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Québec and Vermont agree on new electricity supply contract



Left to right: Christian Brosseau (HQUS), Thierry Vandal (Hydro-Québec), Premier Jean Charest, Bob Young (CVPS), Governor James H. Douglas, Mary Powell (GMP) and Brian Dubie, Lieutenant Governor of Vermont. Photo: Sandy Macys

Québec Premier Jean Charest and Vermont Governor James H. Douglas have unveiled the details of an electricity supply contract between Hydro-Québec, Central Vermont Public Service (CVPS) and Green Mountain Power (GMP). Announced at a press in the presence of representatives of all three public utilities, the 26-year contract (2012 to 2038) allows Vermont to buy 225 megawatts of electricity generated by large-scale hydro projects.

The agreement includes a **price-smoothing mechanism** that will shield customers from volatile market prices. The price will start at about 6¢ per kilowatt-hour. Central Vermont Public Service and Green Mountain Power negotiated the contract on behalf of other Vermont utilities, which have confirmed the volumes of power they plan to buy under the agreement and will be taking part in the Vermont Public Service Board's review procedure.

Long-standing partners

Québec and Vermont have fostered **dynamic relations** in a variety of areas, particularly energy, for a number of years. A third of Vermont's energy needs are met by hydroelectricity imported from Québec. The initial long-term agreement between Hydro-Québec and Vermont, signed on December 4, 1987, phases out over the next few years.

A valuable ally

Vermont is a valuable ally for Québec when it comes to recognizing hydroelectricity as renewable energy. On June 4 of this year, Vermont passed a law designating **electricity produced by large-scale hydroelectric facilities as clean energy**.

In a spirit of collaboration, Vermont held a **meeting of the main hydroelectricity-producing states** in order to describe the benefits of recognizing hydroelectricity as renewable energy and encourage other U.S.

jurisdictions to follow its lead. Québec's Minister of Natural Resources and Wildlife, Nathalie Normandeau, took part in the session, held in Sacramento, California, on July 19, 2010, during the National Association of Regulatory Utility Commissioners' summer committee meeting.

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