



Third Session – Forty-Third Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Carla Compton
Constituency of Tuxedo



Vol. LXXX No. 2 - 6 p.m., Wednesday, April 22, 2026

MANITOBA LEGISLATIVE ASSEMBLY
Forty-Third Legislature

Member	Constituency	Political Affiliation
ASAGWARA, Uzoma, Hon.	Union Station	NDP
BALCAEN, Wayne	Brandon West	PC
BEREZA, Jeff	Portage la Prairie	PC
BLASHKO, Tyler	Lagimodière	NDP
BRAR, Diljeet	Burrows	NDP
BUSHIE, Ian, Hon.	Keewatinook	NDP
BYRAM, Jodie	Agassiz	PC
CABLE, Renée, Hon.	Southdale	NDP
CHEN, Jennifer	Fort Richmond	NDP
COMPTON, Carla	Tuxedo	NDP
COOK, Kathleen	Roblin	PC
CORBETT, Shannon	Transcona	NDP
CROSS, Billie	Seine River	NDP
DELA CRUZ, Jelynn	Radisson	NDP
DEVGAN, JD	McPhillips	NDP
EWASKO, Wayne	Lac du Bonnet	PC
FONTAINE, Nahanni, Hon.	St. Johns	NDP
GOERTZEN, Kelvin	Steinbach	PC
GUENTER, Josh	Borderland	PC
HIEBERT, Carrie	Morden-Winkler	PC
JOHNSON, Derek	Interlake-Gimli	PC
KENNEDY, Nellie, Hon.	Assiniboia	NDP
KHAN, Obby	Fort Whyte	PC
KINEW, Wab, Hon.	Fort Rouge	NDP
KING, Trevor	Lakeside	PC
KOSTYSHYN, Ron, Hon.	Dauphin	NDP
LAGASSÉ, Bob	Dawson Trail	Ind.
LAMOUREUX, Cindy	Tyndall Park	Lib.
LINDSEY, Tom, Hon.	Flin Flon	NDP
LOISELLE, Robert	St. Boniface	NDP
MALOWAY, Jim	Elmwood	NDP
MARCELINO, Malaya, Hon.	Notre Dame	NDP
MOROZ, Mike, Hon.	River Heights	NDP
MOSES, Jamie, Hon.	St. Vital	NDP
MOYES, Mike, Hon.	Riel	NDP
NARTH, Konrad	La Vérendrye	PC
NAYLOR, Lisa, Hon.	Wolseley	NDP
NESBITT, Greg	Riding Mountain	PC
OXENHAM, Logan	Kirkfield Park	NDP
PANKRATZ, David	Waverley	NDP
PERCHOTTE, Richard	Selkirk	PC
PIWNIUK, Doyle	Turtle Mountain	PC
REDHEAD, Eric	Thompson	NDP
ROBBINS, Colleen	Spruce Woods	PC
SALA, Adrien, Hon.	St. James	NDP
SANDHU, Mintu, Hon.	The Maples	NDP
SCHMIDT, Tracy, Hon.	Rossmere	NDP
SCHOTT, Rachelle	Kildonan-River East	NDP
SCHULER, Ron	Springfield-Ritchot	PC
SIMARD, Glen, Hon.	Brandon East	NDP
SMITH, Bernadette, Hon.	Point Douglas	NDP
STONE, Lauren	Midland	PC
WASYLIW, Mark	Fort Garry	Ind.
WHARTON, Jeff	Red River North	PC
WIEBE, Matt, Hon.	Concordia	NDP
WOWCHUK, Rick	Swan River	PC
<i>Vacant</i>	The Pas-Kameesak	

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Wednesday, April 22, 2026

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – MLA Carla Compton (Tuxedo)

**VICE-CHAIRPERSON – Mr. Logan Oxenham
(Kirkfield Park)**

ATTENDANCE – 6 QUORUM – 4

Members of the committee present:

Hon. Min. Moroz, Hon. Min. Sala

*MLA Compton, Messrs. Narth, Oxenham,
Mrs. Stone*

PUBLIC PRESENTERS:

Bill 20 – The Manitoba Hydro Amendment Act

*Brett Kristjanson, 10013580 Manitoba Ltd.
Guildo Theriault and Alicia Roche, Gator Mining Inc.
Geoff Hill, private citizen*

*Bill 14 – The Public Interest Disclosure
(Whistleblower Protection) Amendment Act*

David Grant, private citizen

*Bill 39 – The Manitoba Hydro Amendment and
Tax Administration and Miscellaneous Taxes
Amendment Act*

*Brett Kristjanson, 10013580 Manitoba Ltd.
David Grant, private citizen
Guildo Theriault and Alicia Roche, Gator Mining Inc.*

Bill 46 – The Securities Amendment Act

David Grant, private citizen

WRITTEN SUBMISSIONS:

Bill 20 – The Manitoba Hydro Amendment Act

James Beddome, Manitoba Eco-Network

*Bill 39 – The Manitoba Hydro Amendment and
Tax Administration and Miscellaneous Taxes
Amendment Act*

Dirk Wang, NewDecade Energy Ltd.

Scott Brooker, private citizen

James Beddome, Manitoba Eco-Network

*Bill 51 – The Public Sector Artificial Intelligence
and Cybersecurity Governance Act*

*Denys Volkov, Association of Manitoba Municipalities
Heather Fast, Manitoba Eco-Network*

MATTERS UNDER CONSIDERATION:

*Bill 14 – The Public Interest Disclosure
(Whistleblower Protection) Amendment Act*

Bill 20 – The Manitoba Hydro Amendment Act

*Bill 39 – The Manitoba Hydro Amendment and
Tax Administration and Miscellaneous Taxes
Amendment Act*

Bill 46 – The Securities Amendment Act

*Bill 51 – The Public Sector Artificial Intelligence
and Cybersecurity Governance Act*

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Deputy Clerk (Mr. Tim Abbott): Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Before the committee can proceed with the business before it, it must elect a Chairperson.

Are there any nominations?

Hon. Mike Moroz (Minister of Innovation and New Technology): I would like to nominate MLA Compton.

Deputy Clerk: MLA Compton has been nominated for the position of Chairperson.

Any other nominations?

Seeing none, MLA Compton, please take the Chair.

The Chairperson: Our next item of business is the election of a Vice-Chairperson.

Are there any nominations?

MLA Moroz: I would like to nominate MLA Oxenham.

The Chairperson: MLA Oxenham has been nominated.

Are there any other nominations?

Hearing no other nominations, MLA Oxenham is elected Vice-Chairperson.

This meeting has been called to consider the following bills: Bill 14, The Public Interest Disclosure (Whistleblower Protection) Amendment Act; Bill 20, The Manitoba Hydro Amendment Act; Bill 39, The Manitoba Hydro Amendment and Tax Administration and Miscellaneous Taxes Amendment Act; Bill 46, The Securities Amendment Act; and Bill 51, The Public Sector Artificial Intelligence and Cybersecurity Governance Act.

I would like to inform all in attendance of the provisions in our rules regarding the hour of adjournment. A standing committee meeting to consider a bill must not sit past midnight to hear public presentations or to consider clause by clause of a bill, except by unanimous consent of the committee.

I would also like to inform all members of the public in the gallery of the rules for decorum for standing committees. Please note that any participation from the gallery is not allowed. Examples of specific actions that are not allowed include clapping, cheering or interrupting of presentations. Taking photos or video of the meeting is also not allowed. And please set your phones to mute right now if you haven't already. I thank everyone in advance for their co-operation.

Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in a committee.

In accordance with our rules, a time limit of 10 minutes has been allotted for presentations with another five minutes allowed for questions from committee members.

Questions shall not exceed 45 seconds in length, with no time limit for answers. Questions may be addressed to presenters in the following rotation: first, the minister sponsoring the bill or another member of their caucus; second, a member of the official opposition; and third, an independent member.

If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

The proceedings of our meeting are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I first have to say that person's name. This is the signal for the Hansard recorder to turn the mics on and off.

Written submissions from the following persons have been received and distributed to committee members: James Beddome, Manitoba Eco-Network, on Bill 20; Dirk Wang, NewDecade Energy Ltd., on Bill 39; Scott Brooker—or Brooker, private citizen, on Bill 39; James Beddome, Manitoba Eco-Network, on Bill 39; Denys Volkov, Association of Manitoba Municipalities, on Bill 51; Heather Fast, Manitoba Eco-Network, on Bill 51.

Does the committee agree to have these documents appear in the Hansard transcript of this meeting? *[Agreed]*

On the topic of determining the order of public presentations, I will note that we have out-of-town presenters registered and marked with an asterisk on the list.

With this consideration in mind, then, in what order does the committee wish to hear the presentations?

MLA Moroz: Might I suggest that we have out-of-town presenters who are here present first, followed by the remaining presenters in the order they are listed.

* (18:10)

The Chairperson: So it has been suggested that the order be the out-of-town but in-person presenters first, and then we just proceed with the order as people are—it is—all in agreement? *[Agreed]*

Okay. So that is the order we will do.

Thank you for your patience, and we will now proceed with public presentations.

Bill 20—The Manitoba Hydro Amendment Act

The Chairperson: So I will now call on Mr. Brett Kristjanson to do his presentation on Bill 20.

And, Mr. Kristjanson, do you have any materials that you would like distributed to the—okay.

So, Mr. Kristjanson, please proceed with your presentation.

Brett Kristjanson (10013580 Manitoba Ltd.): Good evening, members of the committee. Thank you for giving me the opportunity to speak with you today about Bill 20 and its implications for Manitoba Hydro and our province's energy future.

My name is Brett Kristjanson, and I'm here representing the perspective—Manitoba's Bitcoin mining community operators who have invested in rural communities across the province, creating jobs and bringing private capital into areas that need it most. I'll try and keep this brief. I'm not an accomplished public speaker, so please bear with me.

Let me start with the context. Manitoba Hydro already operates a well-established curtailable rate program, or CRP. It's been in place for nearly two decades with four base options plus combinations that allow qualifying industrial customers to reduce at least five megawatts of load on short notice, sometimes within minutes. They do this in exchange for a monthly bill credit. The program is designed precisely to help the utility to manage system emergencies, maintain reserves and smooth peak demand. It's been a proven tool in Hydro's reliability tool kit.

Here's what's striking, though. To our knowledge, none of Manitoba's existing Bitcoin miners have ever been consulted or formally approached about participating in these existing curtailment programs. We've operated here under contracted power, paid our bills on time and stood ready to discuss how our operations could support the grid, yet no outreach happened. Bill 20 now proposes a brand new crypto-specific curtailable program. While the goal of protecting reliability is understandable, it feels like we are writing new rules before testing the tools we already have and before sitting down with the very operators who could help make them work. That gap in consultation is what I want to highlight today.

Why does this matter? Because Bitcoin miners are uniquely situated to be a genuine grid management asset for Manitoba Hydro. Our facilities run 24-7 with an incredibly steady, predictable load profile. We maintain a near-unity power factor, which is excellent for system stability. Most importantly, we can curtail or ramp back up within seconds to minutes using automated controls that are already in daily use elsewhere.

Unlike many traditional industrial loads that are either always on or very expensive to interrupt, we offer many traditional—we offer both baseload stability and rapid flexibility. In plain terms, we can act as a giant controllable resource that simply pauses when the grid needs breathing room and resumes when it doesn't. That combination is rare and highly valuable for a hydro-based system like ours.

You don't have to take my word for it. Across North America, utilities are already partnering with Bitcoin miners to solve exactly the kind of peak load and grid stabilization challenges we face. In Texas, the ERCOT grid has worked with miners to represent multiple gigawatts of flexible load. During heat waves and winter storms, miners have curtailed thousands of megawatts on short notice, helping avoid blackouts and reducing reliance on expensive peaker plants. Similar collaborations are happening in other markets where miners absorb surplus energy during low-demand periods and shed load instantly when stress appears.

The result? More reliable service, lower costs for everyone and better utilization of existing infrastructure. Manitoba Hydro could achieve the same outcomes right here, but only if we move from assumption to actual partnership.

Of course, curtailment is only one tool in the toolbox. Manitoba Hydro could and should pursue other prospective means to manage peak demand and consumption. For example, time-of-use rates offer a market-based approach that encourages all customers to shift usage away from peak periods by charging higher prices during high-demand hours and lower prices off-peak. Hydro has explored and polled Manitobans on such innovative pricing options in recent years as a way to flatten demand curves without blunt mandates.

Other demand-side management strategies, such as expanded incentives for energy efficiency or real-time pricing signals, could complement these efforts and create a more balanced, modern framework that benefits residential, commercial and industrial users alike.

Bill 20 gives Hydro the legislative green light to create a tailored curtailment framework for cryptocurrency operations. That's an important step forward.

My respectful suggestion is simple. Before we lock in punitive or overly broad measures, let's require real consultation with the operators who are already here. Let's design the program around proven technical capabilities that we bring to the table: steady demand, rapid response and a genuine willingness to help. Distinguish between existing contracted facilities that have already invested in Manitoba and speculative new growth. Treat the load based on its electrical characteristics, not its end use. That's how good utility policy works.

If done right, this becomes a win for reliability, for ratepayers and for rural economic development. Done without consultation, we risk stranding good-faith investment, discouraging future capital and missing out on a flexible resource that other grids are actively recruiting.

