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HANSARD

Speaker: Honourable Paul Lane, MHA

Monday | September 14, 2026

The House met at 10 a.m.

SPEAKER (Lane): Order, please!

Admit strangers.

Good morning, everybody. Welcome to this extraordinary sitting of the House of Assembly to debate and consider matters relating to the Definitive Cooperation and Implementation Agreement between Newfoundland and Labrador Hydro, Hydro-Québec and Churchill Falls (Labrador) Corporation Limited.

I want to welcome all Members back to the House of Assembly for this debate. I would like to welcome our special guests, including Senator David Wells, who is in our Speaker's gallery today.

Welcome, Sir. It's a pleasure to have you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Certainly a welcome to all the people who are also present in the public gallery. You are all welcome to be here and thank you for coming.

EXTRAORDINARY DEBATE PURSUANT TO STANDING ORDER 8(7) - Definitive Cooperation and Implementation Agreement between Newfoundland and Labrador Hydro, Hydro-Québec and Churchill Falls (Labrador) Corporation Limited

SPEAKER: The hon. the Government House Leader.

L. PARROTT: Thank you, Mr. Speaker.

Speaker, we've been called back here in a special session under Standing Order 8(7). Our government asked the hon. Speaker to reconvene this Assembly to consider an extraordinarily important matter of public business. The matter to be dealt with in this special session is our government's Definitive Cooperation and Implementation Agreement and the related commitments from the Government of Canada.

Honourable Members will be presented with the formal resolution in that regard, but first we must agree on the rules that will govern debate on that resolution. Over the past couple of weeks, myself and our Deputy Government House Leader have met with other parties and the independent Member for Humber - Bay of Islands to discuss the approach to this important debate.

We've been clear in our purpose to structure this differently than the debate held in 2025, and I will speak to that in more detail shortly. For now, it is my sincere hope that we are granted leave on this today to get this motion through so that we may proceed with this important debate, respecting the time of the invited guests of this Legislature and the people of Newfoundland and Labrador who want to get their questions answered about this new agreement.

SPEAKER: Does the Member have leave?

AN HON. MEMBER: Leave.

SPEAKER: Leave has been granted.

L. PARROTT: Speaker, I give notice, by leave, that I move the following motion:

Rules of debate: The resolution respecting the Definitive Cooperation and Implementation Agreement between Newfoundland and Labrador Hydro, Hydro-Québec and Churchill Falls (Labrador) Corporation Limited and the Government of Canada's commitments associated with this agreement, also known as the resolution, will be debated for not more than four days: Monday, September 14; Tuesday, September 15; Wednesday, September 16; and Thursday, September 17, 2026.

On these four days the House will sit from 10 a.m. to 12 p.m., from 1 p.m. to 5 p.m.

and from 6 p.m. to 9 p.m., unless earlier adjourned.

Speaking times for Members shall be allocated in four distinct blocks with time utilized in one block not impacting the other blocks as follows:

Block 1: Opening remarks Day 1, 20 minutes each of total speaking time for the Premier, for the Leader of the Official Opposition and the Leader of the Third Party; 20 minutes each of total speaking time for the Minister of Energy and Mines and the Official Opposition critic for the portfolio; 10 minutes for the Third Party critic for the portfolio; 10 minutes of total speaking time for the independent Member for Humber - Bay of Islands.

Block 2: Questions directed at invited guests Day 1 to Day 3. The total allocation of time shall be 1,170 minutes with the total for each caucus as follows: Government caucus, 630 minutes; Official Opposition caucus, 450 minutes; Third Party caucus, 60 minutes; independent Member for Humber - Bay of Islands, 30 minutes. The clock shall be set in 15-minute increments and intervening speakers shall be required. If a Member does not exhaust their 15-minute increment, the remaining time shall be preserved in their caucus or independent Member allocation.

Questions must be directed at invited guests through the Speaker. The invited guest may defer their response to another invited guest as appropriate and each time a Member begins speaking, they have 60 seconds to ask a question.

Response to questions posed shall be recorded in the total time allocation of the Member posing the question. Response time is unrestricted and answers to a question can be completed even if the time block has expired. If time remains, the Member speaking can continue to ask questions; however, each time they speak they must ask a question within 60 seconds.

Block 2 time expires no later than 8:15 p.m., September 16, 2026.

Block 3: Questions directed at government ministers. There will be a 30-minute Question Period on Days 1, 2 and 3 at 8:20 p.m. and on Day 4, just prior to the closing remarks for Block 4, of each leader.

For each Question Period there will be 22 minutes of speaking time for the Official Opposition; five minutes for the Third Party; and three minutes for the independent Member. Questions must be directed at a specific minister through the Speaker. The minister may defer the response to another minister as appropriate; 45 seconds will be given to ask questions and 45 seconds will be given to answer the question. All questions must be relevant to the resolution that is the subject of debate.

Block 4: Closing remarks. Ten minutes of speaking time will be allocated to each Member; time is not transferable.

Invited guests of the Legislature will be permitted to present on the floor of the House to present and to answer Member's questions from Day 1 to Day 3 as follows:

September 14, 2026, 1 p.m. to 5 p.m., three representatives from the negotiating team; September 14, 2026, from 6 p.m. to 8:15 p.m., three representatives from the negotiating team.

September 15, 2026, from 10 a.m. to 12 noon, up to two senior officials from the Department of Natural Resources of Canada; September 15, 2026, from 1 p.m. to 3 p.m., up to two representatives from Power Advisory; September 15, 2026, from 3 p.m. to 5 p.m., up to two representatives from J.P. Morgan; September 15, 2026, from 6 p.m. to 8:15 p.m., three representatives from the negotiating team. September 16, 2026, from 10 a.m. to 12 noon, chair of the Oversight Committee.

September 16, 2026, from 1 p.m. to 5 p.m., two representatives from Newfoundland and Labrador Hydro Board of Directors, as well as the VP, chief legal officer and corporate secretary of Newfoundland and Labrador Hydro; September 16, 2026, from 6 p.m. to 8:15 p.m., two representatives from the negotiating team as well as the commercial adviser to the team.

Guests referenced above may be accompanied by up to two support persons who may be present on the floor of the House, but who may not speak in the debate.

As an invited guest of the Legislature, the representative of the negotiating team shall address the House of Assembly for up to 30 minutes. This address shall occur immediately prior to the start of Block 2 under point three above. Invited guests will answer Members' questions that are relevant respecting the agreement and the Government of Canada's commitments, including its structure, operation and purpose, but may decline to answer questions which are commercially sensitive, subject to Cabinet confidence, or solicitor-client privilege, or otherwise information that may be excepted from disclosure in accordance with the *Access to Information and Protection of Privacy Act, 2015.*

A Member of Parliament shall be an invited guest and shall address the House of Assembly for up to 15 minutes respecting matters that are relevant to the resolution, which is the subject of the debate, but the Member of Parliament shall not be required to answer questions. This address shall occur immediately prior to the address noted under point 6 above. The notice requirement for resolution will be waived.

Debate on resolution will begin immediately after the adoption of the rules of debate and introduction of the resolution and will be the only business of the House during the four-day period. When the debate has concluded, but in any other event no later than 9 p.m. on Thursday, September 17, the Speaker shall put the question on the resolution to the floor.

SPEAKER: Was that moved and seconded?

L. PARROTT: Moved by me, and seconded by the Premier.

SPEAKER: Seconded by the Premier?

K. RUSSELL: Point of personal privilege, Mr. Speaker.

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: Mr. Speaker, I rise today with a heavy heart, but with a clear sense of duty to the people of Lake Melville. They placed their trust in me, and I'll always carry that responsibility with me and never take it for granted. I was elected as a Progressive Conservative and I continue to hold those values close to my heart. I believe in strong and safe communities, fiscal responsibility, opportunity, and personal accountability, but above all, I believe my first responsibility is to the people who elected me.

After much reflection, I have made the difficult decision to cross the floor and sit as an Independent Member, while continuing to uphold the Conservative values that have always guided my public service.

This is not a decision I make lightly, but there are moments in public life when we must listen to our conscience and put the people we represent first. The people of Lake Melville deserve to be heard; they deserve a strong voice in this hon. House, and I will continue to stand up for them, serve them and work on their behalf to the very best of my ability.

I make this decision with some sadness, but with a clear conscience and an unwavering commitment to the people of my district and the province.

Mr. Speaker, I respectfully seek directions as to where I may now be seated as an independent Member of this hon. House. I will take my guidance from you.

Thank you, Mr. Speaker.

SPEAKER: We're going to recess the House while we consider what has just been said and we'll reconvene shortly.

Recess

SPEAKER (Lane): Order, please!

Are the House Leaders ready?

The Speaker recognizes the hon. the Government House Leader to the resolution.

L. PARROTT: Thank you, Speaker.

I'd like to thank all the Members for granting leave.

Speaker, our government is confident that the resolution that will be put before this Assembly represents a new and better deal on hydro power developments on Labrador's Churchill River. Therefore, it is our government's intent to hold a free and open debate with ample time for hon. Members to question our invited guests, who are experts on the matter before us.

This is a complex issue. This is an emotional issue. The people of Newfoundland and Labrador have questions and they deserve clear answers from those best qualified to provide them. To that end, Members have been allocated more than 19 hours to question a broad range of experts, including members of the negotiating team, independent commercial and financial advisers, representatives of Newfoundland and Labrador Hydro's Board of Directors, the chair of the Oversight Committee and senior federal officials.

We also recognize Opposition's desire to question the government directly, and that is entirely appropriate. Accordingly, the proposed rules provide a daily Question Period during which Members may put questions to the government ministers regarding the agreement. In addition, every Member will have equal time for closing remarks before the House votes on the resolution, ensuring all Members have an opportunity to reflect on the evidence presented and speak on behalf of their constituents.

Speaker, the invited guests bring decades of experience in energy, finance, governance, engineering, law and major project development. They include the individuals who negotiated the agreement, those who provided independent advice, those who oversaw the process and those responsible for governance and federal participation. Together, they offer a depth of expertise that should give Members of the people of Newfoundland and Labrador confidence that the questions can be answered fully and directly.

First, representing the negotiating team, we have three deeply experienced individuals. Barry Perry: Barry served as the lead negotiator. He spent two decades in senior roles with Fortis, most recently as the president and CEO. He has been VP and treasurer with Global Forest Products Company, and a corporate comptroller with a large crude oil refinery. He has more than three decades of executive and board experience in the utilities and manufacturing sector, and he currently serves on numerous boards including the Royal Bank of Canada, the Canadian Pension Plan Investment Board, and Capital Power.

Jennifer Williams: Jennifer is an engineering graduate from Memorial University who was appointed president and CEO of Newfoundland Hydro in 2021. After working for the corporation since 2014, Jennifer was awarded a Fellow of Engineers Canada, and was elected as a Fellow of the

Canadian Academy of Engineering. Recent honours include one of the Faces of the Industry, awarded by Electricity Canada in 2025.

Finally, we have Jerome Kennedy, who holds a law degree from the University of New Brunswick and a Master of Law from Osgoode Hall Law School. He was called to the bar in 1985 and practised criminal law until his election in the Newfoundland and Labrador House of Assembly in 2007. He served in numerous ministerial roles during his time as Member of the House of Assembly, including Justice, Health, Finance and Natural Resources. After retiring from politics in 2013, he returned to the practice of law, which he continues today in the areas of personal injury, criminal law, civil litigation and administrative law.

In addition to the negotiating team, we also have the chair of the Oversight Committee as an invited guest: Dan Levert. Dan chaired the Oversight Committee who oversaw the negotiations, ensuring that the negotiating team was operating within their mandate.

Dan began his career as an engineer in heavy civil construction hydro, and then became a lawyer, practising construction law. He was the president and CEO of Engineers Canada and has been involved in such projects as Voisey's Bay, Long Harbour and the White Rose topsides project.

Additionally, as another oversight body, we have representatives from Newfoundland and Labrador Hydro Board of Directors with us. Dr. Christopher Loomis is the chair of the governance committee with the board, who has served as a professor at Queen's University and later at Memorial University, where he became the director of the school of pharmacy and later served in vice-president roles. He has served in senior roles in governance at Memorial University and also currently serves on the board of the Labrador-Island Link Operating Corporation.

Jim Haynes is an electrical engineering graduate from Memorial University who has served in senior corporate roles with Newfoundland and Labrador Hydro and CF(L)Co. He has served on several councils of the Canadian Electricity Association, primarily transmission and generation, as well as the board of directors of the Canadian Hydropower Association and he's currently a member of the Newfoundland and Labrador Hydro Board of Directors, as well as a member of the Churchill River Advisory Committee of the board.

Michael Ladha joined Newfoundland and Labrador Hydro in 2015, as in-house legal counsel and in 2021, assumed his current role of vice president, chief legal officer and corporate secretary. He holds a Bachelor of Business Administration from Memorial University and a law degree from the University of New Brunswick. He is a member of the executive of the Newfoundland and Labrador chapter of the Institute of Corporate Directors and in 2020, he was a recipient of the Canadian Corporate Counsel Associations' Up and Comer Award and an honoree of Canada's Top 40 under 40 in 2021.

We also have external experts who advised the negotiating team as invited guests. From Power Advisory, we have Jason Chee-Aloy, a managing director with Power Advisory with 25 years experience in competitive and regulated electricity markets, and Brady Yauch, Director of Markets and Regulatory, who has considerable experience in the electricity sector in Canada and the United States.

We have J.P. Morgan representatives that include Jonathan Dickman-Wilkes, who has worked with J.P. Morgan for over 20 years and deals with investment banking in power utilities and renewable energy. We have Taras Koval, vice-president of J.P. Morgan.

Taras deals with raising capital in the natural resource sector.

Last, but certainly not least, we have three invited guests from the Government of Canada. MP Philip Earle will address the House of Assembly later today. MP Earle grew up in Labrador Straits. He spent his business career in Happy Valley-Goose Bay and through his role as a senior executive in Labrador aviation and his extensive community involvement, MP Earle has developed a strong appreciation for Labrador's place within this province and certainly within the country.

