

New England Clean Energy Connect: Hydro-Québec's resource position and planning history

By **Robert McCullough** · [Listen to article](#)

Law360 Canada (October 1, 2026, 8:45 AM EDT) --

1. Institutional and transparency background

Hydro-Québec is a Crown corporation owned by the Quebec government. Unlike most U.S. utilities, its finances and policies are strongly shaped by the provincial government and the governing party's policy objectives. Quebec has a regulatory agency, but it is also part of the provincial governmental structure.

When François Legault became premier in 2018 and appointed Pierre Fitzgibbon as a combined industry-and-energy “super-minister,” Quebec policy emphasized both increased exports and low domestic rates. Those objectives became difficult to reconcile as domestic load grew, new supply additions lagged and planned export projects to New England and New York experienced delays.



Robert McCullough



rusa: ISTOCKPHOTO.COM

Hydro-Québec publishes comparatively limited utility-planning and operating detail. Some of the most useful information about Quebec's electric system is therefore found outside Quebec, including filings at the Federal Energy Regulatory Commission, North American Electric Reliability Corp., Northeast Power Coordinating Council, and the neighbouring Ontario, New York and New England control areas.

2. Hydro-Québec's own planning warnings

Hydro-Québec's March 2022 Strategic Plan for 2022-2026 identified an approaching load-resource balance problem: capacity balance by 2026 and energy balance by 2027. The plan projected \$25 billion of new investment by 2026.

The following year, Hydro-Québec's Action Plan 2035 made the scale of the challenge more explicit. It projected incremental needs of approximately 60 terawatt hours and 8,000 to 9,000 megawatts by 2035, at an estimated additional cost of \$200 billion.

These planning documents demonstrate that the system's tight position was foreseeable. They also show why a 20-year export agreement that assumes dependable availability from existing hydroelectric resources required clearer provisions governing priority of service and curtailment during drought or capacity shortfalls.

3. Resource commitments and priority of service

The New England Clean Energy Connect (NECEC) agreement identifies 62 Quebec

hydroelectric facilities as the source of delivery. Their aggregate nameplate capacity is 38,767 megawatts. The key question is not merely their aggregate nameplate rating, but whether the energy and capacity associated with those facilities are available for incremental export after meeting Quebec's service obligations.

As a general matter, utilities ordinarily serve native-load firm customers first. Interruptible customers typically follow, then off-system firm sales, and finally non-firm transactions. A contract for a large long-term export transaction should explicitly say where that transaction falls in the priority hierarchy when supplies are inadequate.

The NECEC agreement does not do so. It does not adequately identify which obligations must be curtailed first, how limited generation will be allocated, or what evidence the seller must provide to establish that the export deliveries could not be maintained. That omission is central to the dispute.

4. Imports, exports and cross-border interdependence

Hydro-Québec's first-quarter 2026 results show that it relied materially on purchases during the cold period. Net imports from ISO New England, NYISO, New Brunswick Power and the Independent Electricity System Operator totalled 3.4 terawatt hours during the first quarter.

This cross-border dependence makes a deliberate policy of broadly restricting exports to the United States unlikely to be in Quebec's short-term interest. Quebec's system may need help from U.S. and neighbouring Canadian systems during the coming winter, particularly if low-water conditions continue.

A political explanation has been suggested because of tensions associated with U.S.-Canada trade policy. Michael Sabia, then Hydro-Québec's CEO, commented in January 2025 that revisiting U.S. contracts was an open question, while recognizing the legal consequences of ending agreements. Nonetheless, the operational evidence points more strongly to limited energy and capacity than to an intentional export boycott.

This is part two of a four-part series. Part one: [Reviewing the New England Clean Energy Connect litigation filings](#).

Robert McCullough is principal of [McCullough Research](#) in Portland, Ore., and advises governments, utilities and Indigenous groups from California to Quebec on energy issues. This

article was produced with the help of Marty Howard, Jean-Carl Ende, Joshua Crawford, William Clouse and Michael Weisdorf.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of the author's firm, its clients, Law360 Canada, LexisNexis Canada or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.

Interested in writing for us? To learn more about how you can add your voice to [Law360 Canada](#) contact Analysis Editor Peter Carter at peter.carter@lexisnexis.ca or call 647-776-6740.

Related Articles

[New England Clean Energy Connect: Contract deficiencies and litigation issues](#)

[Reviewing the New England Clean Energy Connect litigation filings](#)

[Two stumbles forward, one back: Three wise men opine on Churchill Falls MOU after independent review](#)

[Whither Hydro-Québec?](#)

[One tomb raider good: Two tomb raiders better](#)

Here's What You Missed

[Exclusive: SCC's Côté J. talks advocacy, key cases & rule of law as her 12th anniversary approaches](#)

[Canada has recognized femicide in criminal law. The next challenge is preventing it](#)

[The snitch in your driveway: How your car could tell a different story in court](#)