

# ***Sea Breeze Power Corp.***

**(“the Company”)**

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## **NEWS RELEASE**

September 19, 2005

TSX-VENTURE: SBX

### **Juan de Fuca Transmission Cable – FERC Approves Negotiated Rate Proposal**

Sea Breeze Power Corp. is pleased to announce that Sea Breeze Pacific Juan de Fuca Cable, LP (“Sea Breeze Pacific JDF”, a joint venture with Boundless Energy NW, Inc.), has been granted an order by the U.S. Federal Energy Regulatory Commission (“FERC”) approving Sea Breeze Pacific JDF to sell transmission rights at negotiated rates on its proposed Juan de Fuca Cable, a high voltage direct current (“HVDC”) submarine transmission line from Victoria, British Columbia to Port Angeles, Washington.

The transmission rights will be sold via an “Open Season” process, which is an auction hosted by the transmission proponent whereby utilities may bid for the right to transmit power on the line. Sea Breeze Pacific JDF recently conducted preliminary meetings with utilities from Western Canada and the US Pacific Northwest outlining the Open Season process. The winning bids will be announced in November 2005.

In a September 15, 2005 press release referencing the Sea Breeze Pacific JDF project, FERC Commission Chairman Joseph T. Kelliher observed, “U.S. investment in transmission infrastructure has seriously lagged electricity demand growth for years. Merchant transmission projects, in which the project developers and not ratepayers assume the investment risk, can play a useful role in expanding competitive options and improving grid reliability.”

Sea Breeze Pacific JDF has arranged with ABB Inc. (“ABB”) for technical support for the project. ABB is an international EPC contractor and leading manufacturer of HVDC equipment and cables, and has been instrumental in supporting the feasibility process of the project.

#### *About Sea Breeze Power Corp.:*

Sea Breeze Power Corp. is a leading developer of renewable energy in British Columbia. Its proposed Knob Hill Wind Farm received environmental approvals in September 2004, and is believed to be the largest single onshore wind farm development in the world to receive planning approval. The Knob Hill Wind Farm has been permitted for a nameplate capacity of up to 450 megawatts – capable of generating enough electricity to power approximately 135,000 homes. For more information about Sea Breeze Power Corp., please visit: [www.seabreezepower.com](http://www.seabreezepower.com).

*About Boundless Energy, LLC:*

Boundless Energy, LLC (an affiliate of Boundless Energy NW, Inc.) was the transmission engineering principal and originator in concept of the Neptune Regional Transmission consortium, whose contract with Long Island Power Authority recently secured in excess of \$US 600 million financing for the installation of a 65-mile, 660-megawatt HVDC submarine transmission cable from northern New Jersey to central Long Island, New York. Construction is under way to meet the in-service date of 2007.

ON BEHALF OF THE BOARD OF DIRECTORS

“Paul B. Manson”

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PAUL B. MANSON, President

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*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents herein.*

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# FEDERAL ENERGY REGULATORY COMMISSION



WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

September 15, 2005  
Docket No. ER05-1228-000

### COMMISSION APPROVES PACIFIC NW TRANSMISSION PROPOSAL, SIGNALS RECONSIDERATION OF MERCHANT LINE CRITERIA

The Federal Energy Regulatory Commission today signaled it is reconsidering the 10 criteria it uses to evaluate merchant transmission line proposals in an order approving a rate proposal for a planned 540-megawatt high-voltage, direct-current transmission line beneath the Strait of Juan de Fuca. The proposed 22-mile line would provide a new link between power grids in Washington State and British Columbia.

Sea Breeze Pacific Juan de Fuca Cable LLP plans to sell transmission rights at negotiated rates for the transmission line scheduled to begin operation in December 2007. The project is expected to bolster regional power grid reliability by connecting federal Bonneville Power Administration facilities with a substation owned by the British Columbia Hydro and Power Authority.

“U.S. investment in transmission infrastructure has seriously lagged electricity demand growth for years. Merchant transmission projects, in which the project developers and not ratepayers assume the investment risk, can play a useful role in expanding competitive options and improving grid reliability,” noted Commission Chairman Joseph T. Kelliher.

The Commission evaluates proposals to charge negotiated rates for transmission rights on new transmission facilities based on 10 criteria. They are: (1) the merchant facility assumes full market risk; (2) that service is provided under the open-access transmission tariff of an Independent System Operator or Regional Transmission Organization; (3) the project should create tradable firm secondary transmission rights; (4) an open season process is used to initially allocate transmission rights; (5) the results of the open season should be posted on an open-access same-time information system; (6) affiliate concerns are adequately addressed; (7) the merchant transmission facility does not preclude access to essential facilities by competitors; (8) the facility is subject to market monitoring; (9) the physical energy flows on the facility should be coordinated with, and be subject to, reliability requirements; and (10) the facility should not impair pre-existing property rights to use transmission grids of interconnected RTOs or utilities.

After taking into account the circumstances in which the facts of this case are different from those of previous merchant transmission proposals, the Commission found that Sea Breeze's proposal satisfies the Commission's criteria and approved its plan to hold an open season in the fall of 2005 to accept bids for transmission rights.

The Commission found that Sea Breeze's application meets the market monitoring and operational control criteria, but also concluded that under the specific circumstances of this case it does not need to do so. The Commission indicated that it is open to reconsidering the remaining criteria for these kinds of projects in a future proceeding.

The Department of Energy delegates authority to the Commission to take actions to implement and enforce non-discriminatory open access transmission service over the U.S. portion of international electric transmission lines. The Commission's action is subject to the delegation of authority by the Secretary of Energy to review Sea Breeze's application for a Presidential Permit for the project and the Commission's authority pursuant to section 205 of the Federal Power Act.