

MEDIA RELEASE

Liberals Disclose Expensive Folly of Private Natural Gas Electricity Plants

May 31, 2005 - Yesterday, the Ontario Liberal government disclosed that replacement electricity from the private sector will cost twice as much as the coal-fired generation it is meant to replace.

"This announcement shows just how expensive it will be to implement the Liberal coal station shut down policy by closing Ontario's remaining four coal stations," Don MacKinnon, President of the Power Workers' Union said. "Small businesses, farmers, schools, hospitals and residential electricity users will see even bigger price increases as a result."

Even worse, the government's calculation of natural gas generation underestimates the cost because it's based on a relatively low usage and past low natural gas prices. With coal stations shut down, the only available power to replace the 25 percent lost generation will be either expensive imported power (mostly from U.S. coal stations) or increased use of the more expensive natural gas fired stations to meet provincial power needs.

The increase in natural gas demand could easily exceed the amount currently used by all 2.4 million Ontario residential natural gas customers. It will result in additional costs to consumers in excess of over \$1 billion for infrastructure upgrades and \$1 billion annually in increased volume-related natural gas costs. The Liberal government admitted earlier in the year that other sources of electricity such as wind power will cost even more than the natural gas generation option.

The Power Workers plan is cheaper, better for consumers and improves the environment. Ontario's coal stations can be made cleaner with life extension emissions reduction technology that is widely used in other jurisdictions. New York State and Ohio are doing just that. In Ontario the Lambton Generation Station near Sarnia is among the cleanest in North America, thanks to the installation of this emissions reduction equipment.

"When you look at the facts, closing Ontario's coal stations doesn't make sense. It jeopardizes thousands of jobs and will drive up the living costs for every Ontario resident," said Mr. MacKinnon.

