



Canada: New Brunswick and Maine Support International Energy Corridor

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On March 25, 2009 the Premier of New Brunswick, Shawn Graham, and the Governor of Maine, John Baldacci, announced that the Province of New Brunswick would work with the State of Maine to explore the development of the Northeast Energy Corridor (NEC). The corridor would cross from New Brunswick into Maine, and would reliably and securely deliver a wide range of energy products to the northeast in an economically and environmentally efficient way. The emphasis would be on renewable power, including wind and tidal sources, as well as natural-gas-fired co-generation, petroleum products, and natural-gas transmission.

The NEC would further the shared strategic objectives of Canada and the United States in the following areas of energy supply and energy security: the development of green power and CO2 management, economic development and stimulus, and trade. The corridor would also help to attract significant direct investment to the region, and support New Brunswick's and Maine's energy self-sufficiency goals.

The announcement included the involvement of Irving Oil Ltd. which will conduct a feasibility study on behalf of the two governments in order to determine the most effective routes and configurations for the new energy corridor.

Details of the news release are available at: [New Brunswick and Maine support international energy corridor.](#)

Sector Insight

The NEC project would include transmission lines for up to 1,500 megawatts of power exports, as well as pipelines for increased gas and petroleum exports. The existing transmission lines and pipelines from New Brunswick to the United States are currently working at full capacity, most of the time.

An important component of the NEC is a new gas-fired power plant that Irving Oil has projected to build near Saint John. The plant would be fueled from an Irving LNG facility.

Irving Oil Ltd, which is owned by the Irving family, is a major player in the regional energy sector as a producer of oil and gasoline and is completing a \$1-billion liquefied natural gas plant. It also has plans with partner BP PLC to spend up to \$8-billion to double the size of its Saint John's refinery.

The company is planning to expand its power business with the addition of a new power plant to the two smaller gas-fired plants that it already owns. The electricity would be mainly exported to New England. Irving Oil announced that it is also conducting feasibility studies on wind power and on tapping the tidal power of the Bay of Fundy. The company is also ready to work with governments and other power companies to ensure that development is coordinated in all industry sectors.

In Canada, electricity consumption continues to rise, requiring both additional installed capacity and the replacement of existing equipment with more efficient equipment that meets higher environmental standards. Annual growth rates of one to three percent are forecasted for increased consumption. However, the need to replace existing equipment due either to the completion of its life cycle or to the need for more efficient operation is expected to accelerate over the medium and long term.

Opportunities for US Companies

The Canadian electrical equipment industry is highly integrated globally, with about 80 percent of Canadian manufacturing sales going into exports. At the same time, about 85 percent of the Canadian electrical equipment-industry market is supplied from imports. Total imports of power and electrical machinery and equipment (NAICS 33361 and 33531) were valued at US\$ 10.0 billion in 2008. U.S. imports have a dominant share of over 53 percent, or US\$ 5.4 billion, of this import-market.

The components of the North East Energy Corridor open new projects in electrical power systems such as power plants, transmission lines, in renewable energy such as wind and tidal power, as well as in oil and gas pipelines and stations. The implementation of this project provides great opportunities for U.S. contractors and manufacturers in the energy sector to submit proposals and bid on contracts. The next steps in the process will provide further opportunities for U.S. sub-contractors and sub-suppliers.

Further information on the International Northeast Energy Hub is available at [Atlantica Centre for Energy](#). Further information on Irving Oil Inc. is available at [Irving Oil](#). Further information on New Brunswick Energy Ministry is available at [New Brunswick Energy](#). Further information on New Brunswick utility company is available at [NB Power](#). Further information on current NB Power projects and tenders is available at [NB Tenders](#).

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