

Green energy project gives cottage country the blues

Residents fear \$23-million hydro facility will destroy tiny town's main attraction: the Bala Falls

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The view from the teal-tinged, bobbing wooden dock at Purk's Place is cottage country – bucolic and conflicted.

To the right, Lake Muskoka, dotted with homesteads and holiday places on tiny islands; to the left, a railway bridge, century-old dam and the whoosh of Bala Falls dropping into Moon River.

And a string of neon-orange warning buoys: Dam ahead – keep away.

But what has residents, businesses and cottagers here on edge is not the existing pair of dams, both dating to the late 19th century. It's a hydroelectric generator to be built metres away from the falls at the centre of town – 4.3 megawatts' worth of Ontario's vaunted goal to become North America's green energy capital.

Residents of Bala, located about two hours drive north of Toronto, say they have nothing against hydro power, but fear the \$23-million facility and its construction will destroy the tiny town's main attraction: the falls that lure curious eyeballs and day-tripper cash. Concerned residents and businesses are asking the province to put the project through a more rigorous environmental assessment; the Ministry of Energy has just under 30 days to decide.

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This is one local battlefield of Ontario's Green Energy Act, whose subsidy program prioritizes small-scale green-energy projects over larger, dirtier ones. In a matter of months, the province has made itself the best place on the continent to make a business case for green energy.

British Columbia's government is pursuing a Clean Energy Act meant to bring in billions for green-energy investment; but at the same time, an offshore wind farm in Hecate Strait near Haida Gwaii was turned down not because of local opposition (residents and first nations groups were extremely supportive) but because it wouldn't be profitable enough. Now Ontario, which has effectively guaranteed green-energy entrepreneurs their money's worth, will host the first offshore wind project in Canada.

And as Hydro-Québec sifts through 44 bids to develop 500 megawatts worth of small-scale wind energy projects across the province, Quebec-based green energy company RSW RER, with the financial help of the federal and provincial governments, is moving forward on a mini-hydro project: A pair of turbines submerged in the St. Lawrence river that will create about a half-megawatt of energy. If this pilot project is successful, the company envisions thousands of these in rivers across Canada.

The irony is these mini-projects set the stage for hundreds of confrontations with small communities that balk at the prospect of a power plant or wind farm upsetting their delicate equilibrium.

“Going to a system which relies on more distributed sources of generation, lots of smaller facilities as opposed to one big one, the worst consequence is you do exacerbate the potential for these social conflicts,” said York University renewable energy policy professor Mark Winfield. “Instead of trying to build one big gas facility in Oakville, you’re potentially building 100 wind turbine sites, each of which has the potential to turn into a little donnybrook.”

Bala Falls’s small generator, its proponents say, wouldn’t decrease summertime flow on the tourist-magnet Bala Falls; it wouldn’t block much waterfront access for bathers, boaters and fishermen. The company has vowed to turn the eight-metre-wide generator building into a lookout point the township of Muskoka Lakes has been meaning to build there for years.

But that hasn’t stopped “Save Bala Falls” signs from springing up on lawns and in windows across town. And it hasn’t quieted the anxieties of residents of a place whose fewer than 50 main businesses along Highway 169 depend on the caprices of warm summers and genial out-of-towners who stop and spend money on their way somewhere else.

For Matt Purkis, who has been working for his grandfather at Purk’s Place, selling bait and renting boats “since I was old enough to count to 12 and pack a dozen worms,” the plant’s potential effects are much more concrete.

The proposed intake pipe, designed to drag up to 96 cubic metres of water into the generator every second, will go directly beside the family store’s dock. That means curtains for the dock, boat rentals and Purks’ brusque business selling bulk candy to passing canoeists. It’s still not clear what that will mean for the store or the building, which has been around since 1910.

The Bala Falls project has been in the works for years, but in April it was awarded a contract – along with 183 others – under the province’s feed-in tariff program which provides premium prices to developers. The company in question, Swift River Energy, was created a few years ago by a couple of retired Toronto-based squash buddies turned renewable-energy entrepreneurs.

“I’m at heart a conservationist, and I was pretty excited about this. That’s why I chose to found the company,” said John Wildman, Swift River’s co-founder and vice-chairman, and former president of Toronto’s Fitness Institute. Mr. Wildman sees small-scale hydro projects such as this as the best energy gig going.

“It’s clean, green, renewable, sustainable energy. ... It replaces a long-standing tradition of Bala: Part of its history is producing energy.”

Bala’s existing dams were built to harness the rapids’ energy and control dramatic fluctuations in water levels; the original hydroelectric power station, built in the 1920s, was taken out of service by Ontario Hydro about 30 years later.

