



NEWS RELEASE

Replacing Canada's coal-fired power plants with wind and solar would cost between \$16.8 and \$33.7 billion annually

October 21, 2021
For Immediate Release

VANCOUVER—Replacing coal-fired power in Canada with renewable energy will impose significant costs on Canada's economy while only making modest reductions in greenhouse gas emissions, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

"Despite what advocates claim, renewable power—including wind and solar—isn't free and comes with only modest benefits to the environment," said G. Cornelis van Kooten, economics professor at the University of Victoria, senior fellow at the Fraser Institute and author of *Canadian Climate Policy and its Implications for Electricity Grids*.

The study finds that shutting down coal-fired power plants—which accounted for 9.2 per cent of electricity generation in Canada in 2017—and replacing them with wind and solar would reduce Canada's greenhouse gas emissions by 7.4 per cent but increase the costs of operating the electricity grid by between \$16.8 billion and \$33.7 billion a year—or 1 to 2 per cent of Canada's annual GDP—depending on the weather impacting wind and solar power.

The study explains that part of the increased cost is a result of having to build and maintain backup power from natural gas to supply electricity when wind and solar are not available.

Crucially, the 7.4 per cent emissions reduction would fall short of the federal government's target—to be 40 per cent to 45 per cent below 2005 emissions levels by 2030.

"Reducing Canada's greenhouse gas emissions by replacing coal-fired power with wind and solar would prove extremely costly, and still wouldn't meet the federal government's climate targets," van Kooten said.

-30-

MEDIA CONTACT:

G. Cornelis van Kooten, Senior Fellow
Fraser Institute

To arrange media interviews or for more information, please contact:
Drue MacPherson, Media Relations, Fraser Institute
604-688-0221 ext. 721
drue.macpherson@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)

The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org