In addition to MP Earle, we have two senior officials from Natural Resources Canada who will join us tomorrow morning to answer questions from Members related to the federal government's commitments. Sharonne Katz is a Director General of Natural Resources, currently on assignment as a special adviser to the Assistant Deputy Minister of Energy Systems Sector at NRCan. Sharonne works closely with the Major Projects Office to advance nation-building projects.

We have Drew Leyburne, the Assistant Deputy Minister of Energy Systems Sector with NRCan. Drew leads key programs and initiatives focused on electricity, nuclear energy and critical energy and infrastructure protection, and coordinates the department's energy and climate change policies.

Hon. Speaker, I am confident that we have structured this debate to provide the scrutiny and transparency and accountability this important decision requires. The experts are here, the questions are ready to be asked. Let's proceed with debate, hear the evidence, get the answers and demonstrate to the people of Newfoundland and Labrador that we're approaching this decision with their best interest.

Thank you, Speaker.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

We've heard the rules just then that were created by the government and we've also heard from the public. It's safe to say that the debate is not what it should be. It's not what the people, or a decision that is this significant, deserves. What we have, rather than debate, is a list of restrictions severely limiting who can ask questions, who can answer them and for how long.

The Conservatives have insisted on squeezing a 50-year deal into sound bites and it didn't have to be this way. We set the benchmark in 2025 and figured the government would at least meet that standard. We asked for nothing in this debate that we didn't provide in 2025.

Now the Deputy Premier will say that I, as Government House Leader back then, didn't give them what they wanted in 2025 and, you know what, it's partially true. What he asked for was independent experts to come to the floor. I disagreed because I felt it was valuable to have the people who participated in the process of the MOU in 2024 here to provide background and relevant evidence, in conjunction with having the premier of the day and the ministers of the day. Here's the thing, I still feel that way. You haven't heard me ask for independent experts to come to this debate. You'll hear no hypocrisy from me, Speaker.

What the Deputy Premier did leave out though, was that the Premier did ask for something that we did give. On December 31, 2024, the now-Premier asked for the ability to question the premier of the day. In fact, during the course of day one, for example, the current Premier used the rules of that free-flowing debate on multiple occasions and said things, and I quote: Speaker, maybe God can ask the Premier then. I can ask the Premier. If that's the case, I'd ask the Premier now. We don't have that ability based on these rules here today.

They wanted committee-style debate back then for an entire four days and they got it. Thirty-six hours – 36 hours – to question the Premier and the ministers and invited guests as they chose, not as limited of the government of the day. What they wanted in 2025, they do not want now. Why? What's changed? Did the *Standing Orders* change? Did our democratic system change? Did the people who said it change?

Well, their titles have changed. What they wanted in Opposition as Opposition Leader is not what he wants as Premier. With that, his opinion on how this should work has changed. The same as how his promise for a referendum changed. The same as how his promise to make members of the review committee public has changed. The same as how so many of the now-Cabinet ministers who had issues with certain terms in 2024 are suddenly okay now that it's 2026.

Speaker, you know this is a Westminster-style system, where the people who are elected are the ones who are accountable to the public. The Premier appointed the negotiating team. The Premier appointed his review panel. The Premier appointed the oversight panel. He provided the mandate and he agreed to this deal. He stood on the pier to announce the deal. So he should be willing to stand in this House of Assembly to talk about the deal. He is the one who has to be accountable.

How do you provide accountability? Through debate, through this House, through questions, and more importantly, through answers. Now we are here and the government has proposed rules that silence the very people who are elected to answer questions and be accountable. They proposed rules to avoid accountability. They created rules to silence themselves. It baffles me.

If a question is asked, doesn't the Premier want to give his perspective? Doesn't the Premier want to tell Newfoundlanders and Labradorians why he believes this is a good deal? Doesn't the leader of our province want to stand on his feet and defend the comments he has made on social media? But he won't. He'll post, but he won't participate. He'll type, but he won't talk. He'll declare, but he won't debate. We have no debate. We have, in the words of the Finance Minister, an information session.

I do look forward to getting information from the witnesses here this week, but I so regret we cannot debate the information back and forth with the Members opposite. My question to the government Members is the first of many that I think will not get answered this week. Can they live with the consequences of what may come as a result of these rules?

Here's what it comes down to. We all know it's the peoples' House; if it really was, the Premier and the ministers would take questions – not time-limited questions, but as many questions as is necessary.

You know, we should have known that this would happen because what did the current Premier say in 2025? His exact words were: Voting is not the most important thing. That's what he thought of the House in 2025 when they walked out. These rules? This is what they think of the House in 2026.

We will be here for these four days and we will do our best, but we cannot support the rules as proposed.

Thank you, Speaker.

SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Speaker.

Speaker, we are extremely disappointed with the process that enables the NDP to have one hour in total to question the experts on this monumental deal and four days is not enough, as the Premier has previously stated in previous negotiations. With a majority government that has turned on its heels in its promise to offer a referendum, this is all we have been granted. On behalf of our constituents, we're up against the wall.

We want to have a democratic opportunity for the public to understand. We want the opportunity for the Members of this House to fully understand, but we are up against the wall. While there are competent guests that have been invited into this process, this four-day process, on a monumental deal that is intergenerational, this will chew into our limited amount of time for these very complex issues.

Now, my leader, my colleague here, and myself have been very clear with the Premier of the province about what our ask is. We want to see a successful deal. We want prosperity for our province. We represent people who are in dire need of ensuring an economy that is going to grow, a green economy.

There are three things that we have itemized quite clearly to the Premier of this province, and those are, again: contingent on a review by the PUB; engagement of independent experts in that regard; and a debate on the final agreement. And let us not forget the Innu Nation, who have really not been engaged or brought to the table in this discussion on their land.

These are the three things that we have itemized. My leader here has written a letter on behalf of our caucus to the Premier. There has been much discussion about this. This is inadequate and, as a result, we are voting no on the division of (inaudible).

Thank you, Speaker.

SPEAKER: Seeing no further speakers to the motion, we'll call the question –

L. PARROTT: Speaker, I'd like to make a couple of comments to close debate. That would be how it works normally, right?

SPEAKER: Yes, okay. Go ahead.

The hon. the Government House Leader.

L. PARROTT: Also, before I start, I'm going to table the rules of debate.

SPEAKER: Okay, sure.

L. PARROTT: Speaker, the first thing, I'd like to thank the Members who spoke for their comments about the process and the debate. What I would say is that part of the question around here is the ability to question government Members. There will be question period at the end of each day and that has been set up specifically for a reason.

We learned a lot in 2025, and I'm sure a lot if will be repeated in this House over the next four days. There was a lot rambling on and talking prior to questioning. Sometimes people would stand and talk for 14 minutes and in the last minute they would ask a question. We believe it's extremely important for all of our expert witnesses to receive the questions, for the public of Newfoundland and Labrador. That's the first thing.

The second thing, the reason that Question Period was put towards the end of the day, which is something that was brought up, is because we actually believe that the questions that will be directed at the ministers will come as a result of some of those questions that are asked throughout the day.

This is completely transparent. There's no one trying to pull the wool over anyone's eyes here. I understand how the Opposition feels, but I will say that this is so we can get the truth out there.

Our government looks forward to the hours and days ahead in this important debate. I'm confident that the debate structure will ensure that when the Speaker asks, this House will agree that this new agreement, together with the commitments from the federal government, is in the best long-term interests of the people of this province.

Now, that's enough time spent talking about the process, Speaker. Let's get on with it.

L. DEMPSTER: (Inaudible.)

SPEAKER: The debate has been closed when the minister spoke, unless you're standing on a point of order or something.

L. DEMPSTER: Point of order.

SPEAKER: Yes, the hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: I just have a question for my colleague across the way.

With the composition of the House just changing a few minutes ago, I'm wondering if the rules of the debate now need to be changed, because it's time allocated for a Member that would have been there. I'm just looking for clarity on that, Speaker.

SPEAKER: That's not really a point of order. It's a point of clarification, I guess. What's the minister's …?

L. DEMPSTER: Well, the time is allocated by Member (inaudible).

L. PARROTT: The rules have to be (inaudible).

SPEAKER: The rules have been –

L. PARROTT: And (inaudible).

SPEAKER: The minister is correct in that we're debating the rules and anyone who had an issue could have raised it in the debate of the rules. The minister has now closed the debate.

K. RUSSELL: Point of order, Mr. Speaker.

Just to add the definition of an independent Member in this House is (inaudible).

SPEAKER: Again, I would have to rule that you had the opportunity to speak. We were debating the rules. I gave ample time for Members to speak to the rules. Nobody stood to speak after the Member for St. John's East - Quidi Vidi.

The minister has closed the debate; the debate is completed, unfortunately. If you wanted to raise those issues, you should have stood when you had the opportunity. And those are the rules.

Are Members ready for the vote?

All those in favour of the motion?

SOME HON. MEMBERS: Aye.

SPEAKER: Those against?

SOME HON. MEMBERS: Nay.

AN HON. MEMBER: Division.

SPEAKER: Division has been called.

Call in the Members.

Division

SPEAKER: Order, please!

All those in favour of the motion, please rise.

TABLE OFFICER (Hammond): Tony Wakeham, Lloyd Parrott, Barry Petten, Lela Evans, Helen Conway Ottenheimer, Paul Dinn, Joedy Wall, Craig Pardy, Jeff Dwyer, Loyola O'Driscoll, Andrea Barbour, Chris Tibbs, Lin Paddock, Pleaman Forsey, Mike Goosney, Riley Balsom, Hal Cormier, Mark

Butt, Jim McKenna, Joseph Power, Eddie Joyce.

SPEAKER: All those against the motion, please rise.

TABLE OFFICER: John Hogan, Lisa Dempster, Bernard Davis, Sarah Stoodley, Pam Parsons, Keith White, Paul Pike, Elvis Loveless, Fred Hutton, Jamie Korab, Lucy Stoyles, Jim Parsons, Bettina Ford, Michael King, James Dinn, Sheilagh O'Leary, Keith Russell.

CLERK (Hawley George): Mr. Speaker, the ayes: 21; the nays: 17.

SPEAKER: The motion has been carried.

The hon. the Government House Leader.

L. PARROTT: Thank you, Speaker.

I move, seconded by the Premier, that the following resolution do carry:

WHEREAS an agreement between Newfoundland and Labrador Hydro, Hydro-Québec and Churchill Falls (Labrador) Corporation Limited has been signed, marking a historic opportunity to replace the 1969 Churchill Falls contract and resolve a long-standing issue that has affected generations of Newfoundlanders and Labradorians;

AND WHEREAS the Government of Canada has agreed to partner and to offer substantive financial and other support;

THEREFORE BE IT RESOLVED that this hon. House endorse the Definitive Cooperation and Implementation Agreement between Newfoundland and Labrador Hydro, Hydro-Québec and Churchill Falls (Labrador) Corporation Limited;

AND THEREFORE BE IT FURTHER RESOLVED that this hon. House express its support for the Government of Canada's commitments as identified in the letter from the prime minister dated August 17, 2026, which include, but are not limited to, referring the Labrador Trough to the Major Projects Office, making Churchill Falls upgrades, as well as Gull Island and transmission infrastructure, eligible for investment tax credits and making an equity investment in the Labrador wind project;

AND THEREFORE BE IT FURTHER RESOLVED that this hon. House endorse the Government of Newfoundland and Labrador continuing to work in partnership with the government on these initiatives.

SPEAKER: The hon. Government House Leader, do you wish to speak to that motion?

L. PARROTT: No, I'm going to table some documents, if that's fine.

SPEAKER: Yes, go ahead.

The hon. the Government House Leader.

L. PARROTT: Speaker, I have a number of documents related to the resolution which I would like to table here today.

First, I'd like to table a copy of the Definitive Cooperation and Implementation Agreement dated August 17, 2026.

SPEAKER: The hon. the Government House Leader.

L. PARROTT: I would also like to table a letter from Prime Minister Mark Carney to Premier Wakeham dated August 17, 2026.

SPEAKER: The hon. the Government House Leader.

L. PARROTT: Furthermore, I'd like to table a presentation deck which summarizes the 2026 agreement.

SPEAKER: The hon. the Government House Leader.

L. PARROTT: Finally, I'd like to table five fact sheets titled as follows: *Why not wait until 2041 to reach a deal on Churchill Falls*; *Churchill Falls Agreement: Powering Mining Opportunities in Newfoundland and Labrador*; *Churchill Falls Agreement Transmission and Market Access*; *Churchill Falls Agreement: The Facts on Pricing Escalation and Market Access*; and *2026 Churchill Falls Agreement*.

SPEAKER: Thank you.

I'm told by the Clerk that we do have copies of all this. It will be distributed to all Members shortly.

The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Thank you very much, Speaker, and thank you to all the MHAs assembled here today.

As Members of the House of Assembly, we gather here to debate an issue of historic importance to the future of our province, whether we choose to sign a new and better deal with both Quebec and the federal government to develop Churchill Falls and Gull Island or whether we choose to do nothing and recommit our province to the terms of the 1969 Churchill Falls agreement, the most lopsided intergovernmental agreement in Canadian history, for another 15 years.

That is the choice that lies before this House, to act or not to act, to choose ambition or embrace decline, to realize the potential of our resources or leave them as rocks in water on the ground. This is the choice Members of the House face. It is a choice firmly rooted in the here and now, because the new and better deal we debate today was not on the table a year ago and it will not be on the table a year from now.

I was 13 years old when the '69 deal was signed – and, yes, you can do the math. I have grown up with the '69 deal. I have witnessed the numerous court cases and numerous attempts made to right the deal, and now that we are here today, with 15 years remaining on the notorious '69 deal that did not see the price of our power go up, but instead saw it go down, we can choose to sit idly by and continue to choose to do nothing or we can choose to seize the opportunity that is in front of us as a province and a country.

The tariffs imposed by Donald Trump have caused severe hardship to both businesses and individuals and continues to do so. The economic war imposed on us by the United States and the threat to our national sovereignty has woken up our country in a way I have not seen before, because of this, we have become more united as a country than ever before, united and determined to move past these tariffs and, as the prime minister says, build Canada strong.

