

\$3.4 million Bonnechere River dam project gets green light

by Susan Quevillon
Mercury reporter

1991

Renfrew's Hydro Commission gave the go ahead for a 1.4 megawatt hydro electric generating station to be developed on the 1st Chute of the Bonnechere River downstream from Renfrew.

The commission signed a letter of intent to proceed on a development agreement with Algonquin Power Corporation Inc. of Mississauga.

Algonquin Power will lease land and water rights from Renfrew Hydro for a maximum term of 25 years, while Renfrew Hydro receives a five per cent royalty on energy sold to Ontario Hydro.

First year royalties should add about \$27,000 to Renfrew Hydro coffers.

Ontario Hydro is pursuing a plan to buy power from small sources across the province rather than construct a megawatt project that requires substantial transmission lines to transfer power.

At the end of 25 years, the plant, land and water rights return to Renfrew Hydro at no cost. In the meantime, Renfrew Hydro has a purchase option that allows the commission to terminate the lease early.

"It's a good deal for Renfrew," said Hydro commission chairman Gary Wilson. "There's a lot of protection in there for Hydro."

Using a company to develop the dam not only frees Renfrew Hydro from costly construction but ties into long term benefits.

Revenue will be used to upgrade Renfrew's existing generating facility.

Algonquin assumes all the risk in the deal.

"We kind of hold all the cards," Wilson said. "We control the water and we control the land."

The company covers all construction costs and is responsible for approvals from government ministries, Ontario

Hydro, the town of Renfrew and Horton Township.

Renfrew Hydro will approve all engineering reports, designs and construction procedures.

The deal has been studied by the Renfrew commission for almost a year. Other private developers were considered up until December when the commission agreed on Algonquin's proposal.

Algonquin agrees to pay the approximate \$45,000 for annual maintenance and operation. Insurance, taxes and other expenses also fall on Algonquin's ledger.

Government grants and funding Renfrew Hydro is not eligible for can be used by Algonquin to develop the project.

Each year, the company will contribute five per cent of capital costs to a fund covering any repair or restoration work needed at the end of the lease.



Nov 27/91

Drug Awareness Week's kick off breakfast was a total success with over 130 people attending. Pictured above l-r is Marcia Timm and Belua Wright who are reading the proclamation. The event was catered by the Womens Auxiliary Committee.