

## A National Power Plan

### *Inside the Issue*

In 2003, central Canada and the northeastern United States were badly hit by a blackout caused by disruption in the U.S electricity system. One consultant's report has the economic cost estimated between \$6-10 billion. Seven years later; there have been no substantial steps taken by Canada in order to alleviate this. This incident outlines the vulnerability of Canada's electricity supply and its high cost is a reminder of the need to upgrade our electricity infrastructure.

### *Strengths*

Canada has a strong stock of energy resources, including clean power in various forms. Most of the more easily accessible oil, natural gas and hydro resources have been developed, meaning that much of the country's future energy potential is located in less accessible areas, such as the north and offshore. This may be a more costly and riskier strategy. To ensure a diverse energy supply, Canada must take action to enhance its energy-related infrastructure.

### *Weaknesses*

A substantial amount of Canada's power potential is stranded because there is no transmission grid to tap that power and ship it to market.

While some physical interconnections do exist, an open, transparent, effective interprovincial electricity market and policy has not yet emerged in Canada.

### *Statistics show...*

- Current statistics show that a 2003 blackout in the future is probably inevitable and will occur every 25 years.
- Approximately 95% of the installed hydro capacity in Canada is in five provinces: Newfoundland and Labrador, Quebec, Ontario, Manitoba and British Columbia. Combined, these provinces produce an estimated 97% of the nation's hydroelectricity.

### *Why Clean, Reliable Energy*

The availability of reliable, clean, predictably priced electricity is key to a stable and competitive economy. Adequate and reliable power is important because of growing electricity demand, increasing prices of fossil fuel, and aging power system infrastructure. Other sources of energy can be uncertain or unstable in terms of price, availability and reliability.

In addition to lowering greenhouse gases and air emissions and enhancing the national economic landscape, cleaner energy, such as hydro, can reduce dependency on fossil fuel based generation. This results in Canadians experiencing fewer increases in electricity prices as a direct impact of fuel supply shortages.

### *What's the Need*

In June 2005, the National Energy Board recognized that the conditions are ripening for investment in the electricity grid on a national scale. Interprovincial cooperation in providing generation and transmission infrastructure will allow for:

- increased access to large- and small-scale renewable electricity sources across the country, reducing emissions and reliance on fuel generation;
- diversification of supply, by generation type and by geographic site;
- reduced capacity requirements resulting from increased regional coordination; planning; and
- increased security and reliability.

The Government of Canada can take steps to facilitate the creation and interconnection of critical electricity infrastructure. This would create a made-in-Canada response to greenhouse gases emissions that assists in building a greener economy and maintains competitive electricity prices for average Canadians while building the strength of the nation through energy reliability.

#### *What it means*

Developing a national grid would:

- unlock new clean and renewable power sources, and maximize the reach of Canada's energy supply by linking areas in demand with sources of surplus power across the country, including those in more remote, northern locations;
- increase reliability and security of power supply;
- enhance the country's electricity infrastructure and generate significant capital investment;
- foster exchanges of energy and enhance overall security of supply for future generations of Canadians;
- facilitate interprovincial trade and transmission of power; and
- contribute to nation-building.

The development of robust interprovincial trade should be addressed nationally to meet energy supply needs in all of Canada. Expanding interprovincial connectivity would help optimize Canada's energy resource potential and strengthen the diversity and security of supply.

Development of transmission infrastructure and capability improves the prospects of cross-border electricity trade with the U.S., as more generation and transmission capacity is created.

#### *What the federal government should do*

The federal government should work with the provinces and territories to:

1. Develop a clear, forward-looking national policy on Canada's electricity energy infrastructure needs in as timely a manner as possible;
2. Put in place the necessary regulatory frameworks to facilitate the creation of a national grid, also including private enterprise and First Nations involvement; and,
3. Remove barriers to and actively encourage and facilitate inter-provincial/territorial trade and transmission of power.

#### *Questions*

1. Do you and your party support creating a national power grid that would allow for interprovincial/territorial trade and transmission of power?
2. When will you deliver a national policy on electricity energy infrastructure?