We are going to use the resources we have as a country and that we have as a province to build new industry, create new jobs, to open new markets. Canada has what the world needs and we, as a province, are a big part of that. Whether it's an investment in the oil industry – and never forget, we are Canada's offshore oil industry –

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: – whether it is the supply of critical minerals, whether it is the development of new hydroelectric opportunities or whether it is the historic opportunity for national defence spending, we have what Canada needs and we have what the world needs.

In this agreement, we have an opportunity to close the door on the '69 deal and open the door to prosperity in, not just the next few years, but decades to come. The opportunity is now for Newfoundland and Labrador to be the primary beneficiary of our resources. It is in that spirit that we have chosen to use the questions, the answers and the deliberations of this Chamber to review this deal.

On this point, Speaker, let me say this part upfront. I know my decision to not follow through with a referendum has disappointed some people, and I accept that. It was a decision to which I gave a lot of thought. It was not a decision I made lightly. Through this special session of the House of Assembly, Newfoundlander and Labradorians will receive the clarity, transparency and the accountability they deserve to both understand and embrace the historic opportunity in front of us.

Speaker, let me tell you something else, for his part, the prime minister made it clear that he, too, would be willing and ready to act, and act fast, and that he would come through for us with that same kind of urgency. And yes, Speaker, I come here today as a Tory Premier to praise a Liberal prime minister who is following through and, as a result, we have a deal that is materially better than the old 2024 MOU in every single way.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: With billions of dollars more for Newfoundland and Labrador: a billion dollars for new transmission to open up the Labrador economy; a billion dollars more for 2,000 megawatts of wind generation to deliver new value to our province; for a referral to the Major Projects Office to get Churchill Falls and Gull Island built and built fast; and for a loan guarantee to build Gull Island, which, to be clear, is also a win for Newfoundland and Labrador. Because by derisking the project for Quebec, the federal government made it easier for Quebec to make necessary concessions at the negotiating table to see this deal through.

The prime minister has put it plainly that just as he is prepared to act with urgency, he is looking for us to show urgency as well.

Speaker, I am proud to say to him and to all in this Chamber and anyone listening inside of our province or out, in a time of national crisis, Newfoundland and Labrador is ready to lead and our time is now.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: We are not alone. Last week, I was proud to stand alongside Trades NL who proudly represent 14 building and construction trades in our province and who gave their full endorsement to this deal. I want to thank them for their leadership.

I also want to thank Canada's Building Trades Unions for endorsing our new and better deal. I want to thank Energy NL, the Board of Trade, the Council of Canadian Innovators, the Canadian Climate Institute and the Canadian Federation of Independent Businesses. Business groups, labour groups, environmental groups, tech and innovation groups all were coming out in support of our new and better deal.

Speaker, I also want the House to know that not a single one of our wins in this deal came easy. It took a lot of hard work. As Members will recall, we appointed an Independent Review Committee to study the old MOU, and their report has been the basis of our negotiating strategy.

We also appointed an elite negotiating team, under the leadership of former Fortis CEO and Pound Cove native, Barry Perry, to represent the province in those negotiations. There is nobody in Newfoundland and Labrador more qualified than Barry Perry to lead this work. He was joined by Newfoundland and Labrador Hydro CEO Jennifer Williams, and a well-known and highly respected lawyer, Jerome Kennedy, on the negotiating team.

I want to take this moment to thank Barry, Jennifer and Jerome – as well as Vanessa Newhook, who served as a commercial adviser to the negotiating team throughout the process – for their service to the province.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: I want the people of Newfoundland and Labrador to know our province was very well represented and our interests were thoroughly defended at every stage of what were often tense negotiations.

Now let's look at how far we've come. It starts with more power. Under our new and better deal, Newfoundland and Labrador will have access to 2,750 megawatts of electricity, up from the 1,990 megawatts of electricity that was available under the old 2024 MOU – a full 760 megawatts more.

Speaker, I want Members of this House to pause and consider that a new mine requires somewhere in the neighbourhood of 125 megawatts of electricity, and we're going to need to build those mines. Labrador sits on top of what is known as the Labrador Trough, one of the richest deposits of critical minerals in the world. Current estimates are that there are more than $200 billion worth of minerals in the Trough.

Speaker, think of another six to eight Voisey's Bays, or more mines in Labrador West. Think of all the secondary industries in refining, smelting, production, that could emerge from this boom. Think of how it could transform Labrador; not just for the time to build a single megaproject, but with good-paying jobs, new opportunities and new growth for decades to come.

Speaker, when I talk about more power, it is not just about the numbers, it is also about the optionality. It's a word not a lot of people are used to, but here's what it means. For every single year of this new deal, it will be Newfoundland and Labrador that gets to choose how we use our power.

When it comes to our power from Churchill Falls, we can keep it for ourselves to build that new mine, that data centre or other new opportunities, or we can choose to sell it back to Quebec, who will be obligated to buy it at 150 per cent of the normal base price, a price that escalates every year of the deal.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: If the base price is 10 cents per kilowatt hour, we'll get 15 cents; if it's 20 cents, we'll get 30 cents; if it's 30 cents, we'll get 45 cents every single year. Our choice, our discretion, that, Speaker, is what optionality means.

The 1969 agreement didn't have it. The old 2024 MOU didn't have it. The critics on team do nothing have no replacement for it. But we bargained hard at the negotiating table. We earned it, we won it, we have more control over how we use our own resources and the future is now in our hands.

When we have that power, Speaker, we will have more options when it comes to what we do with it, because our new and better deal is also a deal that provides more transmission. Unlike the previous MOU, Newfoundland and Labrador has secured the ability to access external market pricing, such as in New England and New York. A guarantee of a 985-megawatt portfolio of transmission and market pricing options in all.

There has been a lot of discussion about what we won with this transmission access, so let me put it plainly. If we want our power sold in these external markets, we can. We don't need Quebec's approval and Quebec cannot stop it. If we choose to keep this power for ourselves, we can. We don't need Quebec's approval. Quebec cannot stop it. When this power is sold, we get the same price as Quebec – period. Quebec cannot demand a discount. This is a portfolio of transmission options to the lucrative markets we have long sought.

We've won 985 megawatts at the negotiating table.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: We didn't have that in 1969 and we didn't have that in the old 2024 MOU, but we have it now.

While we're on the subject, let's now talk about more value. Under our new and better deal, Quebec pays for our power with increases from 0.2 cents per kilowatt hour, rises to 11.5 cents by 2041 and to 32.6 cents per kilowatt hour by the end of the agreement, all of it with built-in escalation protection for inflation and that is real value.

You might ask how much new value for our power. Well, in net present value accounting terms, the old 2024 MOU would have netted our province $36 billion over the course of the contract. Our new and better deal is now delivering $49 billion in new value.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: That is real value. The difference is even more stark on a cash basis. The previous Liberal government and their allies like to boast that they had a $225-billion deal in nominal cash value. Speaker, our new and better deal is worth $273 billion in cash.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: That's almost a billion dollars every year in additional value compared to the old 2024 MOU.

Speaker, the fact of that matter is that the value from this deal will turn into lower debt. It pays for better health care. It pays for lower taxes. It pays for safer communities. It will pay for schools and roads and doctors and nurses. It is a better, brighter future for all of us, and not one nickel of it, not one cent, comes if we choose to do nothing.

One area that is a priority for me is to make sure the benefits of this new value get shared. My message to the people of our province is this, if we're going to get a better deal for our electricity, then you deserve to see it on your electricity bills. It's that simple. That is why, upon completion of the final terms of this deal, we will introduce a new Churchill River electricity rebate.

Through this rebate, every residential ratepayer will save 15 per cent on their electricity bills for the first 2,000 kilowatt hours of power they use each month. The people of Newfoundland and Labrador deserve a break. They deserve relief. They deserve to see a real relief on their electricity bills, and with our Churchill River electricity rebate, we will deliver it.

I also want to point out that our new and better deal is a better deal for workers. Through this deal, we have secured a guarantee that at least 85 per cent of all person-hours worked during construction of all projects will be worked in this province. Then there is a hiring protocol. Labrador Innu, Labradorians and Newfoundlanders will get top priority in that order before the work goes to the people of Quebec or elsewhere.

Speaker, I get asked all the time about next steps and I say we still have a lot of work to do. I am prepared to sit with confidence across from whoever the Quebec voters choose and say to them what I say to you: This is a win, win, win. I have reason to be confident they will see it that way too.

We also still have long conversations ahead with the Innu Nation. I have met with Grand Chief Ashini and Deputy Grand Chief Nui. The ongoing land claims process, of course, extends far beyond this deal. But I will say to the House what I said to the Grand Chief: Developing Churchill Falls and Gull Island has the potential to be transformative for her people with opportunities for revenue, jobs and equity stakes in key projects that could transform Innu communities. The final choice will, of course, rest with the Innu. But we want to work with them, and I hope they will partner with us on this deal.

For me, Speaker, I'm proud of this deal. I'm proud of the team that worked so hard to win us so many victories at the negotiating table. I am proud of the industries we can launch, the jobs we can create, the better future we can build. I am proud that in front of you, we have a deal that is a ticket to less debt, to improving services, to making life more affordable. But what I am most proud of is that we are building an economy that will not only bring thousands of Newfoundlanders and Labradorians back home, but it will also ensure thousands more never have to leave in the first place.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: I know I am fortunate in my life. I'm a kid from Placentia Bay who got my first job in Grade 8 going door to door selling fish that my uncle and my father caught. I have lived all over this province – in Labrador, in St. John's, in Clarenville and Grand Falls-Windsor, and now in Kippens. I got my education right here. I built my career right here. My wife and I raised our family here. Now I get the incredible honour to serve as Premier right here in Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: We live in the very best place in the world and yet so many of our best still find they have to leave because the better opportunities, and sometimes the only opportunities, are always away.

Here today, I find myself in this job with the opportunity to do something about it, to build a stronger, more sustainable economy; to create those jobs and opportunities; to put our province on a sustainable, long-term financial footing; to improve those services; to make life more affordable; and send a message to this generation and the next one that, no, you don't have to leave. You can return home. You can stay here. You can build your career, your family and your life right here, just the way that I was able to do so with my family.

Speaker, as Premier, I was proud to approve this deal. As the MHA for Stephenville - Port au Port, I will be proud to stand in this House and vote for it. I will do so with confidence and optimism about what the future holds. I hope all Members of this House will join me in supporting this deal so that we can build a better and brighter future for all of us.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

SOME HON. MEMBERS: Hear, hear!

J. HOGAN: Thank you, Speaker.

I am proud to stand in this House today to debate, once again, one of the most significant decisions this Legislature will make in our history.

We all know that Churchill Falls is more than a hydroelectric project. It holds enormous significance for Newfoundland and Labrador, both for what it means to our province today and for our place in history. For decades, people in every corner of our province have hoped that one day we would have opportunity to correct the mistakes of 1969 and ensure the people of this province finally receive the full value of our resource. That is why debate matter.

Our caucus is genuinely pleased that this government chose to build on the foundations of the 2024 MOU negotiated by the previous Liberal government. The announcement made on August 17 acknowledges something that we believed all along, that framework negotiated in 2024 was the right starting point for a Churchill Falls agreement.

We support the development of Gull Island. We support moving forward with Churchill Falls development. We support replacing the unfair 1969 contract with a modern agreement that creates jobs, grows our economy and delivers long-term benefits for Newfoundland and Labrador and the people who call this place home, but supporting the goal does not mean abandoning our responsibility to scrutinize the details of the new agreement. This agreement must be analyzed on its own merit.

The Conservative government has shaken the trust put in them by Newfoundlanders and Labradorians. They've abandoned key promises that were made, like holding a referendum. They've abandoned transparency when they made appointments and didn't tell the public about it, or made appointments directly from the Premier's office without an open process; by telling the public that members of the Review Committee would be available to comment on its report, then making the decision days later to keep them silent; by abandoning accuracy when selling their deal, leading to the Finance Minister to admit that words do matter.

The importance of trust when presenting a deal of this magnitude cannot be overstated. If Newfoundlanders and Labradorians cannot trust their government to keep its word, if voters cannot trust their government to be truthful about details, if residents cannot trust their government to be transparent and if Indigenous people, including members of the Innu Nation, cannot trust government to be respectful and acknowledge their history and their rights, how can they be trusted to negotiate a deal worth hundreds of billions of dollars? How can they be trusted to deliver the best deal for Newfoundland and Labrador?

Prior to coming here today, we already knew the government had made significant concessions. Concessions that make this deal concerningly and eerily similar to 1969, and those concessions raised legitimate questions. They deserve answers and that's exactly what this extraordinary sitting should be about. It's not about slogans and bluster. It should not be about asking members of the public to simply take the government at its word and trust that everything will be fine. This is about asking careful and thoughtful questions on behalf of the people who sent us here, to the negotiators, to the advisers and, most importantly, to the people who appointed them and gave them this mandate.

That, of course, is the Premier and his ministers, because if this agreement is going to govern our electricity relationship with Quebec for generations and for decades, then we owe Newfoundlanders and Labradorians nothing less than a full examination of the Conservative deal. That includes what changed, why it changed and whether those changes are actually in our province's best interests and whether the people of our province, including the Indigenous people and, in particular, members of Innu Nation who hold special and legal rights for the project, will properly benefit from it.

One of the first questions is about promises and whether those promises carry any weight. The very first day of the election, the now Premier made one commitment louder than almost any other. He promised that any Churchill Falls agreement would go to the people in a referendum. He wrote it in his election platform. It was written in the mandate letters to every single Member of his Cabinet. It was repeated after they formed government, and now it has disappeared.

So why was the promise made? Well, it appears it was used as an excuse for the Leader of the Progressive Conservatives to not discuss Churchill Falls during the campaign.

Mr. Speaker, governments have every right to change their minds but, when they do, they have a responsibility to explain why. So what changed? If a referendum was essential during the election, why is it impossible and not necessary today?

The Premier says the time is now, the urgency is here, but during the 2025 debate and through to last spring, the Conservatives repeatedly told this House there was no such thing as deadlines. They would not be rushed. They criticized our government for moving too quickly. They insisted Newfoundland and Labrador should take all the time necessary to get the best possible agreement and now there is no time for a referendum and now they are rushing at a far greater speed and using it as an excuse to abandon what they committed to.

