

**WESTERN ECONOMIC DIVERSIFICATION CANADA
MEDIA CONTACT**

Journalist: Gary McKenna

Media Outlet: Tri City News

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Date and time of contact: October 22, 2009 1:30pm am

Request: Reporter is publishing a story quoting the Mayor of Anmore about a dispute over \$20K that is in default on the Anmore Renewable Energy Foundation project. The department has been in negotiations with the Foundation to resolve the issue, however, will shortly place the project in default (see background for additional details).

Recommended WD response:

CMC will email the following response to the reporter:

Q1 What details can you provide about the status of the project

A1 In January 2007, WD approved a contribution of \$120,000, or 55% of the \$220,000 in project costs to the Anmore Renewable Energy Foundation to conduct a feasibility study. The project did not develop as planned and total project costs were significantly lower than planned.

Q2 Is there a dispute over \$20,000?

A2 Anmore Renewable Energy Foundation received a lump sum payment at the beginning of the project in 2007. The nature of the work changed and the project ultimately came in close to \$80,000 under budget. The net result was that WD overpaid the proponent by \$20,855.

Q3 Will the project be proceeding?

A3 WD remains committed to finalizing this project and determining a fair and equitable method by which the Foundation can repay the amounts owing the Government of Canada.

Background

In January 2007 WD approved a non-repayable contribution of \$120,000, or 55% of the \$220,000 in project costs to the Anmore Renewable Energy Foundation to conduct a feasibility study. The project did not develop as planned and total project costs were close to \$80,000 lower than planned.

Complications arose as total government funding is limited to 90% of total project costs and the Province of BC disbursed their \$75,000 contribution fully at the start of the project. The net result was that WD had overpaid the proponent by \$20,855 and was not in a position to pay a claim submitted by the Foundation for \$4,584. The file is set to close on Nov 1, 2009 at which point we would place the project in to default and start the standard collection process.

Deadline: asap