



THE ROLE OF NATURAL GAS IN GETTING SASKATCHEWAN OFF COAL: AN SES POSITION STATEMENT

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Introduction

Saskatchewan must end conventional coal-fired electricity generation by 2030. That requirement is not optional as the federal coal phase-out deadline, Saskatchewan's current equivalency agreement, and the Clean Electricity Regulations together make clear that continued reliance on unabated coal is not a credible or lawful foundation for the province's electricity future.

However, at the instruction of the provincial Cabinet, SaskPower is now planning to refurbish all of Saskatchewan's conventional coal-fired power stations with the view to extending their operation well beyond 2030, and likely into the 2040s.¹ The provincial government has described coal as a bridge to nuclear power but has not provided a credible path to a carbon-neutral electricity system by 2050. The Saskatchewan Environmental Society (SES) does not support the provincial government's approach because it prolongs coal-fired electricity generation beyond 2030 and because it directs Saskatchewan towards costly nuclear power.

Coal remains the most polluting and highest-emitting electricity option. Extending coal-fired power beyond 2030 would expose Saskatchewan to legal and regulatory risks, worsen greenhouse gas emissions, commit ratepayers to increasingly costly infrastructure, and create stranded assets. The provincial government has argued that refurbishing coal-fired power stations would be less expensive than relying on natural gas-fired power, but the escalating cost estimates associated with coal refurbishment undermine that claim.² Saskatchewan should instead be investing in proven, lower-cost, clean electricity³ solutions that are available now.

All coal-fired electricity generation in Saskatchewan, excluding the carbon capture and storage unit at Boundary Dam, must be phased-out by December 31, 2029. In fact, by 2030, SaskPower's conventional coal-fired units at Boundary Dam and at Poplar River will have reached the end of their expected 50-year operating lives. These older coal units should not be considered for retrofit or refurbishment. The only possible exception is a pragmatic consideration of whether the coal-fired unit at Shand could be converted to natural gas in the short-term to help replace coal-fired power without slowing the necessary transition to clean electricity in our province.

Why Natural Gas Has Entered the Conversation

Because Saskatchewan has less than four years to comply with the 2030 coal phase-out deadline, natural gas has become part of current discussions about a coal-free electricity system. The

¹ Quon, A. (2025, June 18). *Sask. to extend life of all coal-fired power plants despite federal clean electricity regulations*. CBC News.

<https://www.cbc.ca/news/canada/saskatchewan/sask-extend-coal-fired-power-plants-1.7564935>

² Dolter, B. (2026). *Refurbishing coal-fired power plants will increase cost* [Submission to Saskatchewan Rate Review Panel for 2026 and 2027 Rate Application]. <https://saskratereview.ca/storage/615/01KSRA1SGMEEF5QE5BADCEHX2E.pdf>

³ Note: When SES uses the term "clean electricity," we are referring to sources such as electricity conservation, electricity efficiency, renewable power, demand-side management, and interprovincial transmission. SES does not include nuclear power in this pathway because it creates long-term radioactive waste and is not pollution-free. Nuclear power is also too expensive and too slow to build to address Saskatchewan's urgent 2030 coal phase-out deadline.

provincial government,⁴ the provincial Official Opposition,⁵ and the federal government⁶ have each pointed in different ways to natural gas-fired power as part of Saskatchewan's future electricity planning. SES recognizes why natural gas is being discussed, as Saskatchewan has lost valuable time through inadequate planning and delayed provincial action, and the province now faces a very short timeline for replacing coal-fired electricity by 2030.

However, SES does not support building Saskatchewan's electricity future around further natural gas-fired generation. Natural gas still produces greenhouse gas emissions and cannot be the end point of the province's electricity transition. In addition, the cost of gas turbine power stations is increasing significantly in part because of demands for turbines to power AI data centres.⁷ Saskatchewan should be using this moment to accelerate a portfolio of options including electricity conservation, electricity efficiency, wind power, solar power, battery storage, demand-side management, grid modernization, and provincial interties to allow for additional hydro power imports from neighbouring jurisdictions, such as Manitoba.

Alberta as a Case Study

While Ontario completely shut down its coal-fired power stations, Alberta converted several coal-fired facilities to natural gas and moved off coal ahead of schedule. The last coal-fired power station in Alberta to be retrofitted to natural gas was the 1,857 MW Genesee Generating Station, where Capital Power installed two new Mitsubishi M501 JAC gas-fired combustion turbines and Vogt triple-pressure heat recovery steam generators, while utilizing the units' existing steam turbine generators. As a result, an annual greenhouse gas emission reduction of 3.4 million tonnes of carbon dioxide equivalent was achieved at the Genesee Generating Station at a cost of \$1.6 billion.⁸

This does not mean Saskatchewan should build its electricity future around natural gas. It does, however, demonstrate that — in some circumstances — converting an existing coal unit to natural gas can reduce emissions compared to extending conventional coal generation, provided it is only used as a short-term bridge to clean electricity. For Saskatchewan, this Alberta case study is most relevant to the question of whether the coal-fired Shand Power Station could be converted from coal to natural gas as a short-term bridge away from coal.

