

The Past (March 23, 2015)

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Louise McCarren, former Chair, Vermont's Public Service Board

Richard Janda, Professor, McGill Faculty of Law

Ghislain Picard, Chief of the Assembly of First Nations of Québec and Labrador

David Massell: I have one note of substance before we launch the first panel and that is, the title of our conference, the English language version anyway "Power from the North," is not an original one; there is nothing new under the sun. In 1985, then former premier, Liberal premier Robert Bourassa, was running again for the office of premier published a book whose English title was *Power from the North*. This was an election year text. And the book argues (there is Mr. Bourassa, on the left) for another great phase of hydroelectric development in the province, to follow the first completed phase of the James Bay Project along the La Grande River. But this time not simply to meet domestic needs of Quebecers, but to produce surplus electricity for export primarily to the northeast states to power, as he put it in his book, "the New York City subway system or the runway lights of Boston's Logan international airport." And this was part and parcel of Bourassa's career long vision as an economist/politician to strengthen French-Quebecers society and culture by economic development, by economic nationalism, rather than by pursuing political sovereignty, i.e. by breaking away from Canada. As his Chief of staff John Parisella has written, and Mr. Parisella will be speaking to us at lunch happily, Mr. Bourassa always believed that real independence for Québec was its economic strength."

Just two years ago a second book appeared with the same title, by Montréal born historical geographer Caroline Desbiens (see the image on the right) who wanted to be here and sends her regrets but she was otherwise engaged. But her *Power from the North* is a very strong critique of Bourassa's James Bay project, the so called *projet du siècle* or project of the century. For Desbiens, even as French-Quebecers were coming into their own as political and economic players in the province during Québec's so called quiet revolution, *révolution tranquille*, they were "themselves treating northern aboriginal lands as a colony of the south" - and justifying that colonial project with rhetoric about pioneering and heroic conquest.

I provided this little book report to give credit where credit is due; second, to make clear that large scale energy development in Québec with an eye towards exports has a history that is at least a generation old; third, to make clear that large scale energy development in Québec has long been shadowed by controversy, and that includes controversy on this side of the Canadian border: concerns that large-scale imports for example effects New England's own ability to produce renewables of its own, "the road not taken"; concern over the flooding of Cree lands; most recently, Northern Pass, etc.

And finally, [regarding] why my book report: as there is plenty to debate in the matter of power from the north, I want to encourage you, our participants, to engage in our conversation today. Yes, we are honored to have the support of governments and corporations, but the purpose of our conference, here on a university campus, is not to advocate for a particular point of view, let alone one that encourage further electricity imports from Québec. Our purpose is to provide a classroom of sorts where we all might learn from the experience of others; provide a forum to frankly debate the causes, costs and the consequences of bringing power from the north. And towards this end, each panelist will have about eight minutes to make introductory remarks. If they are good and obedient in staying within these limits, we may allow an additional few minutes for the panelist to respond to each other's comments. And then we will open the floor to your comments and questions, as after all a number of you, many of you have fascinating resumés and life experiences and could just as well be up here at the table.

So please let your thoughts be heard today. There will be two microphones floating during the Q & A period. When you speak I will ask you to stand and identify yourself, and cognizant of the fact that the subject of energy is remarkably complicated and interdisciplinary, I would ask if we try to avoid speaking in tongues if you will, try to speak in an English language that we can all understand, if possible. There is no need for lengthy speaker introductions, as professional bios are in the program; they are organized alphabetically. We will proceed with the order on the agenda. Louise McCarren is former Chair of Vermont's Public Service Board. Richard Janda is Professor of McGill University of faculty of the Law, and I think - Ghislain Picard of the - Bienvenu, monsieur. I am very glad to see you [laughter]. Richard Janda and have been preparing to riff on the native experience in Québec here, but I am happy to have Ghislain do it instead. Ghislain Picard is Chief of the Assembly of the First Nations of Québec and Labrador. So Louise, the floor is yours.

Louise McCarren: Thank you, I guess my first question is, who in this room is in charge of spring? I would like to talk to you at the break. Cause it's cold out there. I was Chair of the Public Service Board from 1981 to 1987, and then I went back and was the Commissioner of Public Service for a short period of time. I want to make three points. I want to just briefly discuss the context in the 1980s, the creation of the relationship with Hydro-Québec, and then moving forward.

And the context I think the big picture issue is you know, nothing has changed, it is all the same, the issues are the same, the people are the same, some of us are just a lot older than others of us, right Steve? And so I really don't think the issues have changed and I would juxtapose that next to telecom. Well frankly that's a world of 1s and 0s and that world has changed dramatically but the world of energy and electricity, I really think the issues remain the same.

So the context of the 1980s: electricity prices other than the nuclear plants were tied to fuel. So as fuel prices were very volatile, so were electric prices. We had heavy dependence at that time on electricity, remember the golden medallion home? I'm

sure you don't. But we had a very high penetration of electric heat, baseboard heat. With vertically integrated utilities, we had multiple rate cases. We had interest rates where the discount rate, the fed discount rate was, well, high in the double digits; so it was a very tough time in the 80s. And we also had a phenomenally inefficient rate design, which by the way we still do. So that is, you know, that's kind of the background. And so we were at the board literally getting rate cases before we could finish one we would be getting another one. So it was just a really difficult time. Utilities were, during the winter periods, losing money for every incremental kilowatt-hour they sold. Because they were having to buy - fuel oil was being burned on the margin and we had flat rates. So literally every single kilowatt-hour sold on the margin the companies lost money and that's why they kept coming back. Plus we had terrible, high interest rates. So that was then.

How did this relationship get created? Well Dick Snelling was elected in 1980 with a commitment to a well-managed state government. And he understood the causes of increasing the electrical prices, he did. And he understood what it was. And he had a vision that was 'let's look north.' And he believed very strongly that we could forge a relationship with Québec, which at that time was developing its hydropower. His vision went way, way beyond electricity. It went to cultural ties, and other business ties. And in fact he was the cause of me having to listen, not have to, but to me listening every night to the French language CBC on my hour long ride home from Montpelier, and that was a lot of fun. He said all of us need to learn to speak French. It took for some people but not for me. But anyway he had this incredible vision about what the future could hold with Québec. So the first thing that happened was in 1981, and this wasn't really not Dick's brainchild but there was the signing of the HVDC line, which goes from Radisson to Sandy Pond, and it is a 2000 MW line, and that we cited that in 1981. It was a NEPOOL project, and its purpose was to basically have energy interchange. So there wasn't a lot, there weren't any firm contracts tied, tied to that. Now that was in 1981 and that was, you know, a tough piece of work to do because it was not well received in a lot of parts. I would say that the board, Enna Skidney, me and couple other folks walked every mile of that line, just to make sure it was sited in the best way possible. That was in 1981.

In 1984 we really had the first contract between Vermont utilities, or the state of Vermont and Hydro-Québec, and that was the line in the Northwest part of the state. What was fundamentally different about that is that the price of the power was not tied to fuel oil prices. It was tied to a construction index. It was a very different kind of contract; it was really for a lot. My recollection is was in the 150 MW range. But it was, it was the first time that the state of Vermont had said, OK utilities you don't want to engage with Hydro-Québec and we think it is the right thing to do, so Dick really pushed the utilities to enter into that contract. And that was the High Gate line.