So, today, we are entitled to ask, what did create this urgency? Were they wrong and there was never any deadlines or is this simply a different standard now that they are in government?

Mr. Speaker, another important question concerns transparency. The Premier established his so-called Independent Review Committee. He told the public it was important that the committee present its work and answer questions on it. Yet, when the report was completed, committee members did not present it publicly. They did not answer questions from the media or from anyone in the House of Assembly.

Even today, the experts who informed that report have not been identified. The Premier admits he, himself, doesn't know who they are. Without knowing who informed their review, which the Premier said today has formed the mandate for this deal, the Premier did make it part of the mandate for the negotiating team. The new agreement is based on recommendations by unnamed, unavailable and unaccountable people. The Premier based this deal on the views of people that he doesn't even know exist.

If this agreement had undergone rigorous independent review, why not let Newfoundlanders and Labradorians hear directly from these people? Why not allow questions and provide the transparency that was promised? Because confidence in an agreement this important comes from openness and not the secrecy that we are seeing.

Even more concerning, the Premier will not hold himself to the same standard he held our past government. The Conservatives have refused to submit this deal to an independent review. They are trying to tell you that this deal is completely new, but also that it's old, so it doesn't need a review. It doesn't add up, Mr. Speaker.

Perhaps the biggest question in this debate that I have is about pricing and fairness. Every Member in this House understands the lessons of 1969. It was not simply about selling electricity to Quebec. The mistake was in locking Newfoundland and Labrador into a pricing structure that did not grow as the value of electricity grew. For decades, Quebec benefited while Newfoundland and Labrador did not.

The 2024 MOU would have avoided repeating that mistake by using a pricing formula that combined several measures of electricity rather than relying on a fixed price. Back then Newfoundland and Labrador Hydro described that as a basket approach and less risky because electricity markets do not always move in the same way as inflation and multiple inputs were better than relying on just one.

This agreement, this Premier, has changed that. Now, Churchill Falls power will be sold, again, according to fixed-target payments. The government says there is an escalator, and sure, there may be some adjustments for inflation, but inflation and electricity markets are not the same thing. Just ask Quebec.

The CPI measures a basket of household goods, not electricity, and not only that, but the CPI in this agreement is restricted and would only be triggered under specific and unlikely conditions.

So the questions are very simple. What happens if electricity prices rise faster than inflation over the next five, 10, 30 or 50 years? Will Newfoundland and Labrador sufficiently participate in that upside or have we once again, just like 1969, limited ourselves while allowing someone else to capture all that upside of all that revenue from increasing electricity markets? It is a reasonable question to ask, Mr. Speaker.

A similar concern exists with Gull Island. In 2024, the Power Purchase Agreement for Gull Island included a 2 per cent annual escalator negotiated into that agreement. This Premier removed it. Unbelievably, the price that our province will receive for Gull Island power for the next 50 years will go down each and every year.

To be clear, Newfoundland and Labrador will receive less and less for our electricity, even if electricity prices rise. We need to understand why the Premier removed a guaranteed escalator, and why they lost the guarantee that the price would increase every year.

The government argues that this change reduced our debt obligations. We will see over the next four days that the Premier's numbers do not add up, but in any event, the Premier must answer why he was unable to secure any arrangement where the price our province receives for Gull Island does not increase. We need to understand why he was comfortable with a de-escalating price, why he failed to insist that unlike 1969, our prices in our province would increase.

These are exactly the kind of questions we are supposed to ask before approving any agreement worth hundreds of billions of dollars over the course of 50 years.

Mr. Speaker, another issue is transmission and access to American markets. For years, Newfoundland and Labrador has sought the ability to sell power directly into US markets using Quebec's transmission system. The government announced this agreement as though that objective had been achieved, but when anyone reads the agreement, it says something completely different.

This deal allows Newfoundland and Labrador to sell a finite, limited amount of power to Quebec based on US prices. To Quebec, not through Quebec. As the Finance Minister said, words do matter.

It does not create a new right for Newfoundland and Labrador to negotiate directly with buyers in the United States and wheel power through Quebec. These are very different things, so we need clarity.

Will the Premier admit he did not actually obtain new transmission rights? Will he admit he walked away from all the upside that rising energy markets can deliver our province? The people of this province deserve clear answers.

We also have to ask who benefits from the new additions to the agreement. The government says this is a better deal. If it is better, than let's compare, because I only see ways that Quebec has improved their position: three ways, in fact.

First, under the 2024 MOU, Quebec would have paid 6 cents per kilowatt hour for our power. Under this agreement, they've reduced that to 5.5 cents. That is straight from the government and from Hydro-Québec. Second, Quebec will receive significantly more additional power from the overall development package than our province receives, and third, federal support announced alongside this agreement allocates way more funding to Quebec than to Newfoundland and Labrador—almost double the funding for Quebec for a resource that is in our province.

You don't just have to take my word for it. Quebecers themselves are showing that they got more out of this agreement than we did. The CAQ, Premier Fréchette's party, rose in the polls immediately after the deal was announced, from 19 to 27 per cent, after the announcement.

Even more concerning is the Parti Québécois softened their position on the Churchill Falls agreement. As a separatist party, notably against federal participation, they were opposed to Canada's involvement in the deal from the start, yet now they are open to sticking with this deal. As recently as last week, the leader of the Parti Québécois called this a good deal. So it is clear, it is a new deal and it is a better deal, as least from Quebec's perspective.

Speaker, the better the scrutiny, the stronger this agreement will be. The more transparent the answers, the greater the public confidence; and the more confidence Newfoundlanders and Labradorians have, the more united our province can be in moving forward on projects like this that will shape our future.

This is for future generations of Newfoundlanders and Labradorians who will live with the consequences long after every Member in this Chamber has left office.

Over the coming days our caucus will ask questions, respectfully, thoughtfully and thoroughly. We will ask why key commitments were abandoned; we will ask why important pricing protections were lost; we will ask why transparency and accountability has been limited.

We will ask why Members of this Cabinet were adamant last year that certain contractual provisions be removed, yet those same provisions remain in this agreement; and we will ask whether every concession made by the current government truly serves the long-term interest of Newfoundland and Labrador.

We will also ask that the definitive agreements return to this Legislature for full and fair debate before they are finalized.

As premier, I committed to bringing our final agreements to the House of Assembly prior to signing, because it is the right thing to do.

This agreement before the House is not binding and there is still lots of work to do. So we will ask the Premier and the government to be accountable and whether the people of our province and those that represent them will have a say.

Speaker, these are not unreasonable questions, they are questions we are in fact expected to ask and this is the spirit in which we enter the House of Assembly and this is the spirit in which we will examine this agreement.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The Speaker recognizes the Leader of the Third Party.

J. DINN: Thank you, Speaker.

I'm going to state upfront what we've written to the Premier. For us to support another MOU, we're going to want the PUB – the Public Utilities Board – to engage the services of a top-tier consultant firm such as Manitoba Hydro International, BC Hydro, KPMG – someone who is not connected with this – to do a review of this deal up until it is finally signed. At least that way we'll be sure we have all the facts and cut through the political rhetoric.

Secondly, any final deal must come back to the House of Assembly to be voted on and to be debated. Whether we need four days is another matter, but it must come back to the House. Thirdly, regardless of what we decide here in this House, any deal must include and must have the approval of the Innu Nation and the Indigenous peoples whose land might be affected by this. That's what we want to state upfront. That's about transparency.

So here we are, 20 months later, debating yet another Churchill Falls MOU, only this one is blue and purportedly new and better. Now, to say that I have trust issues would be an understatement, and that goes back to the last debate and how the independent panel turned out and undermined and so on and so forth. But here, it's been intensified because prior to the election, in a December 2024 news release, the then Leader of the Opposition called for the government to refer the MOU to the PUB for an independent and impartial review.

The PUB should review all aspects of the MOU, including the new power purchase agreement on the existing Churchill Falls capacity, the proposed development of new generation capacity, the Gull Island as well as proposed transmission lines, in line with the recommendations of the LeBlanc inquiry and it should make its findings public.

In a recent letter from the Premier – the same person – unlike the Public Utilities Board, which was not designed to provide comprehensive oversight of projects of this magnitude – understood the magnitude in the 2024 release, all of a sudden, the PUB is no longer able to do that. And by the way, we're not asking for the PUB to do the review, we're asking them to engage a company that knows its business.

Prior to the election, referendum; now, no referendum. This format is supposed to be – and I think the Premier in his letter to the Leader of the Opposition – structured in a manner to avoid political rhetoric and grandstanding, unlike the last one. Well, I don't know, to me, when you walk out on a vote, that's pretty much political grandstanding.

MOU – 2024 was an MOU. This one is not. Now, to me, the essence of an MOU is it's non-binding. Guess what? 2024 was non-binding. This one, even though it has the word "definitive" in it, is still non-binding.

Prior to this, the governing party, when they were in Opposition, voted against a PMR that we brought forward to remove the HST on all forms of home heating. Now all of a sudden, if the MOU goes ahead, there will be a 50 per cent rebate. Before, not a good policy; now it's a good policy.

Refused to participate in shaping the review panel that we were trying to construct with the support of the independent; now we appoint its own so-called independent review committee with no input from the Opposition and certainly no access to that committee by anyone.

In 2024, shortly after we voted in favour of supporting the MOU, we were accused by the PC Opposition of collaborating, of colluding with the Liberals. Now, this time, the Premier wants me to set aside partisanship and join us in a common cause and support our new and better deal. This has been mired in partisanship – trust issues, as I said.

From the beginning, the NDP, we have attempted to keep the partisan politics out of it, avoiding the Newfoundland nationalistic rhetoric and judge the deal on its merits and see past our hyperbole. To be honest with you, I'm not really interested in whether the deal is better or worse than the 2024 deal, whether or not it measures up to the PC's Independent Review Committee report.

What I am interested in is, is the deal like the 2024, is it in the best interest of the people of this province? Does it make good economic sense? I'm not concerned whether Quebec gets something out of it. Sure, they're going to get something out of it. Why else do you negotiate? But what I do want to know is, did we come out with a good deal? One that's going to last for generations, and it will. Hence, the need for a truly independent oversight of this.

The last time we attempted with the independents to negotiate an independent panel, it's too bad, we had the whole House in on this. We could have come up with something that would have worked, maybe. At the Swearing-In, I complimented the Premier on releasing the two letters – the resignation letter from Michael Wilson and the letter from the clerk of the Executive Council – and asked to have input into shaping, if you're going to either revise the committee that was there or shape it.

The suggestion was that, really, it should be an invitation to all Members of the Opposition to have that input. There has never been any communication on that; no interest. As I said, here we are again. The same lack of transparency, the same questions, the same frustration, the same mistrust and the same hype. It's been mired, as I said, in partisan politics and ego, probably.

I'll just go back to a comment by the former Premier Williams, the author of the Muskrat Falls, the fact that he was proud. Probably the single biggest achievement that he's had since he's been in politics, which was stopping that MOU.

Now, I don't know, to me, that seems to be a little bit of ego. Maybe it's an example of a party trying to shake off the smell of Muskrat Falls. I don't know, but I'm tired of the rhetoric. The independent panel that we worked on, yes, there was interference with that and that's the previous one. It was very clear that there was interference with that and not where we wanted it to go.

The IRC, it has the name independent, but how independent is it? It was appointed by the government without any consultation reaching across the floor and saying, hey, this is what we see as a way forward.

As its chair, Mr. Chris Huskilson, former CEO of Emera – by the way, who negotiated a pretty sweet deal for Nova Scotia – and I am wondering how independent – did they go in with a preset, predetermined opinion on this?

I guess the thing that really sticks is that no one had access to being able to ask them questions, neither in the House of Assembly or to the media or to the public. A committee that was paid for by the people of this province and all we have is the report, because the report stands on it own. It raised more questions than it provided answers.

Let's take a look at the invited guests. Now, I am going to say here that those who are coming in are doing so out of what they think are the best interests. They are not here to deceive. They are going to give the facts as they see them. But they are all in some way, shape or form connected to either the government or the deal. There are biases. This is the same argument, the same concern I had in 2025 when we were debating the 2024 MOU – the very same thing. It had nothing to do with the professionalism, but the fact is they are connected to it.

You've got the federal government representatives coming in, who already have a vested interest in seeing this project succeed. You have got the former CEO of Hydro-Québec, Michael Sabia, who is now clerk of the privy council and secretary to the Cabinet of Canada. So there is already a predisposition to see this deal through and maybe not see beyond what are the potential flaws. So it's in the interest of the Government of Canada, no doubt about it. That is not mutually exclusive with the interests of Newfoundland and Labrador.

We have an Oversight Committee that is appointed by the Progressive Conservative government – hardly independent. We have a negotiating team – and I have a tremendous respect for the negotiating team because they are operating under some very difficult circumstances. You have J.P. Morgan and you have all of the other advisers that, in 2025, were telling us that the 2024 MOU was the best deal. Now we have them here and they are going to be telling us that the 2026 deal is the best deal. Which is it?

Timelines – I already have my doubt and my trust issues but timelines – I look at here, because we did have, and it was brought up already, with regard to we're not subject to artificial deadlines and so on and so forth. For complicated negotiations, it takes time. We had an election in September 2025. I would assume then that any negotiations up to that point had been either stopped or paused, whatever you want to call it, until the new government set its priorities.

The IRC was appointed on December 15, 2025. Four months later, it had a report presented – four months! Of a complex deal, it already had its report out and decisions and recommendations. Mind you, we didn't know who they consulted with.

May 19 the report is released to the public. On June 5 the government appoints the Oversight Committee, and at that point it has indicated its willingness to commence negotiations with Quebec. So I'm assuming for nine months or so that, basically, negotiations had stopped.

June 5 to August 17 – 10 weeks, two-and-a-half months later – we now have a DCIA, just like that. A complicated deal is all of a sudden done. This is supposed to inspire confidence – the speed – from a party that said it was not going to be bound by artificial deadlines. So, yes, I have trust issues.