Thank you again for your time and for considering this perspective. I'm happy to answer any questions or connect you directly with operators who can walk you through the technical details of how our curtailment systems already function today.

Let's make Bill 20 the start of a smarter, more collaborative approach to grid management in Manitoba.

Thank you.

The Chairperson: So thank you for your presentation.

There is a little bit of water there if you would like. I know it's quite warm in the space here.

Do members of the committee have questions for the presenter?

Hon. Adrien Sala (Minister responsible for Manitoba Hydro): I just want to thank you, Mr. Kristjanson, for being here, for your presentation. Really appreciate the perspective and grateful that you took time here tonight to share it with us.

Thank you. *[interjection]*

The Chairperson: Sorry, Mr. Kristjanson, just a friendly reminder. I have to acknowledge you before the mic will pick up your response.

So, Mr. Kristjanson, you can respond to the minister.

B. Kristjanson: I very much appreciate the opportunity to drive all the way here from Gimli to chat in the sauna—sorry.

Mrs. Lauren Stone (Midland): Yes, thank you, Mr. Kristjanson, for taking the time to come and present today.

Can you just again confirm that there—when you speak about consultation—that there was no consultation with yourself or—as you're aware of—others in the industry from either the minister, the minister's office or the department as it relates to this bill.

B. Kristjanson: That's correct. We were never approached in any capacity on this. I believe Manitoba Hydro's sent out a couple surveys to larger

scale customers, which I filled out and articulated pretty much what I said in my report here. But we've never been approached by any governmental arm.

Mrs. Stone: That's unfortunate to hear with individuals like yourself who have invested significant dollars in setting up these operations.

So can you just speak a little bit further to, you know, how yourself or the industry could work with Manitoba Hydro on a curtailment program? You spoke about a lot of experiences that you have, both in Manitoba as well as in other jurisdictions, about the ability to curtail as it relates to keeping stable capacity load for Manitoba Hydro's grid. Can you just speak a little bit more to that?

* (18:20)

B. Kristjanson: Yes, we actually have management software in our facilities, which we could share an API with Manitoba Hydro, where literally, whenever they need a curtailment, it would be as simple as a mouse click for the dispatchers. So it could happen very—and our power consumption ramps down very, very quickly, like within a couple minutes.

The Chairperson: So, thank you, Mr. Kristjanson. I think we might be calling you back up shortly, but thank you.

Bill 39—The Manitoba Hydro Amendment and Tax Administration and Miscellaneous Taxes Amendment Act

The Chairperson: So I will now call on Mr. Brett Kristjanson—moving on to Bill 39—and do you have any materials you'd like distributed to the committee for this one?

All right, so, Mr. Kristjanson, please proceed with your presentation.

Brett Kristjanson (10013580 Manitoba Ltd.): Thanks again to everyone on the committee for allowing me a chance to speak. This is a very emotional topic for me. I have a lot of my personal capital and my family's capital tied up in our small business, and the tariffs would collapse our business overnight and it would be irreparable financial harm to our company. I would say bankruptcy. We just would not be able to operate.

So, on that bright, cheerful note, thank you for giving me the time to speak. I'm the president of 10013580 Manitoba Ltd. We are a 100 per cent Manitoba-owned Bitcoin mining operation. We operate in the rural north Interlake, just past Arborg, Manitoba.

And I was employed with Manitoba Hydro for 26 years, so please forgive me if I occasionally fall into utility speak, and—yes.

We operate under a valid general service medium contract with Manitoba Hydro for up to 2.5 megawatts on distribution facilities. So we are fed off a distribution feeder, not off a transmission line or a sub-transmission line. As far as I know—and I kind of know a little bit about it because I used to be the supervisor for the Gimli-Arborg-Fisher Branch area for Manitoba Hydro—the feeder that we operate off of, we're not contributing to detrimental loading conditions on that feeder. We're not contributing to detrimental loading conditions on the substation that feeds our feeder or the larger regional grid. We are in the RM of Bifrost and 87 per cent of our ownership group resides within the RM of Bifrost. Our president—myself—our three technicians and our bookkeeper all live within the Bifrost-Gimli area.

We fully support Bill 39's goals of protecting ratepayers, ensuring grid reliability and requiring new loads to deliver real economic value, but the proposed intense—intensive use levy as drafted would force the immediate shutdown of our small pre-moratorium operation and every other existing contracted Bitcoin miner in the province. We would respectfully ask for a targeted regulatory carve-out that recognizes the value that we deliver.

Let me start with a quick plain-language overview of Bitcoin and Bitcoin mining; I'll try and skip over it pretty quickly. Bitcoin is a decentralized digital asset—think of it as digital gold, that anyone can send or receive instantly anywhere in the world without a bank in the middle. It runs on a global network of computers that verify every transaction through a secure transparent process called proof of work. Bitcoin mining is simply the work these computers do; they solve complex math problems to secure the network and earn new Bitcoin as a reward. It's energy intensive by design, but it's also the most secure financial network ever built.

Bitcoin is rapidly moving from niche to mainstream. It's now held by major corporations, exchange-traded funds and even the Czech central bank owns some Bitcoin. Financial institutions are adopting it quickly. BlackRock's iShares Bitcoin Trust has reached approximately \$90 billion US in assets under management. Morgan Stanley has recently launched its own Bitcoin ETF. And Charles Schwab is rolling out direct Bitcoin trading to its 39 million clients.

Many sovereign wealth funds, including Norway's government pension fund and Abu Dhabi's Mubadala fund, are building Bitcoin exposure.

Financial advisers are now commonly recommending a 1-to-5 per cent portfolio allocation for diversification and investment protection. In Canada, adoption is strong and growing, with roughly 10 per cent of Canadians owning Bitcoin directly or through exchange-traded funds. This is a maturing asset class that Canadian investors and firms are embracing for long-term value.

Now, I'd like to change direction a little, and I'd like to address some of the allegations that Manitoba Bitcoin miners don't pay their fair share of Manitoba Hydro costs. Hydro's own 2026-2028 General Rate Application and Prospective Cost of Service Study show the opposite. Our operations are very high-load-factor customers, running 24-7 with up to 95 to 98 per cent utilization. This steady operation makes highly efficient use of Manitoba Hydro's fixed-cost infrastructure by spreading those large fixed costs over a much greater volume of energy sales than typical lower utilization customers.

Hydro's cost of service study confirms that larger industrial and general service large classes deliver revenue-to-cost ratios above 100 per cent, helping to keep rates lower for residential customers, who are at approximately 96.9 per cent. Our high-load-factor Bitcoin operations do the same within the general service medium class, generating strong contribution margins for the utility.

Even better, Bitcoin miners can become an active grid asset through tailored curtailment programs. We can reduce our load by 95 per cent within 30 minutes—or a much faster response is possible under specific agreements—far more quickly and completely than most other commercial or industrial customers. Real-world examples prove that this is a genuine win-win. In Texas, during the 2023 heatwave, Bitcoin miner Riot Platforms voluntarily curtailed over 95 per cent of its load and earned \$31 million in ERCOT credits while helping avoid blackouts. Similar programs operate at Duke Energy in North Carolina, and they have compensated miners for fast response, deferring new generation and lowering the cost for all ratepayers.

Manitoba Hydro's own 2025 integrated resource plan targets 310 megawatts of curtailable capacity by 2035. Our existing contracted load of approximately 80 megawatts—and that's something that I picked up from—I'm not exactly sure how many megawatts are

operating in the province, but—80 megawatts already on the system. And I'm assuming most of them would be ready to participate immediately if the current five-megawatt minimum for the curtailable rate program is waived or adjusted for smaller operators like us.

The financial difference for Manitoba Hydro is dramatic. Total shutdown of this 80 megawatts of load would create a net annual revenue shortfall of approximately \$45 million because at any tariff at all, Bitcoin mining will become uneconomic to continue, and that will leave a very large hole in Manitoba Hydro's revenue. In contrast, retention plus full participation in a modified miner-friendly curtailable rate program would deliver a net positive contribution of \$40 million per year, better for Hydro's bottom line than outright removal, plus added system reliability and improved overall load factor.

Even in last year's drought conditions, Manitoba Hydro's opportunity and spot market sales totaled approximately 1,830 gigawatt hours, and that is far more than the approximately 687 gigawatt hours that our entire provincial sector consumes. We're not the reason for lower exports. We are a reliable, high-margin domestic load. We have not been contacted by Manitoba Hydro or the Province to discuss voluntary curtailment options despite our readiness.

* (18:30)

We also deliver real economic value to Manitoba, contrary to claims that Bitcoin miners are low impact. In the last three years, our small operation alone has paid over \$600,000 in salaries to local technicians who live and spend in the Gimli-Arborg area. We pay substantial property taxes on the significant capital improvements we've made to our rural facility, pre-moratorium. We would respectfully ask the Province what data source supports the assertion that we are low economic drivers. No one from Manitoba Hydro or the government has contacted us or any other Manitoba miners I know to discuss the impacts or to discuss voluntary curtailment options.

And this brings me to an apparent inconsistency. Diageo's Gimli facility, right in our backyard, is adding approximately 48 megawatts of new electric load through electrode boilers replacing gas-fired ones with apparently zero new jobs or incremental economic activity beyond the existing distillery. Although I'm not trying to disparage Diageo—I rather enjoy their products on occasion—their products carry a well-documented social and health risk cost to Manitobans. And yet they receive support from

Manitoba Hydro in the province in adding a very large load to the grid.

Meanwhile, our local curtailable-ready operations would face immediate shutdown if the tariffs were implemented. Adding Diageo's load will simply require new gas-fired generation in Brandon, substituting one fossil fuel source for another while displacing clean, flexible revenue-positive flows like ours—

The Chairperson: Excuse me, Mr. Kristjanson. I'm afraid the time for your presentation has expired—*[interjection]*—no, that's okay. I'm just needing to interrupt you.

Mrs. Lauren Stone (Midland): Can I ask for leave so he can finish his presentation?

The Chairperson: Is there leave for Mr. Kristjanson to complete his presentation? *[Agreed]*

Okay. So, Mr. Kristjanson, please complete your presentation.

B. Kristjanson: Give me five minutes to find my spot—I'm sorry.

We also note that Manitoba Hydro lags peer utilities and innovative rate design. Ontario's default time-of-use rates have reduced summer peak demand by 2 to 3 per cent province-wide through price signals that shift usage. British Columbia's—BC Hydro's pilots show similar peak reductions of nearly 10 per cent in winter critical hours. These programs manage load without punitive levies. Manitoba could implement time-of-use or expand curtailable rates now, capturing the flexibility Bitcoin miners have to offer.

Finally, the proposed levy functions appear to act very much as a rate increase. It is based on metred consumption collected by Manitoba Hydro and flows directly into Manitoba Hydro's general revenue. And in Legislature very recently—and I'm not going to throw you under the bus here, Minister Sala, it's not my intent—told the Legislature that Bill 39 will only impact those operations above five megawatts. We are a two-and-a-half-megawatt operation. We are not here to obstruct the government's objectives. We are here because the bill, as drafted, does not yet reflect what the minister has promised. Regulations have not been published at the default levy and the statute applies to every cryptocurrency operation regardless of size.

We are asking this committee to recommend the regulations be drafted and in place before proclamation and that they enshrine the five megawatt threshold the minister described and that our existing

contracted operation be confirmed outside the scope of this levy.

In conclusion, we propose a balanced regulatory compromise through Bill 39's regulation powers, a zero levy carve-out for existing contracted operations, an extension of the moratorium on new connections and mandatory participation in demand response programs. This respects good-faith contracts, delivers grid value and maintains the bill's focus on new speculative growth. We are ready to provide operational data modelling or meet at your convenience. Our sector wants to be part of the solution for affordable, reliable power in Manitoba.

Thank you. I look forward to your questions.

The Chairperson: So thank you for your presentation.

Do members of the committee have questions for the presenter?

Hon. Adrien Sala (Minister responsible for Manitoba Hydro): I just want to thank you, again, Mr. Kristjanson, for being here, for making the trip in to offer your perspective, and I also appreciate your collaborative offer there to offer data from your business to help gain insights, should those be required. So thank you again for taking the time to be here and to share your concerns.

Thank you.

The Chairperson: Mr. Kristjanson, you're welcome to respond.

B. Kristjanson: I appreciate this opportunity very much. This has caused a lot of stress and strife in our lives, and I appreciate having the opportunity to speak on it.

Mrs. Stone: Thank you again for coming from Gimli to present and to really show the economic benefit that your small business does provide. You know, and going through this bill—and we have gone through second reading, which is why we're at committee stage today—the government did put out a misconception that there is no economic benefit that crypto and AI data centres provide to the province of Manitoba, and you are proof here right now that there is.

So could you please just walk through again, you know, just that economic benefit that you as a small-business owner with a crypto operation provides locally? You had mentioned \$600,000 in salaries for technical support, property taxes, and we all know—

The Chairperson: Excuse me. The member's time has expired for asking a question.

But, Mr. Kristjanson, would you like to respond?

