

Executive Council
Natural Resources
December 17, 2012

Government of Newfoundland and Labrador Announces Sanction of the Muskrat Falls Development

At the Confederation Building in St. John's today (Monday, December 17), the Honourable Kathy Dunderdale, Premier of Newfoundland and Labrador, surrounded by members of Cabinet and caucus, announced official sanction of the Muskrat Falls development.

"This is truly a significant day in the history of Newfoundland and Labrador as we prepare to write the next chapter in our province's future, a future that will be guided by energy independence, security, and self-sufficiency," said Premier Dunderdale. "With the development of Muskrat Falls, our province will make the transition from an economy dependent on non-renewable resources to a diversified renewable economy fueled by clean renewable power that will provide benefits and opportunity for future generations of Newfoundlanders and Labradorians."

The decision to sanction Muskrat Falls follows on the province's success with the Government of Nova Scotia in securing a final agreement for a federal loan guarantee for the Muskrat Falls project. The loan guarantee will provide projected savings of approximately \$1 billion for ratepayers in Newfoundland and Labrador through reduced interest rates.

"It is the right time to move forward and capitalize on the tremendous benefits Muskrat Falls will provide for the people of Newfoundland and Labrador," said the Honourable Jerome Kennedy, Minister of Natural Resources. "Muskrat Falls will meet our province's future energy needs, stabilize rates for residents and businesses, while generating significant economic, employment, and social benefits for the people of our province, the Atlantic region and the rest of the country."

The Provincial Government has granted Nalcor the authority to sanction the development of Muskrat Falls. Emera Inc.'s Board of Directors also approved sanction today of the Maritime Link project. Muskrat Falls will provide the province with a stable revenue stream and will not impact net debt. The project will also generate estimated revenues in excess of \$20 billion over 50 years once it comes onstream.

Muskrat Falls has been endorsed by a series of renowned independent energy experts including Manitoba Hydro International (MHI), Navigant Consulting, Dr. Wade Locke, and Ziff Energy Group of Calgary. In October 2012, the province released the project's Decision Gate 3 cost estimate and the findings of a report conducted by MHI. The report confirmed the engineering, costs, and project planning completed by Nalcor and affirmed Muskrat Falls as the least-cost option for electricity generation in the province. The report included the most up-to-date information on load forecasts and cost estimates including capital costs, operating costs, financing costs, fuel and interest.

The Muskrat Falls development includes the 824 megawatt (MW) hydroelectric generating facility at Muskrat Falls, the 1,100 kilometre Labrador-Island Transmission Link, and the Maritime Link from the Island of Newfoundland to Nova Scotia. The province will own a revenue-generating asset and operate as an Interconnected System with transmission links from the Island to Labrador and to the rest of the country while having the ability to export or import power as it is required in the province.

“With Muskrat Falls, generations of Newfoundlanders and Labradorians will benefit from clean, renewable, low-cost hydropower providing long term rate stability,” said Ed Martin, President and Chief Executive Officer of Nalcor Energy. “This is the right way forward to meet the growing energy needs of our electricity consumers and secure the energy future of Newfoundland and Labrador.”

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Media contacts:

Lynn Hammond
Director of Communications
Office of the Premier
709-729-3960
lynnhammond@gov.nl.ca

Debbie Marnell
Press Secretary
Office of the Premier
709-729-4304, 697-3128
debbiemarnell@gov.nl.ca

Heather Maclean
Director of Communications
Department of Natural Resources
709-729-5282, 697-4137
heathermaclean@gov.nl.ca

Karen O'Neill
Senior Communications Advisor
Nalcor Energy
709-737-1427, 690-2012
koneill@nalcorenergy.com