

Draft Regulations

Draft Regulation

An Act respecting the Régie de l'énergie
(R.S.Q., c. R-6.01)

250 MW block of wind energy from Aboriginal projects

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting a 250 MW block of wind energy from Aboriginal projects, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation determines, for the purpose of fixing the cost of electric power, and for the purposes of the supply plan and the tender solicitation by the electric power distributor, the block of wind energy from an installed capacity of 250 megawatts from Aboriginal projects.

The draft Regulation also provides that the electric power distributor must solicit public tenders for that block of energy on the later of the following 2 dates:

- 1 September 2008;
- 90 days after the coming into force of the Regulation.

Through the Regulation and an Order in Council pertaining to the economic, social and environmental concerns, which will be communicated to the Régie de l'énergie, the Government seeks to facilitate the development of Aboriginal wind projects and to maximize the economic benefits as follows:

1. The tender solicitation by the distributor is to support the development of Aboriginal wind projects for the benefit of Aboriginal nations and communities of Québec.

2. Aboriginal nation, Aboriginal community and Aboriginal institution are defined as follows:

— an Aboriginal nation means one of the 11 nations recognized by the National Assembly;

— an Aboriginal community is an Aboriginal group recognized as such by one of the 11 nations recognized by the National Assembly and the Government of Québec;

— an Aboriginal institution means a legal entity, owned by one or more Aboriginal nations, created for the purpose of supporting economic development of Aboriginal nations and that can take the form of an economic development corporation, a financing corporation, an investment fund, a trust or any other economic development entity controlled by Aboriginal nations and for which a majority of directors are appointed by one or more Aboriginal nations.

3. An Aboriginal wind project is defined as a project

— recognized by the Aboriginal nation or nations promoting the project, or their communities, under a resolution passed for that purpose during a duly constituted meeting. A duly constituted meeting refers to a meeting

— for which a council has issued, within a reasonable time, a notice widely distributed, to which is attached an agenda clearly announcing the council's intention to discuss the project concerned by the proposed resolution;

— where the necessary quorum is met;

— that produces the minutes describing the discussions of the meeting;

— where one or more final resolutions are passed by the council;

— submitted and developed by a legally constituted group of natural persons, in a juridical form adapted to the context of Aboriginal nations and, where applicable, in partnership with the private sector;

— under the control of Aboriginal nations, their communities or institutions, in particular those from the region where the project is located. In the case of a partnership, Aboriginal nations must demonstrate that they have control over the decisions affecting the said projects.

4. To ensure optimal development of the Aboriginal projects for the benefit of Aboriginal nations or their communities, a Regulation respecting a 250 MW block of wind energy from Aboriginal projects is proposed to establish a maximum price of 9.5¢/kWh in 2008 dollars adjusted for Consumer Price Index, excluding the cost of transmission and balancing service and supplementary capacity, to favour a selection of projects significantly focused on the following Aboriginal development concerns:

— the Aboriginal nations, the communities or their institutions are to hold an interest representing

– a minimum of 30% of capitalization of the project; and

– more than 50% of control of the project.

— It is understood that

– favourable treatment will be granted according to the level of interest of an Aboriginal nation, its communities or institutions to the capitalization or control of the project;

– favourable treatment will be granted in the case of interest of more than one Aboriginal nation in the ownership of a project.

5. To ensure that projects are apportioned between Aboriginal nations taking into account the integration capacity of Hydro-Québec's grid and to encourage direct involvement by those nations, every project is limited to a maximum of 25 MW and every Aboriginal nation is limited to 50 MW. Beyond 50 MW, an Aboriginal nation could support one or more additional projects, only to the extent that those projects involve the participation of at least one other Aboriginal nation.

6. The maximization of economic benefits in Québec regarding employment and investment must, for every project, result in expenditure in Québec corresponding to at least 60% of the overall costs, including the installation of wind turbines, on the understanding that the expenditure carried out locally is to receive preferential treatment.

7. The maximization of economic benefits and employment in Municipalité régionale de comté de Matane and in the Gaspésie-Îles-de-la-Madeleine administrative region must result in expenditure corresponding to at least 30% of the overall costs of each wind farm, excluding the installation of wind turbines. The requirement will be considered met if the following 2 components are manufactured in Municipalité régionale de comté de Matane and in the Gaspésie-Îles-de-la-Madeleine administrative region:

— tower;
— blades.

8. The block of 250 MW will contribute to maintain a hi-tech industry manufacturing wind turbines and wind turbine components in Québec, on the understanding that Municipalité régionale de comté de Matane and the Gaspésie-Îles-de-la-Madeleine administrative region are to receive preferential treatment.