B. Kristjanson: Sure. In the last—we have—my general manager, I'm trying to tick off a lot of the ESG—I think that's the term—boxes. My daughter is our general manager. We have two technicians; one is a person of colour. They all make much higher than average local wages because it's a tough job. It's hot, it's dirty sometimes, it's cold sometimes. They need to have a lot of technical competence to work with the servers, and it's just a tough job, and they get paid very well. So in the last three years, we've paid over \$600,000 in wages, and that doesn't include—I also work there as well. And we also have a 0.3 bookkeeper, 0.3 FTE bookkeeper as well, who lives in Arborg.

We pay—this is going to sound awful—we pay \$32,000 a year in property taxes on our building there; it's a big building. So if we—if the tariffs pass and the business goes under, I'm going to be left defaulting on our mortgage. It's going to leave property taxes in limbo. It's going to just kind of be a wash of devastation of lost jobs and creditors chasing people, and it's going to be a mess.

Mrs. Stone: Yes, thank you, and, you know, it's really terrible and unfortunate to hear that this bill is causing you and your family and your small business a significant amount of stress, and as you mentioned, if this goes through, significant financial strain for you.

So, with that being said, can you just confirm again that you were not consulted at all by the minister, his office, the department or Manitoba Hydro before they brought forward this significant tariff?

B. Kristjanson: Yes, I can confirm that I was not contacted in any degree. And the only reason I heard about this was one of my staff members caught the blurb on CTV evening news and told me about it. Otherwise, I would've been blind to this entire thing, and it just would've come out of nowhere.

And I have a good rapport with my Manitoba Hydro contacts in the business department. And I asked—I called right away and asked, is there any information you can give me on this? Like, what's happening? This could be financial ruin pending in a couple months. And he said that nothing had been passed down to him to pass on to customers. So we are flying totally blind.

Mrs. Stone: Yes, in—earlier in your remarks you were mentioning the \$45 million in lost revenue to Manitoba Hydro with 80 megawatts for crypto within

the province. During our second reading debate of this bill, the minister confirmed that Hydro would take in about \$20 million in revenue. So that would be about \$25 million in lost Hydro revenue overall if you put those two together.

So could you just speak to that a little bit further, please?

The Chairperson: Is there leave for Mr. Kristjanson to answer the question? *[Agreed]*

Mr. Kristjanson, you may answer the question.

* (18:40)

B. Kristjanson: I extrapolated the \$45 million based on what we pay annually and our megawatt size and off of 80 megawatts. And as a—I spent 26 years in Manitoba Hydro, and for a period of time, I was in rates and policies, and I understand the difference between high-quality domestic load and customers and selling on the spot market. And I do know that some of that \$45 million in lost revenue could potentially be recovered on the spot market, but it would not nearly cover the lost revenue.

The Chairperson: So, thank you, Mr. Kristjanson.

I have a request for the committee. Mr.—I apologize if I don't quite pronounce your name correctly, and please correct me at the right time—Guido Therault *[phonetic]*—close?—who is a presenter to Bill 20 and presenter to—*[interjection]*—oh, who is a—*[interjection]*—who is presenter 2—*[interjection]*—oh, we're figuring out our script on the fly, here—is presenter 2 to Bill 20 and presenter 3 to Bill 39, has requested to be joined by Alicia Rocke to give joint presentations. So Mrs. Rocke is not on the list of presenters before us.

Is there leave for Mr. Therault *[phonetic]* and Mrs. Rocke to give a joint presentation, when called, to bills 20 and 39? *[Agreed]*

So I will now call on Ms. Aedin Kristjanson. Okay—*[interjection]* So, since we know she's unable to attend, we'll just strike her from the list. Thank you.

So that concludes the out-of-town in-person presenters, so we will now go back to the beginning of our presenter list.

Starting at Bill 14, so I will now call on David Grant, private citizen.

He will be dropped to the bottom of the list, and we will come back to him.

Bill 20—The Manitoba Hydro Amendment Act *(Continued)*

The Chairperson: Now we're moving back to Bill 20.

I will now call on Mr. Guido Therault *[phonetic]*, Gator Mining Inc., as well as Alicia Rocke.

So, since this is a little out of our usual routine, I'm just going to invite—when each of you goes to speak, if you could put up your hand, and I will individually acknowledge who you are. And that's for our Hansard recording folks. Because they do a transcript, we want to make sure that the right words are attributed to the correct person. And please correct me if I'm pronouncing your names wrong.

Does that make sense?

Floor Comment: My name is Guildo Theriault.

The Chairperson: Guildo, okay. Therault *[phonetic]*. No, I'm still—*[interjection]*—Theri—

Floor Comment: Theriault.

The Chairperson: Theriault. I apologize. So, Guildo Theriault. Thank you.

And is it Alicia?

Floor Comment: Alicia Rocke.

The Chairperson: Alicia Rocke, okay.

Who is beginning their—your presentation?

Okay, so, Alicia Rocke, please proceed with your presentation.

Alicia Rocke (Gator Mining Inc.): Okay, so good evening, Chairperson and honourable members of the committee. My name is Alicia Rocke and I'm here with my business partner—

An Honourable Member: I can't hear her.

A. Rocke: Can you hear me?

The Chairperson: Sorry. We're just going to see if we can get the volume correct. *[interjection]*

Can you—we'll restart because—

Floor Comment: Okay.

The Chairperson: Sorry. I'm going to—there we go. Can we just do a quick test, test.

An Honourable Member: You might have to speak a bit louder.

Floor Comment: Test?

An Honourable Member: There you go, that's better.

Floor Comment: That's better?

An Honourable Member: Much better.

The Chairperson: Yes. Okay.

Alicia Rocke, please proceed with your presentation.

A. Rocke: So good evening, Chairperson and honourable members of the committee. My name is Alicia Rocke and I'm here with my business partner, Guildo Theriault. We are here on behalf of our Manitoba-based crypto mining company, Gator Mining Inc. Our company provides hosting services to local, national and worldwide clients. We appreciate the opportunity to present our serious concerns with Bill 20 before they move forward.

Gator Mining is a company that we created and established here in Winnipeg, Manitoba in 2021. Our company's success is a direct result of the dedication, hard work and invaluable contribution of Manitoba residents. We are local Manitobans who have invested several millions of our own dollars and countless hours building a legitimate hosting company in the province to provide high-quality service to meet our customers' needs.

Our company provides a positive impact to the community by employing local Manitobans, supporting local businesses and suppliers and paying taxes like any other business. We frequently engage with multiple contractors and consultants in the community to help achieve our company's goals, providing high-quality service. By doing so, we have invested nearly \$24 million back into Manitoba's local economy and communities, generating significant revenue for Manitoba Hydro while creating jobs and valuable opportunities for tradespeople across the province.

All of our facilities are—were constructed with constant communication and discussions to ensure that the required approvals and processes laid out by the Province and Manitoba Hydro were followed. Our operations are located in multiple locations throughout the province, such as Portage la Prairie and Winnipeg. If there is an opportunity to expand and grow our operations that is supported by the Province and Manitoba Hydro, we would be more than willing to pursue ways to do so, only if regulatory environment remains predictable and fair.

Let me be direct: Bill 20, as currently written, put that future and our existing investments at immediate and severe risk. Bill 20 would introduce a curtailable

supply program to maintain reliability, safety and adequacy of the electricity system for—in Manitoba for cryptocurrency operations. The change in the bill allows Manitoba Hydro to establish curtailment—curtailable power supply programs specifically tailored, targeting cryptocurrency operations. However, there is no mention of data centers.

Gator Mining fully supports the goal of maintaining grid reliability, managing peak demand and responding to emergencies to ensure Manitobans have access to clean, reliable power at any given time. We are prepared to work co-operatively with the Province and Manitoba Hydro to implement a curtailable power program for our operations that is fair and reasonable for all parties. Currently, our operations can comfortably provide curtailment on demand with one hour notice or less.

Manitoba Hydro has successfully operated voluntary curtailment rate program for large industrial customers for more than 20 years under Public Utilities Board approval. We are already prepared to co-operate with the Province. We simply ask that the new bill—new program in Bill 20 include reasonable limits, notice periods and fair compensation so it works for both Manitoba Hydro and existing operators like us.

We believe the bill, as currently written, lacks important safeguards. It allows curtailment with very limited or even no notice to grants, and grants Manitoba Hydro broad protection from liability for any resulting damage or lost revenue.

To make this program workable and fair for both parties, we recommend including clear requirements for reasonable advanced notice whenever possible, fair compensation during curtailment periods and more balanced liability provisions.

The bill creates significant uncertainty for our industry. Manitoba, at one time, worked with many businesses like ours who invested resources to establish legitimate businesses. The bill jeopardizes the hard work and financial investment of local Manitobans instead of working with existing operators to develop a solution that allows our industry to remain viable.

* (18:50)

Across North America, cryptocurrency and data centre industries are experiencing strong sustained growth. For example, Texas has become the world's largest Bitcoin mining hub, attracting tens of billions of an investment and creating thousands of jobs. In

Canada, Alberta and Saskatchewan are actively attracting new facilities with competitive energy policies. At the same time, the rapid expansion of artificial intelligence is driving unprecedented demand for data centres across the continent. These sectors bring high-quality jobs, substantial tax revenue and flexible load that can be used to manage grid reliability.

Instead, Manitoba is putting forth the impression that we are not interested to support both the cryptocurrency and data centre industry, even though Manitoba has the opportunity to position itself to attract customers in a rapidly evolving industry.

If the bill includes grandfathering clauses that focuses on implementing regulations for new businesses seeking to enter Manitoba, that seems like a more reasonable ask. New businesses would be aware of the conditions included in the bill prior to moving forward with their investment.

The bill will result in economic consequences for Manitoba that are real and immediate. Loss of tax revenue from our operations to the province; loss of potential revenue for local contractors and consultants and suppliers; loss of jobs not only for our internal staff, who service our eight locations, but also for the electricians, HVAC technicians and carpenters that work with us; and finally, reduce private investment in rural Manitoba communities that search for sources that create economic activity.

In summary, we are not asking for special treatment; we're asking for predictability and fairness. We respectfully urge this committee to recommend amendments that, (1) set a clear maximum on curtailment hours, provide reasonable notice periods and include fair compensation mechanisms; (2) grandfather into facilities and equipment already deployed to protect the investment of local Manitobans; and (3) ensure that the curtailable rate program for cryptocurrency operations is developed in a genuine consultation with the industry.

Manitoba Hydro is a world leader, generating clean hydroelectric power which made it an attractive location when we decided to establish our business here. Cryptocurrency operations like ours is one of the few industries that can flex its demand requirements to support the grid, ensuring power is available for Manitobans. We want to stay here and we want to grow here, but we will not be able to if curtailment requirements are enforced without reasonable limits or protections proposed in this bill.

So thank you for your time. We'd be happy to answer any questions or provide detailed financial examples from our operations.

The Chairperson: So thank you for your presentation.

Do members of the committee have questions for the presenters?

Hon. Adrien Sala (Minister responsible for Manitoba Hydro): Thank you, Alicia and Guildo, for being here and giving us a chance to learn from you. Thanks for sharing your perspective and some of the priorities as you see them. Appreciate it.

The Chairperson: Would—Mr. Theriault, would you like to respond?

Guildo Theriault (Gator Mining Inc.): Thank you, Minister Sala.

Mrs. Lauren Stone (Midland): Thank you for taking the time to present on the challenges that this bill and probably the next bill are presenting for you and your businesses across Manitoba.

You mentioned that you have eight locations across the province, so that's a pretty significant number of locations compared to the total number of operations that Manitoba does have in crypto mining across the province.

So, with that being said, were you ever consulted by the minister, the department, or anyone in government as it relates to Bill 20 that we're speaking about here today?

G. Theriault: Sadly not. We never been approached by any person or personnel from Manitoba Hydro. I have almost weekly communication with Manitoba Hydro, with my major account representative, and even when we—once we find out, the way we find out we found out from Brett. Brett found out from his daughter, and then we spread the word within the community of the crypto-mining space, and I reached out the same as Brett did; I reached out to my Manitoba Hydro rep and he was not aware of that—of this situation as well.

So there's—yes, that should answer your question.

The Chairperson: That looks like all for the Q & A, so thank you very much.

I will now call on Mr. Geoff Hill, private citizen.

And do you have any materials that you would like distributed to the committee?

Geoff Hill (Private Citizen): No, thank you.

The Chairperson: Okay. So, Mr. Hill, please proceed with your presentation.

G. Hill: Right, thank you, committee, for having me here today.

I, Geoff Hill, of Winnipeg—I have been an investor in Bitcoin, specifically mining, very early, since about 2011 or '12, so, very early. And in that time I've put in approximately \$100,000, and I've never once worried about the vagaries of the market going up and down. Time has shown that it has started very, very low—zero—and now we're pressing \$108,000 Canadian. So, ultimately, I haven't been wrong, but I have reinvested over time any profits that may have come in. I've taken out no actual money, right, so that hundred grand is in there and any profits have been reinvested in—back into the miners.

But when looking at why would I get into Bitcoin miners in Manitoba, it was obvious that the province, and, of course, Canada, pretty stable relative to the rest of the world. And, of course, our grid is fantastically stable. Our rates are low, and, really, the only thing that could punch a hole in the business plan is if the rates went way up, and, of course, our Public Utilities Board governs that, to the best of my knowledge, and it's worked for me.

