

CREE PLAN HUGE WIND FARM

WIND Federal government and Quebec must approve plans

100 WINDMILLS

Power project might spark confrontation with Quebec

KEVIN DOUGHERTY
GAZETTE QUEBEC BUREAU

QUEBEC – A Cree band on James Bay and a private Toronto-based company have set in motion plans to build a \$3-billion wind energy project that would be Canada's largest wind park.

The Chisasibi band's project would generate 1,650 megawatts of wind power with 1,100 windmills, and it would be the first time in Quebec a First Nations band has become a partner in a wind enterprise on its own land.

But the ambitious project might spark a confrontation with the Quebec government before it gets off the ground.

A spokesperson for Natural Resources Minister Pierre Corbeil said yesterday that up until now Hydro-Québec has been the sole buyer of all wind energy generated in the province. "We proceed through a bidding process," Mathieu St-Amant said, explaining that the government-owned utility chooses projects among contending bidders.

St-Amant said the approach of the Cree and their Toronto partners – selling in export markets and to private buyers in Quebec – was "a surprise to me."

Later, he added that the plans would have to be approved by the federal government and Quebec. "There are a lot of things to look at first," he said. "We won't comment."

No one from Chisasibi or from Ventus Energy Inc., the senior partner in the joint venture – known as Yudin Energy Limited Partnership – has returned The Gazette's requests for interviews about the project.

But documents pertaining to the project are publicly available on various government Internet sites and on Ventus Energy's website.

Ventus is owned by its founders, president and CEO John Douglas and chief financial officer Jeff Jenner.

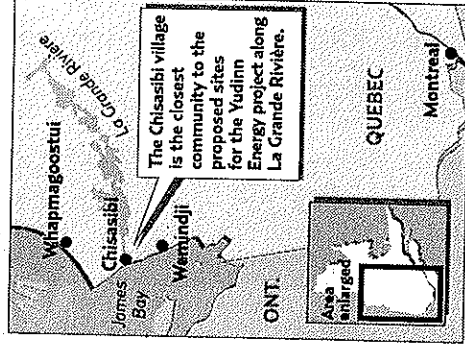
Its board includes former Ontario premier David Peterson, whose law firm Cassels Brock prepared a filing to the National Energy Board for the partnership. The lawyer who handled the file could not be reached for comment.

The partnership has filed an application with the National Energy Board to export to the United States up to 204 megawatts, or 1.7 terawatt hours, of electricity from its wind farm, which would be built in a 500-kilometre-long corridor on Cree land near the existing Hydro-Québec transmission lines along La Grande River and the Laforge/Brisay area.

Ventus and Yudin have also applied to the Canadian Environmental Assessment Registry for an environmental assessment of the first part of the project, known as the Brisay Wind Park, where 150 windmills would generate 225 megawatts of wind energy.

Building adjacent to Hydro-Québec's massive 15,000-megawatt James Bay hydroelectric development, constructed in the 1970s, means the project would have ready access to the utility's transmission network.

As well, the winds are strong in the sector and it is away from built-up areas.



THE GAZETTE

The Ventus website says its "vision is to be a leading wind energy power producer in Canada within a five-year period."

The company has the backing of equity investors, including the CI Investments and AGF mutual funds, and the E2 Venture Fund, controlled by the United Steel Workers of America, Local 1976. Ventus announced in January a joint venture with Métis Ener-

gy Corp. of Labrador to build a \$2.5-billion, 1,000-megawatt wind farm in Labrador.

And it has agreements to build wind farms with Kwesawek Energy Inc., a venture of the Fort Folly Mi'kmaq First Nation in New Brunswick and the Pays Plat Ojibway First Nation on the north shore of Lake Superior.

"These partnerships make Ventus the world's largest developer of aboriginal wind energy projects," the company says in the NEB submission.

Ventus is not an energy producer. It is a small investment company with about six employees. Construction of its first two wind farms, generating 110 megawatts, is to begin this summer in Prince Edward Island.

The Yudin partnership's NEB and environmental filings do not set out construction timetables for the James Bay wind project.

But its NEB brief does explain that Yudin intends to finance the project by negotiating power-purchasing arrangements to guarantee financing.

Yudin would contract out the work in an EPC – engineering; procurement and construction contract – and once completed, the project would be sold as an income trust managed by Ventus.

"Ventus hopes to be a leading wind power (independent private producer) in Canada within five years," the company adds in its NEB submission, noting that at the end of 2005 Canada's total installed wind-energy capacity was about 682 megawatts.

Hydro-Québec has accepted offers to build an additional 1,244 megawatts of wind generation in the Gaspé region and in 2007 will announce another 2,000-megawatt wind purchase, leading to construction of additional wind parks.

Yudin plans to sell its electricity at the U.S. border and to domestic customers in Quebec over Hydro-Québec's transmission lines.

kdougherty@
thegazette.canwest.com