



## *Message from Queen's Park*



**Monthly Column by MPP John Yakabuski**

July 2005

Picking up on what I briefly referred to in my last communication, we will devote this column to the electricity situation here in Ontario. As I begin writing, we are in the midst of a heat wave that has placed heavy demands on our entire generation system and is testing its ability to provide you with power. Yesterday (July 12<sup>th</sup>) Ontario was importing as much as 2,322 MW of power from outside sources. This is approximately equal to the power produced by all 10 hydroelectric plants on the St. Lawrence, Ottawa, and Madawaska rivers.

On June 27<sup>th</sup>, power usage in Ontario hit a record high of 26,157 MW of which we had to import almost 2,300 MW. While we continue to see demand rise, the McGuinty liberal government continues to insist it will close all coal fired stations by 2009. Originally they promised 2007 but have recently admitted they will break that promise. They have done very little, other than talk about replacing the output of the power plants and as we all know, talk is cheap and a proposal or even a plan is a long way from juice in the lines. The only reasonable way to be able to produce vast amounts of electricity at an economical price here in Ontario would be to invest in more nuclear capacity as large hydro-electric just isn't there and wind could optimistically provide at most 3,000-4,000 MW. The fact is that even if everything proceeded perfectly, no new nuclear generators could be online for at least 7 years. The proposals for wind power range from between eight and twelve cents a KWH, which is simply not feasible in a competitive global economy. The long-term solution is clearly to invest in refurbished and new nuclear.

The short term plans of the McGuinty government have jeopardized the security of our supply and they don't seem to be prepared to acknowledge or address this problem. Even as they have raised the hydro rates by 35%, which has exerted tremendous pressure on low and fixed income people, as well as business, demand has not decreased. If they shut down all our coal plants by 2009 we will simply not be able to keep the lights on and the price will skyrocket which will place us in a severe economic disadvantage when it comes to attracting investment that brings jobs and prosperity to Ontario.

The reality is simple. Our biggest trading partner is also our biggest competitor. The United States burns coal, and plenty of it, to generate electricity. Why? Because it is relatively cheap, can be burnt cleanly, and they own over a quarter of the worlds known coal reserves, enough to last over 200 years. Forty three percent of the electricity produced in the United States is from coal fired plants and guess what, they're building more. If we loose our

competitive advantage because government policy sends the price of power through the roof - which is exactly the route that Minister of Energy Dwight Duncan is taking us down - we will undoubtedly see our standard of living drop as we spend more and more of our income on electricity. We will also see manufacturers relocate or choose to locate in competing jurisdictions where the cost of doing business is lower. At the end of the day, if a business cant make money it is left with two choices – reduce costs or go out of business.

I've never said governing is easy but the McGuinty liberals must do a much better job of dealing with our electricity file or the consequences will be dire. They just don't seem to be able to realize or willing to recognize that as they dither, our future as an economic power is at risk. Incidentally, power demand in Ontario just set a new record high of 26,160 MW at 5:00 pm today (July 13<sup>th</sup>). I hope a light soon goes on in the Premier's office and I hope somebody's home.

John Yakabuski, MPP  
Renfrew-Nipissing-Pembroke

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Office Contact Information:

Constituency Office  
84 Isabella St.  
Pembroke, ON  
K8A 5S5

Queen's Park Office  
Room 202 N.W., Legislative Building  
Toronto, ON  
M7A 1A8

[john\\_yakabuski@ontla.ola.org](mailto:john_yakabuski@ontla.ola.org)