

Quebec 4,000 MW Wind Power Program bids accepted for 2,000 MW IMI – International Market Insight Report May 2008 – Toronto, Canada



Summary

On May 5, 2008 Prime Minister of Quebec Jean Charest and Minister of Natural Resources of Quebec Claude Bechard announced their support for the Result of the Tender Call for 2,000 MW of Wind Power, presented to the media the same day by the President of Hydro-Quebec, Thierry Vandal.

The development of new wind power capacity is part of the **Quebec government's** strategic energy plan, including the installation of 4,000 MW new wind power capacity from now until 2015. Minister Bechard pointed out that for the tender call for this 2,000MW development, 66 proposals totaling 7700 MW were submitted to Hydro-Quebec. With a second communiqué of the same day, Prime Minister Charest presented a brief review of the strategic plan and listed the accomplishments:

From the 2003 call for bids - the 1,000 MW are now under final installation stage. From the 2005 call for bids - 15 bids are now selected for the 2,000 MW.

The Prime Minister also restated the bold targets of the rest of the program for 2015.

The two press releases are available online at:

COMMUNIQUE 1 DE 2 - Appel d'offres de 2000 MW d'énergie éolienne - "UNE ENERGIE VERTE AU BENEFICE DU DEVELOPPEMENT DES REGIONS" - JEAN CHAREST

Communiqué 2 de 2 - Premier bilan de la stratégie énergétique du Québec 2006-2015 - "LES ACTIONS ENTREPRISES ONT DEJA PORTE FRUIT" - JEAN CHAREST

Hydro-Quebec posted on May 5 a press release announcing that, subsequent to the tender call issued on Oct.31, 2005 for Quebec-produced wind power, 15 bids for total 2,000 MW are accepted. Deliveries are scheduled for 2011 to 2015.

The average price offered by the winning bids is 10.5 ¢/kWh in total, broken down as follows: 8.7 ¢/kWh for the wind energy, 1.3 ¢/kWh for transmission, and an estimated 0.5 ¢/kWh for balancing service provided by Hydro-Québec Production. In accordance with a Québec government regulation, all the winning bids must meet the condition of having at least 60% of the total cost of each wind farm to be incurred in Québec. All accepted bids are listed with turbines manufactured by two German companies, Enercon and REpower. The detailed information is available online at:

Hydro-Quebec communiqué: Presse release

The list of companies/manufacturers: Regional distribution of accepted projects (table)

The map of the accepted projects: 2,000 MW of wind power (map)

Quebec Wind Energy

The development of the wind energy industry in Québec, for supplying power to the electric grid, began in earnest in 1998 with a wind farm of 133 wind turbines, with a total

installed capacity of 100 megawatts. At present Quebec has a total electricity generating capability of over 320 MW from 272 wind turbines. A multitude of projects are currently under different stages of implementation.

The detailed list of all wind energy projects for the electric grid, completed or under construction in Quebec, including location, capacity, number of wind turbines, promoters contract type and status, is available online at:

http://www.mrnf.gouv.qc.ca/english/energy/wind/wind-projects.jsp

The Quebec government has a program to make accessible and reserve public land for wind energy projects. Interested developers have to obtain the necessary land use rights. Information on terms and conditions are available online at: http://www.mrnf.gouv.gc.ca/english/territory/program/index.jsp

Interested developers may enter in agreements also with landowners for private land. Promoters must obtain the necessary authorizations from the local municipality and regional county municipality for any project, whether on private or public land.

Opportunities for US firms

U.S. exporters have interesting new opportunities presented to them by the Quebec wind energy program. Manufacturers of ancillary equipment and components may have the opportunity to participate as sub-suppliers for the listed accepted developers. The next phase of the Quebec program brings the possibility to participate from the start of the process with the call for bids for the next 2,000 MW expected to follow.

The U.S. Commercial Service Support

The Commercial Service of the U.S. Department of Commerce is prepared to bring additional strengths and support for the interested U.S. Exporters by providing further insights regarding the implementation of this program as well as for other Canadian market opportunities. The U.S. Commercial Service offers a number of excellent programs to help export-ready companies identify and establish relationships with potential partners on the Canadian markets

Additional information on customized International trade counseling, international market research on countries and industries worldwide and exposure for your company at global promotional events can be found at http://www.buyusa.gov/canada

For More Information

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Information Sources for this Report

Ontario Ministry of Energy http://www.energy.gov.on.ca

Hydro-Quebec http://www.hydroquebec.com