OK so what's different? Is anything different? First of all NEPOOL has been replaced by ISO New England, and Anne George is here which I am really glad for. We have more sources and distribution of generation but I'll tell you I'm not sure how much

difference that really makes at the end of the day. It's good, you know, you got a lot of distributive generation, you've got a lot of solar, you've got a lot of wind and that's not bad. We have way bigger awareness of the negative effects of fossil fuels so we are trying to solve for that. You know I would say going back to the 80s that people were very concerned even at that time about the use of fossil fuel. And so those are the things that are different, but you know everything is really kind of the same. We have an inefficient rate design, we have a need to move power, we have a need for more power. And power is not 1s and 0s like telecom, it is a physical thing that you have to get moved, and people have to consume it. So if you are looking out at the world and you are saying what can we do for an energy secure future, everybody is looking North again, and that's not at all a bad thing.

So I guess what my end point is: as much as we think things change, and we think were smarter, or at least we're just older but maybe sometimes we're smarter, things really haven't changed much; we are still faced with the same issues and the same problems. So thank you.

Richard Janda: So thank you to David and to Richard and the organizers of this wonderful event. It is only a pleasure to come down from the North to Vermont. I guess I have to take a little bit of the blame for spring since northern weather affects you, but lets just say this is one of the weird features of climate change, that it is not a unit directional phenomenon, so we might expect some of this as we go through the affects of fossil fuel.

I have been asked to give a little bit of context about Hydro-Québec and my theme is that Hydro-Québec was and remains an import social project for Québec. I want to give you a little bit of the background to that, and maybe give you some parting thoughts on what the current state of that social project is; what some of the challenges it faces are. But one thing I suppose remains a little bit mysterious to our friends south of the border is why Canadians have stuck with the idea of public ownership. I just want to start by reminding us all that actually we gain some inspiration from you about this because the idea of energy as a social project actually was associated, as you know with the Tennessee Valley Authority and I think it is fair to say that as Canadians went through their version of the Depression and tried to think about how energy might be one way of developing the economy of the future, that was one of the models we looked at. And Québec itself came to the idea of public ownership quite late in the day by, even by Canadian standards in the 1940s, as you will see in a moment.

If you look at the map of Canada as a whole, I want you to see that Québec is not in fact an outlier when it comes to public ownership. There are three jurisdictions that are indicated in gray there that have private utilities, Alberta notably, ATCO, AMERA in Nova Scotia, Maritime Power in Prince Edward Island. But everywhere else in Canada you still have essentially a set of utilities run by the public and Québec of course is the largest of those, significantly the largest of those.

Let me know give you just a little bit of the background and history of how that arose. The first stage of nationalization as we still call it in Québec took place in 1944, when the then Liberal government of Adélard Godbout looked at the way in which power was being offered in Montréal - in particular Montréal, Light Heat and Power, was seemed to be an inefficient entity, and it was taken over by what was then called the Québec Hydro-Electric Commission. But at that time the antecedent of Hydro-Québec was only one of many companies operating in Québec, albeit with the largest city under its jurisdiction.

Step two, the one that we now think of as the main phase of nationalization took place in 1962 and 1963 and what is important to understand is just how huge a political issue that became. An election was fought around it. I've got the poster there on the screen; *Maître chez nous* became the great slogan, masters in our own house. And you can see that the *maitres*, are *maitres* of electricity; that's what they're grabbing in their fist. So the whole campaign in 1962, a snap election, was based on the question of yes or no, do you want to have hydro become a public utility for Québec as a whole. And the Minister of Natural Resources at the time was René Lévesque, you've got a picture of him with Governor Snelling in your program. I just want to give you a little quick feel for the kind of discourse that René Lévesque had, this will be in French but you will see what a fantastic sales person he was, pedagogue he was, this is René Lévesque sort of literally at the blackboard trying to explain to Quebecers why they need Hydro-Québec....[Video excerpt]...with the cigarette as well. It gives you just a bit of a flavor but he simply went through step by step the argument as of why nationalization had to take place and the mandate was clear and it happened.

And I should emphasize that this was not the kind of nationalization process that one saw in some parts of Latin America, where from one day to the next the shares were taken over. There was an offer put on the table, there was a buyout of those companies, 605 million dollars were spent to take over 11 companies and, in fact, eventually over 80 entities were brought into Hydro-Québec, including of course municipal cooperatives.

So that was 1962 to 63 and was followed by what David already referred to as the project of the century. But even prior to the project of the century there was infrastructure being developed on a grand scale. Already the first dam you see there at the top, is the Daniel Johnson Dam which is the Manicouagan Reserve. Ghislain Picard will I'm sure will speak to how horrific that was for the Innu which at that time were not at all involved in the consultations around the building of that infrastructure, from one day to the next had their lands transformed. You also had of course the important and controversial project that Hydro-Québec was a part of, the Churchill Falls. That's the picture at the bottom there with Newfoundland, still a source of controversy between Newfoundland and Québec. And I put also on the screen an image of the James Bay and Northern Québec Agreement. That vast territory, the largest part of Québec is covered by the James Bay and Northern Québec Agreement, and that was all provoked by the creation of the James Bay

Development Project, which was the image that I had to start with, the image of the Robert Bourassa Dam which you saw early on.

The building of infrastructure, though, as David has already mentioned, was followed by this vision of taking Québec into export markets. And actually building projects for the purposes of export markets. Some of those were accompanied with huge controversy. That is a picture of Matthew Coon Come at the top, who as many of you know took his campaign south of the border to stop the Great Whale Project, say[ing] it was interfering with Cree lands. Since there has been agreements to allow for further development. The bottom is a picture of the Romaine Project, which is now coming online, another huge project in the [North Shore] Region. And the last picture I got there is showing you the major facilities that we have now in Québec - I will just zoom in on that for just a second - which include of course all of the interconnection points here in Vermont and other interconnection points on the border. So that was the phase that I think has brought us to today, the idea of building Hydro-Québec as an export engine.

I just want to emphasize a couple points of its legal framework. The first is that, of course, 100% of the shares are held by the Québec Government. But since 1981 Hydro-Québec has also been obliged to declare dividends. Actually the Québec Government sets those dividends. There are constraints upon them; they can't affect the capitalization, the debt-equity ratio of Hydro-Québec. There have been years where the dividend has been small. But this year as I will show you in a moment was a record year for dividends from Hydro-Québec. Québec of course names the CEO, the Chair of the Board, and it can also issue directives to Hydro-Québec as to policies that it has to follow. Hydro-Québec is a principally, therefore, seen as an engine of economic growth for Québec. And I mentioned its dividends. This is from its annual report from this year, 2.5 billion dollars dividend declared this year for the Québec Government. To put that into perspective, the second largest public entity in Québec is the liquor monopoly, Société d'Alcool. And there have been years where the liquor monopoly has out performed Hydro-Québec actually as far as dividends are concerned. This year the SAQ gave overall about 2 billion dollars of revenues to the Québec Government, so slightly less than Hydro-Québec. If you put it all together as part of the budget of Québec, sort of put it in broader perspective, Québec's deficit this year is about the size of the dividend of Hydro-Québec. It's a significant portion of Québec's overall consolidated revenue fund, but I don't want you to get the picture that it's the majority of that fund; it's a slice of it.