Now, we've met with Trades NL and we know how important this is to the workers of this province. It's more than just simply say: we're going to bring our workers home. It goes beyond that. We know how important this is.

I've spoken to youth in our own caucus, in our own party, the youth across the political spectrum and they're looking to this deal as a way of making sure they've got a future here in Newfoundland and Labrador.

I know the significance of this deal to Labrador. I know it, especially, from Jordan, my colleague here in the House of Assembly for Labrador West, at the time. We struggled ourselves, Speaker. I'll use his name, sorry, but Jordan had to vote in favour of this. He had to vote in favour of this because it was his district's future. I had doubts, which is why we went the route of an independent review. That's why we took that approach.

They couldn't wait 15 years; they couldn't wait six years, but we had doubts. I had concerns, I should say, but I will say this, there was enough power in that first MOU to take care of the needs of Labrador. How do I know? That was very clear from what Jordan said, but it was also clear when we went up the MINEx conference of just the level of enthusiasm of hope and positivity that was there. All of sudden, projects that could be on hold were now moving ahead. There was enough power, yet we're being told there wasn't enough power in that first deal.

I know the significance of this deal to the Innu. I understand it. I have not lived it, but I understand it. I understand the significance of this deal to our country as a whole, especially as we face some existential threats from our neighbour to the south. I know the significance, I guess, to my grandchildren. As I said, I was 10 years old when the 1969 deal was signed and she will be 10 years old, maybe, when this deal is signed. Even if they don't understand the significance, it will impact them.

So I have raised questions that I want answered. I am not judging it, this deal, by the 2024 deal. I'm not judging it by whether it measures up the IRC. I'm not interested in whether Quebec achieves a benefit or whether it's a PC or a Liberal deal – uninterested in any of it.

Is it in the overall best interest of our province? Does a 50-year deal make sense, yes or no? I've heard it from all sides. Does a 10-year review period make sense, yes or no? Payments based on CPI, is that better or worse than one based on the market, or about the same? Does having a deadband in the middle of it, when it comes to the – does that make a difference?

So those are the questions I'm after; and I will get answers. I will get answers from the government side, I'll get answers from the negotiating team. All people have a vested interest in seeing this deal proceed. That doesn't mean they're wrong. But we've already been down the road of a so-called independent panel on all sides, and we think if the Independent Review Committee, Speaker, can do a review in four months, surely to God a top-tier consultant firm can do it, and come back with those answers, even just a treetop review of it.

Again, I'm going to state: We want the PUB involved, not in doing the review, but they can choose then the consultants they want to do that review. They will be the managers of it. An organization where there's Manitoba Hydro International, BC Hydro, pick another one, engage it. If it costs $100,000, $200,000 on a multi-billion-dollar deal for something that's going to last generations, well worth it. Come back with those answers.

Secondly, it must come back to the House. This is not a final deal, and this is what we were promised in the last one. It must come back to the House of Assembly, very clearly, for a vote. If we're going to be locked into this, we need to have that final vote.

And finally, by the time it does come back to the House of Assembly, you've got to clearly have the support of the Innu on this. Otherwise we can debate this until the cows come home and it won't make a row of beans if we basically undermine the rights of our Indigenous peoples.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Thank you.

Given the hour, and in accordance with the rules that we agreed to for the debate, this House is now in recess until 1 p.m.

Recess

The House resumed at 1 p.m.

SPEAKER (Lane): Order, please!

The Speaker recognizes the Government House Leader.

L. PARROTT: Thank you, Speaker.

A little unusual what we're going to do here but I've talked to the Opposition House Leader and the Third Party House Leader and the two independent Members. We were looking for leave to do an amendment. We were told we would get leave, but because the resolution is in place, we can't amend it.

So what we're looking to do is to extend the House until 10 tonight because the negotiating committee has made itself available and we're going to lose about an hour of questioning here now. We need consent of the House to do that.

I ask the House for consent.

SPEAKER: Does the Member have the consent of the House to extend the sitting?

AN HON. MEMBER: Leave.

L. PARROTT: Secondarily to that, myself and the Premier discussed this earlier and I was going to make a motion seconded by the Premier but, again, we need consent for this. What we're looking to do is to take clause 3 and delete the number 630 minutes in Block 2, subparagraph (i), substituting that number to 600. We are giving up the 30 minutes on this side, and we will give it to the independent Member for Lake Melville. He will also have his 10 minutes at the end on Thursday to stand and talk and represent his people.

So, again, we ask for consent to do that.

SPEAKER: Okay, does the government have unanimous consent for that as well?

AN HON. MEMBER: Leave.

SPEAKER: Okay, it is so done.

The hon. the Member for Humber - Bay of Islands.

E. JOYCE: I'm just going to say well done, to make sure the people of Lake Melville are represented. Well done in making the concessions to ensure that the Member has an opportunity to speak.

SPEAKER: Thank you.

You have something –?

AN HON. MEMBER: (Inaudible.)

SPEAKER: Oh, okay. Ask the Sergeant-at-Arms if he could bring over the ….

AN HON. MEMBER: (Inaudible.)

SPEAKER: Okay.

The Speaker recognizes the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you very much, Speaker.

I also want to say thank you to the experts that are lined up here this week to come in and present to the House of Assembly and to everyone in the House, our colleagues from all parties on both sides of the House for participating in this historic debate.

To all of you out there watching, I think it is very important to watch the next four days, formulate your opinions and, when the facts are on the table, I think that everyone will see what a great deal this is.

Speaker, nobody in this House is naive. I know full well how difficult it is for us to get a consensus in this House. It should be difficult and it's important that these questions get asked, but there are times in these important times and historic times when we can pull together as Newfoundlanders and Labradorians and put the province ahead of party. I believe that this deal is one such time.

That doesn't mean that there should not be scrutiny. In fact, this moment needs scrutiny. It needs a whole lot of scrutiny. The public deserves that scrutiny, which means, of course, there should be some very hard questions asked this week. I look forward to hearing those hard questions. I even look forward to receiving them and answering hard questions as well, but when these four days are over, when all of the questions are asked and answered, I am confident that what has been long clear to me will also be clear to every single Member in this House, that what we have is a new and better deal, a deal that is in every single way superior to the old 2024 MOU – every single way.

We have a new deal in front of us that will provide our province with more power than the old 2024 MOU, a new deal that will generate billions of dollars in additional value and revenue compared to the old 2024 MOU and a deal that gives us access to more transmission, including 985 megawatts of premium export market pricing that wasn't in the old MOU. We have a new deal with a firm job commitment, 85 per cent of all person-hours that the old MOU lacked, and we have a new deal that, when signed, will lead to every single residential ratepayer in Newfoundland and Labrador saving 15 per cent on their electricity bills. There was nothing in the old MOU about that either.

We have a new deal that will not leave our province stranded with $30 billion in debt related to Gull Island due to a poorly designed escalator clause in the old 2024 MOU. We have a new deal that gives us the power to choose how we use our Churchill power, to keep it or to sell it, based on the best interest of Newfoundlanders and Labradorians and nobody else. That wasn't in the old 2024 MOU.

Speaker, in short, our new deal is materially better to the old 2024 MOU in every single way. If you want to criticize parts of the deal, be my guest, but what nobody here inside or outside this Chamber can say, with honesty, is that Newfoundland and Labrador had a better deal with the old MOU. That dog simply won't hunt.

Given that there are no factual grounds on which anybody could support the old MOU but somehow oppose this new and better deal, I do hold out confidence that all of us, and in particular the Members opposite who supported the old MOU and all of its flaws, will recognize the historic opportunity in front of us, put the province ahead of partisanship and join us on team Newfoundland and Labrador and support this new and better deal.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Speaker, let's move on, because there is another group of people in the province who have also been quite active in attacking our new deal. I'm not talking about Newfoundlanders and Labradorians who have serious questions about the deal before they make their mind up. That's very fair. They are right to withhold their judgment until they get the answers. Nor am I talking about the people who say to us in good faith that they don't agree with every decision we've made, but who, even in disagreement, try to stay constructive.

Instead, I'm talking about another much smaller and much angrier group. You will find them angrily posting on Facebook or writing Substack columns or calling into *Open Line* every single day. They are the do-nothings, Mr. Speaker. They tell us we should just do nothing, build nothing, negotiate nothing, create nothing and somehow a new deal will write itself, the mines will open themselves, the jobs will create themselves and, somehow, Gull Island will build itself.

They say they want us to do nothing and to let the 1969 agreement ride for another 15 years and then somehow the problem will solve itself. Or they demand outlandish terms that are not based on reality. It is magical thinking, Mr. Speaker. Every day we discover that another guy on the internet is claiming they understand both the intricacies of Quebec politics and the economics of major utility projects. How lucky we are to apparently have so many hydro experts walking among us. They can spend all day online or calling *Open Line*.

Well, let me tell you someone who actually does know what he's talking about: Barry Perry. Barry Perry led our negotiating team. A proud Newfoundlander and Labradorian. A former CFO and CEO of Fortis. A guy who actually negotiated billion-dollar deals. Every time he speaks you learn something about the complexities of financing major utility deals, about how negotiations work, about understanding how counterparties work. Barry Perry put his life on hold to lead our negotiating team because he loves this province, and he possesses a very rare experience and skill set to get us the best possible deal.

I'm not going to steal his thunder, but I expect that you will hear for yourself his confidence that this is, in fact, a big win for this province. That in our time of maximum leverage we have pushed Quebec to the breaking point and won historic concessions on power, on transmission, and on value.

So, yeah, I'm going to take Barry Perry's word over some guy on Facebook or *Open Line*. In fact, Speaker, I think of it this way: people in our province were all enraged earlier this year when some guy in the Parti Québécois released a fantasy map that would redraw historic borders of Labrador as a negotiating tactic.

Well, Speaker, Quebec's critics have their imaginary maps, and our province's critics have their imaginary deals. But over here in the real world, we have mines to build, we have roads to pave, we have businesses to start, doctors and nurses to recruit, taxes to lower, police to hire, schools to construct, debt to reduce, jobs to create and an economy to grow. This deal helps us do all of that; holding out for an imaginary deal does not.

Perhaps rather than pretend that these outside critics have a secret path to a better deal, let's acknowledge that they don't want any deal at all. Some of them are at least honest about it. They hate Quebec so much that they say wait: until 2041 and take our chances, and no amount of jobs or power or money or opportunities will sway them.

I will say to those critics: Okay, at least you are honest, but the price tag for your self-righteousness is that everybody else stays poor. That doesn't mean we forget the past. No, we can't forget the past. We don't forget the past in this province. Every concession Quebec is making in this deal is in ironclad language. We have over half a century of hard memories to remind us that you don't ever simply assume good faith from Quebec.

So, Speaker, we all know the score. We are in a moment of maximum leverage. Quebec isn't doing this for charity. Of course they're not. They are prepared to pay us billions more for Churchill Falls power because even after paying, it's still a good deal for them. They are prepared to build Gull Island and assume all of the risk of building Gull Island, pay us an incentive for the option to build Gull Island, pay their own equity cost and, still, we hold the majority ownership of Gull Island, because even after all of that it is still a good deal for them.

But at some point, it will reach a point where this stops being a good deal for them. Given that it takes years to secure a new long-term supply, if we let this moment pass, Quebec will turn somewhere else and that will leave us to find another deal, only this time Quebec will not be at the table. The feds likely won't be there either. Instead, we have taken our leverage and we have used it; not just with Quebec, but with a federal government that has never been more motivated about being a part of this deal. Prime Minister Mark Carney is prepared to move heaven and earth to get this deal through, and we are the beneficiary of that at this moment.

So, yes, I get the anger about Quebec's conduct since 1969, and I feel that anger myself. But I also know that you don't build a better future by raging about the past. Instead, we're choosing to overcome historical grievances and work with both federal government and the Quebec government to find a true win-win-win.

Now, one comment I do agree with is about the need for a clear road map and a clear plan to take advantage of this moment. That's why we've created one through the Independent Review Committee. Just read the five recommendations in the report and that was our road map.

The Independent Review Committee's report first recommendation was that our government should determine, based on comprehensive analysis of long-run economic development options, the extent to which power generation from Churchill River should provide financial versus economic value to the province over time.

Well, Speaker, my department has performed that analysis and there are different opinions today about how much power we should aim to keep in this province to build those mines and other industries, versus how much we sell to get a financial return. That's why we need to tip our hat to the negotiating team, and that's what the Premier has called optionality.

We don't need to carve out the future power needs into a stone tablet for the next 50 years anymore. The government of the day, whether it's the Tory government, the Liberal government, NDP, will be able to reallocate power for either sale at 150 per cent premium markup, or to keep it here at home for our own use.

Let's look at the second recommendation that the Independent Review Committee put forward. It was our government should sanction and support Newfoundland and Labrador construction of new transmission line capacity between Churchill Falls and Labrador West in order to enable economic growth of the province's energy-intensive industries. Building this line was nowhere in the old 2024 MOU. Nowhere.

In contrast, this deal, today, we have the federal government stepping up with over a billion dollars to build a line inside of our own province – inside of Newfoundland and Labrador. Not for transmission across the border, but transmission that is completely inside our province. The moment we have a Prime Minister who is not as invested in this project as Mark Carney is right now, that billion dollars will be the first to vanish.

In bringing the feds to the table with this investment, taking the pressure off us and we're taking the pressure off the mine operators who otherwise would have had to help finance this, the economics of opening a mine in Labrador just got a whole lot better.

You know, the mines are going to need that power. Look at the proposed Kami Iron Ore Project in Labrador West. This is a $4 billion mine and will move over eight and a half million tons of iron ore concentrate a year with an estimated 25 years of operation – jobs, business and revenue.

Guess what? They need power. Strange Lake, Iron Bear, expansion and extension of Voisey's Bay, Julienne Lake, the list goes on and on. They all need power. Mining takes power, lots of it, and where's it going to come from? With electricity, you have a mine. Without electricity, you have rocks in the ground.

