

## Newfoundland looks south

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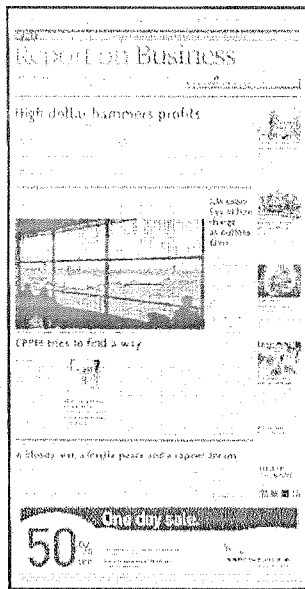
Frustrated by the lack of an east-west power transmission grid in Canada - and thwarted in its efforts to export electricity to United States markets through Quebec - Newfoundland "has pretty much decided" to pursue the option of building a new transmission system to ship power south, says the province's top hydro official.

"When you look at what the impediments are in front of us, we really have no alternative," Dean MacDonald, chairman of Newfoundland and Labrador Hydro, said yesterday after speaking to a group of Ontario energy executives in Toronto.

"We'll make it work for us [Newfoundland and Labrador]. It's just that it's Canada's loss," Mr. MacDonald said in an interview.

His government has already investigated the technical feasibility of shipping power south when the Lower Churchill hydroelectric power project comes on line in 2015, Mr. MacDonald told a meeting of the Ontario Energy Association. "I think a lot of people thought we were bluffing. We're not," said Mr. MacDonald, adding that even "if it costs us an extra billion to go north-south, we'll be the masters of our own destiny."

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Mr. MacDonald said Newfoundland and Labrador's hydroelectric and wind-power projects could, potentially, be major suppliers of "clean, renewable, consistent energy" for Ontario and other Canadian markets - but interprovincial trade barriers prevent the unfettered access of electrical power markets from east to west. "I think you guys could use some [additional power], actually," Mr. MacDonald said, gesturing to the energy-consuming skyscrapers visible through the windows of the room where he was speaking.

He urged Ontario energy executives and government officials to pressure Ottawa to intervene in the dispute between Quebec and Newfoundland and Labrador, which are "rolling around in the mud" over the issues of access to markets and transmission systems.

Newfoundland has filed a submission with Quebec regulatory officials to require Hydro-Québec to deliver Lower Churchill power to markets through its transmission system, but it's a long process, Mr. MacDonald said. "With the lack of a connection between the provinces east-west ... we'll follow the path of least resistance, which is south," he said.

Ontario energy industry officials have estimated that - if Quebec permitted the transmission of electric power from Newfoundland and Labrador, and upgraded its transmission systems to make that possible - Ontario could potentially be connected to another 6,000 megawatts of hydroelectric and wind power, representing about 25 per cent of Ontario's current summer average demand.

However, Newfoundland is now aggressively pursuing other alternatives, and the option of supplying U.S. markets through undersea transmission lines - while expensive - is feasible.

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