So let me just conclude with some thoughts about where we are heading now, what some of the challenges are for Hydro-Québec, and I am sure we will touch upon this through the day. We had a report to the previous Government, the Lanoue-Mousseau Report [and] we are having, as I am sure Mr. Arcand will describe, further reflections on Québec's future energy policy. But one of the, I think, very striking things in the Lanoue-Mousseau report is how poorly Québec is performing on energy conservation, largely because of cheap access to energy. But a real theme of the Lanoue-Mousseau report was the need now to master our energy use, to become

much better at conserving and using what is really a resource for North America, a clean resource for North America that shouldn't be wasted.

The second thing that I think has to be emphasized is that Québec has used electricity as an industrial strategy tool, to promote investment and to bring large-scale manufacturing to Québec, but we haven't been succeeding at that of late. There has been in a decline from a high of about 42% of electricity use for industrial users, down to now 31.5% and it's declining, despite the fact that there is a 20% tariff discount for new projects, as well as a tax holiday. So that's become a source of controversy in Québec now. So I will leave you with those thoughts and umm open up the discussion for the rest of the day. Thank you.

Ghislain Picard: Next and last, [Innu language spoken]. Just a few words in my native language, which is the Innu language, just to pay respect to the traditional occupants of these lands. Must have been a shared interest between the Abenaki and the Mohawks, the Iroquois. I was hoping eight minutes be based on Indian time, this way I would be able to expand it. It is difficult in eight minutes to make the case of a 500 years of history. My community is called Pessamit. It is roughly about five hours east of Québec city, along the St. Lawrence: 4,000 people, 65% of which still speak the native language, which is becoming more rare nowadays across Canada. But luckily the native languages is very vibrate, alive and well in Québec and in many of our communities. My second language is French, and my third language is English, which I've learned over the years, [thanks] to my experiences.

When the Québec leaders of the 40s were looking at nationalizing electricity, there was very little concerns about our peoples, and their rights. Today, many of our peoples would say that still applies in 2015. And I think there are different arguments that support that obviously. My community, we spoke about Manicouagan earlier, the more recent project in La Romaine, further east. But we could speak about an even smaller project which started in the early 50s, just near my community, Pessamit. The river is called Bersimis, it has two stations. And at the time when the project was a project, the person who was consulting my community was the priest, the missionary. And his response was, yes, it is going to be good for my people, it is going to provide them with jobs, which obviously didn't happen. But the project went a head anyways. And to me it really, I guess, this very little story of my community is a reflection of how the situation has evolved over the last 75 years. There are many aspects to it, obviously the historical one, which cannot be avoided or ignored, but also the more legal context and the political one of course.

When Monsieur Bourassa announced the project of the century in the early 70s, he promised a 100,000 jobs for Quebecers. More recently in 2011 when Jean Charest presented his Plan Nord, or the northern plan, he promised 500,000 jobs. Well obviously, between these two events, there is a reality that has taken a new shape and contributed to changing the landscape, both legal and political, not only in Québec but in Canada. If it hadn't been for the Cree Nation and the Inuit in the early 70s, the project of the century, the James Bay hydroelectric development, would

have gone ahead without any obstacles. The Cree decided that they couldn't let bulldozers do what they are trying to do at the time, so they called for an injunction on the project. So thus then, Robert Bourassa, probably against his will was forced to negotiate a settlement with the Cree and Inuit Nation and later on with the Naskapi, which is a smaller nation more in the eastern portion of Québec. So all of this happened in 1975, and between 75 and 2002, but why 2002? Well that's when the Cree and Québec signed, what I would call a complementary agreement called La Paix des Braves, which was really aimed at settling issues that span between 75 and 2002. Maybe in those 25 years, more than they would like, the Crees had come to the courts, more than once, almost on a yearly basis, to make sure that both governments, Québec and Canada, were living up to their agreements, to the agreement of 1975.

I referred to a Plan Nord earlier, and this is yet another big project, on mining, on tourism, but also on hydro. And La Romaine is certainly an example that was put out there by the Premier at the time, Monsieur Jean Charest. We spoke of the Cree, and the Naskapi, and the Inuit. They're the only nations in Québec who have a treaty with both Québec and Canada. But obviously [in] the rest of the country, from west of Ontario to all the way to the Rockies, there are treaties that were signed at the turn of the 19th century. So both BC and Québec are still very much, I would say, are pretty much faced with the reality of Aboriginal titles still existing for many, many Nations. And my nation, the Innu Nation, is in that situation. But at the same time we find ourselves, [in] what I would say [is a] constantly changing political environment, which puts us in a situation where we have to start the process over and over, always finding ourselves in a vicious cycle of trying to engage with any government that is willing to engage based on good faith. So my own people have been at the table for the last 35 years, trying to come to a treaty, as did the Cree, the Naskapi and the Inuit nations. But it has been a process, it has been a very extenuating process, costly. 60 million dollars in debt for my nation, and obviously really finding themselves at the mercy of a process they don't control. And the result of that in part, is what we see today. La Romaine project, which sits on, extinguished aboriginal title for the Innu, is a reality today. And still moving full force a head. And it really presents, I would say opportunities for any governments to pursue their goals of developing natural resources, and leaving first nations, indigenous peoples in Québec, really at the mercy of a process for which they don't find any privileges.

So this is despite the that fact that nationally, internationally even, the contexts of the aboriginal rights has evolved extensively, to a point where now the United Nations has a declaration on those rights, which was adopted in 2007. But despite that fact, despite the fact that the Canadian government has decided to finally endorse that UN declaration in 2010. We still find ourselves in a situation where we are constantly on the defensive, trying to make a case for our rights, trying to make a case for the future of our peoples, and trying to be part of development rather than being spectators. And this is the situation we've seen for the last 50, 75 years. Why not the last 5 centuries. So that has to change, that certainly is the stand that I take,

almost on a daily basis. No matter what panel I'm on, no matter what people I meet, I think it is very important that people understand that their needs to be new perspectives, perspectives that are right for our peoples as well. And I started by saying, by thanking the original users and occupiers of these lands, and to me it says a lot about the fact that we - I guess the attempts to move our people away from development haven't succeeded to some extent, but they have not succeeded in assimilating our people completely. If it was the case, that the president of the United States would not agree to meet, on an annual basis, tribal chiefs of the United States, which to me says a lot about commitments from a country to our peoples. Sadly, I cannot say the same thing for our peoples in Canada, and the roll and actions of the Canadian government. But there is so much more to say on these issues. I want to thank you very much.

David Massell: Am I live now? All right - panelists, first of all, any burning comments you'd like to share with one another before we open it to the floor?

Louise McCarren: The only thing I would say is that I am really sorry that Dick Saudek is not here. He was really the guy who was with Dick Snelling all the time in terms of the negotiations and the formation of that, and I am frankly a poor substitute for Dick in terms of his wealth of knowledge. So I just wanted to recognize him. Did he share with you that cartoon?

