

Why close all our coal-fired power plants?

LAST FRIDAY, THE PRICE of electricity for Ontario homeowners took the first of a likely series of jumps, the only questions left being how high and for how long.

As we see it, there's a significant risk that the increases will be a lot bigger than they'll need to be, particularly if the McGuinty Liberals try to stick to their promise of shutting down all the province's coal-fired generating stations by the end of 2007.

As of April 1, the commodity price of electricity for eligible consumers is 5.0 cents per kilowatt hour (kwh) for the first 750 kwh they use each month, and 5.8 cents per kwh for electricity used per month over this amount - up from the previous rates of 4.7 cents per kwh and 5.5 cents per kwh, respectively. (This is in addition to delivery charges by the local electricity supplier.)

However, with the price of oil and natural gas soaring along with debt charges stemming from planned new generation along with the return of mothballed nuclear power units at the Pickering and Bruce generating stations, further increases are absolutely inevitable.

Further complicating the picture is the Kyoto Treaty, which calls for carbon emission reduction and which recently became law in Canada.

Under threat of being forced into a spring election on the issue, the federal government is formulating a carbon-reduction plan designed to work in all provinces and in all sectors of the economy. Meanwhile, Dalton McGuinty's government has taken its own steps to meet Ontario's contribution to the Kyoto targets. Its approval of the restart of a second Pickering Nuclear generating unit last summer was a big step in that direction, since nuclear is virtually emission-free and fits with Kyoto's effectiveness requirement.

However, the Ontario government's pledge to close the province's coal-fired generating plants is a huge mistake.

In a paper on the subject, Don MacKinnon, president of the Power Workers' Union, asserts that the province's economy, electricity consumers and electricity system reliability will all suffer.

"Ontario is Canada's industrial heartland electricity is the life blood. For Kyoto to work here it must be both effective and affordable."

Mr. MacKinnon says there is a better option: "refurbish additional nuclear generation and finish the job of reducing pollution from the province's coal plants."

He notes that returning the remaining two 500 MW units at Pickering and Bruce Power's commitment to bring back two idle units at the Bruce A station "would mean more than 3,000 megawatts or 21 billion kilowatt hours of virtually emission-free power each year," adding: "If this power reduced reliance on what we are currently generating with coal,

Ontario's electricity-related carbon dioxide emissions would drop from 36,500 kilotonnes to 16,000 kilotonnes."

Mr. MacKinnon says Ontario's existing coal plants at Lakeview, Nanticoke and Lambton together produce about 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 government is also pursuing long-term contracts to buy power from private-sector generation companies, some of whom are planning costly wind-power farms that will depend on the vagaries of the weather.

Mr. MacKinnon says 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."

As for natural gas, he noted that its price has been climbing fairly steadily since the 1970s, and lately has spiked to unprecedented levels.

"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. There's no doubt that additional price rises will further weaken their competitive position, putting jobs at risk and leaving Ontarians who are on a low or fixed income to take an immediate hit, having even less disposable income.

"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," Mr. MacKinnon said. "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."

Noting that taxpayers have invested "hundreds of millions of dollars on pollution controls at two of the province's coal-fired generating plants," he said that today, we're generating more power with coal than in 1990, but nitrogen and sulphur emissions are less than half what they were then.

"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."

He says that option would cut electricity-related greenhouse gas emissions by as much as 56 per cent.

We happen to think he's right, and frankly see shutting down all the coal plants as inevitably leading to our having to import huge amounts of costly electricity from old power plants in the Ohio valley, all of which happen to use - guess what? - coal!