



NEWS RELEASE

Wind and solar energy creates extra, higher costs, produces fewer environmental benefits than proponents claim

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For Immediate Release

TORONTO—Despite rhetoric that renewable energy is cheap, wind and solar power generation comes with large—yet often ignored—costs that increase electricity prices for residents and businesses, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Electricity systems are complex, and too often policymakers pursue renewable energy sources such as wind and solar without understanding their true costs,” said Pierre Desrochers, Fraser Institute senior fellow, associate professor at the University of Toronto Mississauga and co-author of *Generating Electricity in Canada from Wind and Sunlight: Is Getting Less for More Better than Getting More for Less?*

The study finds that while wind turbines and solar panels are relatively cheap to operate—given their fuel source is free—they’re costly to build and connect to the power grid.

And crucially, because the wind won’t always blow and the sun won’t always shine, they require constant backup sources of power including natural gas-fired electricity plants, which must be kept idling—while consuming fuel and emitting greenhouse gases—so they can start producing power quickly if necessary.

These extra costs increase electricity prices for consumers.

For example, as a result of Ontario’s Green Energy Act, which was designed to increase wind and solar power generation, residential electricity rates increased from 5.2 cents per kilowatt hour (kWh) to 11.55 cents at the end of 2017. That’s an increase of 122 per cent in nine years.

The study also notes that wind and solar power only benefit the environment when they displace emission-producing forms of generation, but in many Canadian provinces where electricity is generated by hydroelectric dams or nuclear plants, there is no corresponding environmental benefit.

“Despite what some politicians and proponents claim, there are large costs—and consequences—to adding wind and solar power generation to any electricity system, which lead to higher electricity bills for residents,” Desrochers said.

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