We have 34 critical minerals identified in this province, right now, and we are in a global arms race to secure those critical minerals. The do-nothings want to freeze our mining sector for another 15 years. Our current supply in Labrador is stretched to power what we already have, let alone new projects. This deal fixes that. This deal is the key that opens the gate to the Labrador Trough to get those mines built.

It's not just mines, Speaker. Ore needs refining and processing. When you produce enough of it in one place, those secondary industries soon follow, creating thousands of more job opportunities. Guess what? They will also need power.

Let's look at the third recommendation of the Independent Review. It calls on us to remain committed to the objective of building respectful relationships with and consulting Indigenous communities in connection with future developments on the Churchill River and in Labrador.

Speaker, those conversations are ongoing. The Premier and the Minister of Indigenous Relations and Reconciliation are in conversations with the leadership of the Innu Nation now. As I'm sure the Members of the House can understand, these conversations are very sensitive and would not be served by airing out private details in this Chamber.

Yes, there are issues and we must continue to work through them, but the opportunities for transformative jobs and revenue for the Innu Nation are real. I hope that they will partner with us on this deal.

Now let's look at the fourth recommendation: The Government of Newfoundland and Labrador should rigorously evaluate alternative ownership, operating and right-of-use models for new hydroelectric generation at Gull Island that are consistent with the province being the primary beneficiary of the financial and economic value created.

We did that too, Speaker. We retained a law firm, Gowling – they are a multinational law firm and one of the most respected firms in Canada – to perform a full detailed review of different ownership models with an eye to the public interest. All of the alternatives raised in the Independent Review Committee report were explored: participation agreements, public-private partnerships, build-operate-transfer. The review concluded that the current joint-venture model is in fact the best model.

Let's go to Recommendation 5 of the Independent Review Committee report. The Government of Newfoundland and Labrador and Newfoundland and Labrador Hydro should prepare for future negotiations with HQ by preparing a fully articulated negotiation strategy and best-practice governance process.

We did that too, Speaker. The Independent Review Committee highlighted that too much of the old 2024 MOU negotiating strategy was dictated by the whims of the Premier's office, and that's how you sign a 50-year PPA that somehow leaves the province stranded with $30 billion in debt on Gull Island by the time the asset is handed over.

Well, we know the previous government's governance process was compromised, and that's why we struck the Churchill River Negotiations Oversight Committee.

The chair, Dan Levert: an engineer, a lawyer who was involved in the development of Voisey's Bay, Long Harbour Processing Plant, White Rose topsides in Marystown, worked full-time as the counsel for the Hebron Gravity Base Structure and he gets utilities too. He has worked on both the Site C Hydro Project in British Columbia and Site C.

Julia Mullaley, former clerk of the Executive Council, former Auditor General, there literally is nobody as qualified to scrutinize the inner workings of government on decision-making than Ms. Mullaley.

Mike Jardine: almost four decades as a professional engineer with 38 years of experience in the electrical utility industry. He led teams through the design, procurement, construction and operational phases of the Wataynikaneyap Power Transmission Project.

Speaker, the road map was there. The team was there. The plan was there and we negotiated a new and better deal: 2,750 megawatts of power – 760 more than the old 2024 MOU – access to transmission with premium export market pricing for 985 megawatts of power – again, not in the old MOU – with no ability from Quebec to discount our power to rip us off; $49 billion in value compared to $36 billion in the old 2024 MOU – Speaker, that is $273 billion in cash – a benefit strategy that gives us 85 per cent of the person-hours; optionality on how we use our Churchill Falls power; a 150 per cent premium price markup if we choose to sell it; a federal investment of over a billion dollars in new wind generation in Churchill Falls; a separate federal investment of over a billion dollars in transmission support; a federal loan guarantee to derisk the entirety of the Gull Island project; a referral to the Major Projects Office to ensure all regulatory reviews are completed comprehensively and completed fast.

Upon the completion of this deal, a 15 per cent rebate on residential electricity bills, Speaker, because our government believes that the benefits of a new and better deal on Churchill Falls should be shared with the people of Newfoundland and Labrador. That is what we won; that is what we earned.

You can disagree with some of our decisions, you can disagree with our approach, but you cannot pretend that the old 2024 was better. You cannot pretend that doing nothing is better, not if you are honest. If you look at this deal, a new and better deal compared to the old 2024 MOU in every way and still oppose the deal or vote no, then that would be your right as Members of this House.

But if that is your position, I hope you look in the mirror and are honest with yourself about what you see – a person who does not want to see Churchill Falls and Gull Island ever developed, a person who chooses to live in anger and decline; but I believe that all Members of this House, including the ones across the way – who I often disagree with – are made of better stuff than that. I know Newfoundlanders and Labradorians are made of better stuff than that.

Let's choose optimism; let's choose jobs; let's choose opportunities; let's choose growth; let's choose to transform Labrador's economy; let's choose to fix our finances; let's choose more power, more value and more transmission that Newfoundlander and Labradorians deserve.

Speaker, let's all vote for this deal and send a message that Newfoundland and Labrador is ready to lead the way.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

SOME HON. MEMBERS: Hear, hear!

F. HUTTON: Mr. Speaker, colleagues, I feel compelled today to begin by talking a little bit about emotion and the minister opposite mentioned that in his own speech. I'm talking about the historic emotional connections that are tied to what we are discussing here today, what we will decide this week and in the coming days, deep-seated feelings that have festered in this province for over half a century. In my opinion, at the base of why we are here, whether or not we can trust the process and trust the people who are in charge of it right now, and, quite frankly, I have serious doubts about both.

For several generations, the 1969 deal on Churchill Falls has caused many people in Newfoundland and Labrador – and I would include myself in that group – to harbour feelings of resentment and mistrust and, quite frankly, feelings of being taken advantage of by the Province of Quebec – our neighbour. But I also feel that there must come a time when we have to move beyond that sentiment. We have to forget about the past, in one sense, but never forget it in another.

Twice we failed on the mighty Churchill River, Mr. Speaker; the 1969 Churchill Falls deal and again on Muskrat Falls. We can't afford to do it again. Our treasury can't handle it, our psyche can't handle it, the people of this province can't handle another loss.

Mr. Speaker, I spent three decades listening to the people of this province telling their stories. I heard them at many times express anger and frustration over that 1969 contract. For most, the only thing they knew about was the escalator clause – the lack of an escalator clause – and the fact that Quebec was raking in billions of dollars and we were getting a pittance. Escalator – that one word that has cost this province billions and billions of dollars over the last 56 years.

I often wonder what this province would be like if we had signed a fair deal, if our price rose with the price of electricity as it went up. Would we be this far in debt? Would our health care system be better? Would we have better health care outcomes? Would not as many people have had to leave to find work elsewhere? Would we have different industries here? Would we have more money to spend on essential services? How could it be that our resource in our province – it's ours, and somebody else – is reaping the majority of the benefits?

The second time around on the mighty Churchill, we deliberately avoided Quebec to – quote – go it alone. Everybody remembers that phrase. It didn't work in our favour either. Muskrat Falls turned out to be a financial albatross around our necks and will be for decades to come. This second strike has definitely further eroded people's trust in the process and the people in charge of it.

Just a couple of days ago, we marked a grim anniversary, the 25th anniversary of 9/11, a day in modern history described as the world's darkest hour, but among all that darkness and evil, people in this province did what we are known for, which is stepping up and helping others, helping others we had never met before and may never meet again. It's what we do. It happens all the time here, just on a smaller scale. We hear the stories all the time about people from Newfoundland and Labrador helping complete strangers. We have done it before and we will continue to do that.

That's why, in my opinion, and for many, it's hard to reconcile how our Canadian neighbour to the west, Quebec, could have taken advantage of us for so long.

It is difficult to remove the emotion and it's difficult to remove the politics from it, as well, because it was politicians who signed off on the original Churchill Falls agreement 57 years ago and Muskrat Falls about a dozen years ago, and it will be politicians, people who are elected and accountable, that will sign off on this deal. They are ultimately responsible for it.

In this day and age, it's easier to see and read that frustration on social media. I've seen an overwhelming expression of frustration in recent weeks since this latest government announced the most recent deal, and to hear somebody in this hon. House today refer to people who are criticizing what is happening as do-nothings is offensive to me.

I say all this as a backdrop that we want to get this right. We have to get this right. I have said publicly many times that if this is the right deal for Newfoundland and Labrador, I would support it. I don't see that right now. I'm not there.

We need to be able to feel that we're getting a fair shake, finally getting a fair deal on what belongs to us and our Indigenous partners because we're all part of this great federation, this great country of Canada. It was Jean Chrétien who reminded us of that last week – a very proud moment.

Mr. Speaker, it is always a pleasure to stand in this House and address, not just the colleagues I work with here, but the constituents that I represent in Conception Bay East - Bell Island. They are the reason I'm here; they voted for me. I'm here because of them. I am their voice and it is not a task I take lightly.

Less than two years ago, we were here debating the same issue, a major hydroelectric deal that is generational. One that will have an impact for decades to come. So, today, like then, having this voice is important. It's important to me, it's important to them and the people I represent have a vested interest in what we do here this week, every day for that matter, but especially so this week.

When I heard the Member opposite, the Minister of Energy and Mines, say to the media a couple of weeks ago, that people don't want to hear from politicians, Speaker, I respectfully and vehemently disagree. Now is exactly when our constituents want to hear from us. They want to hear what we think about this deal that will impact, not only them, but their children and grandchildren, my children and my grandchild. They want to know where we stand on a deal worth hundreds of billions of dollars and the endless possibilities and potential for advancing our province with that kind of revenue stream.

The Minister of Energy and Mines also said they, referring to the government Members, wouldn't have the answers that we're looking for. I find that troubling. It is their deal. If they can't answer the questions about this deal, why are they supporting it? Do they not understand it or are they hiding?

Over the last few weeks the people who put me here were very clear, they do want to hear, not only from me, but they want to hear from the people who sit on the government side and hold the balance of power right now, the people who will ultimately make this decision.

I'd be very surprised if their own constituents felt differently. The Premier and his government Members are about to attach their names and their legacy to a deal that will be felt for over 50 years.

Speaking of legacy, I watched the Premier on *Issues & Answers*. Michael Connors asked the Premier specifically if he would be comfortable with having this deal as his legacy. He would not answer the question. He said it was not about him, but it is because this deal does not get signed without him. All the experts can come in here and tell us what a great deal it is, but it doesn't get done without his approval and his Cabinet's approval.

Now I grew up in a household that paid attention to what was going on with respect to news and current affairs. I wonder if that often led me to my career choice. Even before entering media, I had many discussions about it and many stories were done during my career about the lopsided deal and the unfairness of it.

It was for generations and that mistrust is there, with our neighbour to the west, as I said, and of politicians who were responsible for those deals, not just because of Churchill Falls, but Muskrat Falls as well. We know the story there; we're still paying for it and will be for quite some time. It is not, as one former Cabinet minister and negotiator on this MOU, who was secretly hired, famously said about Muskrat Falls, a deal that will pay for itself.

The Finance Minister across the aisle now knows that it's not paying for itself; we are paying for it. We are paying dearly; a half a billion dollars a year. I note for the record that the Conservative minister we're talking about was around for Muskrat Falls, then, as I said, secretly appointed by the Conservative Premier to negotiate this deal. He was originally not going to be here this week and then over the weekend it was said he would be here.

They were scrambling at the last minute trying to figure out some political strategy on how to deal with this. Should he be here or not? Within the last week or so, since the latest agreement was announced, I heard the Premier reference that we need to remove politics from this discussion. I wholeheartedly disagree. That tells me the current Premier and his ministers can't or don't want to answer these questions for their so-called new and better deal, which many people argue is a new and better deal for Quebec.

It is naïve for the Premier to think that any deal with Quebec, to tear up the old agreement a decade and a half early, can be done without political will. History has proven that. When former Premier Frank Moores swept to power in the early 1970s, one of the first things he vowed to do was change the lopsided 1969 agreement. As energy prices began to soar, they quickly realized the big mistake they'd made signing that 1969 agreement.

In the decades that followed, as has been mentioned, we tried multiple times – multiple times in the courts – to have this changed. We even went to the highest court of the land, the Supreme Court of Canada. Each and every time they answer was no. A deal is a deal. We were stuck and Quebec wouldn't budge. It wasn't fair, but it didn't matter.

So here we are. What we are being asked to do here this week is to vote on a path that will tie us to a contract for a similar length of time – more than five decades.

For some context, my children who are in their late 20s and early 30s will be in their 80s at that point in time, and my granddaughter who was just born will be 51 when this expires. For some context, that is really where we're looking down the road. We won't be here, as the leader of our party said. We'll be long gone.

But in order to do so, in order to complete this task, there needs to be trust on multiple levels; trust that this is in fact the best deal for Newfoundland and Labrador, for the people who live here now and future generations. There needs to be trust in the process. We need to trust how we're going about this is truthful and will ultimately lead us to be the primary beneficiaries, as the current Premier says quite frequently. I agree. We do need to be the primary beneficiaries out of this, this time around.

But in my opinion, paramount to all that, there needs to be trust in the people who are making these decisions to do the deal. The people who were elected and are accountable to the public for the decision we make here this week and beyond.

The negotiators, the financial advisers, the power experts, federal officials, they're going to be here this week to answer our questions that we have for them, the technical questions, the down-in-the-weeds questions about megawatts and kilowatts and power purchase agreements, forecasting, but remember this above all: none of it gets done, none of it's finalized without the Premier and his Cabinet directing Newfoundland and Labrador Hydro to do so. They are the political representatives who brought this agreement with Quebec here this week.

The Conservative government right now, they ran on and formed government based on commitments directly linked to this agreement, and now they want to think we can remove politics from this discussion. They want to do so when it's convenient for them so they don't have to explain it.

Right now, I don't have trust in the Members opposite and the Premier. I will attempt to keep an open mind in the coming days as I listen to the negotiators and the experts and so on, and the government politicians, albeit for a limited time. Again, I want to remind people who are watching and who maybe weren't paying attention in the days leading up to this, the current government wanted to limit questions to government Members to 45 minutes during this 36-hour process. That was the original offer. That was their initial plan. After serious backlash from the public – I guess what the minister referred to as do-nothings – and the Opposition and the Third Party, they increased it to four 30-minute Question Periods.

