



Presentation to the Public Utilities Board on Muskrat Falls

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Electrical Power Control Act, 1994

Section 3 (b) all sources and facilities for the production, transmission and distribution of power in the province should be managed and operated in a manner

(iii) that would result in power being delivered to consumers in the province at the lowest possible cost consistent with reliable service



Premier Danny Williams

We have developed this Energy Plan with our eyes clearly on 2041, when the Upper Churchill contract expires and the province is in a position to receive the full benefits from this resource.

2007



Nalcor's Position

There is inherent uncertainty around guaranteeing the availability of supply from Churchill Falls in 2041 because it is difficult to determine the environmental and policy frameworks that will be in place 30+ years out.

2012



Do we own Churchill Falls or not ?

- Legal experts yes
- Academic experts yes
- Civil servants (retired) yes

“ the least uncertain event for the energy of the province is that the Churchill Falls contract expires in 2041 “



What Does it Give Us ?

- 5000 mws of zero cost power to the consumer
- Capacity to power the province with 100% green energy forever
- Ability to deliver consumers a decrease in their electricity bills and become the lowest cost electricity in North America, forever.

Financial Implications of Access

Island Isolated System

Total Present budget \$ 8.8 B
- Holyrood ESP \$ 0.6 B
= \$ 8.1 B

- Post 2041 Thermal \$ 5.0 B

= \$ 3.2 B

(\$2.4 B)

Muskrat Falls

Total Present Budget \$ 6.6 B
- Holyrood ESP .0 B

- Post 2041 Thermal \$ 1.0 B

= \$ 5.6 B



Cost of < 2041 : Island Isolated

\$3.2 Billion

2033 : H- U₁&U₂ - \$0.8 Billion

2036 : H- U₃ - \$0.5 Billion

2032: = **\$1.9 Billion**

The time to discuss post 2041 sales is 2031



Benefits to Access 2041

- Lowest cost power to consumers
- 100% green energy forever
- 20 years from now to access the following:
 - Future of Corner Brook – Viability of Natural Gas- Impact of Shale oil and gas on Oil prices – Ability to store wind power – Real load growth on the Island - Industrial demands from Labrador –

Cashflow of Public Expenditures

(Projected provincial deficits of up to \$1 Billion in 2012 and 2013)

With 2041 Access

- 2012 to 2032 = \$ 1.9 B

Muskrat Falls

- 2012 to 2032 = \$ 5.6 B



CONCLUSIONS

- Access to 2041 green power is guaranteed at lowest cost possible
- Green power forever vs 35 % thermal in 50 years with Muskrat
- Prudent fiscal management vs Rolling the dice
- Power is not needed beyond what we can produce on the Island
- MF is not the lowest cost power