9. The assessment of economic benefits associated with the projects, and for the benefit of Aboriginal nations, will have to consider all the steps to carry out a project throughout its life cycle, that is prefeasibility, feasibility, the tendering procedure, obtaining permits, the construction, operation, maintenance, dismantling and reequipping of the wind farm, as the case may be.

10. To continue the emergence of wind energy production, as defined in the draft of the Regulation respecting a 250 MW block of wind energy from Aboriginal projects, the cost for the purchase of electricity from energy blocks determined by regulation of the Government must be taken into account in establishing the cost of service of the electric power distributor.

The draft Regulation has no direct impact on small and medium-sized businesses. Interested enterprises active in the wind energy sector, in partnership with an Aboriginal nation, an Aboriginal community or their institutions, may participate in the tender solicitation by the electric power distributor, in compliance with the established rules.

Further information on the draft Regulation may be obtained by contacting René Paquette, Director General, Electricity, Ministère des Ressources naturelles et de la Faune, 5700, 4^e Avenue Ouest, bureau A 416, Québec (Québec) G1H 6R1; telephone: 418 627-6386, ext. 8351; fax: 418 646-1878; e-mail: rene.paquette@mrnf.gouv.qc.ca

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Daniel Bienvenue, Associate Deputy Minister, Energy and Mines, Ministère des Ressources naturelles et de la Faune, 5700, 4^e Avenue Ouest, bureau B 401, Québec (Québec) G1H 6R1.

CLAUDE BÉCHARD,
*Minister of Natural
Resources and Wildlife*

Regulation respecting a 250 MW block of wind energy from Aboriginal projects

An Act respecting the Régie de l'énergie
(R.S.Q., c. R-6.01, s. 112, 1st par., subpars 2.1 and 2.2)

1. For the purpose of fixing the cost of electric power referred to in section 52.2 of the Act respecting the Régie de l'énergie (R.S.Q., c. R-6.01), and for the purposes of the supply plan provided for in section 72 of the Act and the tender solicitation by the electric power distributor under section 74.1 of the Act, a block of wind

energy must be produced in Québec from a target capacity of 250 megawatts from Aboriginal projects connected to Hydro-Québec's main network, within the following timeframe:

- 50 megawatts, not later than 1 December 2012;
- 100 megawatts, not later than 1 December 2013;
- 100 megawatts, not later than 1 December 2014.

The energy block is subject to a balancing service and supplementary capacity in the form of a wind energy integration agreement between the electric power distributor and Hydro-Québec in its electricity production operations or another Québec supplier.

The price of electric power may not exceed 9.5¢/kWh in 2008 dollars adjusted for Consumer Price Index for that block of energy, excluding the cost of transmission and balancing service and supplementary capacity.

2. The electric power distributor must solicit public tenders for each portion determined under section 1 on the later of the following 2 dates:

- 1 September 2008;
- 90 days after the coming into force of the Regulation.

3. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

8690

Draft Regulation

An Act respecting the Régie de l'énergie
(R.S.Q., c. R-6.01)

250 MW block of wind energy from community projects

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting a 250 MW block of wind energy from community projects, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation determines, for the purpose of fixing the cost of electric power, and for the purposes of the supply plan and the tender solicitation by the electric power distributor, the block of wind energy from an installed capacity of 250 MW from community projects.

The draft Regulation also provides that the electric power distributor must solicit public tenders for that block of energy on the later of the following 2 dates:

- 1 September 2008;
- 90 days after the coming into force of the Regulation.

Through the Regulation and an Order in Council pertaining to the economic, social and environmental concerns, which will be communicated to the Régie de l'énergie, the Government seeks to facilitate the development of community wind projects and to maximize the economic benefits as follows:

1. The tender solicitation by the distributor is to support the development of community wind projects for the benefit of regions in Québec.

2. A community wind project is defined as a project

- recognized by the regional county municipality or municipalities where the project is located and by the local municipality or municipalities where the project is located, under resolutions passed for that purpose; and

- submitted and developed by a local community. A local community is defined as

- a regional county municipality,

- a local municipality,

- a cooperative, or

- a legally constituted group of natural persons where the majority of members or shareholders live in the administrative region where the community project is located.

3. To ensure optimal development of the community projects for the benefit of regions, a Regulation respecting a 250 MW block of wind energy from community projects is proposed to establish a maximum price of 9.5¢/kWh in 2008 dollars adjusted for Consumer Price Index, excluding the cost of transmission and balancing service and supplementary capacity, to favour a selection of projects significantly focused on the following community development concerns:

- the local community is to hold an interest representing

- a minimum of 30% of capitalization of the project; and