David Massell: No those were clipping in Bailey Howe Library that Richard dug up for us.

Louise McCarren: Fabulous, anyway I am sorry he's not here. The only other thing I wanted to say is when Anne is here; please ask her why the 2,000 MW inter-tie has never carried more than 1,400 MW, sorry Anne. No Anne George.

David Massell: We wouldn't put you on the spot right now, but I guess Louise is preparing you for the future. Any other comments Richard or Ghislain. Wonderful, so where are our microphone holders? We got a student over here and Dan is over here, and just put your hand up if you like to make a comment or a question. Monsieur, and if you can stand and identify yourself before speaking that would be wonderful.

Francois Mann: My name is Francois Mann; I am speaking as a Canadian or Québec resident actually. I have one question. I look at the return of the dividends paid by Hydro-Québec and they seem to me as being extremely low in relation to an organization that would provide power whether it is using fossil fuels or other means, and it seems to me that the Québec tax-payers see Hydro-Québec part of their belongings, their assets, and whenever Hydro wants to increase their rates, it seems to me as a tax increase. And as a result, as a taxpayer in Québec I only pay about 8 cents per Kilo-Watt for my power. I have a home in Plattsburg - I pay 13 cents a Kilo-Watt in Plattsburg. It seems to that the rates that hydro charges are not competitive - what I mean is that they are too low and if they are higher they would make a real profit for the government and the government of Québec could then use those profits for instance for the first nations and to provide more

services or other type of services. So I hope the power that is transmitted to New England is going to be at the right level so hydro makes a right profit, and so hydro increases its rates to domestic corporate consumers.

Richard Janda: Just a quick comment on that, I think there is a lot of wisdom to what you said. Of course Hydro-Québec, as you know, doesn't set the rates on its own. There's the Régie de l'énergie which hydro comes before to try to increase its rates, and of course hydro has been trying to increase its rates. But it's become a matter of, its kind of a political football. Hydro-Québec is viewed, as you rightly say, as kind of a cushion, you know, for the population of Québec against energy price increases, so any time hydro tries to increase its rates, it becomes a matter of considerable controversy. Indeed, the Minister, I don't know if he will talk about it today, but recently found himself with that hot potato and commenting negatively about Hydro-Québec seeking to increase its rates. On the other hand that means that the ability to make energy exports, a reasonable business proposition is constrained because hydro has to try to get as much out of those export margins as it can, in a way to make up for the subsidization for Quebecers.

David Massell: Other questions? How about over here to this side. Please identify yourself and stand, please, thank you.

Bob Herendeen: My name is Bob Herendeen, I live in Burlington and I am a member of the Electric Commission here. I am highly conflicted, because I am a canoeist and I also voted for Burlington Electric to buy Hydro-Québec electricity. My question has to do with some of the history, which I only heard about peripherally when I didn't live in Vermont. But particularly, what about the idea that the world really isn't the same as it was in 1980. For one thing we know about carbon dioxide, that pushes us in one direction, but we also know the world is finite. There are a number of rivers in Québec, I don't have the data of how many are gone, or should I say modified. When I lived in Norway they had a term there called, what do we do with the last rivers, they had very few there that were still running. In addition, I remember the question about different goals for us, and for native Canadians. So my question is really for Mr. Picard, what are the goals of the Innu in relation to ours? Are they the same?

Ghislain Picard: Thank you very much for your question and I would say at the outset it is really a question and a situation that can contribute to divisions within our own community. And the division reflects exactly where we stand, politically speaking. Where we say, we cannot completely say no to development but we have to measure what development we speak of, and we have to measure the potential damages of development, whether it [is] hydro, mining, forestry, even tourism. And in order for that to happen, we have to have a voice. We feel that we shouldn't be asking for it, but sadly the reality is that we constantly need to remind governments that we are there, that we have rights, and based on those rights, we should have a say.

La Romaine project for one was very controversial. I myself took to the streets in the early 70s when James Bay was the project of the century. So were many of the people from my generation. Never the less it happened, the settlement was negotiated with the

Cree nation. I don't think anybody will dispute the fact that Québec can certainly be called a leader in terms of the development of, you know, renewable resources. But at the same time, and the question we don't here often enough is, at what cost? And this what really is part of a larger debate within our own nations. And we are certainly concerned about climate change, we see what is happening. I have heard this story, five or six years ago. When you see a beaver swimming on its back, taking in some sun, in the middle of January, then you got to be concerned. And this is really what our people are saying today: there has been too much change, and how much of that can we control? So its got to be ongoing, but at the same time, the other side of the coin is, you know, our people need to raise their social and economic capacity. And obviously it cannot be done, the way it was done 200 years ago. So there is some change, and within the Innu nation, one of the smallest communities made the move from their traditional tents, to housing, only in the late 60s. This is only 50 years ago. So there is that understanding that needs to happen as well, from the society around us, but at the same time we need to have policies that are designed to provide some compensation on what happened in the last 400 years.

David Massell: Bob does that fully answer your question? Did you get the specifics you want?

Louise McCarren: This is kind of off topic but not really, I just want to go back to what I said about inefficient rate design. And I just would urge that maybe that's something that the department really needs to look at. I still don't think we have a very efficient rate design, and what do I mean by that? That 40% of the load in the summer is air conditioning, but do we price power in the now summer peak; I won't go into that anymore, other then I just want to lay that out, because it is part of the parcel of maximizing revenues to an electric company in Québec.

Aaron Annable: Aaron Annable, I am with the Consultant General of Canada in Boston. Question one for Mrs. McCarren, first of all thank you to all of the panelists. Regional energy collaboration in New England: I think late 2013, early 2014 we saw a real momentum. We saw that wane a bit in the summer leading up to the midterms, and now that seems to sort of be resurging again. Just your views of that movement and if it is unprecedented, and if you see chances for further regional collaboration just sort of your observations on that. My second question Chef Picard, wondered if we could get your views on the Supreme Court decision *Tsilhqot'in Nation v. British Columbia* last year. Some people refer to this as a game changer for the energy industry; others say it just confirms what we already know, so I'd really be interested on hearing your views on that, thank you.

Louise McCarren: My observation historically in my experiences is that the New England states stay together as long as it is in their interest and in the moment that it's not, they don't. And it doesn't matter whether it's nuclear power or whatever. The states try and get together, the governors try and get together, but it only works as long as everybody wins. There isn't a lot of altruism in that. And I don't mean that - its just the way, its just the nature of the beast. But now, and actually Anne, Anne this is a perfect flow maybe can give you more insight.

