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Bute run-of-river project on-hold

The 17-river Bute Inlet generation project proposed by Plutonic Power Corp remains on hold. Without firm assurance of a generous BC Hydro contract to purchase the power to be produced from Bute, Plutonic's share prices dropped precipitously.

In March, through a share exchange, Plutonic merged with Magma Energy Corp to form Alterra Power Corp. Magma will provide Plutonic with some \$10 million from a convertible debenture to pay off a major loan from GE Energy Financial Service Holding Co. GE has left the project.

As to the Bute Inlet project's environmental review, the Canadian Environmental Assessment Agency has announced that, should the project be revived, it will still be subject to a full scale Review Panel.

Meanwhile, Plutonic's Toba Montrose project achieved substantial completion in November, 2010, and is now

generating electricity. However, the company's assessment of the Upper Toba project is being 'updated', since transmission line capacity constraints resulted in a reduction of plans from three generating sites to two.

Plutonic is also producing power from its Dokie wind project in northeast BC, but is 'reviewing plans' for an expansion of the project.

In regard to the merger, Magma CEO Ross Beaty becomes Alterra's CEO, and Plutonic's CEO, Donald McInnes, will become Executive Vice-Chairman. On news of the merger, Magma shares fell 8%, and Plutonic's shares rose 5%.

Magma has concentrated on geothermal power in the US, Iceland, and Latin America, and the merger offers the new company diversification across a range of non-fossil fuel generation facilities. ☞

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