

Date : 4/7/2011 2:41:47 PM
From : "Thompson, Robert"
To : "Taylor, Brian W." , "Brown, Milly"
Subject : Fw: REGIE NR REVISED 11 30 am

This release looks ok to me. Pls review and seek P sign off as appropriate. Heather MacLean and NR are waiting for sign off.

Sent Via BlackBerry

From: Maclean, Heather
To: Thompson, Robert
Cc: Skinner, Shawn; Wardle, Richard; Bown, Charles W.
Sent: Thu Apr 07 11:33:58 2011
Subject: REGIE NR REVISED 11 30 am

Robert – please note REVISED Draft – this includes comments from Nalcor. I understand there is some discussion about the sentence in red – will await direction

Heather

Natural Resources
April 7, 2011

Quebec Energy Regulator Denies Fair and Open Access to Québec's Transmission System

The Régie de l'énergie (Régie), Québec's energy regulator, has upheld a May 2010 decision to deny transmission access across the Quebec transmission system to Newfoundland and Labrador. The ruling is in response to an application for revision filed by Nalcor Energy, against the Régie's earlier decision on complaints filed with the regulator against Hydro-Québec TransÉnergie. "Despite our hope of regulatory fairness, our initial review of the ruling indicates the Régie did not address our arguments for open transmission access," said the Honourable Shawn Skinner, Minister of Natural Resources. "We strongly disagree with the decision, and the actions of Hydro- Québec to block opportunities for our province to export clean, renewable power. Fundamentally our case for revision of the decision was very strong, and clearly identified errors in law and fact in the original decision. We will continue to pursue this matter and are reviewing all options including a judicial review and potential action in the United States. **Clearly, as indicated in the unanimous support of a motion in the Québec legislative yesterday criticizing federal support for the Lower Churchill Project, Québec is blocking access and does not intend to support our provinces efforts to transmit power through Québec.**"

In an effort to establish access across the Québec transmission system based on the principles of open-access and non-discrimination, Nalcor had requested to export power across the Québec transmission system from the 3,074MW Lower Churchill Hydroelectric Project in Labrador.

"We are moving forward with the development of the Lower Churchill Project and Phase One – the 824 MW Muskrat Falls facility to meet the energy needs of the province, and our agreement with Nova Scotia to export power through Atlantic Canada," said Minister Skinner. "We will continue to pursue every option to bring clean, renewable power from the 2250MW Gull Island facility to markets."

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