



Nalcor Energy provides update on the Muskrat Falls Project

September 29, 2015, St. John's, NL– During a two-day media tour Nalcor Energy provided an update on the Muskrat Falls Project, including a current capital cost forecast for the hydroelectric and transmission development ongoing in Newfoundland and Labrador.

“We are making steady progress in many areas of the project. Similar to other construction projects in Newfoundland and Labrador and across the country, however, the Muskrat Falls Project is experiencing changing market conditions in an extremely active construction industry, and the project is facing cost challenges,” said Ed Martin, CEO, Nalcor Energy. “Muskrat Falls is a long-term investment and Nalcor Energy is focused on delivering the project in an economical, cost-effective way that provides the most value for our energy resources today and for decades to come.”

Now in the third full year of construction, the construction cost forecast for the project has increased by an additional 10 per cent, to \$7.65 billion. This increase is primarily related to the execution of work in Newfoundland and Labrador and is driven by market pressures, construction design changes that will improve long-term system reliability and operation, and increased project management requirements.

Construction and manufacturing for the project is currently ongoing in more than 100 locations across the province and around the world, and at peak more than 4,350 residents of Newfoundland and Labrador were working on the project. An estimated \$9 million is returned to the provincial economy every week through local business opportunities, employment, and wages generated by the project.

Since construction began, the project has seen major advances at the generating facility in Labrador, clearing and construction of more than 1,500 km of transmission lines, the marine cable crossing in the Strait of Belle Isle, as other electrical infrastructure across the province.

“Our investments today in the Muskrat Falls Project will return in excess of \$60 billion in savings and revenue to the province over the next 50 years; money that will stay here in Newfoundland and Labrador and we will have a long-term asset which we will own,” said Martin. “While Nalcor has many areas of growth, delivering power at home at the lowest possible cost will always be one of our top priorities. We are focused on delivering the Muskrat Falls Project to Newfoundlanders and Labradorians in a cost-effective way.”

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