

**PRESENTATION:**

**Bipole III**  
**A Provincial Perspective**

**Rob Altemeyer**  
**Member of the Manitoba Legislative**  
**Assembly**  
**WOLSELEY**

**May 28, 2008**

# Need for Bipole

- Reliability – Bipoles I and II are next to each other, risk of severe weather damage
- New Generation – Extra capacity is needed as new dams are built, in partnership with First Nation communities
- Climate Change – future exports could offset up to 7 MT, equal to 960,000 cars
- Timing – construction in 2011, finish 2017

# Routing – How to Decide?

- Best decision is one that considers social, economic and environmental factors = sustainable development
- In the absence of perfect information, risk management must also play a role
- Shortest distance might not be the best option. What are sustainable development risks?

# East Side Risks - Environmental

- East Side route would dissect the largest contiguous boreal forest left in North America
- Damage the habitat of Threatened Woodland Caribou, an indicator species of the boreal ecosystem
- 30,000 emails already urging East Side protection.....”cause celebre”

# East Side Risks – Social

- Risk to UNESCO World Heritage Site. Manitoba meets both social and environmental criteria, only 2.5% of sites in world have a joint-designation
- Risk of First Nations opposition – 96% of East Side residents are First Nation, 80 community meetings found no consensus on a bipole

# East Side Risks – Economic

- Controversy of East Side likely means very lengthy licensing process and potential legal challenges, risk of indefinite delays, increased costs and delayed benefits
- Risk to our image in export markets, estimated value of \$5.5 billion in next 10 years
- No guarantee East Side would be cheaper route, or even that it would get built

# West Side Risks

- Environmental – some sensitive areas, but bipole could follow existing infrastructure such as roads and railways
- Social – Licensing process will still be difficult.
- Economic – West Side line is longer, meets Hydro's reliability and capacity needs

# Financial Comparison

- Estimated construction difference of \$410 million
- Estimated line loss difference: 16 MW
- Additional costs of West side route paid for through increased export sales
- \$410 million is 3.5% of Hydro's forecasted \$11.7 billion in capital expenditures in the next 10 years.
- Hydro's Debt:Equity ratio was 84:16 in 1998, is now 77:23. Target is 75:25.

## East Side – If Not Bipole, Then What?

- Many initiatives underway, more coming (all weather road, medical services, healthy food, UCN training, recreation for kids)
- UNESCO World Heritage Site bid: potential for socio-economic development through eco-tourism
- Process – respect and support significant interest in land use planning for traditional territories



# Conclusion

- East Side route should be avoided because of many large risks – environmental, social and economic
- Under-the-lake route is being considered
- West Side route is a potential **win-win**:
  1. East Side can develop in sustainable way
  2. Clean energy development can proceed.