

TC Energy's \$4.5 Billion "Green" Energy Scheme May Leave Ontario Ratepayers in the Red

Why Should Ontario Taxpayers Foot the Bill for an Alberta Company's Expenses on an Energy Storage Project that Regulators Say Makes No Economic Sense?

Questions are mounting about TC Energy's \$4.5 billion pumped storage proposal for Meaford, Ontario. Increasingly those questions are aimed at Ontario's Energy Minister, Todd Smith. Why is he pushing ahead with a scheme that, for at least the second time, his own regulators say **makes no economic sense**?

In a January 9th letter to the Independent Electricity System Operator (IESO), which regulates Ontario's grid, the minister acknowledged a report from the agency he had been sitting on for three months. The IESO concluded that TC Energy's pumped storage proposal for the Canadian Forces training base on the Niagara Escarpment in Meaford **would not provide any real economic benefit** to Ontario's electricity ratepayers.

The regulator reached the same conclusion in 2021 and that **should have put a stop** to the project. But Mr. Smith won't accept the independent agency's common-sense conclusion. He asked IESO president Lesley Gallinger to **reconsider** the proposal for at least the third time.

The minister also tasked the agency with a highly unusual request: **to pay back TC Energy for its expenses** while developing the untendered megaproject.

That means Ontario taxpayers could be left footing the pre-construction costs for a \$55-billion Alberta-based company—once better known as TransCanada Pipelines—which brought the scheme to the government **unasked and without a public competition**.

"Why should taxpayers and energy consumers foot the bill for TC Energy's expenses to develop a multi-billion-dollar commercial project?" says Tom Buck, a director of Save Georgian Bay. "Especially since it was brought to the province as an unsolicited proposal."

The minister says he isn't ready to greenlight the project whose total price tag has already doubled in five years. TC Energy now admits it could rise to **\$7 billion**.

But the company announced it is **going ahead** with the project anyway and even **set out deadlines** for the IESO and government to respond.

Save Georgian Bay has warned that some of the proposal's costs aren't just financial.

-Excavating a 375-acre reservoir on the Niagara Escarpment would inflict irreversible damage on that UNESCO World Biosphere Reserve.

-Pumping 23 million tonnes of Georgian Bay water up the escarpment into that reservoir every night when electricity rates are low, then releasing it back into the bay during the day when rates, and demands for power, are high **could cause irreparable harm to the prized freshwater resource of the entire Georgian Bay basin, its fish and aquatic life as well as tourism.**

But those dire threats to the environment are not the grounds on which the IESO gave the proposal a thumbs down. Its experts found that TC Energy's cumbersome pumped storage system **couldn't compete** economically with newer, more efficient and less costly technologies like **long-duration battery storage**.

Last year, the minister himself helped kick off the 10-acre Oneida Battery Storage farm at Ohsweken, a partnership between NRStor and Six Nations of the Grand River. Similar large-scale battery parks could be constructed in a fraction of the time on a fraction of the acreage and at a far lower cost. The IESO has okayed seven of them to date. "TC Energy's pumped storage project will already be obsolete by the time shovels are in the ground," says Stephen Carr, a retired engineer and member of Save Georgian Bay.

Why then is the minister still **pushing this costly white elephant**? And why has he agreed **to pick up the pre-construction costs for a project he never asked for**? Does the company have some backroom agreement with the government that could provoke a lawsuit? **Where do Todd Smith's loyalties lie:** with TC Energy or Ontario's taxpayers?

Those questions need urgent answers so Ontario's already hard-pressed electricity consumers aren't saddled with the bill for a so-called "green" energy project that could leave them in the red.

#

For further information contact Tom Buck: tbuck@savegeorgianbay.ca or David Donnelly: 416.722.0220 or david@donnellylaw.ca

Save Georgian Bay is a volunteer group of environmentalists, engineers and concerned citizens who oppose TC Energy's Pumped Storage Project in Meaford, Ontario.

Let's Save the Bay!

[Donate Now!](#)