

Québec's Changing Import Picture:
(Follows Video #3-A in the CRPP Series)

Doug May

The Role Of Churchill Falls Import in Quebec's Electricity Picture (Video 3-A)

- Churchill Falls electricity is a **necessary** "import" to Hydro-Québec. It guarantees Quebec a long-term, secure, and extremely cheap source, of electricity to meet its own domestic needs and to **profitably export electricity** to NB and **particularly** to the USA.
- As such, CF electricity enables HQ to provide Quebec households and businesses with the cheapest power in Canada and the G7, which include the USA.
- Some would say that NL "**subsidizes**" Quebec's low electricity prices.
- The key to CF electricity's low price is the almost **free cost** of the vast water resources of the Churchill River.
- As the former Government of Newfoundland and Labrador wrote in it "Our Chapter" , it hopes the MOU will unlock the "**value**" of CF.

HQ’s Import Picture 2022 & Earlier

- In 2022, **14.0 %** of the electricity available to Quebec came from imports.
  - **13.7%** of the available power came from other provinces, some from Ontario but the **vast majority** from Churchill Falls.
  - **0.3%** came from the USA
- Before 2022, HQ rarely imported power from the USA.

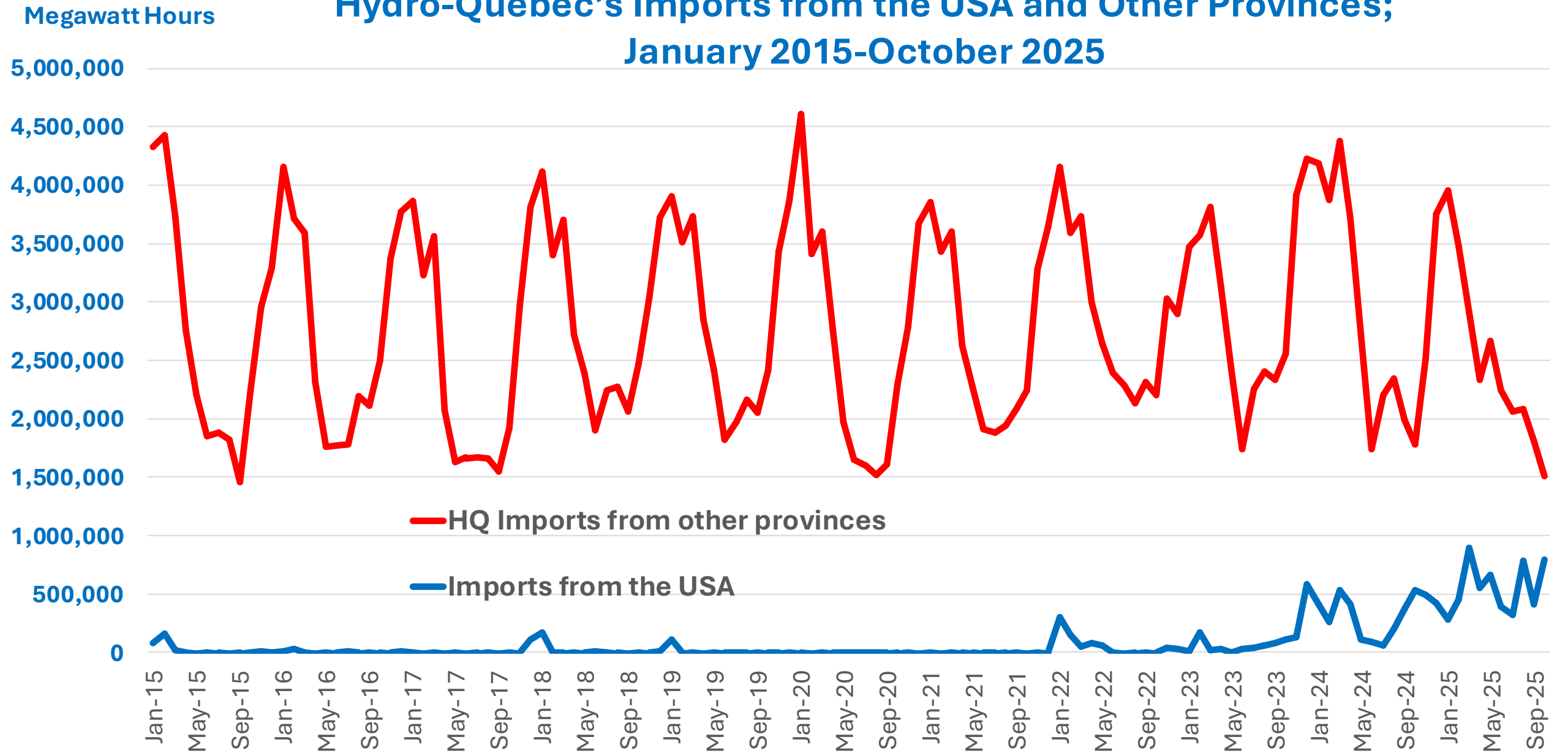
The Amazing Restructuring of HQ's Import Picture in 2024 & 2025

- In the first **ten** months of 2025, total imports were **up 3.5%** from the same period last year.
  - Imports from other provinces we **down 13.3%** during this period. It is not clear to me why this is occurring since, I believe, most of this imported power likely comes from Churchill Falls. This power is absolutely and relatively cheaper than power from elsewhere, and so why the decline when total imports increased.

