

# Local content tips scales in Quebec

The momentum of Canadian wind has shifted eastwards with a total of 2GW due in place in the province of Quebec before 2015, along with substantial associated investments.

Utility company Hydro-Quebec earlier this month awarded 15 wind power projects to eight developers totaling 2005MW.

Construction is due to kick off towards the end of the decade with power coming on stream from 2011.

The landmark result of the 2005 request for proposals will see German turbine company Repower supplying 954MW of turbines and compatriot Enercon 1050.5MW.

Investment in Quebec facilities will follow in short order as the tender requires 60% of the estimated total capital outlay of C\$5.5 billion to be incurred in the province.

Out of that, 30% of the turbine value has to come specifically from the municipality of Matane and the region of Gaspésie-Iles-de-la-Madeleine.

Enercon is to establish a Canadian headquarters in the Montreal area and has already agreed a land option with the city of Matane for a manufacturing facility for concrete towers and electrical components.

The company will invest more than C\$30 million and create around 200 jobs ahead of first-phase project construction starting in 2011, according to adviser Fasken Martineau.

Repower has yet to reveal detailed plans for

## Investment pledges give German turbine giants the edge in 2GW wind tender, reports Todd Westbrook

investment but said it would produce blades, towers and electrical converters for its MM82 and MM92 turbines in the designated areas as required.

"Facilities in Quebec are going to be an integral part of Repower's global supply chain and central in responding to our growing market share in the important North American market," said the manufacturer's chief executive Per Hornung Pedersen.

All of Repower's turbines will be supplied as part of projects put forward by the St-Laurent Energies consortium of EDF Energies Nouvelle, Hydromega Services and RES Canada.

They will build the giants of the Quebec call - the 150MW Massif du Sud, 350MW Riviere du Muolin and 300MW Lac Alfred wind farms - as well as the slightly more modest 80MW Aguanish and 74MW Clermont projects.

Hometown players Boralex and Gaz Metro will construct Seigneurie de Beupre parts two and three, for a total of 271.9MW, while fellow Quebecois Kruger Energy will build the 68MW St-Luce and 100MW St-Remi.

Another Quebec developer, 3Ci, was awarded the tender for the 156MW Des Moulins wind farm. UK company TCI

Renewables together with Canadian Hydro, joined as Venterre, will go ahead with the 50MW St Valentin and 66MW New Richmond schemes.

As a result of the awards, however, Canadian Hydro has decided to ditch a planned 70MW extension of the Le Nordais wind farm.

US company Invenergy will build the 138.6MW Le Plateau and Spanish company Enerfin will move forward with the 100MW De l'Erable.

B&B VDK Holdings is planning to build the 100MW Vents du Kempt project.

All of the non-St-Laurent consortium projects will feature Enercon machines, expected to be 2MW and 2.3MW units.

Hydro-Quebec said winning bids offered an average price of 10.5 cents per kWh, broken down into 8.7 cents/kWh for

## AAER licks wounds on home turf

Canadian turbine manufacturer AAER is likely to be the most disappointed of all participants in the Hydro-Quebec tender, losing out to competition from across the Atlantic.

AAER was not among the 15 winning projects (of the total 66 submitted), despite having been involved with 2160MW of bids put forward separately by partners SkyPower

## THE WINNERS' ENCLOSURE

### Due online 2011

Project	Developer	Capacity
Aguanish	St-Laurent	80MW
De l'Erable	Enerfin	100MW
Le Plateau	Invenergy	138.6MW
Des Moulins	3Ci	156MW

### Due online 2012

Massif du Sud	St-Laurent	150MW
New Richmond	Venterre	66MW
St-Luce	Kruger	68MW
St-Remi	Kruger	100MW
St-Valentin	Venterre	50MW

### Due online 2013

Lac Alfred	St-Laurent	300MW
Seigneurie de Beupre 2	Boralex/Gaz Metro	132.6MW
Seigneurie de Beupre 3	Boralex/Gaz Metro	139.3MW

### Due online 2014

Vents du Kempt	B&B VDK	100MW
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### Due online 2015

Clermont	St-Laurent	74MW
Riviere du Moulin	St-Laurent	350MW

the wind energy, 1.3 cents for transmission and an estimated 0.5 cents for the balancing service provided by Hydro-Quebec itself.

"We're very satisfied with the outcome," said the utility's chief executive Thierry Vandal. "It ensures a supply of renewable energy at a highly competitive cost."

Contracts with all the winning bidders will be

drawn up over the next few months and then submitted to the Regie de l'energie for approval.

The developers must still obtain all the required environmental and municipal permits before work starts.

Deloitte worked with Hydro to analyse the bids and to apply the prescribed tendering and contract award procedure.

and TransCanada. The company has since tried to reassure investors by saying that its "business strategy and commercial success is not dependent on the outcome of any specific request for proposals".

Its shares still took a tumble, though. At one point they dropped below 40 cents, having been as high as C\$2.10 over the last year. AAER nevertheless

continued with a since-successful fundraising exercise offering 15 million common shares at 50 cents apiece.

The money will be used to implement the company's 2008 production plan, including equipment for the manufacture of blades, deposits on nacelle components and otherwise for its general working capital needs.