

**Natural Resources
Environment and Conservation**
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Significant Environmental Benefits to be Achieved with Closing Holyrood Thermal Generating Station

A report on the environmental benefits of closing the Holyrood Thermal Generating Station concludes that the replacement of the Holyrood facility with clean, renewable electricity addresses an environmental challenge for Newfoundland and Labrador. The discussion paper, *Environmental Benefits of Closing the Holyrood Thermal Generating Station*, was released today by the Department of Natural Resources.

“From 2000 to 2010, the Holyrood plant emitted an annual average of approximately 1.1 million tonnes of greenhouse gas emissions and an annual average of 11,610 tonnes of sulphur dioxide,” said the Honourable Jerome Kennedy, Minister of Natural Resources. “Retiring this facility will address the environmental and health concerns expressed by residents of Conception Bay who are impacted by Holyrood generation.”

The province’s Energy Plan and the Climate Change Action Plan demonstrate government’s commitment to the environment, and the importance of environmentally and economically sustainable resource development in Newfoundland and Labrador’s energy sector. Retiring the Holyrood plant helps meet Energy Plan and Climate Change Action Plan commitments and would help Newfoundland and Labrador and Canada meet their respective greenhouse gas reduction targets.

“Our Climate Change Action Plan supports the reduction of greenhouse gas emissions and is helping us prepare to adapt to the impacts of climate change,” said the Honourable Tom Hedderson, Minister of Environment and Conservation. “As the MHA for Harbour Main, I know first hand the environmental challenges associated with the Holyrood plant, and retiring it is a step in the right direction not only for area residents but for all Newfoundlanders and Labradorians. Its closure will also complement our Climate Change Action Plan and be the equivalent of taking 300,000 cars off the road.”

The Holyrood plant is 40 years old and is operating beyond the typical life expectancy for this type of generator. Continued use of the facility means escalating maintenance and upgrades, installation of emissions control equipment, and continued dependency on fossil fuel generation. The installation of emissions control equipment, including scrubbers and

precipitators, would cost approximately \$600 to \$800 million in addition to annual operating costs of \$12 to \$15 million. Emissions control equipment would help reduce sulphur dioxide emissions, but will not reduce greenhouse gas emissions.

“Developing Muskrat Falls and delivering clean and renewable hydroelectric power to both Labrador and the Island is the least-cost solution to meet our growing electricity consumption,” said Minister Kennedy. “It also ensures that the province will generate approximately 98 per cent of its electricity from clean, renewable sources. Muskrat Falls is the best alternative to the Holyrood option and will lead to a reduction of greenhouse gas and other emissions.”

For further information on the discussion paper, see the backgrounder below. To view the paper in full, please visit: www.powerinourhands.ca.

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Key Points of Discussion Paper

- The Holyrood Thermal Generating Station generates, on average, 15 to 25 per cent of the Island’s electricity and provides up to 30 per cent of the Island’s electricity needs at peak times.
- The plant burns up to 18,000 barrels of oil per day during the winter heating season. The cost of operating the plant has increased along with world oil prices, resulting in rate increases for Island and rural diesel customers.
- In 2011, burning fuel at the Holyrood plant cost ratepayers \$135 million. Looking ahead to 2017, the annual cost of oil to generate electricity at the plant is projected to be \$324 million without Muskrat Falls.
- Retiring the Holyrood plant is the equivalent of taking 300,000 cars off the road and will help to eliminate the release of greenhouse gas and sulphur dioxide emissions.

- Greenhouse gas emissions contribute to climate change and global warming, which leads to polar ice melt, rising sea levels and intensification of extreme weather events, among other harmful effects. Sulphur dioxide in the atmosphere interacts with water to produce acid rain.
- Retiring the Holyrood plant will address environmental and health concerns expressed by residents of Conception Bay due to the release of greenhouse gas and sulphur dioxide emissions. From 2000 to 2010, the plant emitted an annual average of approximately 1.1 million tonnes of greenhouse gas emissions and an annual average of 11,610 tonnes of sulphur dioxide.
- The Holyrood plant is 40 years old. Continued use of the facility means escalating maintenance costs, significant capital investments and upgrades, emissions control equipment, and continued dependency on fossil fuel generation.
- The installation of emissions control equipment, including scrubbers and precipitators, would cost approximately \$600 to \$800 million in addition to annual operating costs of \$12 to \$15 million. Emissions control equipment would help reduce sulphur dioxide emissions, but will not reduce greenhouse gas emissions.
- As electricity consumption rises with an increase in the number of residential, commercial, and industrial customers, the plant will have to be used more to ensure consumer needs are met. This means that ratepayers will be more reliant on oil.
- Retiring the Holyrood plant will help Newfoundland and Labrador and Canada meet their respective greenhouse gas reduction targets.
- The province's Energy Plan and the Climate Change Action Plan demonstrate government's commitment to the environment, and the importance of environmentally and economically sustainable resource development in Newfoundland and Labrador's energy sector.
- The development of Muskrat Falls will help meet provincial commitments for emission reduction identified in the Energy Plan and the Climate Change Action Plan.
- Developing Muskrat Falls and delivering clean and renewable hydroelectric power to both Labrador and the Island is the least-cost solution to meet our growing electricity consumption. It also ensures that the province will generate approximately 98 per cent of its electricity from clean, renewable sources.