those areas which are indigenous either to a region or a province. This should be done in a manner which is equitable to all Canadians.

● (1540)

Alberta is an excellent example. In many cases, people cannot take advantage of programs such as this because there is not the necessity for energy sources other than gas. Therefore, they do not benefit from this program which was meant to benefit all Canadians.

Since the Northwest Territories do not have natural gas or electricity, this program will not benefit them. While I appreciate that they have additional opportunities, many more steps could be taken to improve conversions in that area.

The DSEP program which was announced in March of this year has two main problems, which were created, partially due to delays, and also by the limitations which were placed on the program when it was introduced. The program as it now exists will likely serve only urban interests. The rural parts of Canada which were unable to be supplied with natural gas will still probably not be serviced by gas companies and public utilities. The reason is that the amount of the contribution to these companies to put these laterals out and extend services into smaller communities is so limited that they will only be

able to service areas within a mile of their trunk lines or the areas they now service. Obviously, that is a severe restriction and will result in very few rural areas in either Quebec or Ontario obtaining service. Although this program marks a beginning and steps have been initiated, these deficiencies must be considered. The program will have to be improved in order to accommodate the needs of many people in rural parts of Canada.

Another problem concerns the lead times which were given to the companies to submit their programs and suggestions. The time is so short that many companies may not be able to comply within the time period which has been set by the government. Both these areas should be improved, but at least we have a beginning. Both programs are supported by this side of the House.

One of the main questions when studying the amendments to the Oil Substitution and Conservation Act is whether or not the emphasis has been changed. If the minister reads Section 4 on page 16 of the bill, a question which he might answer concerns the way in which it has been defined. While on one hand it might be argued as being very beneficial, the question is whether indeed there has been a change in the emphasis of the whole program. The way in which the amendment reads, it stipulates in most cases "other than oil". In many cases it has excluded electricity and gas but has not defined or stipulated any other energy source or activity. The question is whether, by exclusion, the minister is suggesting that he will not consider other alternatives to the same extent as gas and electricity. I believe that is a reasonable question to ask the minister. I can see some advantages in how this definition is worded, but at the same time there are some reasonable doubts which warrant a more detailed description.

Another question to be considered is: How does a piece of equipment, such as a heat pump, fit into this program? The heat pump is becoming an increasingly viable and valuable option in terms of energy, and when one reviews this description, I am not sure whether it can be included or whether it is meant to be included under "other energy sources" or other types of energy transmission. One of the main concerns we have when reviewing the whole energy program is that there never has been a basic understanding of the need to define what alternatives or options would be in the best interests of Canadians in the long term. This concern is not only raised by Bill C-106 but is seen as a common thread throughout the whole legislation, whether in research and development, or in specific energy activities we see within the Department of Energy, Mines and Resources, or in the Department of Finance when making its revisions to the taxation regime.

For example, in terms of conservation, if we look at the measures in this bill to convert away from oil, if we convert massively to electricity—which has happened in many areas of Canada, such as in Quebec and Ontario—and create another set of problems for ourselves, we would have given ourselves a short-term solution but an increasingly long-term problem. These areas have never been defined accurately or considered