

The Liberal electricity plan is too expensive

Since the McGuinty government came into office, electricity prices have jumped more than 25% for many customers. The government's plan to shut down Ontario's coal-fired generating stations by 2007 will cost another \$10 billion that will have to be recovered through our electricity rates. It will also eliminate a quarter of Ontario's electricity - creating an electricity supply crisis.

We will definitely see dramatic increases in electricity prices. Ontario could face brownouts, or even blackouts, in the near future.

This is totally unnecessary. With a smart investment in cleaner coal technology, we can make coal generation as clean as natural gas generation, for about a third of the cost of shutting down coal.

This would free over \$6 billion to complete the next step toward clean, reliable, affordable power.

Use the savings wisely - rehabilitate nuclear power

Ontario has over 3,000 megawatts of generating capacity sitting idle in nuclear stations at Bruce and Pickering. Like the province's coal stations, these facilities are already built and connected to the grid. Nuclear is clean-air power. Restarting the idle nuclear units should be eligible for federal funding as part of Canada's Kyoto commitment.

Bringing all of the idle nuclear units back into service would provide huge benefits for Ontario. Along with the cleaner coal stations, refurbished nuclear plants would solve the looming supply problem and wipe out 20,000 kilotonnes of greenhouse emissions - without a single plant closure, and without a single layoff.

This course of action would be good news for Canada as well, because it represents a dramatic and comprehensive Kyoto plan, Canada would earn large carbon emission credits, instead of having to buy credits from other countries.

Nuclear and cleaner coal generation would provide a combination of steady, flexible, affordable power. Other generation options could then play a positive role without unnecessarily exposing electricity customers to higher prices and reduced reliability.

COAL SHUT-DOWN COSTS

Cost of writing down assets ¹	\$ 1 Billion
Capital Cost of Replacement Natural Gas-fired Generation ²	\$ 5.33 Billion
Annual Cost of Natural Gas (less annual cost of coal) ³	\$ 1 Billion
Capital Cost of New Natural Gas Infrastructure ⁴	\$ 1 Billion
Decommission and Dismantle 5 Coal-fired Plants ¹	\$ 0.146 Billion
Lakeview Closure in 2005- Hydro One Capital Costs for Transmission Infrastructure ⁵	\$ 0.1 Billion
Transmission Costs for Closure of Other Plants in 2007 ⁵	\$ 1.5 Billion
Grand Total	\$ 10,076,000,000

NOTES

¹ Ontario Power Generation's 2003 Annual Information Form & Financial Statements

² Based on cost of \$750.00 per mW - other options (wind, solar) are more costly and less reliable

³ Cost of coal generation in 2003 times 2.26, the factor by which natural gas costs increased over coal

⁴ Cost estimate (\$500M to \$1B) for pipelines and storage capacity in Ontario & delivery infrastructure from Alberta

⁵ Cost estimate (closure of other plants - \$750M to \$1.5B) based on Hydro One Annual Information Form, press releases and speeches.

With a provincial election in 2007 - the current government might not even be around to fix the problems their coal shut down policy would cause. Send them a message now:

Spending our electricity dollars on options that don't make sense - like shutting down coal stations - is bad public policy.

For more information: visit the Power Workers' Union electricity website

www.ontariosecurepower.com



POWER WORKERS' UNION