

JUSTIN (CALLER): ... Is it not hypocritical for you to go after the federal government for the net-zero mandate, but also you yourself meddle in the free market and pick winners and losers by halting all new approvals of commercial solar projects?

SMITH: Well let me answer Justin's question a few ways. No. 1, the Alberta Utilities Commission, the Alberta Electric System Operator, and the Rural Municipalities Association all asked us for a pause. So when I hear all of my municipal leaders and my two principal regulators saying we got a problem, I have to listen to that. It would be irresponsible of me to ignore that. There's a few major problems that we have right now. I don't know if people know this. We have 23,000 megawatts of proposed applications for wind and solar – 23,000! But here's the problem, every time you bring wind and solar on the grid, you have to have a back-up. What we have is natural gas peaker plants. So when the wind doesn't blow and the sun doesn't shine, you bring on natural gas to cover the gap. The federal government doesn't want us to add any new natural gas to the grid. So I've told them, how can I bring on additional wind and solar if I'm not able to secure the reliability of my power grid by being able to bring on natural gas peaker plants? That's the big, that's at the heart of the problem. No one is proposing any new natural gas plants because the *federal government* has created so much uncertainty in the market. That's what we've gotta figure out. That's one part. The other part is the reclamation costs, and we have begun to deal with that on the oil and gas side, we're *demanding* that energy companies spend, pay down 3% of their liability and reclaim their existing sites. But when you look at a wind installation, maybe it has 50 turbines, it's a huge amount of additional steel, fibreglass, massive amounts of concrete construction. What happens when that gets to its end of life? Who pays for that to be removed? We don't have a system in place.

WAYNE NELSON (HOST): ... Nobody is halting any future oil and gas projects, are they?

SMITH: Well, I can tell you, I, but, when you bring in oil and gas development, you've got stable baseline development. When you bring a natural gas plant onto the grid, it can work 100% of the time. When I, I live in ... I represent Brooks-Medicine Hat. When I spend 7 months driving past a solar farm that had, was covered with ice and snow and not producing a single iota of power. And so I have to accept that as a reality. When we were in the winter, we had several times where the grid almost failed because we didn't have enough power and you can't call up wind and solar on demand. We had times where, though even though we had 5,000 megawatts of installed wind and solar, there were two days in the winter where it was producing less than a hundred megawatts of power. So I always have to make sure that when wind and solar, which are intermittent and unreliable, when they, when we bring new on, we *have* to make sure that we have a back-up. Otherwise we're going to end up with grid instability, and we just can't have

that. We also know, what happens when you have tight power? It ends up jacking up supplies. We are seeing the highest prices right now for electricity because we took reliable coal off-stream, paid billions of dollars to do it, we're still paying \$200 million a year to compensate those coal companies for their stranded assets, and we don't have enough new baseline power coming on. That's a problem. And I know it's frustrating for people, but I have to begin the process of making sure that we're responsibly developing wind and solar, and we're making sure that reliability and affordability are the No. 1 things that we're able to deliver in our power grid.