

Hydro-Québec's Exports: Update, October & November 2025

Summary Findings and Some Questions

Doug May

The Noose Continues to Tighten on HQ

- **Falling Exports**: Even with imports adding to the available electricity, with falling supply, there is little room for exports for many months. During March-June 2025, less than **4%** of the total available was exportable, while in March-June 2022, at least **12%** was available.

- Exports by HQ to the USA in October were almost 92% lower than the same month three years earlier.
  - The decline was spread along its markets in Vermont, New York State and Maine with Vermont being the primary market. HQ's spike in the colder winter when demand and prices are high. An opportunity for HQ to make substantial profits during this period exists.

Percentage Changes In HQ's Exports

	From the same month (October) last year	From October 2025 to October 2022
Total Exports	**14.8%**	**-68.6%**
Exports to Other Provinces	**22.2%**	**-29.1%**
Exports to the USA	**-12.5%**	**-91.9%**

From HQ

Strong performance on export markets

Colder winter: Increase in market prices

- Sales of approximately 6 TWh at 16¢/kWh in 2025 (9¢/kWh in 2024)

NLH price data into the NY market for the same first six month was 8.7 cents /kWh.

HQ's Mid-year report: Aligns with Stats Can's sales data and CER price data for HQ sales into NY

Some Questions: Exports

- **Exports**
  - ❖ Why are CER data on exports not consistent with HQ information.
    - ➢ CER states that no electricity is exported to NE-ISO. HQ 2025 semester report says it is our primary customer. Why the difference???
    - ➢ Why in the first six months of 2025 was the average sale price for HQ power into NY State **15.81¢/kWh** while NLH power was **8.2¢**/kWh? Transmission costs?
    - ➢ Why are CER's export data for New York state not consistent i.e. Price x quantity does not equal value, when it is consistent in other cases?

Interested in The Evidence Using Data?

Follow this link:



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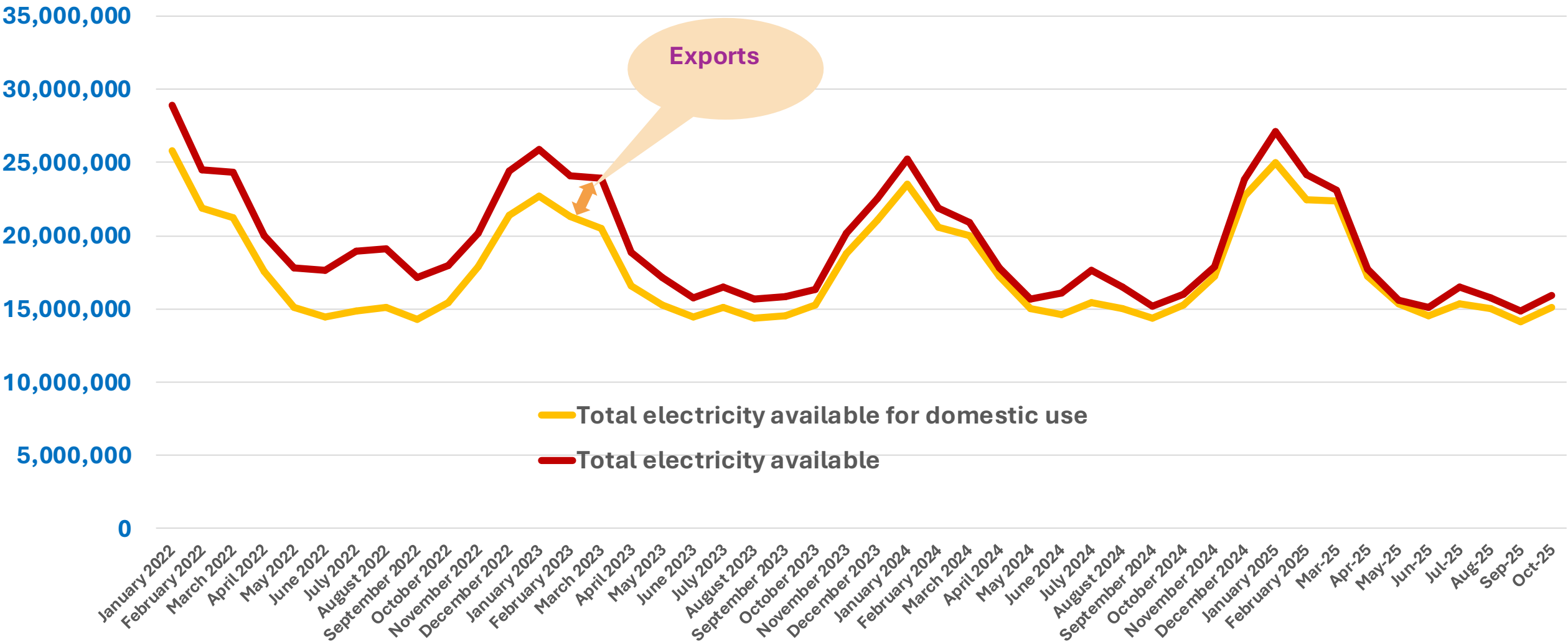
Findings: Supporting Evidence

Doug May

Talking Note (TN) 1

- Almost all of the electricity available(including CF) is increasingly needed to meet domestic needs.
- This leaves little electricity for export including that needed for long term commitments to other provinces, principally New Brunswick.

