

## Top 20 Reasons to Scrap the Bala Hydro Project

1. Demand for electric power in Ontario is greatest in the summer because of the demand for air conditioning. However, the proposed project would not provide any significant amount of hydro during the summer months. This is because the volume of water flowing in Bala is low in summer. Spring and fall are the only times when there could be any significant amount of power generation from the proposed plant. However, Ontario's power demand is lowest in the spring and fall - due to low demand for air conditioning and heating. Consequently the surplus power produced would end up being sold to the USA at a loss. For example: **Ontario will pay a private corporation**, Swift River Energy Limited (SREL), the **heavily taxpayer subsidized** rate of 13.5 cents per kw/hr for Bala's power. If the electricity is generated during peak demand (8 AM to 7 PM) SREL gets a bonus 3.5 cents per kw/hr for a **total cost to the taxpayers of 17 cents per kw/hr**. Because of low demand in the shoulder seasons, Ontario would end up having to sell off the surplus energy, at a loss, to the USA for less than 5 cents per kw/hr. In fact, at certain times **Ontario actually pays New York State 2.9 cents per kw/hr to take our excess** electricity off our grid, to balance the system. In the first 5 months of 2009 there were 232 instances of off-loading our power. **Therefore, every kilowatt produced in Bala would be a money losing proposition for Ontario taxpayers, not to mention the devastating loss to the economy of Bala and surrounding area.** Link here

<http://new.torontosun.com/news/canada/2009/05/28/9594831-sun.html>

2. Ontario taxpayers would be subsidizing this project at a rate of more than \$1,000,000.00 per year. Ontarians would be paying 2 to 3 times the going rate for this project's electricity. We cannot afford to do this in a recession or at any time. The fact that we don't have the demand and are selling off excess power to the USA further exacerbates the issue. The truth is that this project is not viable without heavy taxpayer subsidies, and the truth is that Bala is not viable without the Bala Falls.

3. The power grid in Ontario is set up to work with large power suppliers. The proposed plant is therefore too small to work effectively within the grid system. In addition, the new mega power plants will be on line in the coming months and will effectively eliminate the need for any pittance of power that Bala might supply. For example the new facility at Niagara Falls will provide 4,000 times the power of the proposed Bala plant.

4. The Bancroft power plant is a similar size to the proposed Bala plant. The Bancroft plant can no longer afford to produce hydro. In fact, it may need to shut down because it cannot compete with the government subsidized facilities. Why not fully utilize the Bancroft power station instead of blasting up Bala?

5. The proposed hydro plant allocates only 1 cubic metre of water to flow over the two sets of Bala Falls. This is a mere bathtub amount of water, barely a trickle, not enough to maintain its tourist attraction status, thereby putting the town of Bala in jeopardy. There are 42 businesses operating within 500 metres of the Falls which rely on the Falls to attract customers

6. Advertisements are being placed by the OPP and OPG warning the public to stay away from hydro stations and surrounding shorelines and waterways. Many such ads have been placed in the local newspapers in Muskoka, and are run in conjunction with television commercials warning the public to stay away from hydro stations or risk fines of up to \$2,000. These warnings and fines will only serve to scare away tourists. Link here - <http://www.opg.com/safety/nsafe/watersafe.asp>

7. Bala is a bona fide tourist destination, whose economy relies on the falls. A dangerous industrial power plant in its midst would be devastating to the recreational tourism economy of Bala, and the surrounding area.

8. The pickerel spawning beds that local conservationists painstakingly created and nurtured will be dried up and destroyed by this project. They are located precisely where the proposed coffer dam would be. This destruction would in turn ruin the fishing activity and its related contribution to commerce in Bala.

9. The centuries old portage route between Lake Muskoka and the Moon River would be obliterated by the massive water intake grate for the turbine. This would be a significant loss to canoeing enthusiasts, children's camps and the businesses in Bala that cater to these visitors.

10. Neither of the scuba diving areas on the upstream and downstream, nor the related commercial activity, would survive the danger posed by the massive water intake grate and the turbulent tailrace of this dangerous industrial hydro plant.

