

Article rank 29 May 2010 The Telegram rantle@thetelegram.com

# Provincial officials calculating costs

Asked when Newfoundland and Labrador would show New Brunswick the business case and power price for Lower Churchill energy, Williams said, "That's all part of a negotiation."

Williams said officials are well along in conducting studies and cost calculations.

But he could not provide a timeline on when they would go to New Brunswick with the data.

"We can only sell that power when we've got it — when we've built the generation and we've built the transmission," Williams said. "So there are certain lead times that are there anyway."

The four Atlantic premiers recently discussed the potential for an Atlantic energy corridor.

Hourly charge

In an interview published Friday in the Saint John-based Telegraph-Journal, New Brunswick Premier Shawn Graham cited the potential cost of Lower Churchill power as a sticking point.

Graham told the newspaper New Brunswick is currently charging 11 cents per kilowatt hour to homeowners, while the costs of transmitting Labrador power to the province could be in the range of 16 cents per kilowatt hour.

"It's these cost issues that have to be addressed, but we are continuing to have an important dialogue," Graham told the Telegraph-Journal.

Graham said he is interested in the potential of the Lower Churchill solving the province's long-term power needs, but said there are many challenges that must be overcome.

Those include transmission costs, technical issues associated with underwater cables and capital costs of building the new dam.

Price important

Meanwhile, Graham's energy minister stressed that Lower Churchill power would need to be competitively-priced for New Brunswick to consider purchasing it. Keir said certainty is key. "My view would be, show us your business case, show us what it would be to get here and when that's going to be. I mean, let's be frank. We're not talking next week that they're going to be able to generate electricity out of Lower Churchill. It could be 10 years, it could be 15 years from now. And maybe 16 cents at that point is a great number. Who knows?"

He acknowledged that New Brunswick is facing challenges related to its power situation, and must make decisions on the issue "sooner rather than later."

And what does Keir think the chances are for New Brunswick becoming a consumer of Lower Churchill power?

"I don't want to pre-suppose," Keir said. "I'd really want to see what the costs are associated. How real the project is — you tell me, how real is the project? If the project is real, and the business case works — that they can get a kilowatt hour to New Brunswick and be competitive with other markets — then the chances are real good."

Even if New Brunswick doesn't buy power from the potential project, it could play a role in transmitting it to other markets under openaccess rules.

Early stages

Meanwhile, Williams indicated that talks with New Brunswick remain preliminary.

"We're not in a hard and fast, sit down, upfront negotiation with New Brunswick," Williams said. "New Brunswick have only just recently come back to the table."

By contrast, the premier said, discussions with Nova Scotia-based Emera are "well advanced."

Williams said New Brunswick could still be an "important cog in the wheel" of getting the Lower Churchill done.

Williams recently flambeed Quebec's power regulator as a "kangaroo court" for a decision he contends thwarts Nalcor's plan to access the Quebec grid. The government plans to appeal.

No timeline

The premier acknowledged there is still no firm timeline on when the province will decide how to move forward with the Lower Churchill.

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# N.B. wants certainty on Churchill power costs

Williams says sides will 'talk turkey' at appropriate time

New Brunswick's energy minister says his province needs firm information on the business case for the Lower Churchill before deciding whether to buy power from the potential hydroelectric project.

"I think it's got to be more than just talk," New Brunswick Energy Minister Jack Keir told The Telegram Friday.

"I think Nalcor and the government of Newfoundland have to sit down and suggest, 'Here's how we're going to do it, here's how it's going to be funded, here's what the cost is going to be, are you in?'"

Meanwhile, Premier Danny Williams says the two sides will "talk turkey" at the appropriate time.

The premier said Nalcor, Newfoundland and Labrador's energy corporation, has had talks with New Brunswick's power company.

But discussions were interrupted by a since-shelved deal that would have seen Hydro-Quebec gobble up New Brunswick's energy assets.

"I can't give you that. That's a question that I ask as well with Nalcor, and we're not there yet."

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