Ghislain Picard: Thank you very much, well game changer, definitely, and I think the decision is very important in that for the first time the Supreme Court has agreed to go beyond, you know, where they have gone so far in terms of decisions involving, you know, our peoples and their rights. But the sad reality is that, again, the Supreme Court refers to the political process, which normally would take over in order to implement you know that particular decision. And that's where we are forced into a situation where will probably will have maybe any nation that sits on aboriginal rights or title, going back to the courts once again because of the failure of the political process. And this is, you know - to me, it's a clear demonstration of the failure of policy in general. Policies [are] one sided, the Canadian government determines how things are going to happen. In [1975], while James Bay was being negotiated, they issued a policy on how to negotiate Aboriginal land claims. And the Canadian government funds the process and at the same time they are party to the negation. To me there is clearly a conflict of interest, and it really, you know, contributes to pushing our peoples against the wall. And at the end of the day, you know, having no choice but to sign onto the dotted line. What is the other option? You take to the streets, you know you organize protests; you even go to the extent of finding ways to stop projects that go against what you feel your right is. So to me it could be a game changer, but at the same time you need a government with the audacity and courage to take things, to change things, or to change the way things have been done. Before, to quote many other decisions with regards to consultation, but they are again, you know, that gives way to policy that is determined or designed by one party only, that's the problem.

Richard Janda: I just wanted to add something about the Tsilhqot'in decision. As Chef Picard has said, many decisions up to that point had focused on the so called 'duty to consult,' a duty that arises even in the absence of a recognized claim. So for example, it was a trial decision in Québec that recognized the need to consult the Innu with respect to a resource project, a logging project done on René-Levasseur, which is in the middle of the Manicouagan reservoir. But the Court of Appeals, sadly, overturned that decision saying well, you know, there is some divisions among the Innu, there are many groups here, there is a balance of convenience, and so the duty to consult became a rather weak basis upon which one could make the claim. The nice thing, from my vantage point, about the recent case, is that it wasn't about the duty to consult, it was an acknowledged claim - the Supreme Court saying: here is an established claim. And the important thing about it was of a semi-nomadic group. So that in the past, where Aboriginal claims have focused upon occupation from time immemorial, here was the Supreme Court willing to say, wait a second, that's not the way it worked necessarily with First Nations, that they moved across land in different ways. And I think that is very applicable in particular to the Innu, in their patterns of life, winter, summer and so on.

Ghislain Picard: And the last thing I will add and because it is a decision by the Supreme Court and there are many interpretations to it and there will continue to be interpretations until the next decision. And how it applies, we have our own internal meetings this week and we have a legal analysis of Tsilhqot'in and its impacts with

regards to Québec. So to me it's timely, you know, at the same time it's always going to put us in a situation where the question is on us, but it is also on governments.

Guest: From the Environment Sustainable Development graduate program, in the University of Montréal. Professor Janda you mentioned the declining use of electricity in the industrial sector in Québec and we also know that Québec, at least Hydro-Québec has some surplus, while it requests increases in rates, in front of Régie de l'énergie. In that context, any thoughts of the wisdom or lack there of, in terms of resorting to wind energy projects considering their overall costs, and I would like your views on our thought experiment. Québec uses electricity for maybe 80-85% of space heating, which is highly unusual. We share that with Iceland perhaps, or some such places. Is there any good to be obtained in thinking about increasing the share of use for natural gas for space heating in Québec and liberating part of that hydroelectricity for more, for better uses with Québec's neighbors, New England, Ontario, etc. Thank you.

Richard Janda: Well thank you for those questions, I will plead as a law professor at a law school to be a little bit out of my league when it comes to some of the technical dimensions of the question that you've asked. But I will give you some opinion for what it's worth about dimensions of the question. First as regards, wind - actually this is something that I've learned from colleagues working for the Cree that one of the interesting features of looking at the wind profile of Québec is in fact, so I understand, to see if one can tie it actually to the hydro electric reservoirs because the storage of this intermittent electricity is something Québec may have a solution to. So there seems - in being able to adjust the levels of reservoirs. Again, beyond my technical expertise but my understanding is that there are - is a reasonable case for trying to connect wind power to hydroelectric power, although I do know the controversies of the costs, and increasingly in the newspapers one is seeing editorial comment, and another comment about how wind power is not paying its way. As far as natural gas is concerned, I will say this, which is almost an ideological point at this juncture, but I think it has to do with Québec's position on climate change and leading an initiative on a carbon market with California. I think that anything, you know to limit Québec's exposure to having fossil fuels as part of the portfolio is something that would make sense to me, and if Québec can become better in fact at the conservation side of the equation, including what its doing with space heaters - I agree with you there is an insanity to how we are doing this. But that doesn't mean we can't find better ways even using the hydroelectricity for those purposes. So my own position, for what its worth, is not so to speak lets open the door too much greater gas development, in fact we went through that debate in Québec, as you know, around fracking. Should we open ourselves up also to the development of our own gas resources, Québec, rightly in my view, said moratorium on this. We are not going ahead, the environmental consequences are too significant. And I kind of like the idea of future of Québec where we become a leader in renewable energy and we can even have a transport network that is driven by clean power.

David Massell: Do you have a comeback there? Go ahead, do you have a microphone?

Guest: Even if Québec carbon emissions per capita is one half of Canada? I mean I understand that Canada as a polity has obligations internationally in terms of reducing carbon emissions. But if Québec produces, has an intensity of one half of the average Canadian, are we still obligated to do anything possible to reduce the carbon intensity of the Québec economy? When it is in fact on half per capita that of Canada.

Louise McCarren: I think you may be talking past each other just a bit here. This issue of electric base board heating, and its 85% penetration, poses a real potential to buy efficiency in that sector and then either buy an investment from the states, you invest in conservation, you free up more hydro power. And that is something absolutely not new; I mean that issue was in the 80s. So kind of, right, so that is not a new concept but for sure generally speaking electric base board heating is not particularly efficient, right, and there is probably a huge potential for energy efficiency. And can you buy it? Can you capture it?

Guest: I would submit to you that it is possibly the most reckless use of electricity -

Louise McCarren: You said that - I didn't say that [laughter].

Guest: Electricity being the most mobile for of energy there is. We degrade it into heat, which is the ultimate degraded form of energy in the universe.

David Massel: Thank you, now there are a number of other people in the audience who may be able to speak precisely of this question of energy use on the Québec side of the border. Does anyone want to speak to that? Maybe Phil Vincent, Jean-Thomas Bernard still here? He is taking a break. Does anyone want to speak to that? Steve Molodetz. Vincent.

Vincent: I am a master's degree student at Carleton University, and I happen to be an energy conservation professional so I can answer, sir, here from the University of Montréal. Yes, there would be a lot of potential freeing up electricity for export if we were to move towards cold climate heat pump or ground source heat pump or else even switch to natural gas. Of course, if we use natural gas at, between 80-90%, forgive me for using energy-engineering terms but if we use that energy at 90 or 100% efficiency with condensing furnaces' instead of using that natural gas in New England or in Ontario at maybe 55% efficiency, then of course there is a net gain to be made. But conditional to this we need trade barriers to be lower a little bit in order to be able to export, until that is done, then there is you know what comes before right? The cart or the horse.

David Massell: Other questions? Yes sir, Chris, can we get a microphone up here please, Thank you Dan.