Exporting Electricity for Profit, January 2022-October 2025



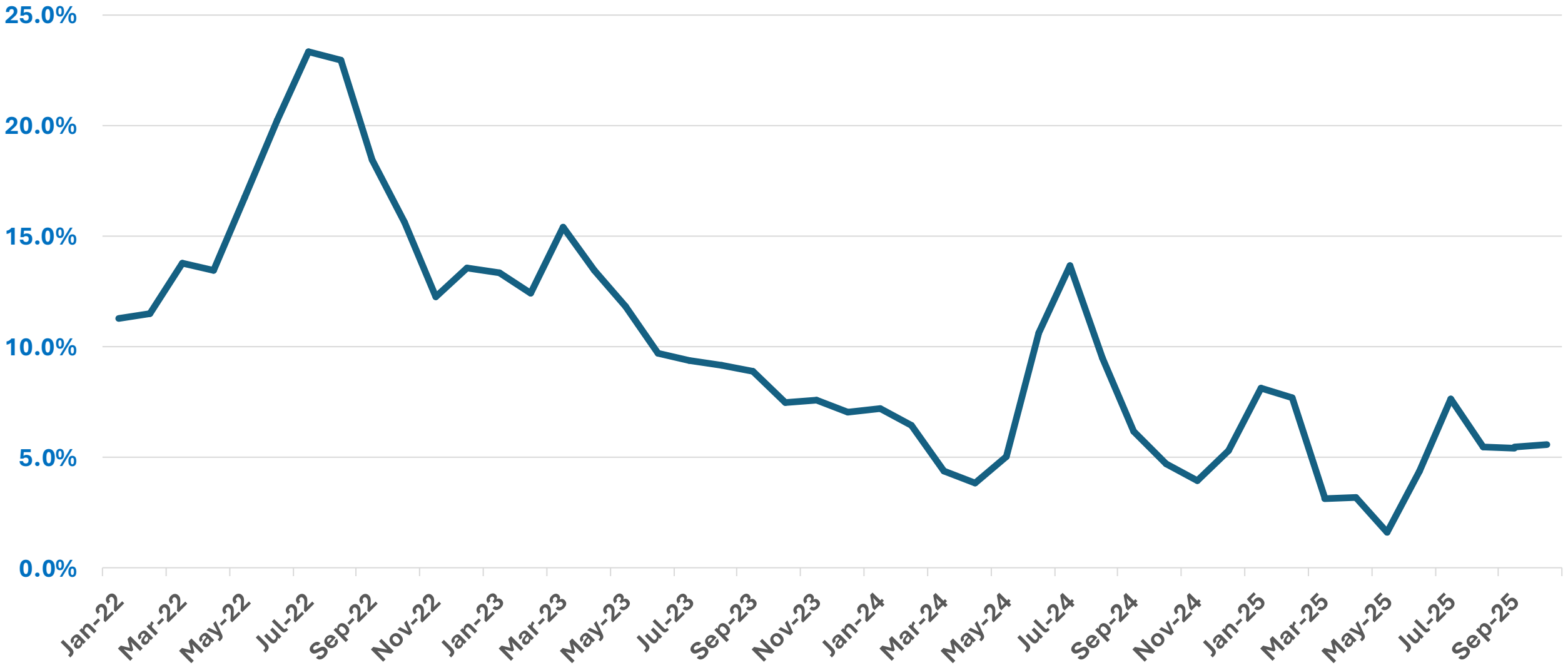
Source: Statistics Canada, Table 25-10-0016-01

Talking Note (TN) 2

- Most of the electricity produced in Quebec comes from Hydro-Québec's operations.
- We can assume that it is Hydro-Québec that does the importing and exporting of electricity.
- The chart below shows a general decline in the export of available power by HQ.
- HQ and Quebec are net importers of electricity and Churchill Falls is a significant (and very inexpensive) source of those imports.

The amount of electricity available for export in October was down by 5.5 percentage points from a year earlier and 14.6% points from that month 3 years earlier.

TOTAL EXPORTS AS % OF TOTAL AVAILABLE TO HQ: Jan. 2022 – Oct. 2025



Source: Statistics Canada, Tables 25-10-0015-01 & 25-10-0016-01 with author's calculations

Talking Note (TN) 3

- HQ exports increased in July by **almost 15 %** from the same month a year earlier, fell by **almost 70%** over the past three years.
- HQ states that its sales data in the first half of this year was 6 TWh (6 million MWh). Stats Can data are consistent with this figure.

