

U.S. funding in place for power line



Written by Ric Swihart Lethbridge Herald

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President Barack Obama's massive stimulus spending campaign for greater American energy self-sufficiency has reached into Alberta.

Bob Williams of Calgary, vice-president regulatory for Montana-Alberta Tie Ltd., said a new financing package or detailed term sheet for a repayable loan worth up to US \$161 million has been signed with the Western Area Power Administration.

The term sheet defines detailed financing terms and conditions under which Western is prepared to finance up to US \$161 million for completion of the MATL project. That will complement financing already in place by Tonbridge Power Inc., MATL's parent company, some through a New York bank and some through an agreement with one of the commercial electricity shippers Naturner which will operate a wind farm to produce power to transmit.

Williams said considerable work remains, but "if everything falls into place, we hope we can start construction as early as the fall."

That project, estimated by Williams at \$150 million, will link power substations in north Lethbridge and Great Falls, Mont., with a 300-megawatt transmission line capable of moving electricity north and south to meet market demand. Much of the electricity will be generated at three proposed wind farms in the Conrad, Mont. area.

Williams said the term sheet expands and supersedes the intent of a letter of agreement announced June 23 and extended July 31.

"The company will now move to complete definitive agreements and satisfy any final approval requirements," said Williams.

Execution of definitive agreements and funding remain subject to any remaining elements of due diligence and final approvals required under Section 402 of the American Recovery and Reinvestment Act of 2009. Western is a power-marketing administration of the U.S. Department of Energy.

Williams said MATL officials continue their mandated job of meeting with disgruntled southern Alberta landowners, mostly in the Coaldale where the proposed power transmission line is to be built. About 27 per cent of the landowners have signed agreements to allow construction.

"We continue to talk," he said. "It is important to remain engaged. We are working to find solutions to the landowner issues. We are required to sit down and listen to their issues and to understand how their farm operates. Agricultural land use is the key group."

He said a major job is to determine how the MATL line will impact the farm operations and to work out a solution to mitigate that impact as much as is reasonably possible.

Williams said the MATL project meets the requires of Washington spending — it creates jobs in construction and operation and maintenance and sparks green power generation and distribution, making the U.S. less reliant on imported energy.

"We believe that looking in the long term perspective, citizens of Alberta and Montana will see that the project will be good for both Montana and Alberta," said Williams. "As this project goes ahead, the people who have supported us all along will be proved correct. And we think a lot of the doubters will come along, too."

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