Chris: Thanks, Louise you were on the Energy Siting Commission, Louise was on the energy siting, the Governor's Energy Siting Commission, as were a number of other people I am sure in the room. One of the question I have just looking back, you know one of the issues that kept coming up was, right now, especially with merchant generators

now are also talking about merchant transmitters. Is that different from when the PSB, Public Service Board was originally established, was energy siting and transmission any better planned previously? And then I guess the other big question is, if you are willing to share your perspective, does the Public Service Board actually have the tools, whether its, or are they coming from the right position in the current regulatory environment to make decisions about the public good. And I'm thinking here about the precedents, the decisions they've made in the past. But I know whenever they, the chair and others, came to testify they say if you want us to do something differently give us the legislation to do it. So I guess I would love your perspective on the past, the PSB and the PSB going forward and the decision they are having to make.

Louise McCarren: Clearly the presence of merchant transmission is different, but what that really is, is a risk transfer. It should be a financial risk transfer from the ratepayer to the developer. And that's a good thing but I don't, but at the end of the day I am not sure it changes the fundamental obligation to understand, cause it's going to use natural resource, its going to effect the grid. I think the board still has the same siting obligation that it had before. I think the board - I think you heard me say this is, I think the issue in respect to this state to solar, and I am getting way off topic but it's a local land use issue. That's what I concluded. And it needs to be treated as a local land use issue. And I think that's really really important. I think the board you know it's got a tough job, its always had a tough job because it is in the middle and it's arbitrating all of this. I think we should look to the leadership to come from the department, and that's always been my view because that is where they carry out the will of the governor and the will of the legislature. So I mean this, this is all tough but it is not unprecedented.

And the only other thing I would say, my experience from many years in and out of these businesses is you have to be very careful about the assumptions you make when you are entering decision-making. There is a whole host of assumptions and they are almost always wrong. And that is just a life lesson; I mean I was thinking about this last night. PURPA rates in this state were set at a time when we thought oil, in the 80s, was going to be \$100 a barrel. And we did a 30-year levelized PURPA rates. Oil went to \$20 a barrel at the end of the 80s. So there is nothing new, I mean I'm saying you just have to be really harsh with yourself about the assumption you're making, because they are going to be wrong.

David Massell: Yes, way over here. Please stand with the mic, thank you.

Laura Stroup: Hi Laura Stroup, St. Michaels College. I'm an assistant professor of environmental studies. This question is also for Mrs. McCarren. I am interested in those power lines, those transmission lines that come down from Canada. Can you talk about, in the 70s and 80s, the kind of the mindset of, I guess, of the Public Service Board for the transmission lines. Was power supposed to go both ways when Vermont Yankee was cranking and what does the state see as that relationship now and in the future?

Louise McCarren: Well you have to ask someone about the current relationship but in the HVDC line, which is the 2000 MW line, that was envisioned to be, and it has

operated as, transmitting power both ways. Because Québec was a heavy winter peaking system, New England was a heavy summer peaking system, and that what it was designed for. And it was a NEPOOL project, and I won't, unless somebody wants to talk about it at the break, go in to the nuances of NEPOOL. But that's what that was, and I think it has worked pretty effectively. The real kicker in that one was the realization that you couldn't run it above 1,400 MW because of the effects as far away as PJM. And that was like oh dear, and my experience in the west, I was the CEO of the reliability organization in the west, was we have exactly the same problem. People would want to build these lines; they would want to do stuff, and then when you go to operate the system you would discover the system couldn't actually accommodate that much power. It is very, very complicated and I am not an electrical engineer but I think it is a hidden issue underneath that. The next line that was sited was the Highgate line that was a very small-ish line to bring, to accommodate power that was negotiated between Vermont and Hydro-Québec. There is also, and I think it is still in existence, there is a 50MW piece of the northern part of Vermont that can be disconnected, and in the 98 ice storm that was really a good thing because it saved, we brought that piece back into Vermont. So I mean the transmission lines and all these new transmission lines, I have an overwhelming concern as to the systems ability to absorb that much power. And you also have to ask what does it do to operating reserves.

Laura Massell: Laura Massell, Community College of Vermont. My question is for Chef Picard, thank you. You mentioned a consistent and an ever-present need to be called to the table in discussions regarding land and activities in your nation. What do you think the major reason you need to keep on insisting a place at the table is? In other words, do you think the government at this point is fearful, the most fearful about your peoples saying no to development or the level of compensation that would be required?

Ghislain Picard: Anybody from governments here?

David Massell: Nobody at all [laughter].

Ghislain Picard: Well I would say probably more and more a little of both. You know compensation has always been a big hurdle when it comes to negotiating with the Indigenous Nations. When the James Bay agreement was negotiated both the Cree and the Inuit got 225 million dollars as a packaged deal, this was in 75. But many will forget the fact from 75 until 2002, I mean the daily life for Cree leaders were to go before the courts to make sure the governments would live up to there obligations, as per the agreement. They agreed to settle those disputes in 2002 with the signing of this Paix des Braves.

When it comes to consultation and the term being used now is free prior and informed consent as per the UN Declaration, the government, the Canadian government is explaining its position or its reluctance to harmonize policy with the UN declaration by saying the declaration will give veto powers to you know Indigenous Nations in this country. But obviously our people are saying that we aren't talking about veto, we are talking about informed decisions. That's really what we are talking about. The Canadian

government I just heard this morning spent 24 million dollars over the past two years promoting Keystone [XL Pipeline]. And this is the kind of challenges we face, you know, in trying to make our move, make our voice heard you know with regard to any development. So I say it's a little of both, more and more, and certainly our role is really to not determine you know what the price of a megawatt should be. Our role is to present to you and anybody interested the aberrations that we see.

Why is it that the aboriginal Canadian communities, maybe a sixth of them, that's about a 100 communities, still rely on diesel generators today. Why is it that there is a community in the middle La Vérendrye Park, just about four hours away from Montréal, north of Montréal - they have a small power dam meters away from the community, and they have to rely on generators. These are the kind of aberrations we need to bring out in the open. Because that's the only way we can make our case, you know? Public opinion I guess being more receptive to, you know, to the situations that our people face. And again as I said early, are, you know - ultimately our biggest wish is to have a role to play, is to have a place, is to have a say, you know no matter what.

James Morgan: I'm James Morgan I am a Ph.D. candidate in the Department of History, at the University of Ottawa. I have a question for Mrs. McCarren, I like your expression nothing is new, because as a historian, you know I see that everyday, nothing is new in what I look at. I'm interested to know, to the extent when you were working for the state in the early 80s, to what extent was there an influence from the power plan to import power from Canada that Governor Hoff had in the 1960s. I know that plan faced you know, it did not pass the legislature and the legislative council ended up putting severe restrictions on it - how much influence did that play at the time?

Louise McCarren: Well, I think there is nothing new. And I think what Hoff was trying to do what was Snelling was really trying to do. And under the fight that was really going on at that time, in particularly in Hoff's era, was a struggle between the vertically integrated, privately owned electric companies and the state of Vermont. Vermont had some entitlement to NYPA power, Saint Lawrence Seaway power, as you know. And so that was part of this struggle, and Dick Snelling was not a mild mannered guy, okay, for those of you who, right? He was not a mild manner guy and he got into a tussle and the folks at the private companies were in his view very pig-headed about not looking North for power. So he said well tough on you, I am going to figure out how to do this, and he did. And so I think that's part of it, and that's part of why when you look at all of this history, you know its so much more than the memos, its so much more than the cold stuff. It really was driven by personalities, and strong personalities, who really wanted to get things done. I mean I'm looking at Steve, right? It took a lot, yeah; it was pretty strong willed people and they really believed our future lied North. I mean Dick Snelling really thought Vermont could forge a very close relationship with the province of Québec and make it very unusual.

