

MEDIA RELEASE

Nuclear and Cleaner Coal Are Key to Ontario's Kyoto Response

by Don MacKinnon, President, Power Workers' Union

The Kyoto Treaty, which calls for carbon emission reduction recently became law in Canada. Our federal government is now formulating a carbon-reduction plan that works in all provinces and in all sectors of the economy.

Dalton McGuinty's government has already taken a number of steps in the last few months to meet Ontario's contribution to the Kyoto targets. Their approval of the restart of another Pickering Nuclear generating unit last summer was a huge step in the right direction. Nuclear is virtually emission-free (NO_x, SO₂ and CO₂) and fits with Kyoto's effectiveness requirement. But the Ontario government's pledge to close the province's coal-fired generating plants is a big mistake. The province's economy, electricity consumers and electricity system reliability will suffer. Ontario is Canada's industrial heartland - electricity is the life blood. For Kyoto to work here it must be both effective and affordable. There is a better option - refurbish additional nuclear generation and finish the job of reducing pollution from the province's coal plants.

Returning the remaining two units at Pickering and Bruce Power's commitment to bring back two idle units would mean more than 3000 megawatts or 21 billion kilowatt hours of virtually emission free power each year. If this power reduced reliance on what we are currently generating with coal, Ontario's electricity-related CO₂ emissions would drop from 36,500 kilotonnes to 16,000 kilotonnes.

Existing coal plants produce 5 per cent of Canada's greenhouse gas emissions. Our provincial government intends to replace coal-fired generation with natural gas to achieve at best a marginal reduction in greenhouse gas emissions. They've forgotten that burning natural gas to generate electricity creates carbon dioxide emissions too - and they haven't been honest about the cost.

The provincial government is pursuing long-term contracts to buy power from private sector generation companies. This means the agreed-upon price of gas-generated power will have to be high enough so that private companies can recover costs and make a profit. Otherwise there is little incentive to invest money in the Ontario electricity sector. One big cost to recover is the fuel - and we all know that the price of natural gas has been climbing since the 1970s, and lately has spiked to unprecedented levels.

These companies will have a big impact on the electricity price we all pay in another way. Natural gas will replace coal-fired generation as the predominant price setting fuel in Ontario's

electricity market. To give you a feel for the future - currently natural gas is over four times as expensive as coal!

Ontario industries and businesses that use large amounts of electricity already have among the highest electricity prices in North America. Additional price rises will further weaken their competitive position - putting our jobs at risk. Ontarians who are on a low or fixed income will take an immediate hit having even less disposable income every month.

Abandoning coal generation means eliminating a quarter of Ontario's generating capacity at a time when provincial demand for electricity is set to overtake supply. Coal generation has proven its value as the safety valve in Ontario's electricity system - averting supply disasters, ensuring reliability and helping manage outage impacts.

Ontario taxpayers have already invested hundreds of millions of dollars on pollution controls at two of the province's coal-fired generating plants. Today, we're generating more power with coal than in 1990, but nitrogen and sulphur emissions are less than half what they were in 1990. They also added years to the life of one plant, Lambton, and ensuring that Ontario will continue to benefit from affordable, clean power. It just doesn't make sense to throw this value away.

Finishing the job - installing emission controls on all units at all Ontario coal plants would make coal nearly as clean as natural gas, for a much better cost and with none of the price uncertainty. Taken together with the continued refurbishment of Ontario's nuclear generating units, electricity related greenhouse gas emissions could be reduced by as much as 56 percent.

Why should Ontario's industries, businesses and consumers face higher power prices and reduced system reliability for marginal environmental improvements when a reasonable alternative is within easy reach. A provincial government plan that continues with its nuclear repowering policy, and retains cleaner coal as a flexible and inexpensive source of power, will show the world that Ontario knows how to implement a truly effective and affordable Kyoto response.