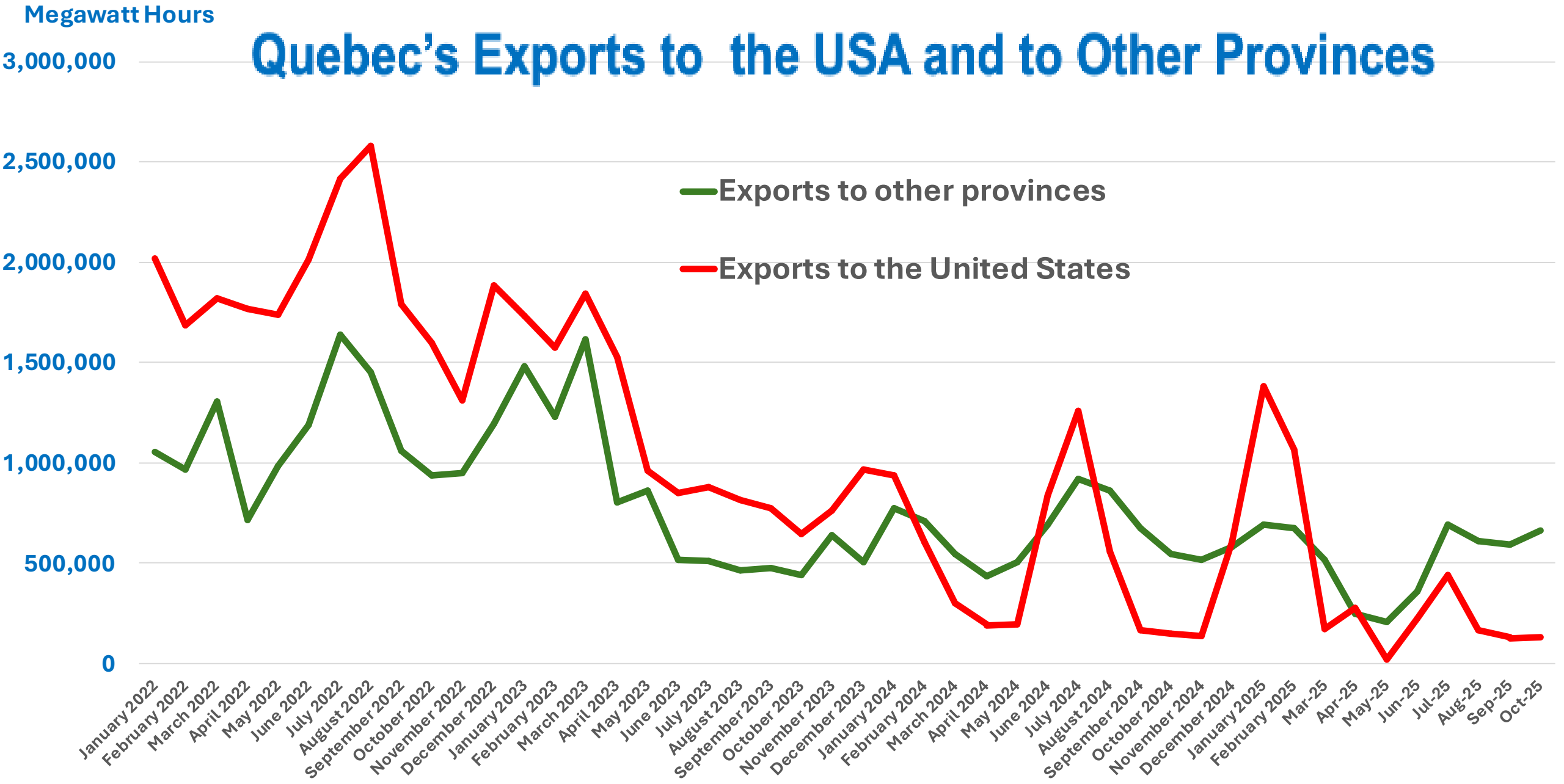
Percentage Changes In HQ's Exports

	From the same month last year	Over the past three years
Total Exports	**14.8%**	**-68.6%**

Talking Note (TN) 4

- Exports to the USA in October were down by **12.5%** from the same month in 2024 and **91.9 %** from three years earlier.
- Exports to other provinces to other provinces were up **22.2%** year/year in October but fell just over **29%** over the past three years.
- In the diagram below note the growing relative importance of trade within Canada.
- Export commitments to NB dominate commitments to U.S. states.
- Note also that suggestions in the MOU to base Churchill River's electricity prices on specific markets might acknowledge changing trade patterns.

