

Ontario's Power Trip: The wind won't blow for offshore power

[Parker Gallant](#) February 11, 2011 – 6:20 pm

Whatever the motivation, Ontario moratorium on offshore wind projects is a good sign that economic reality is winning out over fantasy.

In what looks like a rush to prevent more erosion of support, Premier Dalton McGuinty's Liberals Friday declared a moratorium on offshore industrial wind turbines. The announcement from the Ministry of Energy stated; "No Renewable Energy Approvals for offshore have been issued and no offshore projects will proceed at this time."

So what happened? The *Toronto Star* recently reported on a Conference Board of Canada report on off-shore wind stating it would create 2,000 MW of wind capacity add more than \$4.8 billion to Ontario's GDP while creating at least 55,000 person-years of employment! You would think that such bright prospects –or creative economics?–would prompt the government to jump on the off-shore windstorm.

The change of heart would appear to be a desire to head off more political opposition. With McGuinty touring the province trying to boost the Liberals tattered image, now is not the time to anger more voters with news of more wind projects. In order to keep the developers happy the press release left the door open to revisit offshore wind by couching the release with the words, "at this time."

The hue and cry about wind turbines, onshore, has already resulted in a rural population that is up in arms over health and other reasons. Many others have simply attacked the economic side of the argument, noting that wind turbines are unreliable, do little if anything to reduce CO₂ emissions and have caused our electricity rates to spike because they also need to be backed up with gas generation plants.

Blessing offshore turbines would also alienate another set of voters who have cottages or homes on the water and don't want to see their views despoiled by these 40 story behemoths. Additionally, the province's notorious Feed-in-tariff program envisaged paying offshore developers 19 1/2 cents a kilowatt hour, still well above the market rate for electricity. As we know, wind has the unfortunate capacity to deliver electricity when it is not needed, driving up electricity rates.

Of particular interest is that neither Canada or the United States has any offshore wind installations up and running. The Cape Cod project, despite approvals from the authorities, is floundering badly because it is having difficulty selling the potential power.

Whatever Mr. McGuinty's motivation, the Ontario Energy Minister's moratorium on offshore wind is a good sign. Economic realism, rather than fantasy, may be gaining hold within the bureaucracy. Or maybe it's just raw politics as the government tries to stave off more anti-wind sentiment. Either way, it's a victory for common sense. Whether the offshore winds blow or not, Ontario ratepayers won't have to pay.

Parker Gallant is a former Canadian banker who looked at his Ontario electricity bill and didn't like what he saw.