- In 2024, **17.4%** of the electricity available to Quebec came from imports.
  - **15.7%** of the available power came from other provinces.
  - An approximate estimation is that about 31.5 TWh of electricity imported into Quebec in 2024 came from Churchill Falls. This represented about **80.6%** of the total imported power.
  - **1.7%** came from the USA

- In the first **ten** months of 2025, imports from the USA were up **128.9%!**
- During this period, **imports** from the USA were greater than **exports by 38.8%**. Traditionally, exports to the USA are greater are greater than imports. **This is an amazing change in electricity trading patterns with the USA.**

Hydro-Quebec's Imports from the USA and Other Provinces; January 2015-October 2025

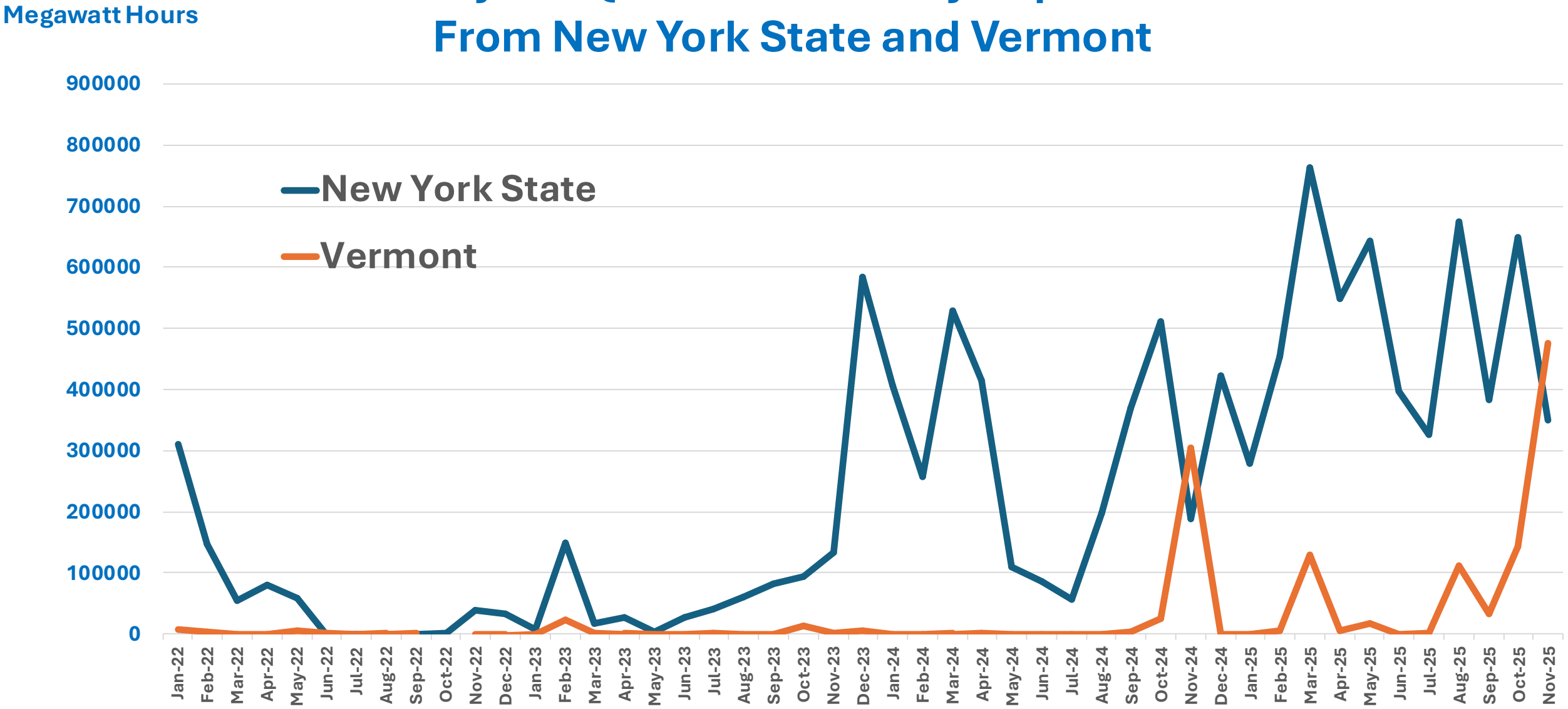


Source: Statistics Canada, Table 25-10-0016-01

Imports From Vermont and New York State

- Once again, the chart below illustrates the remarkable changes in import patterns. Imports from New York start to play a continuing and more significant role in 2023. Imports from Vermont come into the picture in late 2024 and increasingly in the second half of 2025.
- The nature of the imports is changing rapidly after many years of the picture being constant. It is hard to predict what 2026 and beyond will look like.
- For Hydro-Quebec security of supply may not be there since it is entering competitive and dynamic U.S. markets.