Quebec's Exports to the USA and to Other Provinces



Source: Statistics Canada, Table 25-10-0016-01

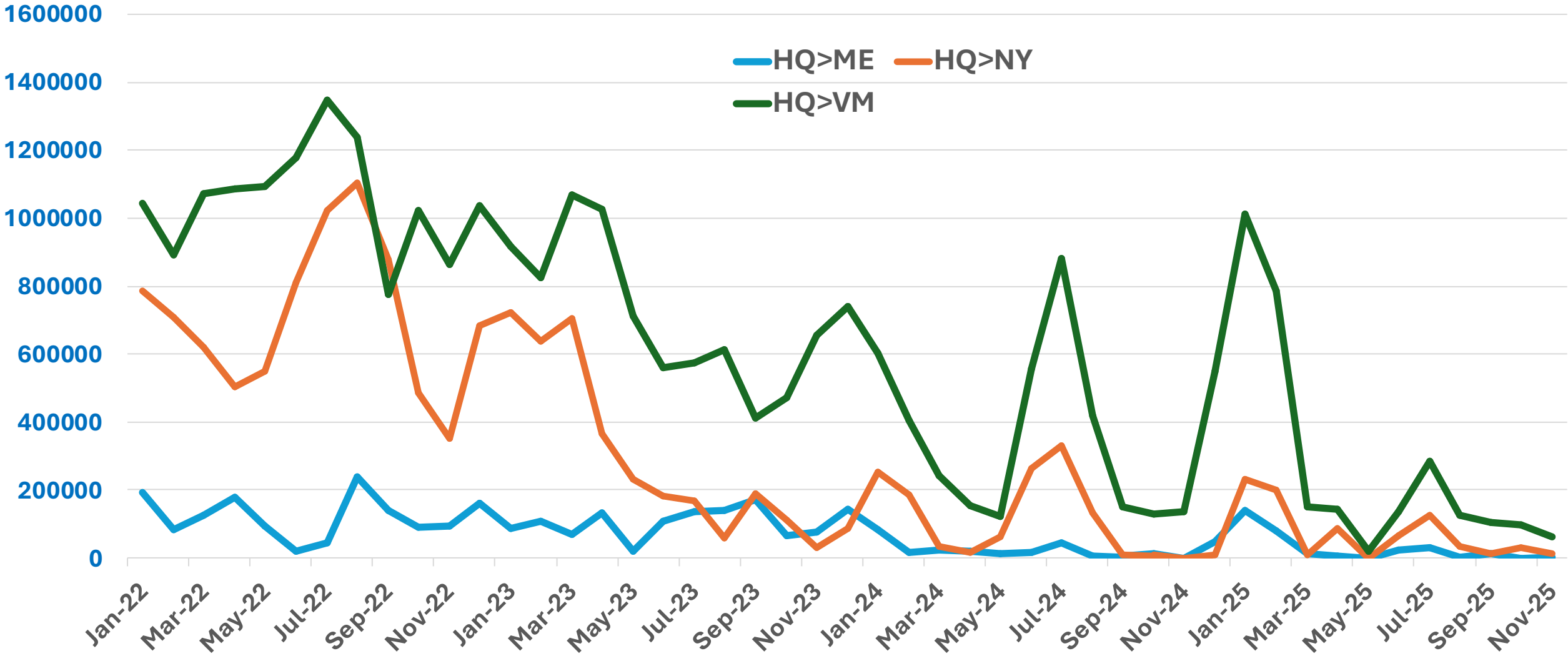
Percentage Changes In HQ's Exports

	From the same month last year	Over the past three years
Exports to Other Provinces	**-24.8%**	**-57.7%**
Exports to the USA	**-65.1%**	**-81.8%**

Talking Note (TN) 5

- According to the Canada Energy Regulator data Vermont seems to be the dominant export market for HQ with NY State not far behind.
- Exports to Maine from HQ seem sporadic.
- CER data report no significant sales from Quebec into New England –ISO. However, HQ Quarterly reports often refer to New England-ISO and the prices it receives there. It is not clear HQ's reason for doing this.
- NLH seems to be taking over the NE market according to CER and increasing its exports into NY.