So my friends and family and others have found out that I knew places that would be interested in accepting some additional investors, and so I have probably, through my own connections, funnelled another \$400,000 in investment around—from, I would say, 30 to 50 people in that time. And a lot of them are young. There's five—I can think of six that are over 50, and the majority of them would be in their mid-20s now, maybe as older as 35, and they put in a mere 10 or 20 or 30 thousand dollars. Mere, right? To them 10 or 20 or 30 thousand dollars is a lot of money, and none of them have complained. As the market's gone up and down, they know that ultimately the value is there and the—if we're allowed to keep mining without the major cost being the electricity doubling on us, which will immediately shut down and destroy the industry, they can count on a rebound at some point.

Well, rebound isn't quite the right word, but without getting too deep into the weeds about how Bitcoin works, you ride the wave up; demand can't capture—can't catch up as—the production can't catch up as fast as demand does. So there's a period where you make a lot of coin, and we're approaching one right now. And so while all my friends and family are

waiting eagerly for this next elevator, which looks like it's right here, we're now all worried about the whole thing just shutting down. So not optimum for us, especially the younger people, right?

I would point something out that's just a little off topic from my talk, and that is when all these miners are making coin in Manitoba, they get sold on an international market through registered trading floors, and these are—this money's coming into Manitoba. Like, these aren't Manitobans buying Bitcoin; it isn't 80 megawatts of power being consumed by Manitobans and then being paid for by Manitobans with services and product that lands here. We're literally exporting our electricity in another form.

* (19:00)

So that's all I have for you.

The Chairperson: So thank you for your presentation.

Do members of the committee have questions for the presenter?

MLA Sala: I just want to thank you, Mr. Hill. Thanks for being here, thanks for presenting, and thanks for sharing your perspective on this bill. Appreciate it.

The Chairperson: Mr. Hill, would you like to respond?

G. Hill: Well, thank you for hearing me.

Mrs. Stone: Yes, thank you also for taking the time to speak.

So, if this bill moves forward, what do you see would be the challenges or the negative impacts, both from an investor standpoint but also from an export standpoint, of the electricity or the crypto that you are exporting, and then from an economic standpoint, for Manitoba? As you mentioned, lots of young individuals have invested this and a significant amount of investment goes into crypto mining operations.

So if you could just speak to, you know, if the government moves ahead with this bill, what could that mean from a negative standpoint?

G. Hill: Well, roughly speaking—and they know more about the actual nuts and bolts of how it all works and what the costs break down to—but my understanding is that roughly 90 per cent of the cost of mining a Bitcoin is the electricity. So if we double it, the mines are shut down, so the investments are gone.

There is some infrastructure in buildings, but you can't sell the wires in your house. You can't sell the panels that are installed on the walls. You can't sell

the—like, there's literally power cords, miles of power cords. You can't resell them for anything but a fraction of what you put in. So of, let's call it a half million dollars between me and my friends, I don't know, probably 10 cents on the dollar, maybe? Ten? Sure.

So I'd take quite a haircut and they would take quite a haircut. And that's—I think that might be optimistic because used electrical parts, there's not a lot of market for that. So I would think that's gone. And then, of course, if we won't—aren't producing any Bitcoin, then we're certainly not exporting it to the rest of the world, so that's gone.

Was there another part to your question? Am I missing something?

An Honourable Member: I think you covered it, yes.

The Chairperson: Okay, so I see no further questions, so thank you very much for your presentation, Mr. Hill.

**Bill 39—The Manitoba Hydro Amendment and
Tax Administration and Miscellaneous Taxes
Amendment Act**
(Continued)

The Chairperson: So we're now moving on to Bill 39.

So I will now call on David Grant, private citizen.

And, Mr. Grant, do you have any materials that you would like distributed to the committee?

David Grant (Private Citizen): No.

The Chairperson: Okay, so Mr. Grant, please proceed with your presentation.

D. Grant: I was primarily here to speak to Bill 14, but we'll do that later, I guess.

On the topic of 39, I can commiserate with the people who spoke to—before me. I think the—I've been here a long time in Manitoba and paying for electricity for many decades, and things have changed a lot in the last 10 or 20 years as far as demand and population. The amount of hydro that's going to be consumed by residences and by the jobs those people do, so that becomes, I think, the governing factor.

I think that's probably why this bill exists, is because the government has foreseen that in eight or 10 years, before Manitoba Hydro can build very much, we're going to be short of power. I think there's—there are people who don't realize that Manitoba is short of power every year. For a little while in December and January, Manitobans use more

power than we can make—I used to work at Hydro—we can make, and so we import it from the coal burning places to the south of us, just for those short periods.

As we add people—and we're adding a lot of people per year—as we do that, we have to keep those places warm and supplied with stuff. So the—I guess the number of months when we're self-sufficient, electricity is probably going to be dropping off. And I can see this bill is headed toward that future in 10 years when Manitoba doesn't have enough power to keep the lights on for a large part of the year. And I think Hydro has some plans for gas turbines or something.

But that is a reality, that the people who are talking about doubling the population of the province, the way that tends to go is doubling the size of Winnipeg. Our previous mayor spoke of a million people in Winnipeg, and I think that's not unrealistic. You know, maybe in five or eight years we'll be a million, a million two, in which case we're barely going to have enough power to keep those places warm. And so, from that point of view, I'm in favour of the bill.

I think the people previous spoke, also, about it being interruptible power, because what you find is that when you have a residential consumer base, they turn on—they start the toaster and the coffee maker at 7 or 8 in the morning, and then hardly any power after 9. And then from 4 o'clock to 7 o'clock, they're busy consuming power, and then not much.

So there are utilities who love to have an interruptible consumer, because—we're lucky that Manitoba—the hydro portion of Manitoba Hydro can be turned on and off easily; the water can be stopped, stop making power. The gas turbines that we use can also be started and stopped easily.

If you're Ontario or New Brunswick, where you make your power from fission, those don't like being started and stopped for an hour. And so they're stuck. So the best place for interruptible power is next to a nuclear generating station, because then it can run full tilt all through the day and through the week, making Bitcoin at midnight and cooking dinner at 6.

So—but the idea of having interruptible power still helps Hydro a little bit. And I think that if the bill was going to be changed, I would suggest that, to the extent that it can be interruptible—you know, like, if Hydro offered interruptible rate about where it is now, 24-hour rate for a big power consumer like the

Rolling Mills, they might have to pay more. You know, an industrial. And this one only deals with data mining, but I think a user like the electric arc furnace is something that uses a whole lot of power that could be heating up a couple apartment buildings.

So those are just some thoughts and, as I say, if the bill was to say non-interruptible power for a frivolous use, if that's what you want to call data mining, would pay this rate and that the interruptible would pay a better rate. So just a thought there and, as I say, I think we're going to be in a very different position. If we were to have this discussion in five years and Hydro is importing for six months a year, then that would be a very different discussion. We'd be more desperate to find power for those homes.

And—so that was all I had to say on 39 is that, initially, I came very much in favour, but I also like the idea of interruptible consumer uses. So thank you. And I'd offer you that idea of amending the bill to say that 24-hour power would face this rise for these uses, but interruptible on Hydro's say-so, on Hydro's timing, should be probably closer to the original rate.

And that was it. Thank you.

The Chairperson: So thank you for your presentation.

Do members of the committee have questions for the presenter?

Hon. Adrien Sala (Minister responsible for Manitoba Hydro): No question, but just as somebody who signed up to speak to all four bills, I want to thank you for your civic engagement, being here to offer your perspective. It's fantastic to see you come out, and appreciate your thoughts on how you feel we might alter the bill to improve it.

So thank you so much.

The Chairperson: Mr. Grant, would you like to respond?

D. Grant: No, and thank you very much and it is a challenge. I think last time we had standing committee it was just one room—or one room, the Rotunda. But it's a challenge running back and forth and—on a warm night. And I've already missed Bill 14 here. I missed something down there, and—but bills 14 and 39 were my—top of my list.

So thank you.

Mrs. Lauren Stone (Midland): And I would echo what the minister said. You know, what we have here in Manitoba is quite unique, giving the public the

ability to come to present on legislation, to share their ideas of how you can make legislation better. And so thank you very much for exercising the democratic process here in Manitoba and sharing how you think this legislation could be significantly improved.

So thank you.

D. Grant: Yes, and it is unique. I recognize this situation doesn't happen in Ontario or Quebec, maybe, but it—the two sides of that are that those who feel strongly about issues, like me, get to talk to you and you might—I think Mr. Wiebe pointed out, these are aspects that he hadn't thought of. So it's—sometimes it's good for the government.

* (19:10)

But the other part for the government is that the people—knowing that we can come down and speak to you. Somebody back here who talked here tonight or a few months ago will talk to their friends. And you guys are people then, and people who listen, and I think that's something that's really missing in government in other places. I think if you talk to your average big-city American, they probably have the opinion that government's just something over there that costs them money. And in this case you're a responsive bunch of people and I would congratulate you for that situation and hope it continues.

Thank you.

The Chairperson: I see no further questions, so thank you, Mr. Grant.

So I will now call on Guildo Theriault and Alicia Rocke.

And so just a friendly reminder, we'll do the same thing as last time. Do you have any materials you'd like distributed to the committee? No? Okay. So, Mrs. Rocke, please proceed with your presentation.

Alicia Rocke (Gator Mining Inc.): Good evening again, Chairperson and honourable members of the committee.

So, again, my name is Alicia Rocke, and I'm here with my business partner, Guildo Theriault. So we're—it'll sound a little similar to our last presentation. We're here on behalf of our Manitoba-based crypto mining company, Gator Mining. Our company provides hosting services to local, national and worldwide clients and we appreciate the opportunity to present our serious concerns with Bill 39 before they move forward.

Gator Mining is a company we created and established here in Winnipeg, Manitoba in 2021, and our company's success is a direct result of the dedication, hard work and invaluable contributions of Manitoba residents. We are located—we are local Manitobans who have invested several millions of our own dollars, countless hours building a legitimate company in the province to provide high-quality service to meet our customers' needs.

Our company provides a positive impact to the community by employing local Manitobans, supporting local businesses and suppliers and paying taxes like any other business. We frequently engage with multiple contractors and consultants in the community to help achieve our company's goals, providing high-quality service, and by doing so, we have invested nearly \$24 million back into Manitoba's local economy and communities, generating significant revenue for Manitoba Hydro while creating jobs and valuable opportunities to tradespeople within the province.

All of our facilities were constructed with constant communication and discussion to ensure the required approvals and processes laid out by the Province and Manitoba Hydro were followed. Our operations are located in multiple locations throughout the province, such as Portage la Prairie and Winnipeg. If there is an opportunity to expand and grow our operations that is supported by the Province and Manitoba Hydro, we would be more than willing to pursue ways to do so, only if the regulatory environment remains predictable and fair.

So, again, let me be direct: Bill 39, as currently written, put that future and our existing investments at immediate and severe risk. Bill 39 introduces changes to The Manitoba Hydro Act that directly impacts the viability for our business to operate cryptocurrency and data centres in the province that were established in good faith.

As per the imposition of levy, clause 110.2(1), the levy can be set by regulation, but if no rate is prescribed, it defaults to 100 per cent of the entire monthly electricity bill. For businesses working in this industry, that is not a modest adjustment. For our business, a significant operating cost is power consumption. This rate change potentially doubles this operating cost, drastically impacting the health of our company in a negative way and a call for closure.

The service that we provide to our clients typically costs tens of thousands of dollars per month, with a large portion of their invoice being

influenced by power consumption. By implementing a 100 per cent levy to the rate, the only way our business—the only way for our business to remain profitable would be to increase the cost to our customers.

Although the solution sounds simple, due to the competition worldwide to secure lower operating costs for cryptocurrency hosting, our clients would have no choice but to end contracts with us and relocate to our competitors in the United States and neighbouring provinces like Quebec and Alberta. If this outcome occurs, our business will have no choice but to shut down as our revenue stream would be eliminated.

Our company has purchased and deployed high-value mining equipment and infrastructure based on the current rate structure approved by the Public Utilities Board. This levy would turn those investments into stranded assets with no reasonable solution to recover our investment and the investment of our clients.

The way the bill is currently written does not consider any type of grandfathering clauses for existing operations. Due to this, there is no transition period for businesses in this industry to explore solutions to remain profitable, keeping the doors open for future businesses. There is no assurance that the eventual regulated rate will be set at a level that allows us to remain competitive with other provinces or countries. The uncertainty alone is enough to freeze all future capital spending in Manitoba for our company until a clear future is communicated.

Taken under all consideration, this bill creates a significant uncertainty for our industry. Manitoba, at one time, worked with many businesses like our who invested resources to establish legitimate businesses. This bill jeopardizes the hard work and financial investment of local Manitobans instead of working with existing operators to develop a solution that allows our industry to remain viable.

Across North America, cryptocurrency and data centre industries are experiencing strong and sustained growth. For example, Texas has become the world's largest Bitcoin mining hub, attracting tens of billions of investment and creating thousands of jobs.

In Canada, Alberta and Saskatchewan are actively attracting major new facilities with competitive energy policies. At the same time, the rapid expansion of artificial intelligence is driving unprecedented demand for data centres across the continent.

These sectors bring high-quality jobs, substantial tax revenue and flexible load that can be used to manage grid reliability.

Instead, Manitoba is putting forth the impression that they are not interested to support both cryptocurrency and data centre industry, even though Manitoba has the opportunity to position itself to attract customers in a rapidly evolving industry.

