
ÉNERGIE DU GRANIT



ISSUE: Building on local entrepreneurship

ITINERARY 7C

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Location: Lac-Mégantic Golf Club

PROMOTER and SPEAKER

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Presentation of the issue:

MRC du Granit is an underprivileged region and has suffered the closure of several factories. Eighty percent of its territory is forest land. The municipalities agreed to invest in this project primarily because it was an opportunity for economic development that could benefit the entire community.

Unlike several wind-power projects, there was no problem of social acceptability, because the wind turbines are located away from the residential areas.

Project description:

In the context of Hydro-Québec's tender call for the 500 MW wind-power community projects, and following the discovery of a high wind potential within the territory of the MRC, a for-profit company (Énergie Granit Inc.), comprising 16 of the 20 municipalities of the MRC, was created. In partnership with EDF EN Canada, the municipalities are the co-owners of a wind farm located in Saint-Robert-de-Bellarmin. The MRC had an interest in this wind-power project within its territory because of the clean aspect for this type of energy. This initiative was also considered a foundation project for the territory.

The Énergie Granit Company was created by the MRC, to invest in the community wind-power project. The MRC is also a co-owner with EDF EN Canada Inc.

History:

- 2005: a 40-turbine project, proposed by TransCanada, made us realize the wind-power potential of our region and thus, sparked an interest within the community;
- 2005-2006: we received the wind map confirming the Granit region had a high wind-power potential;
- in 2007, Hydro-Québec is calling for bids. The TransCanada project goes from 40 to 53 wind turbines, but their bid is rejected;
- in 2009, Hydro-Québec launches a new 500 MW call for bids, but this time, targeting community projects. At the same time, a North Shore project selected in 2007 is opposed by the target community. MRC du Granit seizes this opportunity, and the St. Robert Bellarmin wind farm project is born. Taking advantage of the synergy created by this project, 16 of the 20 municipalities of the MRC present, in partnership with the developer of the Saint-Robert-Bellarmin wind farm project, an offer for a community project of 25 MW. The Granit community project is finally selected in December 2010.

Starting in 2015, the municipality of Saint-Robert-Bellarmin will receive royalties of \$60,000 annually. Over 20 years, the 16 municipalities shareholders of the project expect a return that should range between 14 to 20 million dollars.

The key elements to remember according to the promoter and speaker:

- be on the lookout for trends;
- know your environment and its potential;
- trust in yourself;
- seek out the professional resources that are missing;
- present the project openly;
- involve local stakeholders: municipalities;
- have a strong structure for the different stages of the project (e.g. conduct an environmental study, etc.);
- have the support of the community;
- green Energy: for example, the fact that the wind farm project consists of green energy, it is easier to sell than shale gas;
- approach & process: municipalities are more fearful, which forces you to be more structured than if you were dealing with a private company that is willing to take more risks.

RESEARCHER

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Summary of the researcher's presentation:

Rural regional economic development is the main reason for exploiting wind energy in Quebec. To do this, we must guide the energy policies towards two elements:

1. Creating a market for wind energy;
2. Producing local benefits.

How are the local benefits achieved? By creating jobs, by the pursuit of generating work in the manufacturing plants of Quebec. There are also benefits for private landowners who build the farms. As is the case for rents that land owners can receive for installing wind turbines on their land.

Another type of pay-back is property taxes. Since it is impossible, by law, for the municipalities to levy taxes within the scope of a wind farm project, they must be owners themselves of the wind farm. They can then get revenue from voluntary contributions.

There are three types of voluntary contributions:

3. Fixed amount per megawatt, paid once;
4. Annual contributions (amounts paid throughout the life of the farm);
5. Visibility Fund: the owner pays an amount to a committee who receives the development project proposals for the region. A project is chosen according to the interests of the committee members.

The contributions are increasingly standardized. Citizen protests often generate increased contributions, which can be beneficial in a local community.

QUESTION PERIOD

Questions for the sponsor and speaker:

Q.: If you had had to put in more than 30% as a down payment, would you still have started the project?

A.: Yes. In the financial package, we wanted to protect the interests of the municipalities and minimize the risks, as required by the Department. Those were our main concerns.

Q.: Was there a financial deficit in the MRC coffers to want to alter the landscape this much?

A.: In regard to the farm, the wind turbines will not be very visible when compared to other sites in Quebec. Therefore, it won't be a scar on the landscape.

Q.: Why is the dismantling of the wind turbines planned 20 years from now?

A.: This is the normal life duration of a wind turbine. The structure is sound, but the mechanics must be rebuilt after 20 years. However, ten years from today, new investments will be needed to keep them running.

Q.: Why did four municipalities withdraw from the project?

A.: Actually, they never embarked on the project because they did not believe in its feasibility. And there was a business risk involved. There were no big discussions on this topic within the MRC.

Q.: Taking into account the scarcity of land for this purpose, how long does it take to establish a wind farm?

A.: Science will have to address this issue. On the other hand, the price of wind turbines decreases year by year.

Q.: During the social acceptance stage of this project, were upstream benefits discussed?

A.: This represented only 5% of the debate, and we were focusing more on the landscapes. The profits for each of the municipalities were not significant enough, so the debate was short.

Questions for the researcher:

Q.: Is wind farm management a good deal for the municipalities?

A.: We will know this in ten years' time. The municipal authority is limited to their competence in land usage planning. Each one decides whether or not to build a farm.

Q.: Why is it called a "community project" when, in fact, a private company launched the project for the case study?

A.: This was the name used in the call for bids.

ADDITIONAL DOCUMENTATION

NOTE: All linked documents (PowerPoint, Prezi, etc.) are only available in their original French version.

PowerPoint from André St-Marseille, Municipality of Piopolis and Serge Bilodeau, MRC du Granit