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Ontario interested in province's hydro power: Marshall

Tom Marshall says there is interest from Ontario to have this province fuel its future power needs.

The Newfoundland and Labrador finance minister said he had discussions with his Ontario counterpart Dwight Duncan during the recent finance ministers' meetings in Calgary.

Marshall said some of their discussion involved the move to clean and green energy, and Duncan told him the province of Ontario would pay a premium if they could get power from Gull Island.

One of the major obstacles in the development of the Lower Churchill project remains the inability to transport the energy through Quebec to potential markets such as Ontario.

"It's an absolute travesty that Gull Island will be sitting there not producing power, three times the size of Muskrat Falls," Marshall said. "It is power that Ontario, our fellow Canadians, are desperate for and are prepared to pay us a very fair return for, and yet we can't get it through Quebec at this point."

Open markets

He said projects like Muskrat Falls and Gull Island would also be open to markets in the Maritime provinces and the New England region.

Marshall said the province is in a position to leverage revenues from its non-renewable resources — primarily oil — into renewable energy projects.

The province recently announced the details of a deal to develop Muskrat Falls.

While still in negotiation phases for certain aspects of the project, he said it would mean in the range of half a billion dollars annually to the province's coffers.

With Newfoundland and Labrador generating surpluses in five of the past six years, thus reducing its debt and earning a higher credit rating, he said the province has the flexibility to make strategic investments in such projects as Muskrat Falls and, ultimately, Gull Island.

Other than the steady flow of revenue such hydro projects would generate, Marshall said there would be direct impacts such as employment during the construction periods, lower hydro rates and the generation of green energy that would light and heat homes in this province for years to come. Meanwhile, he said he also spoke with Jim Flaherty, Canada's minister of finance, at the meetings in Alberta.

"We had discussions about loan guarantee, and if they'll do that, we think we could drive hydro rates down even lower and save millions," Marshall said.

He also envisions the development of green energy as a private industry attraction. He said the green energy could be utilized as an attraction to manufacturers who have gone to other countries where there are lower labour costs.

"We will have stable energy and I can see industry, just to have that clean power and have stable hydro rates, coming to Labrador and coming to the Island because of that," he said.

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