Monthly Exports of Electricity from HQ to U.S. States, Jan. 2022 –Nov. 2025

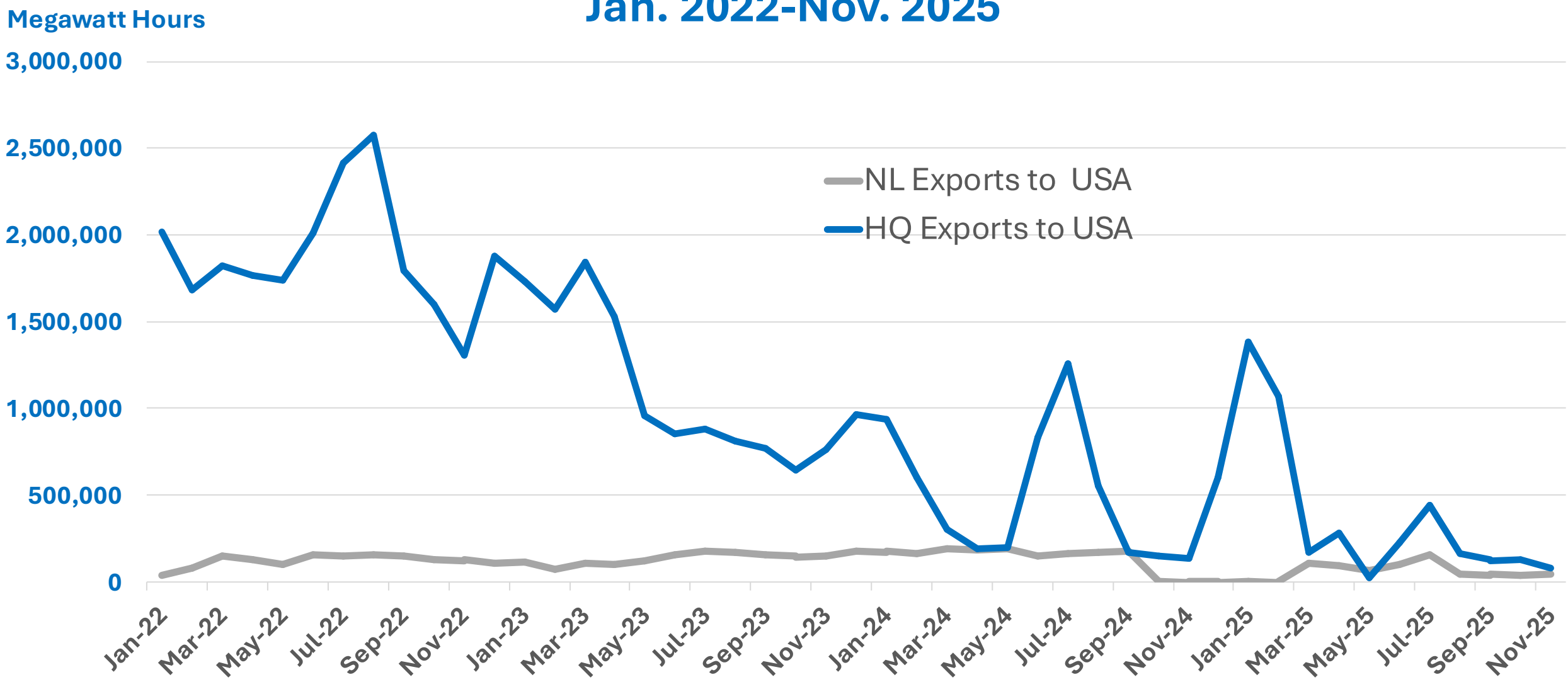


SOURCE: https://apps.cer-rec.gc.ca/CommodityStatistics/ViewReport.aspx

Talking Note (TN) 6

- The amount of electricity that Quebec exports to the USA has been much larger than Newfoundland and Labrador has.
- Once electricity is in the grid it is likely impossible to say where is was generated.
- The decrease by Hydro-Quebec in its electricity sales to the USA over the last four years is remarkable. Keep in mind, that while most people might believe that Quebec is a net exporter of electricity to the USA, it is a net importer.
- Also keep in mind that HQ has invested vast amounts of money over the past couple of years constructing and upgrading transmission lines into the USA. It promotes hydroelectricity as green energy

