

**CLIMATE CHANGE BECOMING OVER-ARCHING ISSUE**

**Little Rapids, Newfoundland and Labrador** - Atlantic energy ministers agreed today that climate change is now more than ever becoming the over-arching issue for the energy sector and presents both challenges and opportunities for the region.

The ministers met Tuesday, October 26, in Little Rapids, Newfoundland and Labrador. The meeting was hosted by Ed Byrne, Minister of Natural Resources for Newfoundland and Labrador and chaired by Jamie Ballem, Minister of Energy, Environment and Forestry for Prince Edward Island. Also attending was Bruce Fitch, Minister of Energy for New Brunswick. Given commitments in Ottawa, Cecil Clarke, Nova Scotia's Energy Minister, participated in the meeting via teleconference.

Today's meeting was the fifth time the Atlantic energy ministers have met and they continued their efforts to develop a regional approach to addressing energy issues both in the region and nationally. The ministers are eager to advance their region as being in a strong position to take advantage of the opportunities presented through the federal government's commitment on climate change. The ministers are encouraged by recent messages from the federal environment minister which speak to the importance of linking competitiveness of the region's economy with the quality of our environment.

"We are moving forward in unison to address important issues facing the energy sector, particularly climate change," said Minister Byrne. "Our position is the Atlantic region can play a very critical role as Canada moves forward to set out its plan to manage the challenges presented by the federal government's Kyoto commitments."

The ministers also recognize climate change poses particular challenges to the region including the goal of reducing greenhouse gas emissions. The ministers reiterated the need for clarity from the federal government as to its plans to deal with climate change on a national basis, particularly its intent toward large final emitters and federal support for regional adjustment measures. Maintaining the federal government's commitment that no region of the country will be unfairly burdened is essential.

To initiate short-term remedial action on climate change, the ministers discussed a number of potential initiatives for the region in the areas of renewable energy, energy efficiency and demand side management and have directed officials to develop specifics for these initiatives on a regional basis.

The potential for longer-term solutions was also on the ministers' agenda including the development of the hydroelectricity project on the Lower Churchill. Ministers toured the existing Churchill Falls plant on Monday.

"I was most impressed with the tour of the site and get a sense of the tremendous opportunity that the 3000 megawatts of clean renewable energy which are available from the Lower Churchill represents for the region and the entire country," said Minister Ballem. "A project such as this must be considered as being of significant national importance."

The meeting also included an update on the project for a second international power line linking the Maritime provinces with the New England system.

“I am very pleased with the progress to date on the second tie-line project and the cooperation that has taken place among governments and utilities in the region to make this happen,” said Minister Fitch. “This development will provide greater system reliability and market access for buying and selling electricity within the region and the New England states.”

Ministers also took the opportunity to consider the potential to the region of the national electricity grid.

On the oil and gas side of the energy sector, Minister Clarke provided an overview of the progress made to date through the Atlantic Energy Roundtable on oil and gas, particularly as it relates to streamlining the regulatory regime.

“To be competitive in the global petroleum industry, the regulatory process for exploration and development in Canada’s east coast must be in line with other jurisdictions,” said Minister Clarke. “We are seeing progress with the federal government and are looking forward to further streamlining to provide industry with a predictable regulatory environment that it needs to invest in the region.”

The ministers reiterated the need to pursue the ongoing dialogue with the appropriate federal ministers on the importance of the energy sector to advance economic development in Atlantic Canada as well as to address the specific issues identified by ministers at this meeting.

The ministers also had discussions on the rising cost of energy prices. While the increasing oil prices are out of their control, ministers want to examine on a cooperative basis potential initiatives to increase public awareness of energy efficiency.

The ministers also heard a presentation from a representative of the Energy Dialogue Group, a coalition of 18 national energy associations.

The Atlantic Energy Ministers’ Forum was formed by the Council of Atlantic Premiers. It advocates regional cooperation on electricity, oil and gas, renewables and other energy initiatives.

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