



Hydro-Quebec Invests in Efficiency and Renewables

CEO THIERRY VANDAL OUTLINES MISSION

BY MARTIN ROSENBERG

◆ **HYDRO-QUEBEC, THE GOVERNMENT-OWNED** Quebec giant that serves 3.5 million customers, is planning a massive investment in energy efficiency. Thierry Vandal, president and chief executive officer, recently discussed the effort.

ENERGYBIZ Hydro-Quebec plans to invest \$868 million to save 5 billion kilowatt hours of energy by 2010. What is it going to be spent on?

VANDAL It's a five-year program. Our part of the investment is \$1 billion. We expect our customers, through participation in our energy-efficient programs, to invest on their side about \$1 billion dollars also. So the total is going to be \$2 billion. A lot of that will involve doing a significant residential diagnosis, going into homes and in a very sophisticated way helping people understand their use of energy. Very sophisticated thermostats also will be supplied. In industrial uses, we are investing alongside large industries to help improve client efficiency.



Thierry Vandal
Courtesy of Hydro-Quebec

“We’ve put in place a program in which we get the old refrigerators out of the homes.”

ENERGYBIZ How do you make sure that it doesn't get wasted?

VANDAL It's a program that's very regulated. All of this is preauthorized by our regulators, so it needs to meet prudence tests.

ENERGYBIZ What will you be doing with appliances?

VANDAL There are incentives for customers to buy Energy Star appliances and to replace and dispose of old refrigerators. We've put in place a program in which we get the old refrigerators out of the homes.

ENERGYBIZ Would you describe your efforts as pioneering?

VANDAL No, utilities in Vermont, for example, have really been showing the way for quite some time. We had a late start in this. Our electricity rates in Quebec are quite low, so it wasn't an obvious priority.

ENERGYBIZ What percentage of your generation is hydro?

VANDAL 97 percent.



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ENERGYBIZ What will you be spending to upgrade hydro?

VANDAL Over the next five years, we are investing \$20 billion overall. Of that, more than half is in large hydro development. Right now, we have under construction \$7 billion dollars worth of new, large hydro. We are blessed with a geography that is very, very well suited for low-impact hydro.

ENERGYBIZ How many megawatts do you think you'll be able to get out of this?

VANDAL We are looking at a little more than 2,000 megawatts.

ENERGYBIZ And how much of this will benefit Canadian customers versus United States energy users?

VANDAL It's always been the practice that the first few years we export significantly. As demand grows in Quebec, some of that gets recaptured.

ENERGYBIZ What percentage of Quebec's potential hydro power do you think is being tapped right now?

VANDAL There are still thousands of megawatts that can be developed.

ENERGYBIZ What is the future of electric cars?

VANDAL Through a subsidiary, TM4, we've invested significantly in the plug-in electric motors for plug-in hybrids. TM4 has developed a very sophisticated, compact, high-capacity electric motor adapted to electric vehicles or the plug-in hybrids. We are now deploying it in demonstrations with our partner, Dassault of France. ☒

