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## Carbon Down, Bills Up

If you had a billion extra tax dollars to spend, how would you spend it? Would you pay off one-tenth of the provincial debt? Would you reduce income taxes by three percent? Or would you fund a project that reduces power production and drives utility rates up?

Incredibly, our governments chose option three. In March, Prime Minister Harper made a whistle-stop in Estevan to rehash his federal budget commitment: \$240 million to turn part of the Boundary Dam Power Plant into a clean coal facility. Sask Power pledged a further \$758 million, leaving another \$400 million to come from "industry."

Harper admits that power bills could go up as a result of the retrofit—and not simply because of the \$1.4 billion capital cost. The same technology that should reduce CO2 emissions by more than 90 per cent will also reduce power production. The retrofit of Unit 3 at Boundary Dam will lower output to 100 megawatts from its previous 140. The dam's six units provide 30 percent of Saskatchewan's power, meaning reduced production will have a measurable impact.

Even so, our leaders insist this project is a necessary to demonstrate technology developed at the University of Regina. The technology captures carbon and stores it for later use in the process of extracting oil. The commercial version is currently licensed by Regina's HTC Purenergy. In December, the company's project received \$1.4 million from the province, proving government intervention is still alive and well in Saskatchewan.

Harper was quite frank in his admission that tightening federal regulations, to be put into effect in 2010, will carry a price for businesses and consumers. Yet, he also claims these very regulations are what will make carbon capture technology viable. Voila! Direct government investment, plus heavy regulation, equals economic development!

While taxpayers wonder how to capture and bury the political hot air, environmentalists have their own complaints. Dale Marshall, chief climate change analyst for the David Suzuki Foundation, said that Sask Power could have reduced the same level of carbon emissions at one-tenth to one-fifth of the

price had it only created efficiencies and used alternative power sources.

The crunch is on as the province aims to reduce greenhouse gas emissions 32 percent by 2020, while the federal target is 20 percent. The merits of such goals are debatable. The theory that the earth is significantly warming due to man-made increases in carbon emissions remains highly contested by some leading scholars. Another question is whether all the money in the world—or even a global halt to all industry—would reduce carbon emissions enough to make a substantial difference. At least the provincial NDP had the sense to scrap a previous \$3.8 billion proposal for a 300 megawatt clean coal plant.

Nonetheless, a province anxious to appear it received something from Ottawa is using the modest handout to move forward. The Boundary Dam retrofit will take seven years to complete, putting an even greater strain on a tight labour market. At least when those workers are done, they'll be able to pay the higher power bills. But will the rest of us?

--Lee Harding, Sask. Director