

# Portland Press Herald

## **Maine trailing N.H. in tapping Canadian power**

**However, Maine is part of Hydro Quebec's 10-year plan, according to the state's energy director.**

*By Tux Turkel  
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BANGOR – Maine shouldn't expect lower-cost, Canadian hydroelectricity to flow through the state via new transmission lines in the near future, a top Hydro-Quebec executive said here Thursday.

One of the world's largest producers of hydro power, Hydro-Quebec plans to concentrate first on expanding its exports to New England with a line through New Hampshire, according to Christian Brosseau, president of subsidiary HQ Energy Services US.

That project is being developed and funded in partnership with southern New England utilities. It's expected to gain regulatory approvals and be operating by 2015, carrying 1,200 megawatts of clean energy into the region.

Any similar venture in Maine won't happen soon, Brosseau said. Hydro-Quebec must first complete its proposed purchase of New Brunswick Power, Maine must clarify its rules on siting energy corridors and private firms contemplating new corridors through Maine must make a business case that's compelling to Hydro-Quebec, Brosseau said.

He did have some advice, however, for how Maine and New England can lower electricity prices: Diversify a fuel mix that's too heavy on natural gas, and build enough transmission to handle more wind and hydro generation.

"If you don't build more transmission and reduce bottlenecks," Brosseau said, "you're going to have higher prices for as long as these issues remain."

Brosseau made his comments at a special program sponsored by the Maine International Trade Center. It was attended by business people, and representatives of government and universities. His remarks provided a first opportunity to clarify the short-term impact of plans by the Canadian power giant to buy New Brunswick's provincial utility.

Taking a longer view, though, Maine's relationship with Hydro-Quebec will be critical, as New England competes against the Midwest to supply renewable energy to the Northeast.

"We're part of their 10-year plan," said John Kerry, Maine's energy director.

Kerry, who also made a presentation at the event, has worked closely for years with counterparts in Quebec and New Brunswick to help Maine take advantage of the enormous renewable energy

resources in Atlantic Canada. For instance: Hydro-Quebec operates 58 hydro stations with a capacity of 41,000 megawatts, and is building big, new projects to export power south.

Maine has a keen interest in Canadian energy. Low-cost water power has helped Quebec fuel its economic growth, and Maine officials see the potential to benefit from some of the province's surplus.

Until recently, most of Maine's focus had been on New Brunswick.

The dynamics changed radically last October, when Hydro-Quebec signed an agreement to acquire most of the generating assets of its smaller, debt-burdened neighbor.

Suddenly, one of the biggest utilities in North America was poised to call the shots, bringing a new set of resources to the table.

The deal between New Brunswick and Quebec was announced with great fanfare and billed as a win for both provinces. It was scheduled to close by March 31, to avoid a rate hike. But opposition from some New Brunswick politicians has led to a scaled-back agreement under which New Brunswick would maintain control of transmission and generation.

Now the March 31 deadline seems to be in flux, after the ruling government in New Brunswick asked for and got a delay. Meanwhile, provincial lawmakers are preparing to debate the agreement, and opposition leaders are pushing to hold off any final decision until elections this fall.

In Maine, lawmakers are preparing to consider recommendations from a special study panel that met last year to set up rules for how energy corridors from Canada could cross Maine. Those rules have been hotly debated, by generators who don't want their projects crowded out by Canadian power, and supporters of liquefied natural gas terminals, who are angered by Canadian opposition to tanker routes into Down East Maine.

These issues need to be ironed out before Hydro-Quebec would consider a project through Maine, Brosseau said.

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