The Conservative Premier and his Cabinet Members who have been speaking out about this deal publicly – and there hasn't been much – have not instilled me with much faith. They kept saying wait until the debate. It's not a debate. The reason is simple: they keep breaking promises, their story keeps changing, and people in the public are on to them.

Just last week the Minister of Housing said: We're going to take any questions. We will take all questions. It's a quote from a VOCM story; it's not true. The current government will only take questions for 30 minutes a day at the end of the day. That is a lot different from the last debate, which allowed Members to ask questions throughout the entire 36 hours – of the Third Party and the independents as well.

During the 2025 debate, I said it was surreal for me to be standing in this Legislature, not just as an MHA, but as well discussing the possibility of getting a chance to break that deal that we did with Quebec back in 1969. I've said this before in the Legislature, I actually enjoy hearing from all Members, from the Third Party, the independents, the governing Members – I enjoy hearing from them. Their perspectives educate me on the decisions that we have to make here. I've learned over the years that there are many different viewpoints from different parts of this province on how things should and could be done. I'd like to think that all Members in this House have the best interests of their constituents at mind every time they make a decision, be it something as large as this or something smaller – any decision.

Before we vote later this week, I hope to hear from every Member of government as to why they think this deal is its best interest, the best interest of people they represent. I want to make sure they've done their homework and fully understand this agreement and what it's going to mean for our province for a very long time.

By now, Speaker, most people know most of what I'm about to say, but for those who haven't really been watching this closely, I want to go on the record in this House during this process – and I won't call it a debate, as I mentioned, because it's not – and we're going to start with the referendum, a promise made by the Opposition leader in 2025, the person who is now the Premier of Newfoundland and Labrador.

On the night he launched his campaign, he said no deal would be done without all people having their say, that a referendum would be held. He promised a referendum on the night they won the election. He also said it throughout his campaign. It likely had an influence on the outcome of the election. If you look at the hundreds and hundreds and hundreds of comments online, on their own pages, people feel betrayed.

The Premier promised them they would have a say and he broke that promise, and, by extension, all government Members opposite who campaigned on that same promise broke their promise to their constituents as well.

It's not the first one either. The Premier also campaigned on a promise not to do a deal on Bay du Nord unless topsides would be built here in Newfoundland and Labrador. Well, guess what? That promise was broken as well.

Back to the referendum, 10 months after promising the vote on Churchill Falls while standing on the wharf announcing the Conservatives' new and better deal, the Premier broke that promise, but I don't think it was ever the intent to have a referendum. He promised it but he didn't mean it. It's becoming a trend and that's why I'm concerned.

During the debate in 2025, the then Opposition leader, who's now the Premier, insisted a 50-year deal was too long; yet, here we are today discussing a 50-year deal that they've put forward. What changed?

During the same debate, then Opposition leader, now Premier, demanded an independent review. The independent review he commissioned after taking office was a review of the 2024 deal, which is dead – a former premier claimed victory on that, that he killed it – the Conservatives let it expire.

The Independent Review Committee members that the now-Premier appointed were supposed to speak publicly about their findings. The Premier said it would happen. I went to that media event myself out in the lobby. He broke that promise, too. We have yet to hear from them because the Conservatives are not following the recommendations of their own Independent Review Committee. The Premier put so much weight on their role, yet he won't let them defend their work and speak publicly and take questions. He won't have them or anyone else review the 2026 agreement. We still don't know who even gave the information to the Independent Review Committee, and that's why we won't hear from them this week.

This is an information session, the Finance Minister said on *Open Line* last week. That's what he called it. He didn't call it a debate. It's not a true debate in the sense of committee style. He had to walk that promise back as well.

So let's recap: The Conservative Premier promised a referendum, broke that promise and cancelled it, and then he said there will be a debate instead. Now we're not having a debate. He broke that promise as well. That's two just related to this. So, again, this element of trust.

Since the original MOU was announced in December of 2024, the day before the new government under the new Premier announced the new MOU, the Premier continually said he would not be rushed by any arbitrary deadlines. Why the rush, he said multiple times, it's our resource, but now he's using the word urgency: The time is now, because Donald Trump – Donald Trump was there two years ago, same thing. What changed?

Now the Conservatives are in charge and accountable and, of course, the Quebec election poses a potential threat to this deal being finalized. Remember, the Premier said prior to the deal being done, the Quebec election didn't matter. Now apparently it does.

Under the new Conservative deal, Quebec gets five times what Newfoundland and Labrador will get. It was referenced as well that they're paying less for the electricity they're getting – their own information on it to the public. It was six cents in the old deal; it's now 5.5 cents. It's incredible that everything they criticized they're now in favour of, another major change of plans by the government and another contradiction.

Mr. Speaker, there are so many other aspects of this that I could talk about. The transmission to Quebec, it's not through Quebec, and a large portion of that, a quarter of it, was already there since 2007. They're billing it as this is brand new transmission through Quebec, and it's just simply not true.

Remember the base and crux of the lopsided 1969 deal was there was no escalator clause. We were and still are stuck at 1969. Now here we are in 2026 talking about a deal that will take us to 2077 and the price that we're going to get for electricity generated from a river that is in Labrador in the Province of Newfoundland and Labrador, we're going to get less for it over the period of time that the contract is in place. I can't believe it.

This is a very complex deal. There are many ways to interpret the numbers. Some of them are based on forecasting. Hopefully we'll get some of those answers this week but, right now, this boils down to trust, a trust I do not have in the process and a trust I do not have in the people who are responsible for that process.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The Speaker recognizes the hon. Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Speaker.

I stand here today as a voice for the residents of St. John's East - Quidi Vidi who have entrusted me to represent them in this hon. House, but I also stand here for the people across this province who have contacted my office, called, written, social media and reached out in whatever way possible because they want their voices heard on this deal. I speak today, not only as an MHA, but as a mother, a community member and someone who wants the best possible future for this province.

I want a province that thrives, not just today, but for my children, their children and every Newfoundlander and Labradorian who will live with the consequences of this 50-year agreement. That is why we have to get this right. That is why we have to ask difficult questions and make sure the people of this province can understand the answers, because, historically, we have been shortchanged. We have watched our resources leave this province while too little came back to the people who call it home. We have lived through mineral extraction, overfishing, the cod moratorium and, of course, the 1969 Churchill Falls agreement.

That history is not ancient history to Newfoundlanders and Labradorians; it is part of our collective memory. So when governments tell us that another enormous, fast-tracked resource project will transform our province, people are very skeptical, and they should be, because we have seen what happens when we get it wrong.

We cannot once again be a pawn for the larger powers that be. While I applaud a team-Canada approach to countering the fascist leadership of the US presidency, we know that history will repeat itself if we do not pay close attention. We cannot afford to get this wrong again.

Let's talk about transparency. Quite frankly, it has been abysmal. I am a new MHA, I was not part of the 2025 debate over the previous agreement, I have had the benefit of two briefings with experts and officials and, even with that access, this is very complicated. I can only imagine being a member of the public trying to understand this agreement while navigating a cloud of competing political messaging.

Our public are busy trying to keep a roof over their heads while housing costs rise, groceries and medications become more expensive and families brace for the consequences of an ongoing trade war. They deserve better. I continue to hear government ministers say that once people read the agreement, they will understand it, and some will, but expecting the public to digest a complex 70-page agreement without meaningful, independent explanation is not transparency. That's not doing nothing; that's being ill-informed. Government has a responsibility to explain what this means for the people who will live with it.

There is another reason people are rightfully suspicious, the Premier promised them a referendum and that promise was broken. So, yes, there is a trust deficit. Trust cannot be demanded, it has to be earned.

Speaker, we all know how this week ends. When the vote comes Thursday, the majority government will almost certainly pass this agreement, but I was elected to vote and I will do my job. I will not walk out when it's time to make a difficult decision.

SOME HON. MEMBERS: Hear, hear!

S. O'LEARY: I will stand here, vote and be accountable to the people who sent me here.

Our conditions – that is why my colleague and I have been clear about where we stand. We will support this deal if three conditions are meet. First, independent oversight by the Public Utilities Board, not a committee hand-picked by the Premier, not an organization whose independence is compromised by its relationship to the project. The PUB must have the authority, resources, information and independence necessary to conduct a genuine review. We saw what happened during Muskrat Falls when oversight and access to information became obstacles rather than safeguards. The Premier himself called for PUB oversight of the 2024 MOU when he was in Opposition. So I ask, why not now?

The second condition is a final vote in this House on the definitive binding agreements. What we are debating today is not the final agreement, it is an MOU. We know negotiations continue. We know decisions will still have to be made. So how can I responsibly give carte blanche to a deal when I do not yet know what the final binding agreements will contain? Give this House the opportunity to debate those agreements, give MHAs who are elected the opportunity to scrutinize them and give Newfoundlanders and Labradorians the opportunity to see exactly what they are being asked to live with for the next 50 years. That is not obstruction, that's democracy.

Third, the full support and participation of the Innu Nation. Nothing about this agreement matters if we fail to respect the people whose traditional territory is directly affected. The government's handling of questions surrounding the Innu's involvement has been deeply disappointing. Excluding Indigenous peoples from major decisions on ancestral lands can cause severe cultural, economic and environmental distress and harm. There were weeks of silence before the minister addressed the issue publicly regarding the erasure of thousands of years of Innu presence.

Yet, when a massive resource deal is on the table, suddenly a meeting can quickly happen. I understand why these are now sensitive negotiations, but being invited to an announcement is not the same as being at the table from the beginning. This project will deeply impact their communities and their voices must not be an afterthought.

Speaker, let me be clear. I want this deal to work. I want it to create good jobs. I want it to strengthen communities. I want it to diversify our economy, unlock opportunities in clean energy and put resources into government coffers that can help address the challenges that people face every day: health care, housing, affordability, infrastructure, tourism and culture and more. For once, I want us to be able to look back and say: We got it right.

The potential is enormous. Think about the opportunities for Innu workers, Labradorians and Newfoundlanders. Think about the tradespeople who could build careers here rather than leaving the province to find stable employment elsewhere. I have a child who's a tradesperson. I want them to have the opportunity to build a life here. If we want workers to come home, as the Premier has said, we have to make sure this province is ready for them. Where will their families live? Do we have enough housing? Can they access a doctor? Do we have enough child care? Can our infrastructure handle the growth? Will every worker on this project be protected by strong workplace health and safety standards – very important stuff.

These are not side issues. They are the difference between announcing jobs and actually building a sustainable future. Government needs to answer these questions not after the fact but now. This project cannot be the beginning and the end of our energy vision. We have to look beyond one river, one project and one 50-year agreement, but the government that doesn't have a climate action plan. We have to look toward the future and we need to diversify.

We have seen climate change impacting this province in so many ways: drought, crop failures, CBN in most recent times and, in my district, the impacts from extreme storms like Snowmageddon, and, of course, Hurricane Fiona. We're still seeing the impacts of these. We can't pretend that these things are not happening here because they are. So that denial has to go away.

So I want this deal to unlock something bigger and truly sustainable. I want solar panels on homes and buildings, wind energy developed responsibly and our workers trained for the industries of tomorrow. I want to see Newfoundland and Labrador become a leader in clean, renewable energy, not simply a province that supplies energy to someone else; because, that is not growth, refusing to prepare for the transition that is already underway, what is not growth is waiting until workers need new skills before we start training them and what is not growth is pretending that one megaproject is the only way forward for prosperity. We have choices, we have enormous natural advantages and we have the workers. We have wind, water, land and ingenuity.

What we need is the political will to think beyond the status quo. In 2023, both the Liberals and PCs voted against an NDP private Member's motion to prepare workers for a green transition. Imagine where we could be today if we had started that work then. Imagine how many of our workforce could already be trained and certified. We should be looking forward and asking what we can still build.

I know there are people across this province who fear this deal. People who do not trust the government to protect their interests. I understand that because trust is not automatic, it has to be earned and this government has not earned that trust on this agreement. That cannot be dismissed. I should be a warning, a warning that political parties cannot come first, people must come first, if we had transparency and collaboration right at the very start.

I will support this deal, Mr. Speaker, if government is prepared to do three things: give the PUB real independent oversight, bring the final binding agreements back to the House for a vote, and ensure the Innu Nation is fully at the table and supports the agreement. Those are not unreasonable demands.

For the people of this province, let's get this right.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Mr. Speaker.

It is always a pleasure to stand in front of this House to represent the people of Humber - Bay of Island, the constituents, and now the people of the province on this deal that we all know was a bad deal back in 1969.

I first got elected in 1989 and I have been through a lot through it. One of the things I'm going to bring up in this House is Clyde Wells, the referendum on school reform. It was divisive, family didn't talk to each other, neighbours wouldn't talk to each other. The same atmosphere is here today, politically, as was back in the '90s. You can see the comments made on both sides here on how political this is getting. When you look at social media, it is almost sad that you see the comments about some of the individuals and Members in this House. I think every Member in this House wants to do their best for the Province of Newfoundland and Labrador.

In some way we – as the 40 of us in this House – have to come together and try to come up with the best deal possible in a much more professional manner. If we keep criticizing, we're not going to get anywhere. Somewhere we have to cross lines to help out.

I know in the '25 debate, myself, the NDP and I can't say the other persons name, Mr. Speaker, but everybody knows who that was, crossed lines to ensure that we got an oversight committee to try to make this the best deal possible.

I'm glad we did. It didn't work out the way – and I won't get into it, why it never worked out, but at least we tried to cross lines and we did. We voted for it.

Mr. Speaker, again, I go on my history with Gull Island back in 2002. We had a deal with Quebec – $4 billion to build Gull Island. We had a set rate of what we're going to get the power for. The financer was Quebec who was lending us the money because we had a better interest rate. What happened?

The public atmosphere then, the fear Quebec is going to own it; Gull Island never did happen. It never did happen because of the fear of Quebec and the political atmosphere in our province. That was $4 billion at the time for Hydro-Québec and it was 100 per cent owned by the people of Newfoundland and Labrador.

I'm just trying to bring up the political atmosphere back then and it's happening here now, again.

