

Contract Awarded for Northern York Region Power Plant

TORONTO, Dec. 11—The Ontario Power Authority (OPA) announced today that it will sign a 20-year contract with York Energy Centre LP to design, build and operate a 393 megawatt (MW) electricity generating station, on Dufferin Street in the Township of King.

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[Northern York Region
Contract Announcement Fact
Sheet](#)

York Energy Centre LP is a limited partnership between York Energy Centre Inc., as general limited partner, and Pristine Power Inc., as limited partner. The Board of Directors of the OPA finalized the decision at a meeting December 10, 2008.

This simple-cycle, natural gas plant addresses the urgent need for clean, reliable and secure power in one of the fastest-growing regions in Ontario. It will also help Ontario close down coal-fired generation by 2014 – Canada's single biggest climate change initiative.

Coal is being replaced by a diverse mix of cleaner, greener energy sources including renewable sources like water, wind, solar and biomass, as well as natural gas-fired generation. Natural gas power plants, such as the one to be built in King, are key to expanding renewables. They are a reliable and “on demand” source of electricity able to respond during peak periods as well as when more variable energy sources, such as wind and solar power, are not available.

In meeting the Northern York Region's mayors last month to discuss the proposed plant, George Smitherman, Deputy Premier and Minister of Energy and Infrastructure, committed to attend a town hall meeting in the selected community early in the new year, along with the successful project proponent.

The new plant is part of a comprehensive electricity plan for Northern York Region developed in 2005. The decision is a culmination of a three-year collaboration between industry, technical and community participants to identify solutions that best address the regional need to improve local electricity supply and reliability.

The original Plan included:

- Contracting for 20 MW of peak demand reduction (since increased by 50 per cent to 30 MW)—well underway
- Upgrades to the existing Armitage Transformer Station in Newmarket—completed in 2006
- A new transformer station at Holland Junction—to be completed by Summer, 2009
- Approximately 350 MW of new, natural gas-fuelled local generation

York Energy Centre LP satisfies the fourth element of the integrated plan and is scheduled to be in service by the end of 2011.

The OPA received six proposals to design, build and operate the plant. York Energy Centre LP has estimated the capital cost of the plant at \$365 million—all of which will be financed privately, at no risk to Ontario consumers. The company expects the project to generate 150 jobs during the construction period.

In addition to the construction jobs, economic benefits for the community are expected to include permanent positions at the future facility, along with Ontario-purchased equipment and supplies as well as additional municipal tax revenue.

York Energy Centre LP is now responsible for securing all municipal, regional and provincial land use, environmental and health and safety approvals. Throughout this process the community will have an opportunity to provide additional input.

This release comes out following today's close of financial markets.

Fact Sheet
NYR Contract Announcement

December 11, 2008

- **Urgent Need for Supply:** York Region has grown rapidly, with the population five times greater than it was in 1971
 - Region still served by one high-voltage transmission line, as it was in 1971
 - Lack of local supply means northern York Region is, in effect, connected to the rest of the province by an old, long extension cord.
 - Previous work on local system: Upgrades to southern part of York Region in 2004; no major improvements in northern part since 1990s.
- **Demand Growing:** electricity demand is forecast to grow at three times the provincial average
- **Comprehensive, balanced and integrated solution:** Aggressive conservation measures, upgrades to existing Armitage Transformer Station, new transformer station at Holland Junction and new local generation.
- Winning proponent and proposal: York Energy Centre LP. Total number of proposals received: Six (6).
- Type of generation to be built: simple cycle.
- Estimated capital cost: \$365 million: financed by private capital without risk to Ontario consumers.
- Estimated number of construction jobs: 150
- New generation in-service date: Expected by end of 2011.
- Why generation type was selected: Specific circumstances always determine best technical solution for each situation. Local and provincial needs are considered. Simple-cycle generation most efficient and cost-effective technology in context.
- Environmental value of generation type: Will produce less than half greenhouse gases, less than one-third of nitrogen oxides and about one per cent of sulphur dioxide of average coal-fired plant.
- How plant supports renewable energy: Gas-fired generation supports Ontario's commitment to incorporate more renewable energy into supply mix; can respond quickly to peak demand and to complement intermittent sources of electricity such as wind and solar generation.

- Local environmental benefits: Creation of a fund to support sustainable energy initiatives and local infrastructure in the area of the power plant development
- Community consultation: Extensively undertaken by OPA since 2005.
- Communities covered: Aurora, Newmarket, King, Whitchurch-Stouffville, Georgina, East Gwillimbury and Bradford West Gwillimbury.