

A number of the larger provincial utilities export electricity to the US including Hydro Québec, Manitoba Hydro and BC Hydro. Some rough estimates suggest that exports of electricity to the US account for between 15 and 25 per cent of the total revenues of these companies.

There is a clear trend toward deregulation of the electric utility business in North America. The North American Free Trade Agreement is among the transnational legislative/regulatory instruments that are serving to open up the electricity market to increasing free trade between countries. At the same time, provinces like Alberta are taking the lead among Canadian jurisdictions in working to remove regulatory barriers to domestic competition.

Many North American utilities and electricity distribution (and energy efficiency) companies are responding to deregulation by adopting more aggressive approaches to competing in North America. US companies have begun marketing their electricity and related services to major Canadian industrial customers. Canadian companies are increasingly looking south to identify new business development opportunities.

"BC Hydro is competing with US companies to provide electricity to the "greener" markets of Oregon and California – states in which consumers have a high degree of environmental awareness – and the ECR will certainly help position us."

John Kelly, Program Manager
Environmental Commitment and Responsibility Program

The CEA anticipates that implementation of the ECR Program will contribute to cost savings and increased efficiency in environmental management in moving beyond compliance. ECR-related improvements in financial and environmental performance are considered important in helping the industry remain competitive, both domestically and internationally.

The CEA considers that the improvements in environmental performance resulting from the ECR will help its members differentiate their products from those of other utilities. It is the CEA's growing view that companies who generate and distribute power in an environmentally sound manner will be best positioned to retain and attract customers. This view is based, in part, on a trend toward customers asking increasingly about environmental performance. In providing a framework for documenting member performance on the environment, the ECR can help Canadian utilities to qualify for US export electricity contracts. Equally, where industrial and commercial customers of Canadian utilities export their products, the ECR could help them qualify as the supplier of choice. Indeed, there is already some anecdotal evidence that the ECR is providing an environmental benchmark against which North American utility performance can be measured and promoted. This is demonstrated, in part, by the growing interest among US utilities in participating in the program.

A good example of the increasing importance of environmental considerations in Canada-US trade in electricity is found in a current legal case between BC Hydro and