

OPG Seeking 180% Price Increase for Nuclear Electricity

Ontario Power Generation (OPG) is seeking permission from the Ontario Energy Board to increase the price of its nuclear power by 11% per year for each of the next ten years.

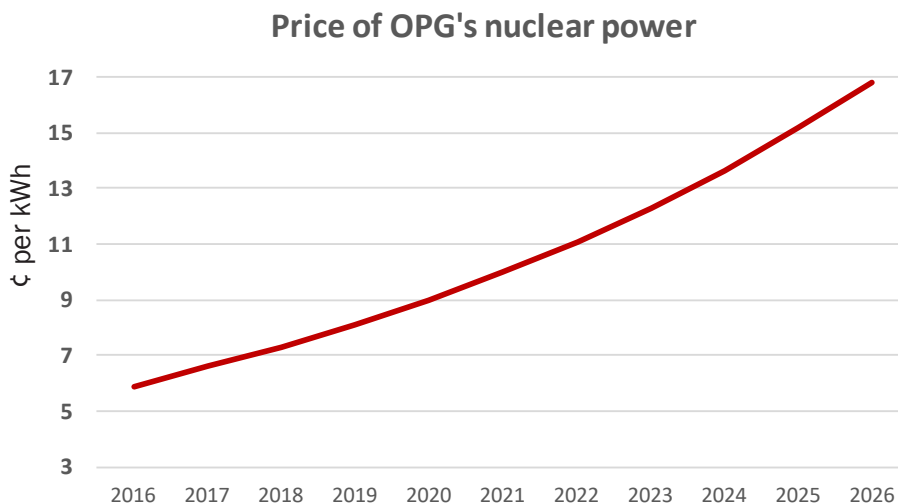
OPG wants to raise its price for nuclear power from 5.9 cents per kWh in 2016 to 16.8 cents per kWh in 2026. That means the rate in 2026 will be almost triple (2.8 times greater) today's price.

According to OPG, the price increases are needed to finance the continued operation of its high-cost Pickering Nuclear Station and to re-build the Darlington Nuclear Station.

OPG's proposed price increases are based on the assumption that its \$12.8 billion Darlington Re-Build Project will be completed on time and on budget. Of course, every nuclear project in Ontario's history has been massively over budget — on average by 2.5 times. If history repeats itself, the price of nuclear power will rise by much more than three times by 2026.

Now that OPG has had to start to come clean on the real costs of keeping its aging nuclear fleet running, we can clearly see that sticking with nuclear power will be a costly choice for Ontario. Meanwhile, our neighbours in Quebec are sitting on a growing surplus of truly low-cost water power — a surplus that could easily be increased even further by improving Quebec's energy efficiency. Ontario just signed a modest deal with Quebec to import up to 2 terrawatt hours of electricity per year at a cost of 5 cents per kWh for seven years. This is barely 10% of what we could be importing using our existing transmission infrastructure. It's a step forward, but we need to go much further.

It's time for Ontario to get off the out-of-control nuclear cost escalator and make some more sensible choices, such as importing power from Quebec and exploiting our own low-cost energy-efficiency potential. At a time when the Wynne government is dipping into provincial tax revenues to try to keep electricity rates down, it doesn't make a lot of sense to bank on the one source of electricity where costs are skyrocketing.



Information sourced from: OPG, "EB-2016-0152 Nuclear Rate Smoothing", (September 23, 2016) and September 23, 2016 oral presentation to the Ontario Energy Board by Chris Fralick, Vice President, Regulatory Affairs and Randy Pugh, Director, Regulatory Affairs, OPG. http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/search/rec&sm_udf10=eb-2016-0152&sortd1=rs_dateregistered&rows=200



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