

Gas plant cancellation costs raise ire of MPP?Munro

By Mark Pavilons

The skyrocketing costs of cancelling the Oakville gas-fired power plants ? more than necessary according to the auditor general ? has raised the ire of King's Conservative MPP.

Figures released last week by Auditor General Bonnie Lysyk revealed moving the plant from Oakville to Napanee may cost Ontarians \$675 million, and another \$140 million for gas deliveries to the new site.

?This cost is significantly more than may have been necessary,? Lysyk said after releasing a Special Report on the cancellation costs. ?A number of questionable decisions made along the way contributed to this situation.?

The 24-page report examined actions of the Ontario Power Authority (OPA), the Ministry of Energy, and the Premier's Office in negotiations with the builder, TransCanada Energy Ltd. (TCE). It estimates that the total costs of cancelling the plant could reach \$1.112 billion, but would be offset by estimated future savings of \$437 million, for a net cost of \$675 million over 20 years.

However, that total could rise by another \$140 million because of a possible increase in tolls relating to the delivery of gas to Napanee.

Other factors that contributed to the high cost of the cancellation:

The OPA originally told prospective bidders that municipal opposition to a power plant would not be considered in its evaluation of their proposals, and it approved a proposal to build the plant in Oakville even though the town's government actively opposed it.

On cancelling the Oakville plant, the Premier's Office assured TCE that it would be compensated for the full financial value of its contract for the Oakville plant instead of relying on protections in that contract that could have minimized the damages paid to the builder following cancellation.

The province and the OPA agreed to arbitration terms for determining damages to be paid to TCE if no voluntary settlement was reached or the Napanee plan does not go forward. These terms favoured TCE and waived the protections the OPA had under the original contract.

The Minister of Energy instructed that TCE build the new plant in Napanee, even though it would cost significantly more to transport natural gas there, and more to transmit electricity back to the Southwest GTA, where the need for power exists.

York-Simcoe MPP?Julia Munro called the whole thing ?egregious? and a ?total disregard for taxpayers and the democratic process.?

The estimated \$1.1 billion tab works out to \$150 from every Ontarian who's old enough to work, observed Munro.

?It's paid by your taxes and your electricity bill ... for this massive boondoggle.?

Given the deficit, unemployment and health care needs, this waste is an ?outrageous amount of money.?

Munro is particularly upset, considering the report makes it clear that these costs could have been avoided, if it weren't for ?direct interference??by the Premier's Office. She also said the government went to great lengths to hide the exact costs.

?The Liberals went to extraordinary lengths to hide this number from the people of Ontario.?

Munro said the Liberals remain under investigation by the OPP for their role in hiding the depth of the gas plant scandals.

?Does this sound familiar? That's because these scandals and cover-ups are straight from the Dalton McGuinty playbook. Kathleen Wynne co-chaired the campaign that decided to cancel the plants. She signed the document cancelling the Oakville gas plant, but refused to come clean on the cost.

?While this province suffers under high unemployment, the Liberals continue to put their priorities ahead of the people of this province. When they should be focused on jobs and growth, they have been focused on saving their political skin.?

Munro said the \$1.1 billion could have been used to improve healthcare, or could have gone towards ensuring a top-class education system for our children.

?That \$1.1 billion could have put people back to work, by funding public infrastructure projects in our communities.

?Instead, it was used to pay for one Liberal seat, in Oakville. Is this the respect taxpayers deserve? Of course not.

?Ontario is a great province. It deserves honest leadership that will put people before politics. That's why it's time for a change.?