

From: OnlineNews
To: Lower Churchill
Date: Mon, May 15, 2006 9:16 AM
Subject: National Post - Hydro projects empower premiers

Hydro projects empower premiers
Dams in Quebec, Newfoundland

Graeme Hamilton
National Post

Monday, May 15, 2006

For Danny Williams, it is a question of Newfoundlanders becoming "masters of our own destiny." Quebec's Jean Charest promises "a new era in a history rich in success and achievements." Canadians have been reminded over the past week that there is nothing like the vision of massive dams and whirling turbines to fire up a premier's rhetoric.

After falling out of favour when native groups and environmentalists mounted opposition in the 1990s, hydro mega-projects are making a comeback. Concern about greenhouse-gas emissions from coal-burning power plants has given hydro power a new allure, and the two provinces are hoping to cash in with lucrative exports to Ontario and the northeastern United States.

At a meeting on Friday in Newport, R.I., Mr. Charest pitched his plan to the northeastern governors, calling it a way for Quebec to help its neighbours reduce pollution.

Between them, Quebec and Newfoundland and Labrador have announced plans to create more than 8,000 megawatts of new hydro production over the next 10 years.

It will involve a flurry of dam construction unseen in Canada since the first James Bay project of the early 1970s.

Mr. Charest and Mr. Williams present their respective projects as sound economic development, but in both cases, the politics are inseparable from the economics.

Mr. Charest, the Liberal Premier facing an election in the next year, badly needs to rally voters who have turned against him. The energy policy published last week seems inspired by Quebec's last successful Liberal premier, Robert Bourassa, who twice won election with the promise of thousands of dam-building jobs.

"The harnessing of our hydro-electric resources is a source of pride as well as a profitable investment," Mr. Charest wrote in his introduction to the new policy.

For Mr. Williams, the announcement this past week that Newfoundland and Labrador will go it alone on development of the 2,800-megawatt Lower Churchill project is also about pride. It is aimed at erasing ulcer-causing memories of the Churchill Falls development in Labrador, which began operation in 1971. Newfoundlanders have long felt shortchanged by the agreement they signed with Quebec to build Churchill Falls, which dictated that when energy prices rose, Quebec received all the benefits.

"Today marks a turning point in our history as we acknowledge that we, as a province, are capable of leading and having full control of this process," Mr. Williams, Newfoundland and Labrador's Tory Premier, said in making the announcement. "This is about doing it by ourselves, for ourselves. We are on a path to being masters of our own destiny."

It is not a particularly smooth path. Even if Quebec is not a partner in the construction, as had originally been proposed, the electricity would have to pass through Hydro-Quebec transmission lines to reach

consumers, so an agreement with the Quebec utility is required. The cost of construction is estimated at between \$6-billion and \$9-billion.

The Innu of Labrador have an unresolved claim to the territory to be developed and have opposed the project in the past, meaning environmental approval is far from assured.

On the Quebec side of the border, Mr. Charest plans to add 4,500 megawatts of generating capacity -- on top of the 888-megawatt Eastmain-Rupert project currently undergoing environmental hearings -- by 2015. The total investment is estimated at \$25-billion and the government projects the work will create 70,000 person-years of employment.

Sylvain Theberge, a Hydro-Quebec spokesman, said the next projects on the utility's list are on the Romaine and Petit Mecatina rivers on Quebec's Lower North Shore. They would add an additional 3,000 megawatts to the province's generating capacity. The remaining 1,500 megawatts in the energy plan would come from upgrades to existing dams, Mr. Theberge said, squelching speculation that Hydro would open a new frontier in the far north Ungava region.

Quebec's plans are music to the ears of Hydro engineers and private-sector builders, but they remain cautious.

"Yes, we are happy, yes, we want to begin this work in the best possible perspective, but we have to keep in mind that there are some precise steps that remain," Mr. Theberge said. "We have to conduct the necessary studies, we have to agree with the communities and we have to ensure the necessary approvals and environment permits are obtained."

Supporters hope the development will mark the rehabilitation of big hydro projects as green energy. In the early 1990s, Hydro-Quebec saw prospective U.S. export contracts evaporate when environmentalist and native groups raised concerns about the impact of vast flooding. Now Quebec argues that flooding is a small price to pay compared with the carbon emissions and resulting climate change produced by fossil fuels.

David Hales, counsel for sustainability policy at the Washington, D.C.-based Worldwatch Institute, said the recent outbreak of hydro enthusiasm in eastern Canada bucks the global trend.

He noted that hydro dams may be cleaner than fossil-fuel plants but they still release significant amounts of greenhouse gases when flooded vegetation decomposes.

"It's an approach that is kind of trapped in the 1970s and 1980s," he said of the Newfoundland and Quebec plans. "It's ignoring too much of what we've learned about large dams and what we've learned about the potential of other energy sources." He said it would be much wiser for the provinces to invest their billions in energy-efficiency programs.

ghamilton@mon.nationalpost.com

© National Post 2006