David Massell: And just to be sure Louise, correct me if I'm wrong, but Hoff's plan in a sense was more ambitious in that he intended to establish a public entity to import Churchill Falls power, and that would of directly competed among others CVPS, which

was run by fellow named Albert Cree, who put in a lot of dollars of lobbying to the legislature. It wasn't the legislature per se, it was private power companies and in particular Cree, who brought the project down in the 60s. And Mr. Hoff will tell you, even in his dotage today, that was among the bitterest defeats in his administrative period.

Louise McCarren: I think that is absolutely correct.

David Massell: Other comments or questions? Yes sir, could we get a microphone over here please.

Jesus, Ph.D. Student: My name is Jesus, I am from Colombia but I am doing my Ph.D. in Montréal at Polytechnic. Just a comment about what you mentioned with respect to the utilization of the interconnector of the power lines. For reliability reason sometimes it is not used at full capacity, because in case of some event there may be some slack capacity. Another reason why probably it is not used at 100% capacities for bottlenecks in other parts of the transmission network. So that they probably what we can conclude about that it is possible to transfer more power, but for technical reasons it is not possible at this moment.

Louise McCarren: Well I think I made myself very unwelcome at the ISO, I was on there board for 10 or 12 years and I think I made myself fairly unwelcome by constantly asking how can we access that 600 extra MW of power, not power of transmission capacity. And the answer always was it was too expensive, and if you fix the problem in PJM you create a problem some place else. And again I am not an electrical engineer, but I know enough about power supply because I did that for eight years, but, you know, it's a really important question to ask. It's 600 MW of transfer capability, and if you could figure out how to access it on the cheap. That would be a good thing.

David Massell: Thank you, is there a question over here? Yes.

Eve Vogel: Hi my name is Eve Vogel, and I am from UMass Amherst. Before I was in New England, I used to live in Oregon and I did my dissertation project on the Colombia River, and it strikes me that the Columbia River is more like Hydro-Québec then anywhere else in the United States. I know it isn't exactly like if but it is more like it.

Louise McCarren: Well I'll tell you, here is the fundamental difference. The Colombia River project is a run-of-the-river project; at the end of the day there is some pondage but not a lot. Hydro-Québec has massive pondage, and that is the fundamental difference. There is a huge international treaty, as you know, on how that river, the Colombia River is managed. But having dealt with this issue quite a bit I think that's fundamentally what's different.

Eve Vogel: So I love to talk more about that, I just want to say institutionally I still think there is some similarities. You have a major, federal, public, power generator that's really thinking about regional economic development, it's exporting surplus for profit. What I appreciate about the North West and energy conversations there is

that the problems with hydropower are very much part of the conversation. And moving here to New England I was very struck when I talked about people energy policy, at least in Southern New England where I live in Massachusetts, I know at the higher levels people are talking about this. But just among, like I was just at a Massachusetts activist conference, and I asked people working on energy conservation what are the implications for hydro, either the pump storage station near me, which has major impacts on the Connecticut River, or else Hydro-Québec. And they said no one has ever asked us before, I mean literally no one has ever asked this before to these you know energy conservation activists in Massachusetts. So the first thing that I want to comment on is, I think it is great just to have this conversation we're having at this conference today and bring these issues together because they really are interlinked. And the second thing I just wanted to say is that I really appreciate your presence here. Because again in the North West, I just learned Native issues are absolutely fundamental to managing the Columbia River and access to resources, and they are part of the government system. Native tribes in the North West are absolutely part of the governance systems of the energy system in the North West. And it seemed to me that in New England somehow we need to internalized the fact that increasingly much of our power will becoming from Hydro-Québec, not just in Vermont but in Massachusetts, and in Connecticut and Rhode Island and we need to bring these issues into our own conversations and into our governance.

David Massell: Thank you very much Eve, thank you. Yes Sir.

David McKay: My name is David McKay, and I'm a member of the New England-Canada business council, located down in Boston. I just wanted to comment that last November, and I was part of organizing this. There was a large convention, conference at the Seaport Hotel that tried to lay out all the issue across New England from a point of view of natural gas, hydropower, all the transmission issues, wind and solar and also all of those that oppose any of it, so that was all laid out. So there was, there are places and there are activities where this is being discussed, with the idea of getting it out on the table so some decisions can be made. The other thing I wanted to ask, coming from Manitoba and growing up in Winnipeg, I wondered if Manitoba hydro is a better model or a more a model in terms of its export of power for 50 hundred years for I know, down into Minnesota and North Dakota is more similar to Hydro-Québec situation here.

Richard Janda: You know absolutely, I had a little map early in my presentation showing the other parallel hydro producers, and I think Manitoba is a great parallel, certainly more obvious then other provinces, BC hydro too I think in some ways.

David Massell: Yes Glen, way back in the corner. Mr. McCray.

Glen McRae: Glen McCray here at the University of Vermont, actually there was a very engaged conversation in New England and New York in the late 80s early 90s around the impacts, consequences of importing from Hydro-Québec, mostly

instigated by the very active engagement of the Cree coming down here. Not because there was any kind of regulatory or other governmental framework to have that conversation. In fact there was is a very much a wall of lack of ability to consider impacts in Québec as we go through a regulatory process in any of the New England states on this side of the border, so one of the issues has always been, there is an ability for us to export our concerns or responsibilities in terms of power production and use of power by engaging power from North of the border. And I don't, one of things that has not changes is that whole idea that we can in fact export the problems of power production associated with that cultural, social, economic as well as environmental.

Louise McCarren: Well the Vermont Public Service Board when it considered, I hope I don't get this wrong, someone keep me honest about this, a big contract, a big subsequent contract in the early 90s actually said that as part of the approval process, that the Vermont Public Service Board will consider those issues.

Glen McRae: Well, it didn't.

Louise McCarren: Well that's a - I was part of that case as a private lawyer and we can talk about that, but they basically said to your point we can't live in isolation, we can't export these problems, we need to consider these effects. Now whether they actually did or not.

David Massell: Glen do you want to make another comment there, or have you had already. They didn't is what I heard. Others? Tom, and then afterwards we will go to the gentlemen on the right.

Tom McGrath: Tom McGrath, Rice Memorial High School. Chef Picard, question for you. So you've discussed, beginning with the James Bay controversy and even decades or centuries prior to that Aboriginal communities have constantly been on the defensive in arguing for their rights and that new perspectives are needed. So my question for you is, what do you think some of those new perspectives are, rather than getting some of the communities off diesel generators, and how do you think these projects can best benefit aboriginal communities?