If the bill includes grandfathering clauses and focuses on implementing regulations for new businesses seeking to enter Manitoba, that seems like a more reasonable ask. New businesses would be aware of the conditions included in the bill prior to moving forward with their investment.

Currently, the bill will result in economic consequences for Manitoba that are real and immediate: loss of tax revenue from our operations to the Province; loss of potential revenue for local contractors and consultants and suppliers; loss of jobs, not only for our internal staff who service our eight locations, but also for the electricians, HVAC technicians and carpenters that work with us; and, finally, reduced private investment in rural Manitoba communities that search for resources that create economic activity.

In summary, we're not asking for special treatment; we're asking for predictability and fairness. We respectfully urge this committee to recommend amendments that (1) avoid targetting a single industry for a significant electricity rate increase, as proposed in Bill 39; and (2) grandfather current facilities and equipment already deployed to protect the investment of local Manitobans.

So Manitoba Hydro is a leader—a world leader—generating clean hydroelectric power, which made it an attractive location when we decided to establish our business here. Cryptocurrency operations like ours is one of the few industries that can flex its demand requirements to support the grid, ensuring power is available for all Manitobans.

So we want to stay here. We want to grow here, but we'll not be able to if rates suddenly increase drastically without reasonable limits or protections proposed in this bill.

So, again, thank you for your time. We would be happy to answer any questions or provide detailed financial examples from our operations.

The Chairperson: So thank you for your presentation.

Do members of the committee have questions for the presenters?

MLA Sala: No question, but, again, just want to thank you for taking time to be here to help us understand your perspective and concerns with the bill.

Thank you so much.

The Chairperson: Mr. Theriault, would you like to respond?

Guildo Theriault (Gator Mining Inc.): You're very welcome, and thank you to listen to us as well.

* (19:20)

Mrs. Stone: Yes, and thank you again for presenting on this second bill.

So as this one deals with the fee component—a significant fee component—were you consulted by the minister, his office, the department, or Manitoba Hydro as it relates to Bill 39? I know I asked this about Bill 20, but considering this has a very significant financial component to it, were you consulted considering you have eight operations across the province? Were you consulted?

G. Theriault: Once again, we never got approached by any parties, Manitoba Hydro or any representative to tell us the consequence of what's coming towards us pretty fast. And just to make sure—if this goes through, our business goes bankrupt and a lot of family will be impacted. A lot of investors that we have will lose their investment because purchasing servers costs a very large amount of money, so they will have to either bring it to other provinces. So there's a very large impact by moving forward towards the Bill 39.

Mrs. Stone: Can you speak to—throughout your presentation, you mentioned there is a misconception by this government that crypto mining operations don't provide any economic benefit or jobs. So can you just confirm that, you know, a closure of your eight operations across the province would result in lost wages, lost taxation to local RMs and cities, lost revenue to Manitoba Hydro and a significant financial compromise to you as local Manitoba business owners?

Did I clarify that from your presentation?

G. Theriault: You're absolutely right. In the last four years, we have spent \$24 million in the province. That \$24 million went for—a large portion to

Manitoba Hydro, as we purchased electricity at a higher rate than they exported in the US.

And then there's—example, one contractor, we give him \$1 million the last four years for electrical services. And I can go on and on, but \$24 million have come back to the province. We have the documents. If needed, we can provide it.

Mrs. Stone: One of the previous presenters had mentioned a couple options within this legislation, such as a grandfather-in clause for—where this would not apply to existing operations like yours, which would cause significant financial challenges for you and your business.

Is that something that you would also like to see within this legislation?

G. Theriault: A hundred per cent. We build this company knowing what was the rule at that time. If the rule change over time, grandfather-in is kind of a necessity in this situation. Otherwise, we would not build here. We would build in Alberta or maybe Quebec, but most likely, Alberta.

The Chairperson: Okay, I see no further questions, so thank you very much for your presentation.

I will now call on Mr. Ryan Bracken. I believe he is virtual, so we'll just take a moment to have him come up on the screen—*[interjection]*—oh, he had been online; he is not currently online, so we will actually drop him to the bottom of the list and we will come back.

Bill 46—The Securities Amendment Act

The Chairperson: So we will now move on to Bill 46, and I will now call on David Grant, private citizen.

And Mr. Grant, do you have any materials?

David Grant (Private Citizen): No, I do not.

The Chairperson: No? Okay, so please proceed with your presentation.

D. Grant: I actually don't have much of a presentation. It was—as I said, I was here primarily for the other topics, but on the other hand, I guess it's a good idea that the—I just congratulate Mr. Sala on updating the act and the rules and support them. And, as I said, waiting for 14, so thank you.

The Chairperson: All right. Well, thank you for your presentation—oh, did you want to stay for any comments from the—from any of the members of the committee?

Do any of the members of the committee have questions or—okay.

Thank you, Mr. Grant.

So we will go back to the start of the list.

Bill 14—The Public Interest Disclosure (Whistleblower Protection) Amendment Act

The Chairperson: So Bill 14. I will now call on Mr. David Grant, private citizen.

Please proceed with your presentation.

David Grant (Private Citizen): One thing I was going to say about 14, I'm strongly in favour of it and enhancing the incentives for someone who knows about something bad to come forward with it.

I think when—so long ago when I was little, everybody was taught to, if there's something broken, tell somebody. If there's something wrong or you see something—somebody doing something dangerous, tell somebody. And I think that's where we are with whistle-blowing in general.

I would say that there's another—I keep hoping that—I think there have been bills; I think Mr. Wiebe had a bill earlier a while ago that dealt with whistle-blowing in other than government offices. I would suspect that with the current bill protecting people working for the government, the way I used to refer to it is that if your paycheque says government of Manitoba at the top, you're covered and you feel—should feel free to report that. I think the fact that that bill has been in place for a long time and that most of the workers who would have knowledge of that sort of thing and might be inclined to report it, I think they already have. And I think that the odds of the newspapers finding a headline of something horrible going on, some bribery or theft or something major going on in government operations is probably very low, as opposed to contractors or City and so on.

An entity that does not have whistle-blower protection, the people who know—if there's something bad going on—the people who know don't have an incentive to come forward. And I would really hope that someday something like Bill 14 would come forward and protect all the people that work at Hydro, that do government contracts and so on. Because my perception—well, that the daily news tells us that bad things happen, and people steal money, and things—costs go crazy high, and the only explanation is somebody did something crooked. And you have to be careful with the word crooked. Some—city hall won't let you use it.

But the idea that these people, people working in that situation, have a pretty good idea based on past practice that they can get away with something bad. And that's how I'd really hope that we go further down that road to tightening up rules on the Crown corps, the agencies operating under government authority. And, again, I've worked with Mr. Wiebe to try and improve some of the rules when he—doing it—when a Crown corp or other—or government does an investigation, if it meets the standard, then when they—because sometimes somebody reports something, the entity investigates—which they don't really; they just write a report and say we didn't find anything.

So, anyway, as I say, I support Bill 14, and I would really hope that someday it improves to incorporate all those other places where tax dollars have been stolen and wasted. And as I say, I have great faith in your employees, that—you notice in the last 20 years there've been lots of cases hit the headlines of money's missing, money was wasted, prices went crazy high, and that tends not to be government workers doing that. And so I say that's my basis for saying that of all the—use forbidden words—all the corruption and bad things that may be happening out there, I'm pretty sure that the people covered by Bill 14 are not involved in that stuff. And I would just hope that we are able to write a bill to protect all those other people.

And corollary to that is the Auditor General. Manitoba's auditor is not allowed to look into stuff done by a Crown corp or by an agency reporting to the government. And so regulators and stuff like that, if somebody's stolen the money, the Auditor General's not allowed to look at it.

* (19:30)

And so I see that as a significant weakness in the audit, whistle-blowing, keeping things neat and clean and transparent business, that you're in the business of keeping things honest and neat, and I think that would go a long way as to enabling. If somebody comes forward from a Crown corp or an agency and says, there seems to be an issue here, and the auditor was able to dig into it, if they had funding—because that's what we find—the City, their auditor is allowed to look into City stuff. But they don't have the funds, and I made that point not too long ago, that they had an audit report and the auditor had never done a functional audit, and—not in years, and I pointed out that by starving that entity of funding, you tend to not have any bad news at the headlines, because nobody was paid to look for it.

And so there's those issues, and that's why, as I say, back to the old theme of (a) fund the audit team, enable them to look at stuff that's related to government spending and then have the—whatever, just to enable them to do that. So I would hope you do a bit more of that and, again, congratulations to Mr. Sala, and my applause for making things a little bit better. And I would hope that maybe can talk to your office about, you know, a bill for this fall to have the umbrella cover more people who spend taxpayer money, whose pay comes from the Province.

So thank you.

The Chairperson: So thank you for your presentation.

Do members of the committee have questions or comments for the presenter?

All right, thank you, Mr. Grant.

So we will go back to Bill 39, and we are going to call again Mr. Ryan Bracken, private citizen, online.

And he is still not online, so he will be struck from the list. And I believe that is the end of our presenter list.

All right, that concludes the list of presenters that I have before me.

* * *

The Chairperson: In what order does the committee wish to proceed with clause-by-clause consideration of these bills?

Hon. Mike Moroz (Minister of Innovation and New Technology): I think we should proceed in bill numerical order.

The Chairperson: It has been suggested that we proceed in bill numerical order.

Is that the will of the committee? *[Agreed]*

**Bill 14—The Public Interest Disclosure
(Whistleblower Protection) Amendment Act**
(Continued)

The Chairperson: So we will now proceed with clause by clause of the bill.

We will start with Bill 14. Does the minister responsible for Bill 14 have an opening statement?

An Honourable Member: Yes.

The Chairperson: The Honourable Minister Sala.

Hon. Adrien Sala (Minister responsible for the Manitoba public service): Thanks to all members for being here today with us. And I'm pleased to offer just a few opening remarks as we conclude committee consideration of Bill 14, The Public Interest Disclosure Amendment Act.

At its core, this bill is about protecting the integrity of Manitoba's public service, ensuring that when public servants raise concerns, they're supported, protected and treated fairly. Last year, our government undertook a statutory review of the act, informed by experts and the direct experiences of our public servants. I was pleased to table that review in December 2024.

Over the last year, we listened carefully, and now with Bill 14, we are acting on what we heard to modernize Manitoba's whistle-blower protection framework. Honourable Chair, this bill reflects a simple principle: When people do the right thing, the system must do right by them.

Bill 14 strengthens the existing framework in several important ways. It expands reprisal protections, it improves how disclosures involving senior officials are handled it strengthens the role of the Ombudsman in reprisal matters and ensures NDAs can't be used to silence people coming forward.

Honourable Chair, it's important to emphasize that this work is not one and done. Our government has committed to conducting another formal review of this legislation in 2028. That commitment reflects how we approach this bill: we reviewed, we listened, we legislated and we will do so again. Taken together, these amendments strengthen trust and how concerns are handled across government today, while ensuring the framework can evolve over time.

I look forward to the committee's consideration of the bill and to the discussion ahead.

The Chairperson: We thank the minister.

Does the critic from the official opposition have an opening statement?

Mrs. Lauren Stone (Midland): Our PC team supports protecting whistle-blowers, and we want action to prevent any reprisals taken against whistle-blowers. Over the past number of years, there's been significant steps that have been taken and legislation brought forward to strengthen whistle-blower legislation and protection.

We encourage the government to follow the Ombudsman's recommendations from the annual-

or from the five-year review that took place. Trust that public servants can come forward without fear of reprisal and that disclosures will be taken seriously and an investigation is done accordingly and appropriately is a key part of this legislation, and we look forward to moving forward clause by clause within this bill.

Thank you.

The Chairperson: We thank the member.

During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Also, if there is agreement from all the—from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? [*Agreed*]

All right.

Clauses 1 and 2—pass; clauses 3 and 4—pass; clauses 5 and 6—pass; clause 7—pass; clauses 8 and 9—pass; clauses 10 through 13—pass; the enacting clause—pass; title—pass. Bill be reported.

Bill 20—The Manitoba Hydro Amendment Act (Continued)

The Chairperson: We will now move on to Bill 20.

Does the minister responsible for Bill 20 have an opening statement?

An Honourable Member: I do.

The Chairperson: The Honourable Minister Sala.

Hon. Adrien Sala (Minister responsible for Manitoba Hydro): Thanks again to all members for being here. Pleased to offer a few remarks in relation to Bill 20, The Manitoba Hydro Amendment Act.

Manitoba Hydro provides clean, reliable, affordable power to all Manitobans. It has and will continue to be central to our province's economic development. At the same time, we need to address the pressures that are being placed on the grid. One of the challenges we are responding to is the growth of activities that require very large amounts of electricity on a continuous basis, such as cryptocurrency mining, often during periods when our system is under the greatest strain.

Bill 20 addresses that. It would allow Manitoba Hydro, with the approval of the Lieutenant Governor-in-Council, to establish a mandatory curtailable power supply program for existing cryptocurrency mining operations. In practical terms, this means Hydro would be able to temporarily reduce power supply to those operations during peak demand, system constraints or emergency conditions, helping protect reliability for everyone else who depends on the system.

