

Climate Times

ENE's Monthly Report from Eastern Canada

INSIDE THIS ISSUE:

NB/Maine Energy Corridor	1
HQ Romaine Complex EA	1
Atlantic Energy Roundtable	2
Newfoundland/Quebec	
Power Wheeling Deal	2
U.S. House Climate Bill	3
RGGI Auction Results	3

N.B., Maine to Explore Northeast Energy Corridor

New Brunswick and Maine announced their intention to develop a designated energy corridor between the two jurisdictions. The Northeast Energy Corridor would carry electricity and other petroleum products from Canada to Maine and other demand centers in the U.S. Northeast.

As part of this initiative, Irving Oil Ltd. is assessing the feasibility of a 1,200 – 1,500 MW transmission line that would carry electricity to Maine, making room for a new 500 – 600 MW natural gas-fired cogeneration plant and new renewables to come on-line.

The initial phase of development would focus

on transmission lines to be followed by other energy infrastructure for oil and natural gas.

Governor Baldacci has said he would like to see the transmission lines underground, possibly along the I-95 right-of-way. The actual corridor route has not been confirmed.

The corridor could also be used to deliver power from the Lower Churchill project in Newfoundland, the proposed second nuclear reactor in N.B., or other energy projects in the region.

Media reports indicate that Emera Inc., parent of Bangor Hydro, has a preliminary agreement to build a \$2 billion underground

transmission line between Bangor and Boston. AT a public hearing in Augusta, Bangor Hydro officials testified that putting the line underground could be 3-5 times more expensive than above-ground and would take 5 years to complete.

The Government of N.B. has said the corridor will be "future-proofed to prevent it from becoming obsolete, permitting it to accommodate future energy forms and the productive use of CO2."

Sources:

<http://www.gnb.ca/cnb/new/s/ene/2009e0380en.htm>

and,

<http://www.cbc.ca/canada/new-brunswick/story/2009/03/26/nb-energh-corridor.html>

Hydro-Québec Romaine Complex EA Report

The final environmental assessment report by a Joint Review Panel regarding Hydro-Québec's application to develop the Romaine Complex has been released.

The report contains opinions and

recommendations from the panel that will inform the federal and provincial governments' final permit decision.

The Romaine Complex project comprises of four hydroelectric dams along the Romaine River in northern Québec with a

total installed capacity of 1,550 MW.

For more information and the report, see: http://www.acee.gc.ca/050/details-eng.cfm?cear_id=2613#documents

Atlantic Energy Committee to be Established

In addition to a \$4 million investment in the Atlantic Canada Gateway initiative, the Hon. Peter MacKay recently announced that the federal government would establish an Atlantic Energy Gateway Advisory Committee, composed of officials from the Atlantic Canada Opportunities Agency, Natural Resources Canada, and senior officials from the four Atlantic provinces.

The purpose of the Energy Gateway committee is to work collaboratively to further energy projects in the region. This initiative will fund studies and analysis

– overseen by the committee – in the following areas:

- “Assessment of evolving domestic and US markets for clean and renewable energy generated in Atlantic Canada, with special emphasis on the US Northeast market.
- “Survey of international best practices for regulation and development of wind, tidal and other forms of renewable energy.
- “Development of an inventory of existing, proposed and potential clean and renewable energy projects across

the region.

- “Major impediments to expeditious growth of the sector.”

The committee process will take 12 to 18 months.

Minister MacKay also announced he will convene an Atlantic Energy Summit which will include premiers, their energy ministers, utilities, government officials, private sector and industry leaders, and energy researchers and academics.

For more information, see:

<http://mediaroom.acoa-apeca.gc.ca/e/media/press/press.shtml?4320>

Newfoundland to Wheel Power through Québec

Newfoundland and Labrador Hydro has signed an agreement with Québec to wheel power from the Upper Churchill complex in Labrador to markets in the United States.

The Transmission Service Agreement with Hydro-Québec allows Newfoundland and Labrador Hydro to transmit power to the Canada/U.S. border. Emera Energy Inc. will act as the utility's energy broker, selling the power (as of April 1st, 2009) in U.S. and Canadian markets. Currently, the power is destined for New York.

Newfoundland expects to sell between 130 MW (at peak load) to 250 MW (during summer surplus) of its 300 MW Churchill recall contract (1998) with Hydro-Québec.

It is the first time Newfoundland and Labrador has been granted access to Hydro-Québec's grid, raising questions around the future market access route for power from the Lower Churchill project, should it move forward.

A recent filing with the Canadian Environmental Assessment Agency (see ENE's newsletter, January 2009) had stakeholders

speculating that a sub-sea cable route into a Maritime province was the leading proposal.

The newly reported deal could signal a shift in relations, allowing Newfoundland to transmit some or all of the proposed 2,800 MW of hydropower and additional wind power associate with the Lower Churchill project through Québec.

For more information, see: <http://www.releases.gov.nl.ca/releases/2009/exec/0402n06.htm>

For an overview of possible market access routes, see: <http://www.nr.gov.nl.ca/ene/rgyplan/EnergyReport.pdf>

US Congress Releases Cap-and-Trade Draft Bill

On March 31st, Chairman Henry Waxman of the U.S. House Energy and Commerce Committee and Chairman Edward Markey of the Energy and Environment Subcommittee released a draft climate and energy bill that includes an

economy-wide cap-and-trade program, a Renewable Energy Standard, a Low Carbon Fuel Standard, and an Energy Efficiency Resource Standard.

The comprehensive proposal is available at:

http://energycommerce.house.gov/index.php?option=com_content&task=view&id=1560&Itemid=1

ENE's summary of the bill will be available on our website shortly at: www.env-ne.org

Climate Times

This monthly e-newsletter focuses on energy and climate-related news regarding legislation, regulations, Request for Proposals, government programs, private sector initiatives, and other relevant announcements from Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador. It will also cover significant federal announcements and will occasionally reference actions from the U.S.-state side that impact provincial issues.

To subscribe (or unsubscribe) to our regular news feed and to pass along information that ENE may include in future issues, contact Leslie Malone, Policy Associate – Canada, at lmalone@env-ne.org or 902-628-1493.



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Third RGGI Auction results, ENE Report

The third auction of emissions allowances under the Regional Greenhouse Gas Initiative (RGGI) was held on March 18, 2009.

The allowance clearing price was \$3.51/ton (exceeding the first two auctions which cleared at \$3.07/ton and \$3.38/ton, respectively) with revenue from the third auction totaling \$117,248,630. To date the regulated sector and voluntary participants have invested over \$262 million in

allowances.

RGGI states are investing almost 100% of the revenues in electric and fossil fuel energy efficiency programs.

This will save consumers money and reduce the cost of the RGGI program by lowering demand for energy and carbon allowances.

ENE's analysis indicates that RGGI has generated approximately \$429 million for state and local energy efficiency programs.

ENE's RGGI Auction Tracker is available at:

<http://env-ne.org/resources/open/p/id/715/resource/RGGI%20Auction%20Tracker>

ENE's RGGI Emissions Trends and Third Auction report is available at:

http://env-ne.org/public/resources/pdf/ENE_3rd_Emissions_Report_3.20.09.pdf