

## **PWU News Release: Study Finds Increased Electricity Imports from Quebec an Expensive Option for Ontario**



Toronto –13, July, 2016 –The Power Worker’s Union (PWU) has released a study by Strategic Policy Economics (Strapolec) that demonstrates increasing firm electricity imports from Quebec would be an imprudent and expensive option for Ontario.

Historically, Ontario has exported and imported significant amounts of electricity to and from Manitoba, Quebec, Michigan and New York. Such exchanges ensure that Ontario has sufficient reliable energy and capacity to meet its needs.

The firm import option was identified in the province’s 2013 Long-Term Energy Plan (LTEP). Some parties have been advocating that expanding transmission intertie capacity between Ontario and Quebec is a better way to meet the province’s future needs.

Advocates say this option would: provide a peak capacity reserve exchange to balance the seasonal needs of the two provinces; smooth the intermittency of Ontario’s wind generation by leveraging the storage capacity of Hydro Quebec’s large hydro reservoirs; source low-carbon firm electricity imports from Quebec thereby lessening Ontario’s increasing dependence upon its higher carbon-emitting natural gas-fired generation; and, enhance the interprovincial ties to augment the province’s export capability to the U.S.

“Strapolec’s analyses clearly shows that continuing to rely on low-cost, low-carbon baseload nuclear energy is Ontario’s best option”, stated Don MacKinnon, PWU President. “Pursuing firm imports from Quebec to displace low-carbon nuclear or to supplement our province’s variable, expensive wind energy doesn’t make environmental or economic sense.”

The key study findings indicated that the required intertie investments would be economically undermined by the lack of winter generation capacity in Quebec and the forecasted future generation shortages in both provinces.

Required transmission upgrades are estimated to cost up to \$150 million per year, which is 50 percent higher than the cost of the single cycle gas turbine alternative previously identified and recommended by Ontario’s Independent Electricity System Operator (IESO). The IESO’s earlier analyses also concluded the firm import option was too expensive.

Additionally, smoothing Ontario’s surplus wind energy (34 percent of the provincial night time surplus) with Quebec’s reservoirs would cost \$275/megawatt hour (MWh). Moreover, given Quebec’s winter peak demand, its generation capacity is not available

to smooth Ontario's wind production in that season. Firm imports supplemented by Ontario wind generation would also still require back up from natural gas-fired generation. The blended cost is estimated to be \$150/MWh or about double the cost of refurbishing the Darlington Nuclear Station. Greenhouse gas emissions would increase by 40 percent and 52,000 jobs would be lost.

"Ontario and Quebec will both need new low-carbon baseload capacity in the not-too-distant future. This study infers that new nuclear units would be a very effective option for Ontario's economy and environment", concluded MacKinnon.

Strapolec's analysis can be found at [www.pwu.ca](http://www.pwu.ca)

### **About The Power Workers' Union**

The PWU represents the large majority of the skilled and dedicated men and women who produce and deliver electricity to Ontario's homes and businesses.

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