The plan now is to divert water upstream of the two existing dams beneath the highway to a powerhouse, then send it back downstream along Moon River. The facility is expected to produce 4.3-megawatts of hydroelectricity – enough to power about 4,000 homes, according to Swift River.

“Four megawatts?” Jay Barbour asks, incredulously. “That’s a single wind turbine.” The Toronto native, now living in wind power-crazy Texas, is visiting with his family. Mr. Barbour used to come to Bala all the time to hang out at friends’ cottages and mess around in the falls.

This trip was an inaugural toe-dipping for almost-three-year-old Garrit, now perched on his dad’s shoulders, yanking fistfulls of paternal hair (“Go, Daddy!”).

“Hopefully it’s not his last.”

Karen McGhee would be quick to tell him it isn't. The Bala Falls project manager has her work cut out for her trying to convince residents that the north falls, whose gentle rapids and quartzite-stripped slabs of granite have been luring passersby for decades, won't change: Swift River is obliged to maintain mandated minimum water flows – enough to power several generators downstream as well as preserve existing recreational uses.

Mr. Wildman says he's "astounded" by the opposition, much of which he chalks up to "conjecture and misrepresentation."

"I understand every concern that's being raised in Bala," he said. "It's just that I find some of them are incomprehensible. ... We are not a threat to the falls. We hope to enhance the falls."

Swift River has committed to commissioning a study of the plant's economic impact, but Mr. Wildman says he doesn't think the company will provide compensation for lost businesses. He estimates positive economic spinoffs from the 18 months of construction will pump about \$10-million into Bala's economy.

In the meantime, Moon River Property Owners Association president Sandy Currie says the debate is "dividing the community."

"There are people who are neighbours who don't talk to one another now because of an opinion one way or another on this matter."

In some ways, Prof. Winfield says, the province's efforts to streamline approvals for energy projects like this means battles over local concerns are fought outside the official process.

"So people do political end-runs around the system: They say the formal approval process is a railroading, so they're going to resort to other means of protest and resistance."

It doesn't help that there's no clear picture of what Ontario's future energy needs are: Demand is waning, or at least not growing as quickly as predicted, thanks to the recession and successful, aggressive energy-conservation programs. Capricious natural [gas prices](#) that haven't been rising as much as planned combine with costs (and risks) of long-term nuclear commitments that skyrocketed higher than hypothesized means predicting the province's energy load decades into the future is a mug's game.

This makes it far more difficult to weigh the benefits against the costs of projects like Bala Falls, Prof. Winfield says.

"Developing Bala Falls maybe means we don't have to build a gas or nuclear plant – then you might look at it differently. ... [But] there's no overall context or plan in which each of these individual projects are evolving; there's no framework to determine whether you need it or not."

Ontario's Energy and Infrastructure Minister Brad Duguid said in an interview that vocal local opposition to projects like these is "expected" – and that, sometimes, the projects have to go forward because the province needs the energy, and needs to kick its coal habit.

"Some [projects] are met with open arms by communities, some are met with some resistance. And sometimes it's resistance to the unknown or resistance to change, sometimes legitimate concerns are raised. and that's why we have an environmental assessment process," he said.

"The vast majority of projects under the Green Energy Act are proceeding, and are proceeding well. ... I think the vast majority of Ontarians recognize that Ontario is becoming an international leader in transforming our energy system."

(In an e-mail to concerned cottager Alice Murphy, MP Tony Clement declined her offer of a boat tour of Moon River but noted the issue "is being pushed by the McGuinty government.")

“I am not comfortable with it until and unless my constituents are comfortable with it,” Mr. Clement said in the e-mail)

The pooling eddies just past Bala Falls is where local councillor Patricia Arney learned to scuba dive in the 1970s. It’s still a popular spot for novice deep-sea explorers, although the scenery is sparse: “I got to know all the bass really well,” she quips.

Ms. Arney says she doesn’t think the hydro plant will have the leeway to wreak havoc on the falls or their water levels: After spending a decade on the region’s water management plan, she knows just how little leeway they’ll have. “There are a lot of concerns about this project. But that one, that it will dry up the falls, is not as likely.”

But what scares people is the unknown, says fellow councillor and deputy mayor Mary Grady. And change to a spot that’s been like this so long, the existing dams and rocky remains of a power plant long demolished feel natural to nostalgic residents.

“It’s Bala. To those of us who live in Bala, it is as pristine as any other part of someone else’s place to be. It is our pristine part of nature, and we see it exactly that way – whether it’s been altered by man or not.”