

Presentation to Public Utilities Board of Newfoundland and Labrador

By Gordon Ralph

February 21, 2012

Ladies and Gentlemen of the Public Utilities Board, thank you for giving me the opportunity to address you today. I promise I will be brief and avoid redundancies in terms of what has already been presented. Let me state that I am not an engineer, economist or politician – just an ordinary citizen. (if there is such a thing)

It appears that a couple of issues have changed or have been modified since the public had been first aware of this development. At first, it appeared that the resale of power was an integral part of this project. A government website in 2011 stated that 40% will service the needs of Newfoundland and Labrador, 20% will be transmitted to Nova Scotia under a 35 year contract and 40% will be sold into the market through Atlantic Canada and New England or available to support and attract industrial development in Labrador. Later in the article it states that the project business case is not dependent on export electricity sales. This is confusing. Export sales are either a part of the business plan or not a part of the business plan. If this project of 824 megawatts generation costing 6.2 billion dollars is to proceed while the province only needs 40% of this power or 329.6 megawatts then alternatives look slightly more enticing. A memorandum dated November 18, 2010 stated that "sale of additional power to export markets further enhances the viability of the development and makes this approach the most economical solution over time. This again is confusing When is over time? P.E.I. has heavily invested in wind generated energy. The United States has discovered shale natural gas. New Brunswick has the Romaine River complex next door in Quebec able to offer electricity for near 50% of our purchase price. (1,550 megawatts for 6.5 billion dollars). The only buyer which I can envisage is Nova Scotia who is prepared to purchase electricity for 50% of what the people of this province will pay.

My second point is the need to clarify what exactly we will pay. Does a cost of development translate into a consumer cost of 28.4 cents per kilowatt hour and if the cost of this development has over runs (which are likely) does this translate into an even greater cost in electricity for the consumer. This needs to be clarified, especially considering Manitoba Hydro experienced forecast over-runs in the billions.(Wangersky, Telegram, Jan.28, 2012, A 20)

If we look at the demography of this province, the number of retired persons is increasing year by year. These individuals will experience extreme financial hardships on fixed incomes, potentially paying triple the electricity rates they now pay,

I realize that if we wait until 2041, we will still need a transmission line to the island and as well pay heavily to refurbish the Holyrood plant. However, in 2041, if we add the Upper Churchill to present plans, we could end up with 3629 megawatts of power and no guaranteed purchaser (except Nova Scotia) and a demand somewhat above 400 megawatts.

Mr. Kennedy stated in the Telegram that he would not be a party to any deal like the upper Churchill. However in 1968 nobody could predict that energy rates would rise so drastically.

Now today with cars burning less fuel, the advent of electric cars, consumers purchasing solar panels, health conscious people bicycling and walking , alternative energy sources threatening to drive down the cost of energy ; we could end up with the flip side of Churchill Falls if energy process drop. Between 2008 and 2009, Manitoba Hydro experienced a decline of 1,500 Gwh/year while export markets shrunk. (Wangersky, Telegram, Jan 28, 2012, A20) I hope this does not happen here.

There were many other issues which I had previously intended to address, but I feel that these issues have been addressed by many other presenters.

It is for the issues here presented and those presented by others, Ladies and Gentlemen of the Public Utilities board, and I know it's not your call, but we must have a referendum.

Gordon Ralph