

What is the northeast corridor?

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Jeff Matthews
Commentary

As an energy company we get a buzz out of doing new projects. But what motivates us to get out of bed in the morning is that we are helping to make our region a better place to live, and work, and raise a family.

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Cindy Wilson/Telegraph-Journal

Jeff Matthews of Irving Oil speaks about the Northeast Energy Corridor while John Baldacci, Governor of Maine, Premier Shawn Graham and Energy Minister Jack Keir listen.

We have been inspired by the collaborative and bold vision of Premier Graham and Governor Baldacci for the development of the Northeast Energy Corridor. That is why, in response to their vision, we are very proud to be sharing with you today that we are seriously exploring this major energy infrastructure initiative.

The Northeast Energy Corridor would create a path to market to increase our region's supply of secure, reliable and clean energy, attract investment and create economic development opportunities here at home!

An energy corridor is like an energy pathway/highway that bundles together diverse forms of energy to increase the security of our energy supply and reduce its overall environmental footprint. It is an investment attraction tool to create economic development in our region.

The concept of the Northeast Energy Corridor we are studying would provide secure and reliable access for electricity, from renewable power, including wind, tidal, and natural gas-fired co-generation; petroleum products from our refinery; and natural gas transportation from our region's supply points; and would be "future proofed" to accommodate future energy forms and the productive use of CO₂.

The first phase of Northeast Energy Corridor would consist of a 1,200 to 1,500 megawatt electrical transmission capacity, wind generation and a natural gas fired co-generation plant that allows us to unlock the wind generation potential in our region.

Some of you may be wondering why an oil company wants to get involved in developing an energy corridor. If you look at the projects we have been involved with over the last number of years, it's clear that we see ourselves as energy company. Power generation, natural gas and LNG have become part of our portfolio. We're excited about the potential of tidal power with our study work underway in the Bay of Fundy, and we're looking at how we can integrate wind and tidal power in our proposed second refinery project.

The Northeast Energy Corridor concept goes beyond any one energy form. Our belief is that enhancing the diversity of our energy supply is the best way to achieve energy security and reliability. Betting on one form of energy is just too much of a risk.

Nobody can predict the future, but you can build for the future. It's why we built our refinery in a line formation, so we could expand it. It's why we have room at our LNG plant for more tanks. It's why we are studying the possibility of building an energy corridor for the future, whatever forms of new energy that might bring.

As an energy company that is open to all forms of energy we bring a unique perspective to this initiative. Wind is something we are very interested in. But as we all know, the wind doesn't blow all the time. For wind power to be viable, it needs to be combined with another source of power, a generator, that can easily and efficiently be turned up or down when the wind isn't blowing. That's why we're looking at a very economically and environmentally efficient natural gas fired power plant as part of this initiative.

We have also proven over the last number of years that we are committed to attracting other companies to come and invest here. Over the years that has included TransCanada, Air Liquide, Praxair, Repsol, and as you know we are currently studying the possibility of the second refinery with BP.

In my role with Irving Oil over the last 10 years, I've worked to bring a number of these companies to our region. When Kenneth Irving asked our team to study the feasibility of the Northeast Energy Corridor, he challenged us to explore an initiative that would have the capability to attract world-class partners to come invest in our region.

We are not a large company. In the international oil business we're a mom and pop shop. But we are grounded in the region, we stay close to our customers, and we see ourselves as a catalyst that is able to identify opportunities, develop those opportunities, and build relationships with all our stakeholders, including our community and partners who will come here to work with us to grow our region.

The corridor would be a big piece of the Energy Hub. It would help to solve the transmission challenge, unlock wind power projects, and create new jobs. It would help us better control our economic and environmental future.

Over the next few weeks and months we will continue to explore this opportunity, including feasibility work and preliminary engineering. As with Eider Rock, we will consult with our governments and our community, on both sides of our shared border.

I cannot stress enough that there are many hurdles ahead of us. Nothing is for certain. The fact we are taking this step should not be misinterpreted as indicating that this initiative or even that Eider Rock is a sure thing. There remain many challenges facing any major energy initiative in the region, including labour availability, infrastructure, capital costs, the uncertain economy and global competition.

But today we are committing to our premier and our governor, and to you, that we will be seriously exploring the possibility of developing an energy corridor, and we will work with you to see if we can make this happen.

We are a small region, and we have the same challenges facing the global economy today, but we have a lot going for us. We are close to raw materials. We are close to a large market. We have talented and hardworking people. We have ambitious goals set out for us by our premier and governor. But our greatest strength in this region is that we know the value of strong and long-term relationships.

The relationship between Maine and New Brunswick includes business ties but goes beyond them to include family and friendship ties. This is exemplified for us by the close personal relationship between our premier and governor.

We all know they like to climb mountains together. The current economy has made the climb a little steeper for all of us. But our premier and governor have laid out a challenge: to climb the mountain together. And together, by holding onto the same rope, we will give it our best effort.

Jeff Matthews is Director of Business Development at Irving Oil.