

2010 Atlantic Leaders' Summit Report

'Atlantic Canada's leadership opportunity in energy'



Roger Gale says North Americans are standing at the “foothills of a revolution” when it comes to the continent’s energy future, and no one now knows what the view from the mountaintop will look like in a decade.

Gale, the CEO of GF Energy LLC, summed up North America’s energy challenges at an Atlantic Leaders’ Summit convened by the Association of Atlantic Universities (AAU) and moderated by Colin Dodds, the Past Chair of the AAU and the President of Saint Mary’s University.

Gale told a blue-chip audience of corporate, academic, political and public sector leaders that the energy revolution may include more plug-in cars and smart appliances, the introduction of wind and solar panels on a larger scale, and small generators in our own backyards.

On the latter point, however, there is what Gale calls “great uncertainty.” Indeed, the lack of certitude and consistency – in public policy, in options for electrical generation, and in the means by which North America will pay for renewables – was a major theme of Gale’s talk.

One example: While successive Ontario governments have set (and missed) deadlines for phasing out coal-fired generating plants, a utility “across the lake” (American Electric Utility) is talking about building 16 new coal-fired plants. (“Someone,” he said, “is nuts.”)

Will generating capacity be centralized or geographically dispersed? Here again opinions differ: “Some say we will never have to build another large base-load plant in North America.” Others argue that a successful energy future will depend on a renaissance in nuclear energy, the construction of new greener large-load plants, and the development of an efficient electrical grid in both the United States and Canada.

Large generating stations or a series of new, small generators to meet new demand quickly as it arises? Renewables subsidized by governments or paid directly by homeowners and other electricity consumers? Steady growth in the market for electricity, or slackening demand as conservation and higher energy pricing takes hold?

Even informed opinion is divided on these issues, but Gale argues there are a few underlying truths that must be addressed. One way or another, for instance, we will need an integrated grid system in North America. And no matter what the fuel source is for new generation, the overall energy mix will be greener and the real costs of electricity will be higher.

What’s sorely missing now, he said, is leadership aimed at accomplishing these goals, particularly at the political level.

Gale’s call to action was an invitation to the 30 or so leaders sitting around the table to join the debate. The official co-leaders at the summit were Rob Bennett, the President and CEO of Nova Scotia Power Inc., and Stan Marshall, the President of Fortis Inc. But others were not shy to voice their opinions, not surprising given that the attendees included former Nova Scotia Premier

John Hamm; Elizabeth Beale, the President and CEO of the Atlantic Provinces Economic Council; and Don Mills, the President and CEO of Corporate Research Associates.

Dr. Hamm said his long experience in politics has convinced him that our looming energy challenges must be understood by the public before politicians, corporate leaders and others can implement effective solutions. “You have to sell the problem first and then (sell) the solution,” he said. “People must see long-term benefits. This will make change possible.”

Beale suggested that Atlantic Canada must tread carefully as the new world energy order emerges. She cautioned that industries in the region already pay high costs for electricity compared to some competitive jurisdictions particularly Quebec. Mills sounded a similar note, saying energy costs can increase here as long as it is part of a broader trend that leaves the region in a competitive position worldwide. Mills’ long experience in public opinion research has showed him that there is public acceptance of the need for a greener planet. “Everyone wants cleaner energy.”

Bennett and Marshall, the two senior utility executives at the Leadership Summit, both expressed optimism that this region would get its act together in terms of collaboration across provinces in building an integrated grid. Mr. Bennett’s company is already working with NB Power, for instance, to improve the capacity of the grid interconnection between New Brunswick and Nova Scotia. Other talks are underway that might lead to development of a robust grid connecting Labrador to the Maritime provinces, either by a subsea route to Nova Scotia or a land-based corridor through Quebec. This link would be designed to facilitate development of a massive new hydro project in the Lower Churchill River system.

Gale, a Vancouver-based consultant with wide experience in the global energy sector, was impressed by what he heard at the Halifax summit. In fact, there might be some hope that leadership in this region will get in front of change instead of racing to catch up in a few years. “There seems to be willingness on the private sector’s part to take the lead here,” he said after the conference. “That is the take-away that has real teeth to it.”

Roger Gale’s full presentation (*Atlantic Energy Futures*) as well as the video presentation can be found at www.atlanticuniversities.ca.