

Keystone Agricultural Producers



Bill 11

The Winter Heating Cost Control Act

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Presented by:

Ian Wishart
Keystone Agricultural Producers

1-1313 Border Street
Winnipeg, MB
R3H 0X4

Phone: 204-697-1140
Fax: 204-697-1109
Email: kap@kap.mb.ca

The Voice of Manitoba Farmers

On behalf of Keystone Agricultural Producers (KAP), I am pleased to share our organization's position with respect to Bill 11 – The Winter Heating Cost Control Act. KAP is a democratically controlled general farm policy organization representing and promoting the interest of thousands of agricultural producers in Manitoba. Our membership consists of farmers and commodity groups throughout the province, and our organization is proud to act as the voice of Manitoba farmers.

Our members are all from rural Manitoba, and most do not have the option of choosing between hydro or natural gas. As a result, we believe strongly that those with no other options should not be forced to stabilize the prices that others pay for natural gas. We appreciate the government's wish to help those who are experiencing hardship because of rising gas and oil prices, but we do not believe that this is the appropriate way to do so. Government should not subsidize a non-renewable fuel source at the expense of a renewable fuel source. Considering the province's focus on green energy and green initiatives, we believe this sends the wrong message to Manitobans.

Manitoba Hydro is continuing its financial recovery from some years of decreased electricity sales, which were caused by periods of drought. Instead of redirecting money into natural gas subsidization, Hydro should be able to use this money to rebuild and prepare for future years. As farmers, we understand the impacts that unpredictable weather can have, and it is in all of our best interests for Manitoba Hydro to build a cushion against future drought situations.

We understand that the intent is for some of Hydro's export sales profits to be used to pay for the higher costs of natural gas users. While this may not immediately and directly affect domestic customers, we believe that any profits diverted from Manitoba Hydro lessen its ability to self-stabilize and could mean that Manitobans experience larger and more frequent price increases in coming years.

In short, we do not believe that Manitoba Hydro profits should be diverted to support price increases in natural gas. Instead, we believe that government must continue in its initiatives to promote energy conservation and encourage all Manitobans to take advantage of the renewable energy resources that we have available.

We are, however, in favour of the second portion of Bill 11, which calls for the creation of a stabilization and affordable energy fund. KAP believes there is a significant need for a fund that encourages energy conservation and the development of other renewable alternatives to oil and gas.

There are emerging opportunities in bio-energy, which we know that the province fully supports. These, in turn, offer new economic and diversification opportunities to Manitoba's farmers and rural communities. We would encourage government, through this fund and other initiatives, to continue to develop this new industry so that the entire province can decrease its reliance on traditional non-renewable fuels.

As KAP is able to support the creation of this fund, but not the aspect of the bill that calls for subsidization of natural gas rates, we recommend to government that Bill 11 be split so that these two different issues can be discussed and voted upon accordingly.

We are pleased that the province is moving forward with plans to develop a made-in-Manitoba bio-energy industry, and we continue to support initiatives that encourage innovation that allows farmers and rural people to be a part of this opportunity. However, we simply cannot support funneling money from a renewable energy to subsidize a non-renewable source.

Thank you.