



Nalcor achieves first power despite COVID-19

September 28, 2020, St. John's, NL – Nalcor Energy CEO Stan Marshall today provided an update on the Muskrat Falls Project and COVID-19 pandemic impacts to cost and schedule.

“In March, we shut down the Muskrat Falls Project site to keep people safe amidst COVID-19. Despite these challenges, on September 22nd, we successfully and safely reached a major achievement by generating power for the very first time at Muskrat Falls. Thank you to the teamwork of the thousands of people who have contributed to this accomplishment.” – Stan Marshall, Nalcor President and CEO

Our first priority is people’s safety. Since May, significant emphasis has been placed on returning workers to site while strictly adhering to public health guidelines. The impact of lost time and a reduced workforce have meant impacts to the project cost and schedule.

In May, it was anticipated the impact would be an additional \$150-200 million in capital budget. The total COVID-19 cost impacts are roughly \$150 million; however, the project budget has been managed in a way that approximately half of the COVID-19 impact is covered under the existing capital budget. Therefore, the project now requires \$75 million in additional capital.

Since 2017, the Muskrat Falls Project total capital budget has moved from \$10.1 billion to \$10.2 billion in September 2020.

As outlined in May, as a result of COVID-19 and some issues with software delays on the Labrador-Island Link, the project is experiencing a delay in final completion. As a result of the delay in completion of the project, there are payments due on the bonds issued to finance the project of approximately \$360 million which would now need to be funded.

“We are very pleased with the progress we have made since May. We still have challenges ahead of us and know people are counting on us. But with the hard work of the thousands of Newfoundlanders and Labradorians working on or supporting the project, we will continue to push hard and achieve our milestones, while keeping one another safe.”

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