Monthly Electricity Exports by Quebec and NL to the USA: Jan. 2022-Nov. 2025

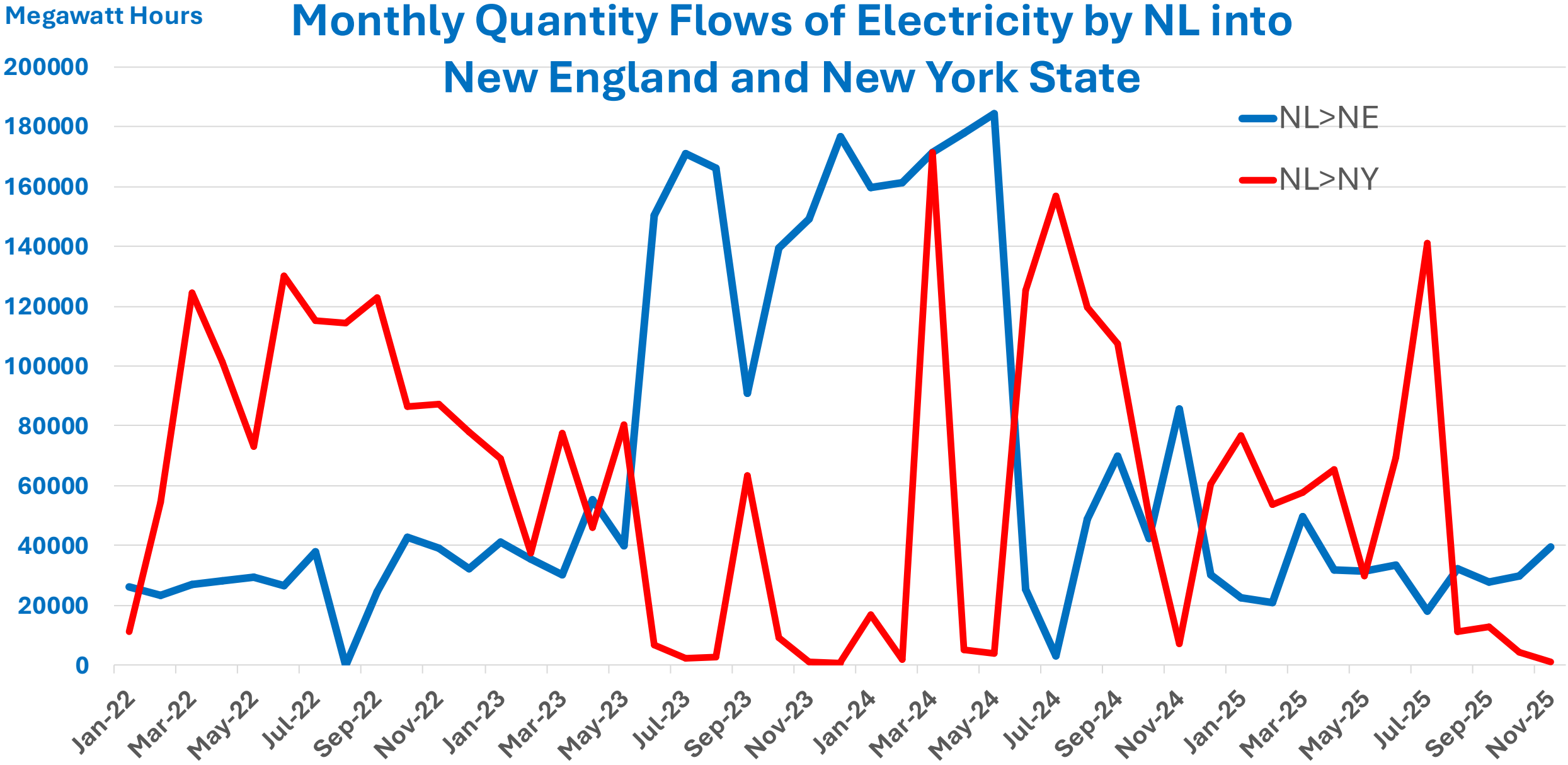


Source: Statistics Canada, Tables 25-10-0015-01 & 25-10-0016-01 wi

Talking Note (TN) 7

- While there is not a pattern here. It is interesting that it is NL and not Quebec that ships electricity into New England. Quebec had entered into agreements with NE-ISO to export cheap green hydroelectric power into states such as Massachusetts. To do this it built new transmission lines through Maine, which were very controversial due to environmental concerns.
- In early 2026, a kWh of electricity is about 33¢ US or 45.5¢ Canadian. This price is about 3X the current price to households in St. John's.