Last year, our government took action by placing a ban on new and pending cryptocurrency mining operations. Bill 20 builds on that work by ensuring that existing operations are managed in a way that serves the broader public interest. Managing peak demand is about protecting the system and protecting ratepayers. It helps keep costs down and ensures our clean energy continues to work for Manitobans first. Bill 20 is measured; it's a responsible step that supports long-term planning, system reliability, affordability, and I look forward to the committee's consideration of the bill.

Thank you.

The Chairperson: We thank the minister.

Does the critic from the official opposition have an opening statement?

Mrs. Lauren Stone (Midland): So, as we heard tonight through various presenters, this bill was clearly presented without any consultation with the cryptocurrency mining industry that we do have here in Manitoba. There has been a lot left up to regulation within this legislation.

We've heard from presenters tonight that are open and encourage the government to sit with them and work through a plan in consultation with the industry as to what a curtailment program could look like. We've heard from the industry that they have significant experience in being able to curtail, whether it's from Manitoba, across the country or other jurisdictions, and without that consultation, with being—so much being left up to regulation, is a concern as this industry was not consulted.

* (19:40)

So I would encourage the government and the minister to sit down with the industry to develop what those regulations look like in concert with their experts.

And with that being said, I look forward to going clause by clause.

The Chairperson: We thank the member.

During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Clause 1—pass; clause 2—pass; clause 3—pass; clause 4—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 39—The Manitoba Hydro Amendment and Tax Administration and Miscellaneous Taxes Amendment Act

(Continued)

The Chairperson: So we are now moving to Bill 39.

Does the minister responsible for Bill 39 have an opening statement?

Hon. Adrien Sala (Minister responsible for Manitoba Hydro): I do; thank you again, honourable Chair. Thanks again to everyone for being part of this today.

As mentioned in our discussion on Bill 20, our government has been focused on ensuring Manitoba Hydro has the tools it needs to manage growing electricity demand responsibly and in the public interest. With growing demand from large-scale and energy-intensive users, it's essential that these uses contribute appropriately to the cost of maintaining and expanding the system.

Bill 39 responds to that reality by establishing a levy on electricity for certain high-demand, energy-intensive uses, including cryptocurrency mining operations, large data centres and other large power supply projects. The levy ensures that when these uses place added pressure on our electricity system, they contribute fairly to the costs that come with that demand. The bill applies the levy through separate customer classes and allows rates to be set through regulation. Where no rate is prescribed, the levy defaults to 100 per cent of the applicable monthly energy and demand charges.

Importantly, the revenue from this levy is retained by Manitoba Hydro, not government, and is used to support the work Hydro must do to build new capacity, refurbish infrastructure and maintain system reliability. Overall, this bill ensures high-demand users pay their fair share for the infrastructure required to serve them rather than shifting those costs onto households and small businesses.

As we work to build the next generation of clean energy, Bill 39 helps ensure that Manitoba's

clean energy advantage continues to deliver what it always has: reliable power, good jobs and affordable rates while supporting responsible growth and long-term system planning.

Thank you so much, honourable Chair.

The Chairperson: We thank the minister.

Does the critic for the official opposition have an opening statement?

Mrs. Lauren Stone (Midland): Again, this is an example where the government and the NDP have brought forward legislation without consulting with the industry and the impacts that a piece of legislation like this could have on local Manitobans, Manitoba businesses and Manitoba families.

We've heard the minister repeatedly say on record that cryptocurrency operations and data centres do not provide any economic benefit to our local economy. From what we've heard tonight, that is simply not true. These are Manitobans and families that have invested millions and millions of dollars and put their finances on the line under a system that was not what the minister is bringing forward today. We've heard millions of dollars being contributed back into the Manitoba economy through wages, jobs, salaries, taxation.

This appears to be legislation—knee-jerk legislation from this minister and appears to try to bring revenue into Manitoba Hydro with its \$27 billion of debt—however, without considering the lost revenue that Manitoba Hydro could face if many of these operations actually close down because of this fee.

And what we did hear tonight from these local Manitoba businesses is that is a very real scenario, that if this levy is put forward, this could cause these operations to shut down, resulting in financial strain for these Manitoba businesses. At the same time, those lost—that lost wages, lost taxation and lost revenue to Manitoba Hydro.

With that being said, I encourage the minister to actually sit down with the industry and discuss what these bills that he's bringing forward would have an impact on rather than making an inaccurate assumption as to the economic benefit that these actually do provide. And we heard that loud and clear from presenters tonight.

With that being said, I look forward to moving through this bill clause by clause.

The Chairperson: We thank the member.

During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Also, if there is agreement from the committee, the Chair will call clauses and blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? *[Agreed]*

Shall clauses 1 and 2 pass?

An Honourable Member: Pass.

An Honourable Member: No.

The Chairperson: I hear a no.

Clause 1—pass.

Shall clause 2 pass?

An Honourable Member: Pass.

An Honourable Member: No.

The Chairperson: I hear a no.

Mrs. Stone: So clause 2 of this bill introduces subsection 39.1(3), appears to create an exception to the provisions that have traditionally ensured that customers within the same class are treated consistently without discrimination based on geography.

So can the minister please explain the effect of this clause and confirm whether it allows customers in the same class to be charged different rates based solely on their location?

* (19:50)

MLA Sala: So I'm going to provide a response, and I'll ask the critic, if I'm not answering your specific question, we'll just have you clarify.

So the clause does enable specifically the creation of separate rate classes, so the answer to that is yes. And I think the second part of your question was: Does it allow for regional differentiation? And the answer to that is no.

The Chairperson: Any further questions or comments?

Okay.

So clause 2—pass.

Shall clause 3 pass?

Some Honourable Members: Pass.

An Honourable Member: No.

The Chairperson: I hear a no.

Mrs. Stone: So if the part of the concern or the reason for this legislation is energy consumption and pressure on the grid, can the minister explain why cryptocurrency operations are being treated differently from other high-consumption users, especially when it comes to the threshold consumption in, I believe, it's section 49.2, regulations, or the five megawatts?

* (20:00)

MLA Sala: So I understood the question to be essentially, why are we applying this to crypto, and I would say, big picture, as I've mentioned in the House and on the record already, we view crypto mining to be a relatively low value driver here in our provincial economy. You know, it surprised me to think that the party to which the member belongs would disagree with that, given that the government banned or put a moratorium on cryptocurrency mining. So I would assume that they would have a similar outlook on supporting further load being allocated to this type of economic purpose.

But, you know, in summary, this ties back to the fact that we believe, again, it's a relatively low value driver of the economy. And I think, you know, in terms of alignment to other jurisdictions, we can see BC and New Brunswick have imposed permanent bans on new crypto mining. Quebec is bringing in much higher rates for crypto mining as well, along with interruptible service. Newfoundland and Labrador exempts the utility from serving crypto miners unless surplus power exists.

So we can see across Canada this seems to be the direction other provinces are taking as well in response to concerns, I think, about the value that this load brings to jurisdictions.

Mrs. Stone: With all due respect to the minister, we're not talking about moratoriums or banning crypto here in Manitoba that already does exist. What we're talking about with this bill is the potential to financially decimate local businesses. And here in Manitoba, that's set up under very different rules, as this bill refers to the tariff or the fee that will be placed on crypto mining operations.

So just further to that clause, what is the impact on existing large power supply customers who do exceed that five megawatt threshold amount in

section 49.2, as we know that there could be many, when they do expand or increase that consumption? So what would that impact be?

MLA Sala: So on the data centre side, given it only impacts data centres over five megs, there are no data centres operating above five megawatts. So on the data centre side, no impact. On the crypto side, all crypto is captured, I think as the critic knows.

Our legislative ban means there will be no new crypto, so this would only affect the existing customers which are currently in place. I think the member knows that there's an estimated 80 megs of load currently allocated to crypto, which means the impacts will be an estimated—if we use the default, which is the current—what's outlined in the bill—two times the current rates, which are currently charged, you know, based on the rate that had been determined by the PUB.

However, again, as we go forward through the process of consultation, it's possible, as we go through this, that we'll determine another rate is merited and that may be reflected in the regs.

So the answer to the question, I guess, is contingent on where we land in terms of that rate in the regs. But I think that provides a fair summary to the question asked.

The Chairperson: Seeing no further questions, we'll go back to—clause 3—pass; clauses 4 and 5—pass.

Shall clauses 6 and 7 pass?

An Honourable Member: Pass.

An Honourable Member: No.

The Chairperson: I hear a no.

Clause 6—pass.

Shall Clause 7 pass?

An Honourable Member: Pass.

An Honourable Member: No.

The Chairperson: MLA Stone.

Mrs. Stone: Yes, I just have a clarification on 110.2(1). Section B indicates 100 per cent of the monthly energy charge per kilowatt hour and then 100 per cent of the monthly demand charge per kilovolt.

So can the minister just clarify who gets which charge or if a customer may be liable for both levies?

MLA Sala: So to answer the question, the customer is responsible for both. Both of those rates are set by the Public Utilities Board, and this would be consistent with what all large-class energy users in Manitoba would be subject to.

The Chairperson: So shall—I see no further questions.

* (20:10)

Clause 7—pass; clause 8—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 46—The Securities Amendment Act
(Continued)

The Chairperson: So we are now moving to Bill 46.

Does the minister responsible for Bill 46 have an opening statement?

An Honourable Member: I do.

The Chairperson: The Honourable Minister Sala.

Hon. Adrien Sala (Minister of Finance): I'm very pleased to have the opportunity to speak briefly to Bill 46, The Securities Amendment Act.

Since coming into office, our government has been taking deliberate action to modernize Manitoba's financial regulatory framework. Last year we took an important and foundational step by re-establishing the Manitoba Financial Services Agency as an independent, arm's-length entity. That step mattered. It ensured Manitoba's oversight is independent, credible and aligned with how financial regulators operate across the country.

Bill 46 builds directly on that progress, focused on ensuring our regulators have the tools they need to keep pace with an increasingly complex, digital and fast-paced capital market environment. Specifically, this legislation grants the authority of the Manitoba Securities Commission to regulate financial benchmarks. It strengthens enforcement against misconduct, including false or misleading statements made online, and it updates civil liability provisions to better protect investors.

Honourable Chair, Bill 46 is not the end of this work. Manitobans can expect further action in this area. Updating and modernizing our financial legislation will be an ongoing effort. Capital markets evolve; risks change; technology advances, and Manitoba must be ready to respond. Our goal is to keep pace with other jurisdictions and ensure we're never left behind again.

Honourable Chair, Bill 46 is a necessary step forward and an important part of bringing Manitoba's financial oversight into the modern era.

I appreciate the committee's attention and look forward to the discussion ahead.

Thank you.

The Chairperson: We thank the minister.

Does the critic from the official opposition have an opening statement?

Mrs. Lauren Stone (Midland): The financial services industry has gone through some significant changes over this—over the years, and so Manitoba has been on a path of modernizing legislation as it relates to this industry.

So this bill is essentially about playing a little bit of catch-up and fixing some of the gaps that currently exist but that are already standard practice within the financial services industry, and we look forward to continued modernization and look forward to going clause by clause.

Thank you.

The Chairperson: We thank the member.

During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Also, if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

Is that agreed? [*Agreed*]

Clauses 1 and 2—pass; clause 3—pass; clauses 4 and 5—pass; clause 6—pass; clause 7—pass; clause 8—pass; clauses 9 through 11—pass; clause 12—pass; clauses 13 and 14—pass; clause 15—pass; clause 16—pass; clause 17—pass; enacting clause—pass; title—pass. Bill be reported.

Bill 51—The Public Sector Artificial Intelligence and Cybersecurity Governance Act

The Chairperson: Okay, we are moving on to Bill 51.

Does the minister responsible for Bill 51 have an opening statement?

An Honourable Member: I do.

The Chairperson: Okay, the Honourable Minister Moroz.

Hon. Mike Moroz (Minister of Innovation and New Technology): I want to thank the committee for being here tonight. Looking forward to the conversation around Bill 51, The Public Sector Artificial Intelligence and Cybersecurity Governance Act.

I also want to start off by thanking the member for Borderland (Mr. Guenter), the critic for this file, for the conversation that we've had—the respectful conversation we've had both within the context of the bill briefing itself throughout the second phase conversation we had in the Chamber. I have let him know during those two occasions, and I'll reinforce that message again today, that as we look at finding ways to regulate artificial intelligence, protecting the data of Manitobans through stronger cybersecurity governance, this isn't inherently a political issue or a partisan issue. This is very much about doing what we can together to protect Manitobans in a more diligent way in ensuring that the regulations we have, the structures we have, the guardrails we have, are nimble and can respond quickly to needs as they occur.

I want to touch just briefly on some key aspects of Bill 51. Bill 51 is the first step in terms of providing those guardrails. The bill will establish a modern framework to guide the responsible use of artificial intelligence and to strengthen cybersecurity across Manitoba's public sector. It provides government with the regulation-making tools and authorities necessary to respond rapidly to evolving digital risks while at the same time supporting innovation in service delivery to improve the citizen experience with government.

On a personal level, people not only want to know that their data is secure; they want to know that we're doing everything we can to protect their privacy, everything we can to protect their children and they're looking at the impact—the potential impact AI might have on the future of work.

Bill 51 begins that work across the broad public sector. Our government believes that, in matters like this, it's government itself that must step up and set the example to follow.

With that being said, I look forward to the clause-by-clause discussion.

