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JOHN YAKABUSKI, M.P.P. - RENFREW-NIPISSING-PEMBROKE

Oral Question

November 30, 2005

ENERGY CONTRACTS

Mr. John Yakabuski (Renfrew-Nipissing-Pembroke): My question is for the Minister of Energy. What exactly are your contingency plans in the event that Calpine Corp. declares bankruptcy, as is being predicted by analysts, and pulls out of their contract to build a 1,005-megawatt facility, a natural gas plant in Sarnia that you say will make up 11% of your loss by your irresponsible promise to close Ontario's coal-fired plants?

Hon. Donna H. Cansfield (Minister of Energy): I thank the member for the question. I'd like to assure the member that the partner of Calpine is Mitsui. I had a conversation with the president of Mitsui. He informs me that they are in the process of opening up their office in Toronto in order to follow through with their commitment on the 1,000-megawatt proposal.

Mr. Yakabuski: I'm not sure that we find that reassuring. The former minister, when he announced the Greenfield Energy Centre, of which Calpine is a partner, said, "The projects announced today represent a significant portion of our commitment to replace coal with cleaner sources of supply. In particular, the two projects near Sarnia will be sufficient to replace most of the capacity at the Lambton coal-fired station."

Minister, Calpine's project alone accounts for more than 11% of your scheme to replace coal-fired power in our province. Now the project is in serious jeopardy. In March 2001, Calpine's shares traded for \$58; yesterday those same shares traded for 75 cents. Merrill Lynch analyst David Silverstein said yesterday that a bankruptcy filing is "likely." Again, what is your backup plan to ensure that the lights stay on, given your poorly conceived plan to shut down Ontario's coal-fired stations?

Hon. Mrs. Cansfield: Again, Mr. Murakami, the president and CEO of Mitsui Canada, confirms that the change will not -- underline "not" -- affect the project. They have, in fact, their contingency plans within their agreement with Calpine. So again, I reassure the member that this is under the total and complete authority of Mitsui, and we have every confidence in Mr. Murakami of Mitsui, which is the partner in Calpine.

Mr. Yakabuski: So one phone call and everything is all right in Liberal land again.

Minister, unfortunately your entire scheme to phase out coal-fired energy plants has been one bungle after another. First, you promised to close all plants by 2007, and then, in typical Liberal fashion, you changed that to 2009. Then you announced a series of RFPs for alternatives to coal. Only in August of this year it was announced that the 280-megawatt Greenfield North Power project in Mississauga will not proceed. The 570-megawatt Invenergy project in Sarnia was refused rezoning by St. Clair township in October. The city of Thunder Bay is calling for an environmental assessment of the natural gas pipeline for the 310-megawatt Thunder Bay generating station. Now Calpine's 1,005 megawatts is in serious jeopardy.

Specifically, what is your plan -- not your phone call, but your plan -- to ensure that the lights stay on in Ontario under your coal-fired policy?

Hon. Mrs. Cansfield: Thank you very much for the question. One thing I can assure the member is that we will not flip-flop like you have. We will in fact build, we will in fact maximize and we will in fact create. Maybe I should ask the member if they have changed their mind about the closure of coal, which was in their platform, and have suddenly taken another perspective.

We are on target. We have put in place 9,000 megawatts. We have 2,300 that came in. We were going to build new generation -- which we have done. For the first time, we have an 80-fold increase in wind capacity in this province. We are going to maximize our existing generation -- a new Beck tunnel, for example. We are going to maximize our transmission, which we did with Manitoba. And we are going to create a culture of conservation, which nobody has looked at for the last 12 years.