MEDIA RELEASE: Report on SaskPower’s World-first Carbon Capture & Sequestration (CCS) project

Saskatchewan electricity consumers looking at higher electricity prices caused by $1-billion loss on CCS project while Alberta company gains $1-billion from Enhanced Oil Recovery

- Boundary Dam CCS raises questions about government oversight of SaskPower
- Ratepayers should not be liable for $1-billion+ SaskPower loss on Boundary Dam CCS
- SaskPower should halt plans for Boundary Dam Unit 4 & 5 CCS and consider alternatives

In October 2014 SaskPower commissioned the $1.467-billion Carbon Capture and Sequestration (CCS) facility at Unit 3 of the coal-fired Boundary Dam power station near Estevan. Until today, public information on the financial details of that project has been limited. Without that it has been difficult for the public to assess its value.

Our report released today (see link at end of this document) finds that the $1.467-billion Boundary Dam CCS facility is expected to generate a profit of more than $1-billion for an Alberta-based oil company (Cenovus Energy) while returning a loss of more than $1-billion to SaskPower and, as a consequence, to all Saskatchewan electricity users. A loss of this magnitude means that Saskatchewan electricity consumers will pay higher electricity prices for many years.

To put this loss in perspective: $1-billion would do any one of the following - pay for the salaries of 1,400 nurses for 10 years; lower the electricity bills for each of SaskPower’s 363,000 residential customers by $30 a month for more than 7 years; or pay for the twinning of 1,000 kilometres of highway.

Given the demonstrably poor economics of Boundary Dam Unit 3 CCS, SaskPower may consider whether it is worth devoting significant additional resources to continued planning for two additional CCS facilities at Boundary Dam Units 4 & 5.

Crown Investments Corporation (CIC) is charged with ensuring sound financial management at SaskPower. It is not clear whether CIC has fully executed its responsibilities by approving a loss-making project which has put the financial interests
of an Albertan oil company before those of the Saskatchewan people. It is also not clear whether the Saskatchewan Rate Review Panel gave adequate consideration to cost-efficient alternatives prior to approving SaskPower’s last rate application. The Government may therefore consider refunding the $1-billion+ Boundary Dam cost to SaskPower for subsequent return to the electricity consumers of Saskatchewan.

Economically superior alternatives to Boundary Dam CCS include energy efficiency, wind energy, imports, natural gas, solar or biomass. As concerns wind energy: our report demonstrates that there is no technical nor economic reason why it should not supply all of the electricity which would be needed to fill the deficit resulting from the closure of Boundary Dam Units 4 & 5. Such action would reduce SaskPower’s new generation investment requirements by as much as $2-billion: a direct saving for electricity users. If we are to achieve the full economic potential of wind (& solar power) SaskPower should engage constructively with those industries. An independent electro-technical study of the potential of wind and solar would provide a useful, third-party, assessment of the true economic value of these resources.

The Boundary Dam CCS project is symptomatic of a broader failure of our electricity sector: SaskPower’s electricity monopoly is increasingly dated. The opportunities presented by 21st century electricity require a new market structure and this report proposes one. In doing so we recognise that a long process of public and industry consultation lies ahead but nonetheless note the urgency of initiating that process. Our ossified electricity sector is stifling innovation and growth: and, as our report clearly demonstrates, that is resulting in sub-optimal economic and environmental outcomes.

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Our report: [http://www.saskwind.ca/boundary-ccs](http://www.saskwind.ca/boundary-ccs)


**Saskatchewan Community Wind** exists to ensure that our world-class wind resource is developed in a manner that optimises the economic advantages for Saskatchewan individuals and communities.

**Questions? Contact @ Saskatchewan Community Wind**

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