Monthly Quantity Flows of Electricity by NL into New England and New York State

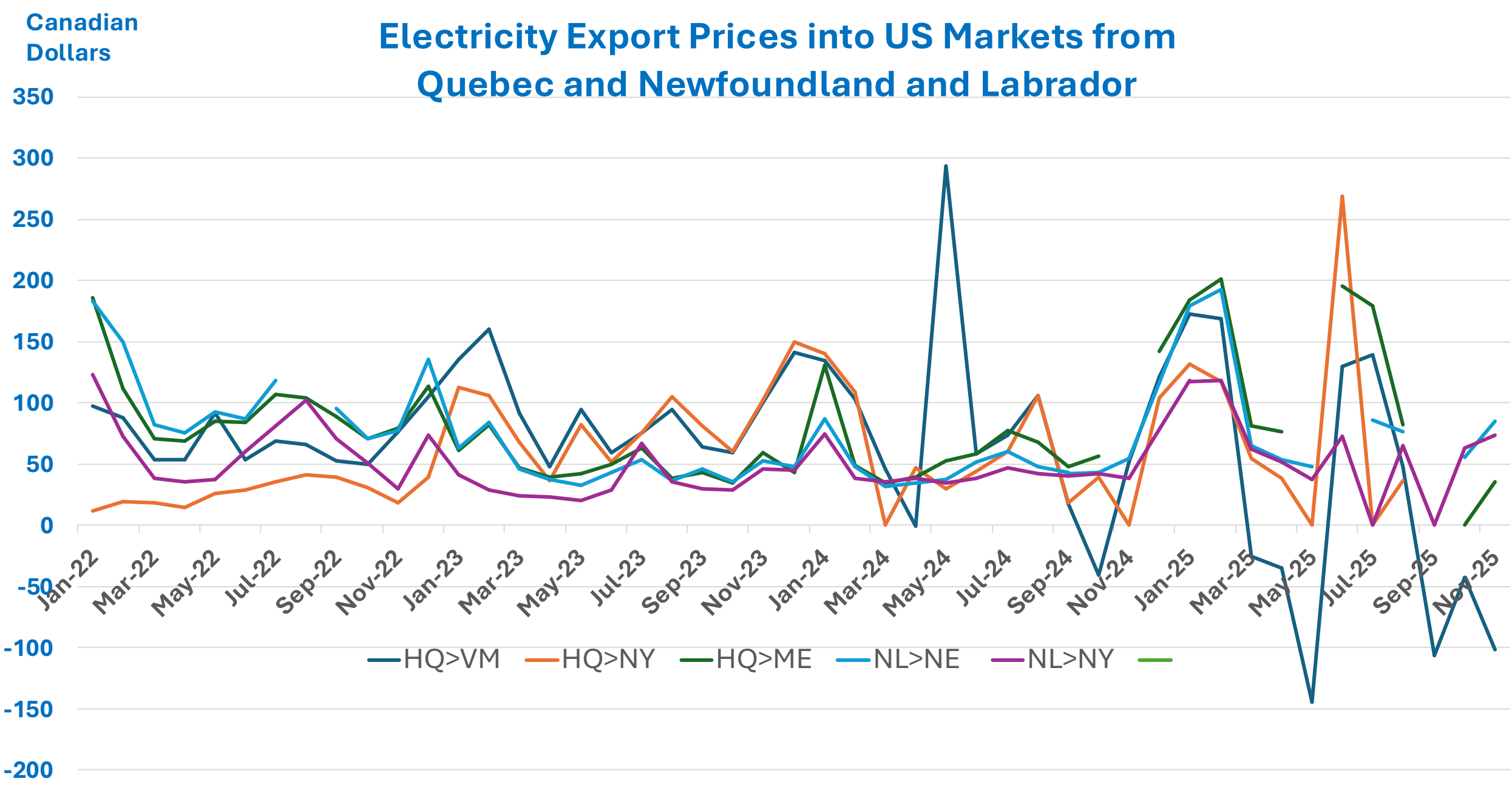


SOURCE: https://apps.cer-rec.gc.ca/CommodityStatistics/ViewReport.aspx

Talking Note (TN) 8

- The pattern of export prices into selective US markets using Canada Regulator Data seems to be increasingly inconsistent and unreliable.
- How can trade prices be negative? Why are there extremely high prices in one market and not in others? Why does price x quantity not equal value when dealing with exports from NL but not from Quebec.
- My repeated email requests and phone calls to CER in Calgary have been met with silence or a non-response. Reliable price data are necessary to determining the potential value of Churchill River electricity and water rents.
- These data problems must be resolved before any adjustment price process for electricity outlined in subsequent negotiations can be implemented.
- If there is a seasonal price pattern. Export prices are the highest in the coldest months and then increase somewhat in July and August!
- Since electricity production and exports follow seasonal patterns then prices should not be set annually but seasonally which is what Hydro-Québec does in its export markets and is moving towards in its domestic markets.

Electricity Export Prices into US Markets from Quebec and Newfoundland and Labrador



