

POWER WORKERS' UNION

Mayor Marie Trainer
Haldimand County
45 Munsee Street North
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July 12, 2010

Mayor's Office

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Dear Mayor Trainer:

On behalf of the hundreds of employees at OPG's Nanticoke Generating Station I write to thank you for support of the proposal to convert the facility from coal to natural gas complemented by biomass.

We believe the facts supporting this opportunity to be compelling but we are not simply asking the province to take our word for it. We are requesting our community to join with us in asking the province to immediately initiate a full study of the potential benefits of Nanticoke conversion, including the appropriate environmental assessment. We are confident that an in-depth study will show that Nanticoke conversion is the best option for new electricity supply, for Ontario consumers and taxpayers, and the local community.

Comparative Benefits of Converting Nanticoke Generating Station

Converting Nanticoke GS to natural gas is the best investment for several reasons: valuable jobs will be preserved; existing infrastructure owned by the people of Ontario is renewed; cost is significantly lower; more electricity is generated; more jobs can be created and Ontario's energy security enhanced by introducing carbon-neutral biomass as another fuel; and the existing positive community benefits for the area will be preserved and expanded.

More Jobs:

- Converting 4 Nanticoke units to natural gas would employ approximately 160 people for many years to come.
- Converting 8 Nanticoke units to natural gas would employ approximately 300 people.
- Nanticoke has the capability to use carbon-neutral biomass as fuel. A great deal of work and testing has been done already on this venture and if it proceeds, Nanticoke would employ many more people because the fuel handling aspects of the operation would be similar to the existing coal operation.
- The proposed natural gas plant at Oakville would employ approximately 30 people.

Lowest Cost Option:

- The capital cost of converting each Nanticoke unit (approximately 400 megawatts per unit) is between \$50 and \$75 million.
- The cost of a natural gas pipeline to Nanticoke is \$300-\$350 million.
- The total cost to convert 4 Nanticoke units (1600 megawatts) would range from \$500-\$650 million. Converting all 8 Nanticoke Units (3200 megawatts) would cost between \$700 and \$950 million.

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- The 975 megawatt Oakville natural gas plant proposal would cost approximately \$1.2 billion
- By comparison, converting 4 Nanticoke units would cost half as much and produce 650 more megawatts of electricity.
- Converting all 8 Nanticoke units would cost about three quarters of the cost of the Oakville plant while producing 2250 more megawatts.
- Valuable transmission lines already support the Nanticoke site.
- The electricity produced by a converted Nanticoke plant would be far cheaper than the proposed Oakville plant over both the short and long-terms.

Potential to Use Carbon Neutral Biomass at a Converted Nanticoke:

- Agricultural and forest sourced biomass can be used as a carbon- neutral fuel in combination with natural gas at a converted Nanticoke. Station. European countries like Denmark currently use biomass in this way to help them meet their Kyoto targets.
- Besides the environmental benefits, this option would create new jobs in the agricultural, forestry, manufacturing and transportation sectors.
- OPG and the agricultural community have already done a lot of preparatory work that could create fuel supply opportunities and jobs in the Nanticoke area and other parts of the province.
- Biomass can be used to produce electricity on demand unlike other renewables such as wind and solar.

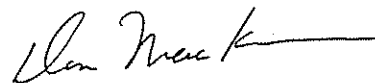
Community Support:

- Strong community opposition to the proposed Oakville natural gas generating station is evident. By comparison, Ontario Power Generation's Nanticoke station has a solid positive reputation in the local communities. The generating station is owned by the people of Ontario, the facility buys goods and services in the community, profits stay in Ontario and the people working at the plant live in the area.

The employees at Nanticoke Generating Station ask that you join with us to let provincial politicians know your views on how important this Nanticoke initiative is to your community.

We also request that you join with us in asking the Minister of Energy and Infrastructure to initiate a full study of the potential benefits of Nanticoke conversion to natural gas as well as the use of carbon neutral biomass and to begin the appropriate environmental assessment immediately.

Sincerely,



Don MacKinnon
President
Power Workers' Union