Hydro-Québec's Monthly Imports From New York State and Vermont

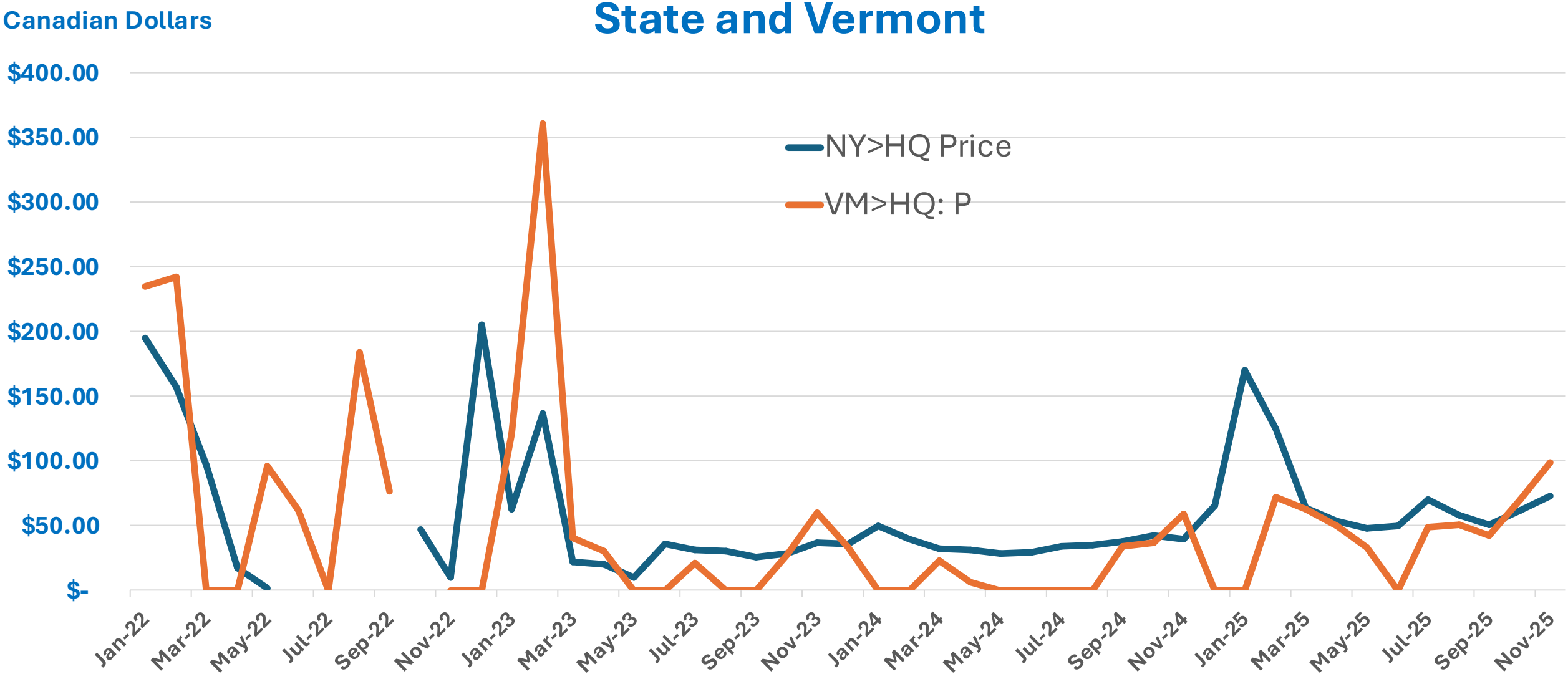


SOURCE: https://apps.cer-rec.gc.ca/CommodityStatistics/ViewReport.aspx

US Import Prices Paid by Hydro-Québec in Canadian Dollars

- The chart below should be used with caution. Prices (Canadian dollars) in 2022 reflect the inflationary forces in play after the pandemic of 2020-21.
- Electricity production in these U.S. states began to use more natural gas in electricity production and these gas prices began to fall in 2023.
- The cost of gas plays a significant role in explaining the price of electricity. Water is relatively very cheap and explains why hydroelectricity is relatively so cheap.
- Electricity prices will rise in the winter months as household demand increases and gas production and transmission is affected by cold weather.

Hydro-Quebec's Import Prices For Electricity from New York State and Vermont



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

My Summary

- There is a growing dependency in Quebec on imported power, particularly **relatively expensive** electricity (about **25 times** more expensive than CF electricity) from the USA.
- The changing picture is a remarkable change from the historic picture.
- The future picture is unfolding but it puts Québec in a very difficult position if it continues.
- Over the past decade Quebec has entered into agreements with its traditional trading partners and made infrastructure investments assuming its export of green low-cost electricity would continue. Instead, the electricity is flowing into Quebec and not from it!
- Churchill Falls, with its super cheap power, has reached its generating capacity and cannot export more power to Quebec.
- Does Hydro-Québec have a long-term problem?

	First Quarter 2025	Second Quarter 2025	To date (Sept.	
Price (per kWh) of Imported power from NY into Quebec	10.25¢	5.04¢	7.15¢	

Thanks for Watching