The Case for Retrofitting the Coal-Fired Shand Power Station

Coal-fired power must end by 2030. The question is not whether Saskatchewan should continue burning coal, because it should not. The question is how the province can maintain reliability while replacing coal as quickly as possible after years of inadequate provincial planning.

SES's preferred path is to rapidly scale up electricity conservation, electricity efficiency, renewable power, battery storage, demand-side management, co-generation where appropriate, and stronger interprovincial transmission. Saskatchewan should already be much further along in building these

⁴ Government of Saskatchewan. (2025, October 20). *Government releases the Saskatchewan First Energy Security Strategy and Supply Plan* [Press release]. <https://www.saskatchewan.ca/government/news-and-media/2025/october/20/government-releases-the-saskatchewan-first-energy-security-strategy-supply-plan>

⁵ Saskatchewan New Democrats. (2026). *Grid & Growth Plan*. <https://gridandgrowth.ca/>

⁶ Natural Resources Canada. (2026, May). *Powering Canada Strong: A National Strategy for an Electrified Canadian Economy*. The Government of Canada. <https://natural-resources.canada.ca/energy-sources/electricity-infrastructure/powering-canada-strong-national-strategy-electrified-canadian-economy>

⁷ Wood Mackenzie. (2026, April 1). *Gas turbine prices soar 195% as market faces supply-demand crisis* [Press Release]. <https://www.woodmac.com/press-releases/gas-turbine-prices-soar-195-as-market-faces-supply-demand-crisis/>

⁸ Capital Power. (2024, December 13). *Genesee repowering achieves commercial operations*. https://www.capitalpower.com/media/media_releases/genesee-repowering-achieves-commercial-operations/

options. Because it is not, and because reliability concerns are real, converting the Shand Power Station from coal to natural gas may be one short-term, transitional option.

Like all coal-fired power stations, Shand is subject to the federal requirement for coal phase-out by 2030. Unlike the older conventional coal units at Boundary Dam and Poplar River, however, Shand will not reach its expected 50-year operating life until 2042. It has a generating capacity of 276 MW, consists of a single unit, and is in reasonably good condition. Based on Alberta's experience, converting Shand would likely be far less expensive than constructing a new natural gas-fired power station of equivalent capacity.

Because natural gas is still a fossil fuel, a short-term Shand conversion should only be considered if it helps Saskatchewan end coal-fired electricity by 2030, supports reliability during the transitional period, reduces emissions compared with continued coal-fired power generation, and does not delay investment in a diversified electricity system built around clean, non-emitting sources.

What Saskatchewan Should Be Building Instead

Saskatchewan has much superior electricity options than coal and a better long-term path than increased reliance on natural gas-fired generation. The province should be much further along in developing a diversified electricity system built around electricity conservation, electricity efficiency, renewable energy, battery storage and demand-side management, and interprovincial transmission.

These are the solutions SES wants to see prioritized as quickly as possible:

- **Electricity conservation and efficiency:** The cleanest and lowest-cost electricity is the electricity that does not need to be generated. Saskatchewan should invest much more seriously in programs that reduce demand, lower bills, and avoid unnecessary generation costs.
- **Wind and solar power:** Saskatchewan has substantial renewable energy potential and should be accelerating the build-out of new wind and solar generation rather than extending coal-fired power.
- **Battery storage and demand-side management:** Storage and flexible demand can help reliably integrate renewable power and reduce the need for natural gas-fired generation during peak periods.
- **Transmission and interties:** Enhanced interprovincial transmission, including with Manitoba, would enable increased clean hydro imports and improve reliability while reducing Saskatchewan's dependence on coal and natural gas.
- **Co-generation:** Co-generation is the simultaneous production of heat and electricity from a single fuel source such as natural gas. The heat is used to support industrial processes while excess electricity can be delivered to the electrical grid. Co-generation may have a role where industrial heat is already required and where electricity generation can reduce the need for higher-emitting power elsewhere on the grid.⁹

⁹ **Note:** There are already two co-generation power stations in the province having a net capacity of 438 MW, with a third 62 MW co-generation project in the works. Other opportunities exist in Saskatchewan, provided the requirements under the Clean Electricity Regulations can be met. The heat sources used in co-generation do produce greenhouse gases, but adding co-generation does not significantly increase the quantity of greenhouse gases produced.