

Ontario's Power Trip: The failure of the Green Energy Act



Special to Financial Post | 11/05/16 8:53 PM ET

Fireplaces emit more small particulates than coal plants do

By Ross McKittrick

The pledge by Ontario PC leader Tim Hudak to roll back key provisions of the Ontario Green Energy Act is a courageous move and deserves to be applauded. It will likely spark intense debates as we head into the upcoming election. It is hard to say whether public opinion will be on his side, but the facts certainly are.

The Green Energy Act (GEA) was proposed as both an environmental policy and a job-creation policy. It is misguided on both scores.

With regards to job creation, there is nothing special about subsidizing electricity generation. It's just as harmful as subsidizing anything else. We have long and lamentable experience in Canada with failed job creation schemes based on subsidies to money-losing industries. From Sprung cucumbers to Bricklin sports cars, governments have regularly learned and relearned, at taxpayer expense, the immutable rule that if a business plan depends on subsidies, the jobs it creates are not sustainable, and if the business is profitable on its own, it doesn't need subsidies.

An industry that depends on subsidies for its survival is not a net source of jobs. The funds for the subsidies have to be raised through taxation, and the burden of taxes kills more jobs than the subsidies create. This is as true for wind power as it is for greenhouse cucumbers, and it doesn't matter if the taxes are visible or are hidden in the form of feed-in tariffs and artificially inflated electricity bills.

In countries like Spain and the U.K., which launched their own versions of the GEA a decade ago, the job losses are now being confirmed by independent analyses. In the U.K., a report by Verso Economics used the Scottish government's own macroeconomic model to show that, despite receiving net transfers of about £330-million (\$521-million) from the rest of the U.K. for its renewables sector, Scotland still experienced a net job loss from wind power, and for the U.K. as a whole, 3.7 jobs were lost for every job created in renewable energy.

In Spain, researchers at King Carlos University found that, on average, each job in the wind sector cost the country more than £1-million, implying a loss of 2.2 private sector jobs for every new job created in the renewables sector.



There is no magic Ontario fairy dust that will spare Ontarians from the same fate. The Green Energy Act will raise electricity costs and decrease employment. If the goal was to promote industry and create jobs, it is guaranteed to fail.

The GEA was also introduced to improve the environment. Here again it fails.

First, when people talk about “green Ontario” they usually picture peaceful rolling hills and pleasant countryside. But that is precisely what is being destroyed through the rapid proliferation of industrial wind-turbine installations across the Ontario landscape. The GEA strips local authorities of their customary planning and zoning tools for protecting environmental amenities. As a result, the “green” that people actually want to enjoy is being ruined in the name of “green” ideology.

Second, expanding the renewables portfolio is redundant since 75% of Ontario’s electricity comes from nuclear and hydro power, which do not generate emissions. Twenty-two per cent comes from coal- and natural gas-fired power plants. Ontarians have paid hundreds of millions of dollars for installation of advanced emission control devices on those plants. As a result, Ontario air pollution levels have fallen dramatically since the 1970s and 1980s, a point easily confirmed by consulting any edition of the government’s annual Air Quality in Ontario report.

The particular type of emissions that gets talked about now as the main health concern is called PM2.5, or ultra-fine particles smaller than 2.5 microns in diameter. According to Environment Canada’s emissions inventory, Ontario’s coal-fired power plants released 699 tonnes of PM2.5 in 2009. Is that a lot? One way to tell is to compare it with another source nobody worries about: residential wood fireplaces. According to the same Environment Canada emissions inventory, Ontario residential wood-burning fireplaces released 23,303 tonnes of PM2.5 in 2009, or 33 times the amount from all the coal-fired electricity generation together.¹

That does not mean Ontario has a crisis of air pollution from wood fires. It means PM2.5 emissions from coal-fired power plants are at levels well below what is considered not a problem when coming from other, more picturesque sources.

The Ontario Clean Air Alliance has published claims that Ontario’s coal-fired power plants cause 316 deaths, 440 hospital admissions, 522 emergency room visits and 158,000 minor illnesses each year. Its numbers are based on a 2005 simulation study for the provincial government that focused almost entirely on the effects of PM2.5. (It also considered ground-level ozone, but emphasized that most of the ozone precursors originated in the United States).

How plausible are these claims? If correct, they imply that wood-burning fireplaces cause 10,530 deaths per year, etc. But that is nothing compared with the implied effects from people driving on unpaved roads. According to Environment Canada, dust from unpaved roads in Ontario puts a whopping 90,116 tonnes of PM2.5 into our air each year, nearly 130 times the amount from coal-fired power generation. Using the Clean Air Alliance method for computing deaths, particulates from country-road usage kills 40,739 people per year, quite the massacre considering there are only about 90,000 deaths from all causes in Ontario each year. Who knew? That quiet drive up

back country roads to the cottage for a weekend of barbecues, cozy fires and marshmallow roasts is a form of genocide.

Of course such a conclusion is absurd, but it follows from the screwy way numbers are used in this debate. If we are going to say that 699 tonnes of PM2.5 from power generation kills 316 people, then 90,116 tonnes of PM2.5 from unpaved roads must kill a proportionately much larger number. Likewise, paving just eight-tenths of 1% of Ontario's dirt roads would cut annual PM2.5 emissions by an amount equivalent to shutting down all Ontario coal-fired power plant units. And then Ontario wouldn't need to shut them down, and the province could have inexpensive, reliable electricity from them for many years to come.

The third argument is that putting up windmills and solar panels will reduce greenhouse gas emissions. But the power they generate is variable and unreliable, so fossil fuel-based power stations have to run in the background to take up the slack whenever the wind dies down or the clouds roll by. The actual reductions are less than advertised.

Moreover, the emission reductions achieved come at far too high a cost. Whenever energy policy is discussed, the government's case always traces back to a confidential 2005 cost-benefit analysis that supposedly showed it was a good idea to shut down Lambton and Nanticoke coal generating stations. That report assessed the social costs of greenhouse gas emissions from keeping the power plants running at between \$2.4-billion and \$3.5-billion higher than the alternatives.

Even if we take those figures at face value — and there are good reasons to consider them inflated relative to the cost of purchasing emission offsets — it is less than half the cost of the Samsung deal alone, not to mention the rest of the GEA boondoggle, which doesn't even yield enough new electrical generating capacity to replace what is lost in shutting down the coal plants.

If the goal is to reduce air pollution and greenhouse gas emissions, the GEA goes about it in the most costly and ineffective way ever tried — yet another failure. There are cheaper and more effective options that don't create big cost increases for households and businesses.

Whether the goal is to create jobs or protect the environment, the GEA is a failure, and the provincial Tories should be applauded for taking on the challenge of phasing it out.

Financial Post

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Note 1. The original article [here](#) incorrectly said “Ontario residential wood-burning fireplaces released 1,150 tonnes of PM2.5 in 2009”. The author notes the correction [here](#).