

Hydro Québec and the Atlantic Leash

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Last Monday, I received an email from a Hydro Québec vice-president assuring me that Hydro Québec does not want the Atlantic Loop extended south from New Brunswick into Maine.

Although not mentioned in the email, the reasons for this are quite straightforward.

First, Hydro Québec already has plans to transmit electricity south through Maine to Massachusetts using the yet to be completed 233-kilometre New England Clean Energy Corridor. Although Maine's voters soundly rejected the NECEC in a referendum on Tuesday, Hydro Québec and Québec Premier Legault have vowed to continue fighting to see the project completed. Small wonder, the sale of electricity will generate Hydro Québec \$10 billion (US) over 20 years.

Second, Hydro Québec is the dominant Canadian supplier of electricity to the U.S. electricity market and it does not want competition from another supplier, especially in Eastern Canada. By ensuring that the Atlantic Loop is built, not only will it gain access to a small market in the Maritime Provinces, it will also make it next to impossible for Newfoundland and Labrador to sell their electricity to New England.

Newfoundland and Labrador could export some power south over existing transmission lines through Maine, but it would be competing with Nova Scotia Power, New Brunswick Power, and the growing number of regional renewable generators for access to the grid.

Hydro Québec can add to Newfoundland and Labrador's problems by selling its power at lower rates in the Maritimes. As a result, Newfoundland and Labrador will be stuck with another white-elephant hydroelectric project with no access to a major market.

This leaves Newfoundland and Labrador with a limited number of options, such as attracting major electricity-hungry industries, turning its electricity into hydrogen, or upgrading the northern part of the Atlantic Loop between the Muskrat Falls and Churchill Falls hydroelectric stations to sell Muskrat Falls power to its old electricity nemesis, Hydro Québec.

So yes, Hydro Québec wants the Atlantic Loop built. Not as a loop, but as a leash.