SOURCE: https://apps.cer-rec.gc.ca/CommodityStatistics/ViewReport.aspx

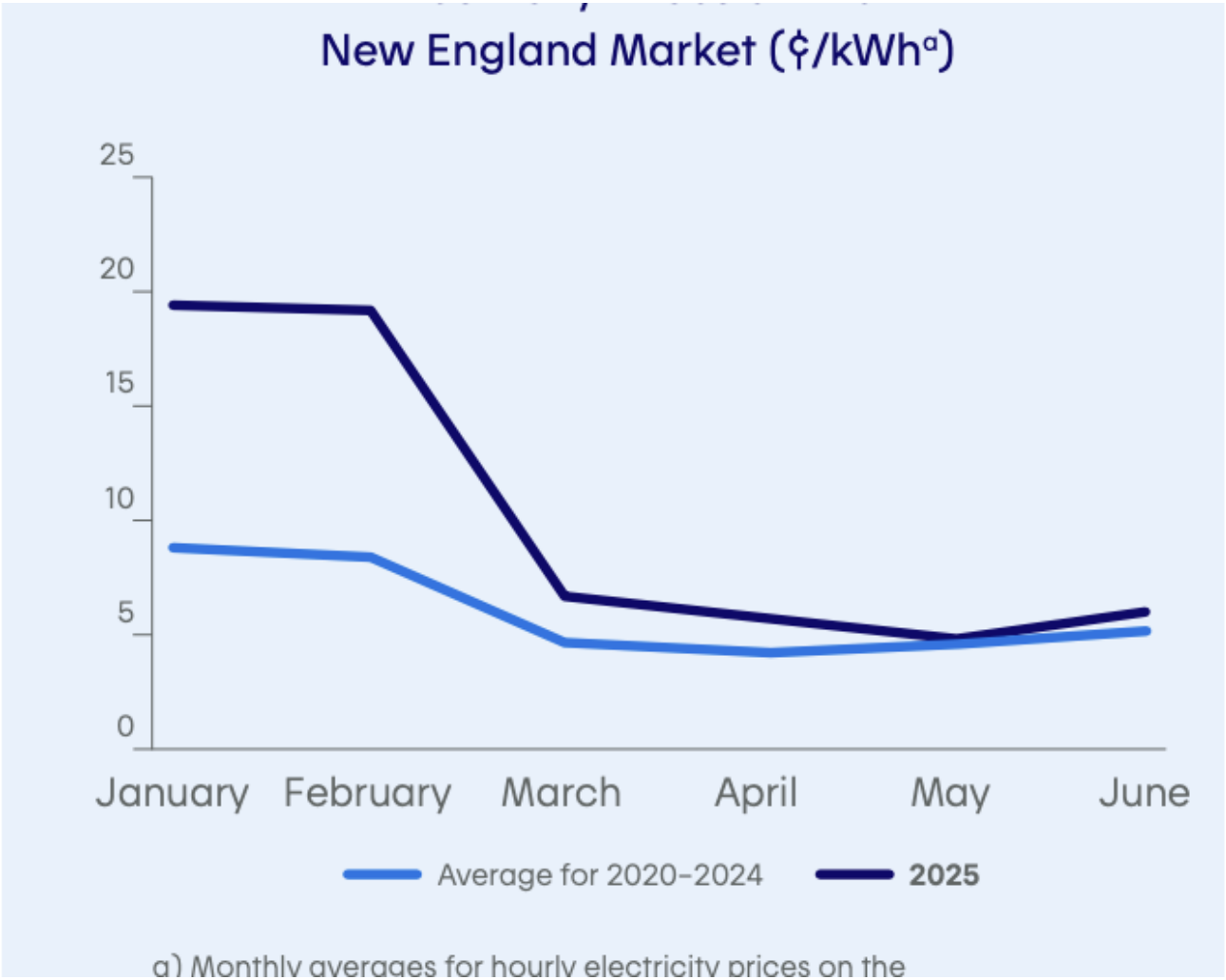
Talking Note (TN)9

- The chart below and comments come from the 2025 mid-year report from Hydro-Québec.
- The higher export price in the winter of 2025 is probably due to colder temperatures when increased demand competes with supply constraints.
- The price pattern for 2025 seem to be consistent with CER's report for NL exports to NE.
- It is not clear why Hydro-Québec reports sales to New England when CER reports that it does not export there. Another puzzle to be solved.

“The company increased electricity exports to take advantage of high prices in a context marked by strong demand.”

Semi-Annual 2025 Report from Hydro-Quebec.

On markets outside Québec, weather conditions experienced during the first few months of the year caused energy prices to increase overall.



HQ’s Mid-year Statement, 2025

Strong performance on export markets

Colder winter: Increase in market prices

- Sales of approximately 6 TWh at 16¢/kWh in 2025 (9¢/kWh in 2024)

Increase in income as a result of an efficient marketing strategy, supported by the reliability and performance of its generation and transmission equipment

The Bottom Line

- HQ has a reputation as an energy powerhouse able to provide clean energy and meet the needs of markets in the USA.
- HQ's exports continue to fall due primarily to declining hydroelectric production resulting from the continuing drought.
- Exporting electricity is profitable at any time but particularly in the winter months when prices are high. A key component of this process is using hydro reservoirs a storage batteries.
- Any "profit" is used by HQ to reduce electricity prices to its domestic customers. Quebec follows profit-maximizing principles in operating outside Quebec.
- The key to making all this strategy work is very cheap and abundant power from CF. It's a necessity for HQ. It's natural and rational that hydro Quebec can best meet its supply shortfalls by increasing production at CF and Gull Island.

Thanks for watching!

Hydro-Québec Reports

Strong performance on export markets

Colder winter: Increase in market prices

- Sales of approximately 6 TWh at 16¢/kWh in 2025 (9¢/kWh in 2024)

Lower prices in the second quarter: Increase in electricity imports

- Purchases of approximately 6 TWh at 5¢/kWh (3¢/kWh in 2024)

Increase in income as a result of an efficient marketing strategy, supported by the reliability and performance of its generation and transmission equipment

Percentage Changes in HQ's Imports and Exports (MWh) With New York State Year-to-Date (Nov)

	From the same YTD 24	From the same YTD 22
Exports to NY	-37.0%	-89.6%
Imports from NY	75.0%	691.5%

Storyline: Exports are falling and imports are rising.

HQ Mid-year Statement, 2025

SOURCE: https://apps.cer-rec.gc.ca/CommodityStatistics/ViewReport.aspx

Percentage Changes in Prices of HQ's From New York State for YTD (Nov) 2025

	From the same YTD 2024	From the same YTD 2022
Imports from NY	**84.6%**	-47.2%

Nice story for 2024: Cost of importing electricity into Quebec from USA has risen. Wonky data for 2022. Solution: Clean up the data and double-check the sources.

A Summary

- This declining generation has led HQ to curtail exports to the USA and increase its power imports from New York State. HQ is currently a net importer with the USA. This is a significant change in historical patterns.

- Prices of imports from and exports to the USA are generally rising. This increases the relative attractiveness of Churchill Falls power with its very low, relatively fixed cost.
- Check the data sources on prices. Export volumes from CER and Stats Can are consistent but electricity price data from Stats Can are not available.