

# WCO | WIND CONCERNS ONTARIO

Hon. Tony Clement,  
Member of Parliament for Parry Sound-Muskoka  
Via e-mail

We wish to express concern about the federal government's announcement on Thursday July 16 of a \$3-million investment in the Henvey Inlet First Nation wind turbine project near Parry Sound.

As we have expressed previously to you, and other members of the Ontario Conservative caucus, WCO is concerned about the federal government support for the already well-financed wind industry. We had been assured that the federal subsidy programs had ended. This announcement brings all such assurances into question.

We find it surprising that the federal government is announcing this grant less than a week after Fiat Chrysler CEO Sergio Marchionne told the Ontario government that its ability to compete for manufacturing jobs is weak due to factors like the high cost of electricity. The Henvey Inlet project alone, with the support of the federal government, will add another \$114.3 million to the cost of electricity in Ontario, or \$2.3 billion over the 20-year life of the project.

For the average Ontario user of electricity, this one project translates into an annual cost increase of \$24 household in electricity rates.

The Bank of Canada Governor also reported last week that the Canadian economy is not bouncing back as expected from the oil price shock experienced early this year. The growth in manufacturing jobs that was expected to offset the reduction of jobs in the oil industry is not materializing, and the Canadian economy is on the brink of moving back into recession. In Ontario, we are getting weekly reports of manufacturing plants shutting down and moving production to jurisdictions with lower electricity costs. The cumulative effect of these announcements is contributing to weak national economic performance.

Yet we have the federal government continuing to support projects that drive up these electricity costs.

We find this approach surprising given the Conservative Party's apparent aversion to business subsidies, particularly ones that do not provide the promised benefits. Your announcement used the wind industry's standard spin on support for new jobs. The Wynne government in Ontario continues to use the same arguments in Ontario, even though the argument has lost all credibility. The reality that we have seen across Ontario is that any jobs created are very short-term during the short construction phase of the project and they are mostly filled by imported foreign specialists. In short, the benefits in terms of local employment and long-term jobs are minimal. In fact, the Ontario Auditor General reported European countries had experienced the opposite effect – wind turbine subsidies kill more jobs than they create.

The announcement also mentioned benefits to Aboriginal communities but here again, the "spin" does not match reality. In Ontario, wind power generation projects are already dividing Aboriginal

communities (see Nipissing and the conflict between Algonquin communities for which had the “right” to participate or object to a proposal). Across the United States, there are reports of communities dazzled by promises of large initial payouts and which are now wishing they had never permitted this industrial use of their lands. The significant long-term impact on wildlife and on indigenous peoples’ traditional activities were not anticipated when the deals were signed. Nor were the long-term obligations to remove the wind turbine structures considered. Some bands in Ontario are learning from these experiences and avoiding falling for the sales pitches while others are continuing to pursue the short term gains. We expect that many will come to regret their decisions.

Other conservative governments are learning from past mistakes and have ended wind turbine subsidies. In May, the re-elected Cameron government in the UK announced the end of government subsidies, effecting killing new wind turbine projects. Last week, Tony Abbott announced that all subsidies from the Australian federal government to the wind industry were being cancelled. He made this move after acknowledging in June that wind turbine projects involved health risks to residents living nearby.

The federal government’s own Health Canada study of Canadian wind projects released last fall pointed to the same type of health issues here. The findings indicate that the noise threshold being used to assess safe set-backs in Ontario is *not* sufficient to protect residents from health impacts like annoyance and distress. The study by the Canadian Council of Academies commissioned by Health Canada pointed to the same issues with wind turbine noise emissions, and also found that the basic measures used to assess turbine noise in Ontario (dBA levels) do not accurately reflect impact aspects of the noise produced by wind turbines. WCO expects that these findings would be considered when further subsidies to the wind industry are evaluated.

Your Conservative Caucus colleagues will confirm that the federal government’s support for existing and new wind turbine projects in Southwestern and Eastern Ontario is an active political issue in the coming election. Your announcement of a new grant for a wind turbine project will add to local residents’ concerns.

We ask for clarification of the federal government’s position on subsidies for the wind industry. Specific funding programs for the wind industry involve many federal departments but as the President of the Treasury Board, you should be in a position to provide a policy statement on where the federal government stands on subsidies for the wind industry.

If you require further information on our concerns or wish to meet with us to discuss, please contact me.

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