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Worried Liberals pull plug on Oakville gas plant

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Rob Ferguson, Robert Benzie and Tanya Talaga
Queen's Park Bureau

The Ontario government is backing down from plans to build a controversial gas-fired power plant in Oakville, which faced determined opposition from the community.

Energy Minister Brad Duguid made the hastily-planned announcement Thursday with Oakville Liberal MPP Kevin Flynn, whose seat was in jeopardy in next October's provincial election if the plant went ahead.

"The proposed Oakville power plant has been stopped," Flynn said to cheers at a banquet hall near the proposed site. "It will not be built anywhere in Oakville."

The announcement confirmed a story first reported on thestar.com, based on information from government sources.

"Not only will the plant not be built in the GTA, it won't be built anywhere in Ontario," said Duguid.





Doug Mackenzie, president of the Chartwell Maple Grove Residents Association and 29-year Oakville resident, pictured in 2009 with a sign protesting the gas-fired power plant proposed for the city. The Liberals pulled the plug on the plant on Oct. 7, 2010.

SARAH DEA/TORONTO STAR FILE PHOTO

After insisting for several years that the plant was necessary because of plans to phase out coal-fired power plants by 2014, Premier Dalton McGuinty's government said the picture has changed.

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"When the need for this plant was first identified four years ago, there were higher demand projections for electricity in the area," said a statement from Duguid's office.

"Since then, changes in demand and supply...have made it clear this proposed natural gas plant is no longer required."

Those changes include more than 8,000 megawatts of new supply and conservation efforts. Demand for power in Oakville will now be met by transmitting more electricity into the area.

One source called the explanation a "that was then, this is now" scenario.

But the government's climb-down on the plant could cost taxpayers plenty.

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"If the government or OPA (Ontario Power Authority) kills the project they will be on the hook for hundreds of millions of dollars for incurred expenses and lost profits," warned one insider.

Another source told *The Star* there's a legal opinion that TransCanada, the private company under contract to build the plant, could sue the province for \$1 billion.

TransCanada officials did not immediately respond to requests for comment.

Duguid wouldn't say if there was a fee to cancel the project. "Discussions are continuing," he said. "They are aware of this decision and the reasons for it."

Ironically, the Oakville plant is being stalled while the government presses ahead with a controversial gas-fired plant in York Region on the environmentally sensitive Holland Marsh, in a riding now held by the Progressive Conservatives.

The flip-flop on the Oakville plant should help Flynn and neighbouring Liberal MPP Charles Sousa (Mississauga South) in the election next Oct. 6.

But Duguid denied this was a political decision to save the seats of Flynn and Sousa.

"Almost from the moment I was sworn in as minister (I said) that we would take seriously the issues being raised and we'd listen carefully," he said. "Really this comes about as a result of our deliberations on our long-term plan."

Ontario's long-promised energy plan is supposed to be ready this December.

NDP energy critic Peter Tabuns said the Liberals were motivated by political expediency more than anything else.

"I don't agree with the Oakville power plant, I don't think it's necessary. But it seems pretty clear that the decision they're making is not based on the analysis that they've been pushing for ages ... but I think they've done polling and I think they see themselves as trouble in Oakville," said Tabuns.

"They've made bad decision after bad decision on the electricity file," he said.

Progressive Conservative MPP Ted Chudleigh (Halton Hills) said Oakville residents should thank their lucky stars the next provincial vote is just 12 months away.

"If this wasn't an election year, the shovels would be in the ground," he said.

Oakville Mayor Rob Burton [went on Twitter](#) on Thursday morning to say: "I'm confident province will do the right thing on powerplant. Council and public used best steps w/ real evidence & consulting w/ Province."

Residents opposed to the plant got a lot of attention earlier this week when they paid famed California activist Erin Brockovich, who successfully fought a polluting California power



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company and became the subject of a movie, to attend several fundraising events to fight the plant.

The province announced the 900-megawatt natural gas power plant last year, saying it was part of Ontario's plan to phase out coal-fired electricity production.

But residents complained the plant, next door to the Ford Motor Co. factory, would be too close – within a kilometre – to homes and schools and a threat to local air quality. Flynn the MPP fought his own government, taking the side of the residents who formed a coalition called Citizens for Clean Air. He introduced a private members' bill to stop the plant.

Oakville resident Corina Van Sluytman said she is pleased the Liberals are backing off.

"This would mean my family and friends will be safer," said Van Sluytman, who lives 2.5 kilometres from the proposed site. "It's a crazy idea – to put a gas power plant across from a school. Anyone who likes clean air should celebrate this."

Brockovich called the scenario of having a plant so close to schools and homes "dangerous" and urged residents to keep fighting.

The plant was slated to open in 2014. Construction has been delayed by Oakville council amendments and bylaws. Citizens for Clean Air and the town of Oakville have suggested other locations like Nanticoke, near Lake Erie, where Haldimand Mayor Marie Trainer has said it would be welcomed.

Until now, the Ontario Power Authority had not budged and TransCanada has challenged the construction delays in court. The company maintains its project meets all safety standards.

The Citizens for Clean Air group lists 90 businesses and 18 community groups as supporters. Its board of directors would rival that of any major corporation: a former president of Microsoft Canada, a founder of the Weather Network and a risk manager at a Canadian financial institution.

On its [website](#), the coalition asked residents to contribute between five and 10 per cent of their annual Oakville taxes to the fight. "If you pay \$6,000 in taxes, a \$600 donation works out to about two hours of work for the type of specialists that we need."

After her speech, Brockovich said the citizens of Oakville may "have more flat screens than the average person" but "they shouldn't be told to shut up because they have money."

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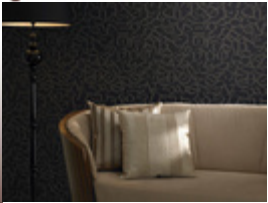
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