Ghislain Picard: As I said earlier, our main purpose has always been to find a way to engage governments in a way that respects you know the fundamental rights that we try to promote. To us, this is very much part of the new reality and in many respects James Bay was you know certainly a game changer in that governments would now have to sit down with our peoples. So a lot of our own reality in Québec has been to try to find a way to engage with Québec as a government. Because Québec has jurisdiction that other provinces or territories didn't have. So we've tried to engage Québec on a bilateral basis going back to, I've been there 20 years, so going back 20 years and beyond. And obviously we always felt that the process needed to adapt to what has happened, what was happening you know, legally, politically in Québec in Canada, and internationally. And we've always been faced

with a constant denial of that evolution and to us this is you know what explains at times the failure.

But when I look at our side of the table, we have 10 different nation as in Québec which includes the Cree, and the Naskapi, the signatories of the 75 agreements and you know beyond our diversity we managed to agree on four key items going back to 2012. Which we feel could be very much you know the agenda to try to, in a way, to have governments meet us half way. One is obviously the protection of the environment - very key, very important. The other one is our role in coal management of projects, or exploitation of natural resources. The third one has to do with consultation, how do we go about it, what are the principles, or the overarching principles of consultation. And the last one revenue sharing, and I think it goes back to our comment earlier in the session. To us this is also the new - this has to be the new agenda, in light of what you know what we have seen. Tsilhqot'in is one example and there are many others. But again, it goes back to, what are the winning conditions for all parties, you know and to us we have, from the Aboriginal perspective, we say we have a lot of catching up to do, socially and economically just on that. Based on the Human Development Index, our people are so far behind, and there are demographics at play here as well. You know our population is a reverse pyramid if you will.

Richard Janda: May I just add, and I would be very interested in Chef Picard's observations on this as well, it seems to me that different First Nations and Aboriginal communities have different levels of bargaining power in Québec and that in fact there has been something of a divide and conquer approach taken, in particular to the Innu but to the Algonquin as well in other Aboriginal communities in Québec. The Cree has managed through the Grand Council of the Crees and the Inuit has managed through - although they have been communal difficulties within the Inuit population - but has managed, never the less, to produce a kind of common approach to these issues. And that's meant, when it came to Eastmain for example, the Cree were directly involved in the environmental evaluation process, they were directly involved in figuring out the construction methodologies and so on. They were very much at the table, and that's a good model in some ways, I mean it can be improved upon but at least it's a good starting point. The problem for other communities has been that even getting them around the table hasn't, there hasn't been a strong incentive for the Québec government to do so because it has also been allowing these communities sometimes to fight among themselves. And as I mentioned a little bit earlier, the Québec Court of Appeal, in one of its decisions, notes this and puts it into its discussion of the balance of convenience. I mean I think that's a horrific outcome for the province, we should be being proactive in facilitating you know a common approach in Chef Picard has been one of the leaders in trying to produce that, but I think its something we have to acknowledge is an issue also facing Aboriginal peoples.

David Massell: Yes, sir.

Tony Giunta: Good Morning, I just wanted to first of all thank you for setting up the session in a way that allows this collaboration back and forth in the ease of asking this question. So I have a question that I have had a tremendous amount of frustration trying to answer. And I suspect everyone in the room has the same question, so let me put it out there to you, but first let me set the table. I work for Novice Engineering, my name is Tony Giunta, and I am a geologist by training. Prior to that I served 4 years in the New Hampshire Department of Environmental Services as the Director of the Waste Management Division. So in those 4 years that I sat at DES, I had a number of public hearings, where people would come and oppose fossil fuel plans, whether it was their expansion or their ability to build one. And my frustration is, 10 years later I now go to meetings where there are renewable energy projects on the table and the very same people are at public hearings opposing these renewable energy projects. So my frustration in answering this question that I pose to you, what events other than the fact beavers are swimming in January, to absorb the sun, and expect the same beavers are probably frozen to death right now. But nonetheless these events that we see very clearly in front of us with climate change. If that's not helping us all come together and support renewable energy projects, what event will?

David Massell: Is that directed to Chief Picard specifically, I heard beavers?

Tony Jenta: No, No to all.

David Massell: Is anybody at the panel capable to answering that question, there might be someone in the room, Louise give it a shot.

Louise McCarren: I don't know, but let me having say that let me just very briefly lay out the opposite concern. If you got \$4 natural gas sitting out there, you got \$44 oil, and let's say you are wrong directionally by 50%. The reality is you create a price spread between the retail electric price and the production cost. In my experiences, when you have that kind of spread, that you take \$4 gas you run it through an efficient terminal you get three cent electricity. And the point I am going to make is that you get that kind of huge spread - it is unsustainable. And what happens is, folks in the street the average Joe and Jill go to their legislatures and they say I'm not paying 16 cents, or whatever the current retail rate is in Vermont. And yes, you heard me say this before Linda, Linda is smiling cause she heard me say this before, I really think it's true. My point to you is you got the opposite dynamic happening, okay. It's just the opposite. There's carbon taxes on the table, you just, you can't sustain that level of price spread over time. Cause you can't tell people they can't change their fuel choice, that's my two cents worth, and yes Linda has heard it before

Richard Janda: Just very quickly on that. I'll get myself further in a hole on gas and say that I know the studies that were done about the expansion of natural gas supplies as kind of a transitional energy towards sustainable energy. I myself am very anxious about the glut of gas and what it is doing to impede a real transition

away from fossil fuel. I think it may prove to be one of the horror stories of our time that we actually ended up with a huge new supply of fossil fuel just at the time we need to be getting off of it. I am thinking of Jarrod Diamond's book, *Collapse*. If you think of the story of Easter Island. Somebody did cut down that last tree you know, that put an end to the possibility of sustaining people on that island. And I think we are starting to look like that, it's the old story of the tragedy of the commons.

David Massell: We have time for one more question and the lucky winner will be standing in the back of the room. Yes, sir.

Peter Clibbon: Hi Peter Clibbon from RES, we are a wind and solar developer based in Montréal but work globally. It is quite an interesting conversation about the juggernaut of Québec renewable energy combining wind and hydro baseload to balance large volumetric exports for us. But it's really a more pointed question for Monsieur Picard. We've seen in other jurisdiction in Canada that Aboriginal communities are getting involved in the ownership of IPP projects, which for us as developers is a welcome partner. Do you see the same phenomena potentially occurring in Québec? Where first nations are actually teamed with power projects, from our perspective wind in future procurements.

Ghislain Picard: Well obviously maybe had we - had the Cree's been in the situation we know today they probably would have had you know more say or even more input into you know how James Bay was going to be developed. But nevertheless, I think from 75 to today I think the Cree nation is certainly, I would say, exceptional in the way that they have been able to raise, you know, their economic and social situation compared to that of other nations. But this being said and the reason I say maybe the Cree's would have hoped to be in a situation we have today is the other example I want to refer to is the Migma Nation from the Gaspé Peninsula and they're just partnering with different interests in a wind farm project of a 150 MW. These are the kind of I guess potentials that we could see today. Again you know there is a lot of work that can be done on the ground, and this is the kind of the results we have with the Migma nation. And I know there are other wind farm projects under study in different corners of Quebec which involve our Nations as well. And our hope would be to see more of that, more of that happen in the future because again you know at the end of the day it certainly would contribute to reducing that gap between our peoples you know and the majority. We are hoping for that sure.

David Massell: Thank You, Louise, Richard, Ghislain, thank you for sharing our experience with us.