The Chairperson: We thank the minister.

Does the critic from the official opposition have an opening statement?

Mrs. Lauren Stone (Midland): I think we all know that we're in a new era with AI, and with a new era comes challenges and also opportunities. And so Manitobans deserve to know when and how

AI systems are being used to make informed decisions that do affect their lives, and transparency is essential to maintaining that public trust, especially as governments adopt more advanced technologies.

So transparency requirements must be clearly defined and consistent across the public sector, and what we've seen with this bill and many bills that this government has brought forward is a lot is being left to regulation. And so, in the spirit of transparency, would encourage the minister to continue to reach out to the public on how AI will impact them, how AI within the public sector will impact the public at large as he goes through those regulations.

So, you know, as we work through this new era, this isn't—this is the first bill, but it certainly, I'm sure, not going to be the last as new things do come up within the AI industry.

So, with that being said, look forward to moving clause by clause.

Thank you.

The Chairperson: We thank the member.

During the consideration of a bill, the preamble, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Also, if there is agreement from the committee, the Chair will call clauses in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members may have comments, questions or amendments to propose.

* (20:20)

Is that agreed? [*Agreed*]

Clause 1—pass; clauses 2 and 3—pass; clause 4—pass; clauses 5 through 9—pass; clause 10—pass; clauses 11 and 12—pass; preamble—pass; enacting clause—pass; title—pass. Bill be reported.

* * *

The Chairperson: This concludes the business of the committee.

The hour being 8:22, what is the will—[*interjection*]—oh, 8:21—what is the will of the committee?

Some Honourable Members: Committee rise.

The Chairperson: Committee rise.

COMMITTEE ROSE AT: 8:21 p.m.

WRITTEN SUBMISSIONS

Re: Bill 20

Thank-you to the members of the Standing Committee on Social and Economic Development for considering our comments on Bill 20, The Manitoba Hydro Amendment Act and Bill 39, The Manitoba Hydro Amendment And Tax Administration And Miscellaneous Taxes Amendment Act.

The Manitoba Eco-Network (MbEN) believes that these bills are an okay first step, but they do not go far enough. The proposed reforms should also apply to other types of projects. It is unclear why the Government chose to bring forth two separate Bills rather than a single Bill given how interrelated the two Bills are. Accordingly we are providing a combined written submission for both Bill 20 and Bill 39.

It is unclear why Bill 20 only pertains to cryptocurrency operations, but not data centres or other large power supply projects. Cryptocurrency operations, data centres, and other large power supply users all use large amounts of energy. The production of energy has ecological and social impacts. For example, hydro-electric projects in Manitoba have caused historical and ongoing impacts to Indigenous communities, flooding, mercury contamination, shoreline erosion, loss of sturgeon populations and more. The burning of fossil fuels to produce energy leads to greenhouse gas (GHG) emissions, worsening the human-caused climate crisis that we are living through and feeling the impacts of.

Cryptocurrency operations, data centres, and other large power supply users also use large amounts of water (primarily for cooling). Drawing of water from aquifers and rivers, and discharging the same also has ecological impacts. It can threaten the ground water which many Manitobans rely upon and warmed water that is discharged directly into waterways or aquifers can negatively impact species and ecosystems.

We are supportive of empowering the Cabinet to establish a curtailable power supply program that applied to customers or classes of customers who use power for cryptocurrency operations (Bill 20), but we suggest that data centres (with separate classes for AI data centres and traditional data centres) and other large power supply projects be included too.

We note that definitions for cryptocurrency operation, data centre, and large power supply project are included in Bill 39, The Manitoba Hydro Amendment And Tax Administration And Miscellaneous Taxes Amendment Act. This means there are existing

definitions that could be easily incorporated into Bill 20 with amendments. For convenience the definitions are reproduced below:

"cryptocurrency operation" means, subject to the regulations, an operation that uses electronic equipment dedicated to cryptographic calculations which, in particular, serve to validate successive transactions made by users of a blockchain. (« opération de cryptomonnaie »)

"data centre" means a facility, whether free-standing or within a larger structure, that

- (a) primarily contains electronic equipment
- (i) used to process, store or transmit digital information, or
- (ii) used for digital information for a purpose specified in the regulations or in a manner set out in the regulations; and
- (b) requires a large supply of power to operate as determined under section 49.2 and the regulations under that section.

For certainty, a facility that contains a cryptocurrency operation is not a data centre. (« centre de données »)

"large power supply project" means a project, other than a cryptocurrency operation or a data centre or two or more such related projects, for which the customer makes a request for service where the request

- (a) is made in respect of a use of power for a purpose prescribed by regulation;
- (b) is received on or after the day this section comes into force; and
- (c) requires a large supply of power to operate as determined under section 49.2 and the regulations under that section. (« projet nécessitant une fourniture d'énergie en grande quantité »)

Although these definitions are sufficient, we recommend assigning AI data centers their own separate classification, given that AI data centers tend to use more energy (depending on the size and scale) than traditional data centers. Allowing them to be in separate classes, would allow for differential curtailment programs, rates and levies accordingly. We also suggest that it be a requirement that any new cryptocurrency operation, data centre, or large power supply project be required to participate in the Curtailable Rate Program (rather than making it optional).

The Manitoba Eco-Network is supportive of imposing a levy on cryptocurrency, data centre, or large-power users (Bill 39). It is important that we ensure that large power users adequately pay for their true costs to Manitoba's grid.

It is imperative that we prioritize our electrical energy to ensure we best maximize outcomes for society and protection of our ecosystems.

We are (wrongly) being told by this government and Manitoba Hydro that we need to spend billions to build new GHG emitting fossil gas plants or we risk not having enough energy.

Investments in demand shifting, energy efficiency, wind energy, solar energy, battery storage, and ground source heat pumps would yield much better returns.

Achieving decarbonization is going to require electricity to shift from fossil-fuels as we replace burning natural gas with ground and air source heat pumps, and further adopt electric transportation options.

Utilizing the energy that we do have for decarbonization is likewise a much better investment than building new fossil gas power plants to benefit large power users, such as cryptocurrency and data centres.

What we need to prioritize is clear. Do we need fossil-fuel free healthy sustainable homes here in Manitoba, or more AI slop photos for the planet?

In summary, allowing for curtailment (of cryptocurrency operations only) and additional levies for large power users, cryptocurrency and data centres is an okay first step. It does allow for some more prioritization based on societal needs than is currently provided for in law. But Bill 20 would be greatly improved if it allowed for the curtailment of data centres and other large power users as well.

We also note that Bill 20 and Bill 39 will require supporting regulations, and we urge the government to put these regulations in force without delay. Experience from other jurisdictions, especially in the US, shows that it is extremely difficult to introduce regulations on data centres after they have been set up, including for curtailing electricity use during peak load events. So if Manitoba wants to actually have a shot at controlling large loads, now is the time to do it.

To ensure the full scope of environmental and social impacts are considered, MbEN also recommends that the Classes of Development Regulation under

The Environment Act be amended to specifically list Data Centres as a Class 2 or 3 development, depending on the scope of water and energy use. This will ensure that data centres undergo a thorough and robust environmental impact assessment before being approved.

Thank you for considering our comments.

James Beddome
Executive Director
Manitoba Eco-Network

Re: Bill 39

I am writing to express my serious concern regarding the proposed bill and its potential economic impact on Manitoba.

If this bill is passed, our business will be placed under severe financial pressure. We would be forced to lay off 13 employees, and I may personally face bankruptcy. Across the sites under my management, we are already paying nearly \$1 million per month in electricity costs, in addition to rent. Our employees earn between \$40,000 and \$150,000 annually, and these are meaningful jobs that support Manitoba families and communities.

Beyond the direct impact on our business, I believe this bill would have much broader consequences for the province. If passed, it could lead to the closure of much of Manitoba's crypto mining industry. In turn, this could result in an estimated \$20 million per month in lost revenue for Manitoba Hydro. Reduced industrial revenue of this scale may ultimately place additional pressure on residential ratepayers, with household hydro bills potentially increasing by approximately \$40 per month. This raises an important question: are Manitobans prepared to accept those consequences?

The bill would also send a negative message to current and future investors. Manitoba has many natural advantages, including green energy, surplus electricity, a cold climate, and a central geographic location. These strengths position the province well to attract investment in data centres, digital infrastructure, and related industries. However, if this bill is adopted, it risks discouraging investors from choosing Manitoba and could reduce the likelihood of future data centre development in the province.

At the same time, Manitoba may continue exporting power to neighbouring jurisdictions such as Saskatchewan, while those jurisdictions capture the economic benefits by supporting data centre growth. This is not an outcome that serves Manitoba's long-term interests.

Our operations also contribute significantly to the local economy. We spend substantial amounts on local contractors for construction, as well as on ongoing repairs and maintenance performed by electricians and other skilled trades. The economic benefits of this industry extend well beyond power consumption alone.

AI and automation are shaping the future of the global economy, and this trend will continue regardless of local policy decisions. Manitoba has an opportunity to position itself as a competitive destination for investment by leveraging its renewable energy resources and expanding its electricity supply. Rather than restricting growth or creating barriers to investment, the province should focus on increasing generation capacity and supporting industries that create jobs, expand the tax base, and strengthen Manitoba Hydro's revenue.

This approach could also attract a wide range of professionals and related businesses to Manitoba, including electrical engineers, mechanical engineers, and other technical industries. It may also support complementary opportunities, such as greenhouse development and other businesses that can benefit from lower-cost or recovered heat. The long-term possibilities for economic growth are significant.

In my respectful view, passing this bill would not strengthen Manitoba's economy. Instead, it would risk job losses, reduced investment, lower industrial revenue, and broader economic harm. I urge the government to carefully consider these consequences before moving forward.

Dirk Wang
NewDecade Energy Ltd.

Re: Bill 39

My name is Scott Brooker, and I am based in rural southwestern Manitoba near the Saskatchewan border. I am writing regarding Bill 39.

My perspective comes from decades of building and operating infrastructure businesses in Manitoba and beyond. In the 1990s, I founded and operated

Manitoba's first and largest commercial internet service provider, at a time when internet infrastructure was still in its early stages. Through later mergers and consolidation, that business ultimately became part of what is now Bell. I have also been involved in emerging digital infrastructure since 2011, long before many of these technologies became widely understood or adopted.

More recently, I have gained direct operational experience with large flexible electrical loads in South Dakota within the Southwest Power Pool, or SPP. SPP is the regional grid and wholesale electricity market operator for a large portion of the central United States. In that environment, curtailment is not theoretical. It is part of real system operations across a large interconnected grid. That experience has given me a practical understanding of how controllable load can support reliability when it is properly integrated.

I take my responsibilities in the SPP environment very seriously. Curtailable load is part of a broader reliability framework, and I approach it accordingly. I would have preferred to bring that same mindset to Manitoba by working constructively with Manitoba Hydro and helping make the system stronger and more flexible for everyone.

My concern with Bill 39 is that it moves toward a punitive approach before seriously examining the operational value that certain large flexible loads can provide to the grid.

I would encourage the Committee to focus on the electrical characteristics of the load rather than the nature of the end use. From a utility perspective, what matters is whether a load is predictable, stable, and useful to the system.

The type of load I am referring to has several characteristics that should make it attractive from a system management standpoint. It operates with a very steady demand profile over 24 hours a day. It maintains a near-unity power factor. It is highly predictable. And unlike many other large industrial loads, it can respond very quickly to changing grid conditions. That combination is rare. Many large loads are steady but difficult to interrupt. Others may be interruptible, but only with major operational consequences. This type of load offers both stability and controllability.

That controllability is not theoretical in my case. In the SPP environment, we already operate on five-minute intervals and use control systems that allow us to increase or reduce load in near real time.

Those systems are already developed and already in use. This is not a future concept that would require years of study. It is a practical operating capability that exists today.

In plain terms, Manitoba Hydro could have a relatively simple signalling or dispatch framework that would produce a prompt automated curtailment response from operators equipped to participate. A load with these characteristics could become a meaningful tool for reliability and peak management. Instead of treating such load primarily as a problem, Manitoba should be asking how it can be used as part of the solution.

That is one of the most frustrating parts of this issue for me personally. I would have welcomed the opportunity to operate in Manitoba in a way that helped the utility and benefited all ratepayers. Yet to my knowledge, Manitoba Hydro has never meaningfully reached out to me to discuss curtailment design, demand response participation, or practical ways that this kind of load could support the system.

Manitoba is slower than peer jurisdictions to implement modern pricing and demand-response tools, even while acknowledging in its own planning that those tools are part of the solution. In that context, effectively shutting down existing flexible loads is exactly the wrong direction. Rather than preserving and using loads that offer stable demand, strong power characteristics, and rapid curtailment capability, the province risks driving them out before Manitoba Hydro has made a serious effort to integrate them into a modern demand-response framework.

There is also a broader investment issue that should concern the Committee. Manitoba should be attracting industrial investment and infrastructure spending where it makes sense to do so. Instead, my own experience has been that proposed Manitoba investment can be stalled for prolonged periods by the inability to secure timely progress on power-related infrastructure and service availability.

In our case, infrastructure upgrades and expansion planning in Manitoba were pursued in good faith, but meaningful progress was effectively put on hold. When a utility cannot move projects forward within commercially realistic timelines, private capital does not wait forever. Investment is redirected to jurisdictions that can actually provide service, certainty, and execution. In practice, Manitoba risks pushing capital, equipment, and economic activity into the United States or other provinces rather than retaining it here at home.