11. Many talented artists have recognized the Bala Falls as a beautiful Canadian treasure. The Bala Falls are the subject of paintings by the Group of Seven, F.C. Johnston and Lorne Jewitt. The Bala Falls and surrounding area is a natural masterpiece, a connection to the past recognized by the Architectural Conservancy of Ontario.

<http://www.cottagecountrynow.ca/opinion/letters/article/623173--ontario-conservancy-urges-protection-of-bala-falls>

The Bala Falls should not be forever defaced by an industrial generating station. Even Lucy Maud Montgomery, author of Anne of Green Gables, wrote in her diary

of a summer in Bala “One thing I love about Bala is the roar of its falls” - July 30, 1922. The roar of the falls should not be replaced by the whine of turbines.

12. The proposed construction involves blasting a 50' deep by 50' wide trench in the pre Cambrian Shield through the heart of Bala and through highway 169 - the main thoroughfare connecting all of Muskoka. For the two year construction period, tourists will avoid Bala. The economy of Bala is very seasonal, with the merchants doing the bulk of their business from May to October. Even one season of lost sales is enough to force many of the Bala businesses into bankruptcy. The Kee to Bala, a musical Muskoka landmark for over 60 years, should not be put at such risk.

13. The proposed construction is not 'Green'. For the foreseeable future, the net effect on the environment would most certainly not be Green. In fact, the first several years would be profoundly negative to the environment, when you consider the consequences of construction involving: the destruction of land, rock and trees, the water pollution, the harmful effects on the fish and dislocation of wildlife, the carbon footprint and air pollution from the construction trucks and equipment, and car exhaust from the traffic jams that would result.

14. Blowing a huge tunnel through our granite superstructure (in the middle of town) big enough to bury turbines and equipment is not being friendly to the environment. Destroying natural parkland and adding some plants to an industrial site is not green. It would be years, if ever, before the environment recovers from the devastation done by the proposed construction.

15. Drying up a much loved, well used, natural water playground and taking away a popular picturesque attraction is neither socially nor environmentally friendly.

16. Swift River Energy Ltd. is a shell company with no assets. How can such a company be allowed to attempt this project without Performance and Surety bonds? If Swift River Energy goes bankrupt at anytime either during or after construction, it would be devastating to Bala to have to deal with the physical and economic mess. Even Donald Trump has gone bankrupt. During the 1990s, Mr. Trump, a real estate mogul like the owner of Swift River Energy, began to suffer the effects of that era's recession. He had used high-interest bonds to finance the \$1 billion construction of his third casino, and in 1991, he was forced to declare business insolvency, as he had \$3.5 billion in outstanding loans.

17. It has already been proven that the economy of Bala cannot sustain the proposed construction and disruption. Case in point: the mid 1990's installation of the water and sewer mains. Tourists avoided Bala. Traffic reports on radio stations advised the public to bypass Bala. All business in Bala suffered, and the

grocery store went bankrupt during that construction period. Even the Bala area cottage owners avoided the town and purchased their goods elsewhere, some even bringing their groceries from as far away as Toronto, during the construction.

18. How can we expect that the proponent would produce an objective economic impact study when they have already declared, on pure speculation, that the destruction of Bala to install their generator will have a positive economic impact? The proponent has already proven, by their very biased Environmental Screening Report, that they cannot be objective on the critical matters of Economic Impact and Safety. Only when an objective third party is commissioned to study these extremely important issues can Ontarians have confidence in the results.

19. Swift River Energy's Karen McGhee's highly insensitive comment in the Toronto Star article claims that "the businesses in the town of Bala have seen steady decline for decades". If what Karen McGhee says is true, then Bala is too fragile to withstand two years of devastating construction.

20. The Bala Falls are the centre of numerous recreational activities such as fishing, canoeing, swimming, boating, portaging, scuba diving, sightseeing and photography. A dangerous industrial power station at the Falls would virtually prohibit these activities in Bala, the very place that people come to for these activities, thereby threatening the economy of the town and surrounding area.

The preservation of Bala's key economic, tourism and cultural asset – the Bala Falls, a public resource shared by thousands of people from far and wide – is vital. The Bala Falls is **not the right site** for hydro development.