There is also a serious issue of stranded investment. Existing facilities in rural Manitoba have already required substantial spending on buildings, site development, electrical infrastructure, and other improvements. These were real investments made in good faith based on the expectation that lawful contracted operations would be allowed to continue.

If Bill 39 results in the forced shutdown of existing operations, it risks destroying the value of capital that has already been deployed. Purpose-built facilities may become vacant, underused, or uneconomic to maintain, with little alternative value in rural locations. That would strand investment, weaken local property tax support, and leave communities with long-term dead assets instead of productive infrastructure.

I want to be clear that I do not oppose Manitoba Hydro protecting reliability. I do not oppose careful review of very large new loads. Those are legitimate goals. My concern is that Bill 39 appears to rely on a blunt punitive mechanism before seriously pursuing a more intelligent and operationally useful alternative.

Good utility policy should be based on how the grid actually works. A stable, predictable, near-unity power factor load that can be curtailed quickly and automatically is not something a utility should casually discard. It is something a utility should evaluate carefully as a potential reliability asset.

I respectfully urge the Committee to recommend changes so that Bill 39 does not proceed as a broad punitive measure against existing flexible loads without first requiring Manitoba Hydro to develop a serious curtailment or demand-response pathway for operators capable of participating. At a minimum, the legislation or regulations should distinguish between existing operating loads with proven controllability and future speculative load growth. Those are not the same thing and should not be treated as though they are.

Manitoba has an opportunity to take a more thoughtful and forward-looking approach. Rather than driving away investment, stranding existing infrastructure, and eliminating flexible load that could help the system, the province should focus on structured curtailment, practical grid integration, and realistic utility execution.

Thank you for your consideration.

Scott Brooker

Re: Bill 39

Thank-you to the members of the Standing Committee on Social and Economic Development for considering our comments on Bill 20, The Manitoba Hydro Amendment Act and Bill 39, The Manitoba Hydro Amendment And Tax Administration And Miscellaneous Taxes Amendment Act.

The Manitoba Eco-Network (MbEN) believes that these bills are an okay first step, but they do not go far enough. The proposed reforms should also apply to other types of projects. It is unclear why the Government chose to bring forth two separate Bills rather than a single Bill given how interrelated the two Bills are. Accordingly we are providing a combined written submission for both Bill 20 and Bill 39.

It is unclear why Bill 20 only pertains to cryptocurrency operations, but not data centres or other large power supply projects. Cryptocurrency operations, data centres, and other large power supply users all use large amounts of energy. The production of energy has ecological and social impacts. For example, hydro-electric projects in Manitoba have caused historical and ongoing impacts to Indigenous communities, flooding, mercury contamination, shoreline erosion, loss of sturgeon populations and more. The burning of fossil fuels to produce energy leads to greenhouse gas (GHG) emissions, worsening the human-caused climate crisis that we are living through and feeling the impacts of.

Cryptocurrency operations, data centres, and other large power supply users also use large amounts of water (primarily for cooling). Drawing of water from aquifers and rivers, and discharging the same also has ecological impacts. It can threaten the ground water which many Manitobans rely upon and warmed water that is discharged directly into waterways or aquifers can negatively impact species and ecosystems.

We are supportive of empowering the Cabinet to establish a curtailable power supply program that applied to customers or classes of customers who use power for cryptocurrency operations (Bill 20), but we suggest that data centres (with separate classes for AI data centres and traditional data centres) and other large power supply projects be included too.

We note that definitions for cryptocurrency operation, data centre, and large power supply project are included in Bill 39, The Manitoba Hydro Amendment And Tax Administration And Miscellaneous Taxes Amendment Act. This means there are existing definitions that could be easily incorporated into

Bill 20 with amendments. For convenience the definitions are reproduced below:

"cryptocurrency operation" means, subject to the regulations, an operation that uses electronic equipment dedicated to cryptographic calculations which, in particular, serve to validate successive transactions made by users of a blockchain. (« opération de cryptomonnaie »)

"data centre" means a facility, whether free-standing or within a larger structure, that

- (a) primarily contains electronic equipment
- (i) used to process, store or transmit digital information, or
- (ii) used for digital information for a purpose specified in the regulations or in a manner set out in the regulations; and
- (b) requires a large supply of power to operate as determined under section 49.2 and the regulations under that section.

For certainty, a facility that contains a cryptocurrency operation is not a data centre. (« centre de données »)

"large power supply project" means a project, other than a cryptocurrency operation or a data centre or two or more such related projects, for which the customer makes a request for service where the request

- (a) is made in respect of a use of power for a purpose prescribed by regulation;
- (b) is received on or after the day this section comes into force; and
- (c) requires a large supply of power to operate as determined under section 49.2 and the regulations under that section. (« projet nécessitant une fourniture d'énergie en grande quantité »)

Although these definitions are sufficient, we recommend assigning AI data centers their own separate classification, given that AI data centers tend to use more energy (depending on the size and scale) than traditional data centers. Allowing them to be in separate classes, would allow for differential curtailment programs, rates and levies accordingly. We also suggest that it be a requirement that any new cryptocurrency operation, data centre, or large power supply project be required to participate in the

Curtailable Rate Program (rather than making it optional).

The Manitoba Eco-Network is supportive of imposing a levy on cryptocurrency, data centre, or large-power users (Bill 39). It is important that we ensure that large power users adequately pay for their true costs to Manitoba's grid.

It is imperative that we prioritize our electrical energy to ensure we best maximize outcomes for society and protection of our ecosystems.

We are (wrongly) being told by this government and Manitoba Hydro that we need to spend billions to build new GHG emitting fossil gas plants or we risk not having enough energy.

Investments in demand shifting, energy efficiency, wind energy, solar energy, battery storage, and ground source heat pumps would yield much better returns.

Achieving decarbonization is going to require electricity to shift from fossil-fuels as we replace burning natural gas with ground and air source heat pumps, and further adopt electric transportation options.

Utilizing the energy that we do have for decarbonization is likewise a much better investment than building new fossil gas power plants to benefit large power users, such as cryptocurrency and data centres.

What we need to prioritize is clear. Do we need fossil-fuel free healthy sustainable homes here in Manitoba, or more AI slop photos for the planet?

In summary, allowing for curtailment (of cryptocurrency operations only) and additional levies for large power users, cryptocurrency and data centres is an okay first step. It does allow for some more prioritization based on societal needs than is currently provided for in law. But Bill 20 would be greatly improved if it allowed for the curtailment of data centres and other large power users as well.

We also note that Bill 20 and Bill 39 will require supporting regulations, and we urge the government to put these regulations in force without delay. Experience from other jurisdictions, especially in the US, shows that it is extremely difficult to introduce regulations on data centres after they have been set up, including for curtailing electricity use during peak load events. So if Manitoba wants to actually have

a shot at controlling large loads, now is the time to do it.

To ensure the full scope of environmental and social impacts are considered, MbEN also recommends that the Classes of Development Regulation under The Environment Act be amended to specifically list Data Centres as a Class 2 or 3 development, depending on the scope of water and energy use. This will ensure that data centres undergo a thorough and robust environmental impact assessment before being approved.

Thank you for considering our comments.

James Beddome
Executive Director
Manitoba Eco-Network

Re: Bill 51

On behalf of the Association of Manitoba Municipalities (AMM), I am writing to provide some comments regarding Bill 51: The Public Sector Artificial Intelligence and Cybersecurity Governance Act.

The AMM acknowledges the increasing use of artificial intelligence systems in the delivery of public services across the province. While some municipalities have begun implementing AI tools to support municipal operations, the pace of technological advancement continues to accelerate. As these technologies evolve, so too do the associated cybersecurity risks. In this context, the AMM welcomes the development of a clear, province-wide framework to help ensure the responsible and secure use of technology in the public sector.

The AMM also thanks the Department for meeting with our organization on April 2 to provide a technical briefing on the proposed legislation. We appreciate the clarification that the Bill is intended to establish a framework, rather than prescribe specific requirements at this stage, and to support a more consistent reporting process. However, we note that many key elements of the framework are to be determined through future regulations. This approach introduces a level of uncertainty, as requirements may become complex, costly, and subject to change over time. While we value the assurances provided, the AMM respectfully requests that the Department continue to work closely with our organization and municipalities as the bill advances and the regulatory framework is developed. The AMM emphasizes the

need for a flexible approach that recognizes the distinct roles and capacities of different public sector entities, including municipalities.

Further, in August 2025, the Office of the Auditor General released an investigation report concerning Manitoba municipalities and the Department of Municipal and Northern Relations. Among its recommendations, the Auditor General called for the Department to work collaboratively with the AMM to develop guidance on baseline cybersecurity controls for municipalities, including the implementation of oversight processes to monitor compliance. Therefore, the AMM recommends that the Department of Innovation and New Technology collaborate closely with the Department of Municipal and Northern Relations to ensure forthcoming legislation complements existing departmental efforts and reflects municipal needs. The AMM also appreciates the Province's commitment to continued collaboration and engagement with our association and municipalities as this process moves forward.

Thank you for the opportunity to provide these comments. We look forward to continued collaboration with the Province to ensure that the implementation of Bill 51 is practical and reflective of municipal realities.

Respectfully and sincerely,

Denys Volkov
Executive Director
Association of Manitoba Municipalities

Re: Bill 51

Thank-you to the members of the Standing Committee on Social and Economic Development for considering our comments on Bill 51, The Public Sector Artificial Intelligence and Cybersecurity Governance Act.

The Manitoba Eco-Network (MbEN) agrees that artificial intelligence (AI) systems have the potential to be misused or to have an inequitable impact on society (Preamble). We have been hearing many concerns from the environmental community about the increasing use of artificial intelligence systems by Government and other institutions before there is clear understanding of the impacts that AI infrastructure will have on the environment and society as a whole.

We appreciate the Government of Manitoba's attention to this issue and work to introduce regulatory requirements for the use of AI. This is an important

opportunity for Manitoba to lead the way in Canada and facilitate the development of legal protections to mitigate the growing range of potential harms that can result from irresponsible use of AI. However, the regulation of AI systems needs to go beyond its use by Government and must include robust impact assessment and regulation of the infrastructure needed to provide the computational resources necessary to run AI systems. This includes the construction of large-scale AI data centres and the high volume of energy and water resources needed to operationalize AI compute infrastructure. It is also extremely problematic that this proposed legislation is progressing before the Government's public AI Consultation has even started, despite the announcement made in early March 2026.

Although MbEN is supportive of the development of a new provincial framework that requires transparency, accountability, impact and risk assessments and human oversight to ensure the responsible use of technology in the public sector (Preamble), it is currently unclear how the proposed The Public Sector Artificial Intelligence and Cybersecurity Governance Act will accomplish this. The purpose of the Act is to govern the use of artificial intelligence systems in a transparent and accountable manner (s 2), however, the text of Bill 51 provides little transparency in terms of what the final regulatory framework will address since most of the details about how this legislation will work, and who it will apply to, have been left to be figured out in future Regulations. There is also a lot of discretionary language contained in this Bill about what may or could be decided by Government at a later date and a lack of enforcement mechanisms, so it is also unclear how Bill 51 will ensure AI is used in an accountable manner. For example, there are no details about the mandatory elements of the accountability framework that will be required under s 4 of the Act.

MbEN's biggest concern with Bill 51 and the Government of Manitoba's regulatory approach to AI is the absence of provincial legal provisions that require proposed AI infrastructure developments to undergo the impact assessment and licensing process under The Environment Act or an equivalent process. Although Bill 51 makes reference to impact and risk assessments, there are no details about what these assessment processes will involve, nor the types of risks and impacts that will be considered. There are also no details about the potential content of the technical standards for AI use that may be adopted under the Bill. It therefore appears that Bill 51

does not recognize nor will it require consideration of the environmental and climate impacts that occur from the use of AI.

We strongly recommend the addition of language to Bill 51 that recognizes the environmental impacts that result from the use of AI systems and requires public sector entities to consider these impacts before AI tools are used. We also recommend the Government of Manitoba make corresponding regulatory amendments to facilitate the proper assessment of AI infrastructure, such as updating the Classes of Development Regulation to specifically list AI Data Centres as a Class 2 or 3 development depending on the scope of water and energy use.

MbEN is very supportive of the development of new provincial regulatory requirements to regulate the use of AI in Manitoba. However, we feel that as is, Bill 51 will not guarantee that AI is used in a responsible, transparent, or accountable manner by the Government of Manitoba. There is a lack of details and a heavy reliance on the future exercise

of regulation making powers that has shifted the development of this regulatory framework from the public legislative process to behind the closed doors of Cabinet.

Overall, we feel that the Government of Manitoba should seek to minimize the use of AI unless necessary, especially when it comes to the use of generative AI tools. It is essential that we maintain human capacity within Government and ensure strong human oversight of the use of AI. Most of all, it is imperative that the Government of Manitoba not contribute to the squandering of precious water and energy resources by unnecessarily using AI when there are more than enough capable human beings available to take on the work.

Thank-you again for the consideration of these comments.

Heather Fast
Manitoba Eco-Network

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.manitoba.ca/legislature/hansard/hansard.html>