What happened next? Muskrat Falls. I still remember the statements: the stranglehold of Quebec is gone. I don't think there was a Member opposite was here then, so this is nothing on anybody opposite in this House of Assembly. I think the only person that was there was myself and another person. That's it. I was one of the leaders that kept it going for five nights, day and night, filibuster. It never happened.

Just think about what happened with Muskrat Falls. To get the transmission line to Newfoundland, $4 billion. Just to say that we've got the stranglehold. Send the line underneath to Nova Scotia to say that now we can export our power which is not true.

So whatever we say in this House, however we feel – and I think one Member brought it up earlier, Supreme Court of Canada said the deal in 1969 is legitimate. We have to deal with Quebec.

My history with it is that we're always afraid because Quebec – and we get this atmosphere that we all feel, and it's true – the deal that was signed then, Quebec took advantage of Newfoundland and Labrador. It's hard for us to get that out of us, but somewhere we must try.

The 2025 deal, I voted for it. Like I said earlier, I voted for it because the experts told us that was good deal and it is going to benefit Newfoundland and Labrador. I have no problem stating that I voted for it. The NDP voted for it and so did the other independent voted for it because we were getting oversight of that deal. The experts who sat there who knew a lot more than I did, said this is a good deal. It's a secure deal. That is what we went on. That is what I voted on.

Mr. Speaker, I am going to say again when you look at the history – and I look at Voisey's Bay, it was a great deal. We had a big, strong atmosphere there that we were going to give away all the iron ore because we had to send so much out to Sudbury to get the plant up and running and then they are going to send it back once the plant – how many people working?

This idea of using the boogieman on a regular basis saying that Newfoundland cannot get ahead is putting us behind as Newfoundlanders and Labradorians, I can tell you. I am not saying we should walk in and give everything to Quebec – absolutely not. Am I trying to say that the Opposition and the two independent Member should not hold government accountable? Absolutely not, we should.

But what we should do as legislators in this House, when we get the best information possible from the experts and it shows that it is an ironclad deal, like we did in 2025, we should, all of us, put a bit of water in the wine and say we got to do this for Newfoundland and Labrador. That is my only wish.

If you feel strong as individuals, after getting all the information from the experts, that you can't vote for it, do it in good conscience, not for politics. That is my wish in this debate. That is my wish.

I am sure everybody in this House seen the report from the Consumer Advocate. I know the Minister of Finance probably got sleepless nights over some of the things that is happening, the financial cliff that we may be approaching in 2030. And it is real – it is real.

So somewhere we have to take steps. Is this the deal that we are going to make it on? I don't know. I am not sure until I sit down with the experts and listen to all the questions, get all the answers. But when it was said publicly and was asked on CBC to one of the negotiators who was there in 2024, was there in 2025, and said this is better deal than 2024, I want to find out why it was a better deal.

If it is a better deal, I can assure I will vote for it. If it shows that it is not ironclad, I won't vote for the deal, but I'm open-minded on this deal. It's pressure on everybody. It's pressure on all the negotiators and all the people who were involved in it.

I'll just say another thing. I was speaking to the Leader of the NDP, which we always do. We're going to try to find some way, see what we can do to make this stronger if possible. I had no conversations with the Premier on this; I'll say that upfront, but people know what I'm like, and I know I deal well with the Leader of the NDP. We're going to try to find some way to make this better, if possible, and if we can't we'll go on with what the experts say.

I'm just saying to the people of the Province of Newfoundland and Labrador, there's a lot of emotion. You see a lot of issues out in the public domain saying what we should do. But I'll ask one question: What if we wait until 2041? What if we wait? The estimated cost just to build the power line: $20 billion. What if we wait?

When the last group of experts that were here in 2025, I asked the question. What if we wait? What happens? Here's how he explained it to me – and just to let you know, the Gull Island deal back in 2002, it was for 45 years. The question was asked, why would you make a deal, and he explained the deal for so long. He explained it, and he said electricity is bought in blocks, 35, 40 years. They're not bought year-by-year. You may put some on the stock market, but electricity is put down in 20, 30 years, 40 years, 45 years. That's how you get a market, and that's how you can keep the customers in place. He said that's why electricity, you see around the world, is done in those blocks.

I have a few seconds left. The only thing I would close on: vote with your conscience. Get the information. Vote with your conscience because the people of Newfoundland and Labrador are depending on us to make the right decision.

Thank you, Mr. Speaker.

SPEAKER: That concludes the remarks, so next on the schedule here, we're going to get an address from MP Earle, I believe.

The hon. the Member for Lake Melville.

K. RUSSELL: I just wasn't sure, Mr. Speaker, I humbly ask, do I get 10 as well? With leave.

AN HON. MEMBER: No leave.

SPEAKER: Leave has not been granted.

That was not included in what the Government House Leader had brought forward earlier. You were asking for leave and I'm hearing no leave. With no leave, we can't –

SOME HON. MEMBERS: Oh, oh!

SPEAKER: It requires unanimous consent. You don't have leave from the government.

K. RUSSELL: (Inaudible.)

SPEAKER: Okay.

As I said, next on the agenda, we're going to have an address from MP Philip Earle. We're just going to recess just for a couple of moments while he comes in and gets set up.

The House is in recess for just a few short moments.

Recess

SPEAKER (Lane): Order, please!

Next, I would like to welcome the Member of Parliament for the District of Labrador, to our Chamber, Mr. Philip Earle. Mr. Earle now is going to make a presentation to the House of Assembly.

Mr. Earle, the floor is all yours, Sir.

P. EARLE: Speaker, on behalf of the federal government, I would like to thank you for giving me the opportunity to address the House and to speak to the truly historic Churchill Falls and Gull Island agreement. I also pass along my regards from the federal minister of Energy and Natural Resources, Tim Hodgson, who could not be here.

Colleagues, it is truly a personal honour for me to be with you today. At a moment when Canada faces both growing global uncertainty and rapidly rising electricity demands, Newfoundland and Labrador and Quebec have come together to unlock our nation's vast hydro potential. Newfoundlanders, Labradorians, Quebecois and all Canadians can do more for ourselves than that of any other nation can take away from us.

The expansion and development of Churchill Falls, Gull Island and associated transmission unlocked by Newfoundland and Labrador, Quebec and supported by the Government of Canada, represents the largest clean energy investment in Canadian and North American history. These projects will support up to 14,000 megawatts of clean, renewable power; enough electricity to power the homes of Toronto, Montreal and Vancouver combined.

It is also enough electricity to power every car, every truck, every motorcycle and every bus in Canada. This shows what Canada can achieve when we work together. It is also a powerful example of how a co-operative federalism and a team Canada approach delivers real results for Canadians. To that end, the Government of Canada is proud to have helped catalyze the conditions for a successful win-win-win deal.

I want to congratulate Newfoundland and Labrador Hydro, Hydro-Québec, as well as the Government of Newfoundland and Labrador and Quebec on having reached this deal. I also want to reiterate the federal government's respect for provincial jurisdiction over electrical systems and natural resource development.

As the Member of Parliament for Labrador, I'm very proud that our province is playing a leading role in our collective mission to build a clean electricity grid that will power Canada's future economy, a tracked investment to Newfoundland and Labrador and provide affordable, reliable power to Canadians for years to come.

Since taking office, Prime Minister Carney has been clear that Canada needs to get back to building big things if we want to build a strong, prosperous, sovereign country for all. That is why the Government of Canada has committed $10 billion in federal financing and support to help advance clean electricity generation, transmission, infrastructure and economic development in Labrador.

These investments will generate economic activity, strengthen provincial revenues and support the long-term growth for communities throughout the region. They will create good jobs for the people of this province. Indeed, up to 23,000 jobs during peak construction. These span skilled trades, engineering, construction, manufacturing, transportation and provincial services.

The economic benefits will continue long after construction is complete, with operations expected to support employment and economic activity for more than half a century. For worker, for families, businesses and communities across Labrador and Newfoundland, this represents a generational opportunity to create lasting prosperity.

As well, the significance of this agreement extends well beyond the electricity generation. Reliable, affordable and abundant clean power is the key to unlocking broader economic growth within the Labrador Trough, one of Canada's most important critical minerals and mining regions. In particular, the power will support new mines, expand existing operations in the Trough and make Canada a leader in iron ore, which is a strategic asset for low-carbon steel supply chains, ultimately strengthening Canada's position in global critical mineral supply chain.

That is preciously why the Government of Canada has referred the Labrador Trough clean power, critical minerals and infrastructure corridor to the Major Projects Office. This referral will help coordinate and accelerate the development of mining, energy and trade infrastructure required to realize the regions full economic potential.

Of course, the success of the project is not simply measured by what it built, but how we build it and who benefits. As such, achieving these outcomes in a good way will require strong partnerships with Indigenous people, especially the Innu Nation of Labrador. The Government of Canada is committed to ensuring that projects of this scale create meaningful opportunities for Indigenous communities through employment, training, procurement, long-term revenue generation and potential equity participation.

The people of this province have known about the extraordinary potential of Churchill Falls for decades. Now, between the Government of Newfoundland and Labrador, and Quebec, and the federal government and Indigenous partners, that potential is being transformed into action. For Newfoundland and Labrador, this represents an extraordinary opportunity to create jobs, attract new investment, develop unprecedented new power generation and strengthen economic prosperity for decades to come. In short, it unlocks the vast potential of this great province, and I commend the provincial government for their advocacy for that potential.

For Canada more broadly, this is a true demonstration of the fact that we have the ambition, the resources and the consensus necessary to build historic projects that will strengthen our economy, reinforce our energy security and provide prosperity and clean, affordable electricity for generations. The Government of Canada is looking forward to working with Newfoundland and Labrador, Quebec, and Indigenous people as one united Team Canada.

Thank you and good afternoon; merci beaucoup et bon après-midi à tous.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Thank you, MP Earle, for coming and for your presentation. If you do wish to stay for a while, you are certainly welcome to sit here in the Speaker's gallery.

We're now going to take another short recess while we set up our next guest, who is Mr. Perry, I believe, the lead negotiator. So this House is now in recess.

Recess

SPEAKER (Lane): Order, please!

Okay, we're now going to move into the next block of our day.

I want to welcome members of the negotiating team. We have Barry Perry, the lead negotiator; Jennifer Williams, who we're all familiar with from before; and former minister Jerome Kennedy. I want to welcome all of you here today.

We're going to start with Mr. Perry; he has 30 minutes to give opening remarks and once that's complete, then we will get into the question and answer session.

Mr. Perry, the floor is yours, Sir.

B. PERRY: Thank you, Speaker.

I'm the former CEO of Fortis, Barry Perry. As most of you would know, Fortis is based here in Newfoundland. It's one of the largest electric and gas utilities in North America. It expanded from Newfoundland Power way back when and expanded across Canada and then moved on into the US. It's actually larger now in the US than it is in Canada. I retired in 2020 from Fortis.

During my time as CFO and CEO of Fortis, I led very large, complex acquisitions for the company, purchasing utility businesses across Canada and in the US. The largest transaction that Fortis ever did was the purchase of ITC, which is an abbreviation for Independent Transmission Company. It's based in Michigan, Detroit. It's the largest independent owner of transmission in the United States. It owns enough transmission to go across Canada five times. You might recall back then, in 2016, I rang the bell on the New York Stock Exchange, a pretty incredible experience.

I am a graduate of Memorial University. I have a Bachelor of Commerce there. I'm also a chartered accountant. I completed my CA with Ernst & Young here in St. John's.

After I got my CA, I needed some money, because they weren't paying a whole lot back then. I went to work immediately at the Come by Chance oil refinery and, at the time, double my salary, even though that wasn't a lot of money. I worked right at the plant during the restart of the plant and I spent five years there – amazing experience. I probably got 15 years of experience.

I then left there and went to work at Abitibi. I was the CFO for the two Newfoundland mills and eventually ended up in Montreal with Abitibi and becoming their vice-president and treasurer for the entire company. It was in Montreal that my nickname became the Churchill Falls Man, because I took the opportunity every chance I had to explain how bad the Churchill Falls deal was for Newfoundland and Labrador. So when I would walk into a room, they would refer to me as the Churchill Falls

Man. I've been aware of this Churchill Falls deal my entire life.

Currently, I sit on the board of the Canadian Pension Plan Investment Board. I sit on the board of the Royal Bank of Canada. I'm chair of the Capital Power Corporation, which is an Edmonton-based electric generating company that owns large generation in Canada and in the US.

I have roots from around the bay. I grew up in Pound Cove, Bonavista Bay, Bonavista North. Turn down by Gambo, go down about an hour and that's Pound Cove. It's part of New-Wes-Valley currently. I always refer to it as Pound Cove.

I have no political affiliations. I'm here out of my commitment to the province. I just could not say no this time around. I was asked before; I could not make it work at that time to get involved, to negotiate. This is the second time. My wife said to me: Barry, you'll always regret saying no this time around. She was right. I had to do this. So that's where I'm coming from.

I have visited Churchill Falls. I've gone down the elevator and I've seen the amazing piece of infrastructure that this province owns. CF(L)Co is probably the best piece of infrastructure in North America from an energy perspective. It is an amazing piece of engineering and the size is remarkable. Folks don't understand that that plant could probably power the entire City of Toronto. The peak in Toronto is 5,000 megawatts. Churchill Falls is 5,400 megawatts, currently. That's the enormity of what we're dealing with here.

I did follow the 2024 MOU process. It was led by my former CFO at Fortis, Karl Smith, who was a very good person. He committed a lot of time and energy to the 2041 panel, to the 2024 MOU process. So, of course, I followed it.

Premier Wakeham called me in late April to ask me to get involved. I did spend some time thinking about it. It wasn't an immediate yes. I know the spotlight that's on this. We can see it here. We can see it in social media. I know no one is always going to agree with everything you do, and this is the case here.

We've spent four months at this, actually, almost five months now and one can say, well, how could you do this in that period of time? Well, for me, a couple of things. There was the 2024 MOU. There was an announcement. It had a lot of information in it. There was the Independent Review Committee – a tremendous piece of work that had lots of recommendations. I had all that background material.

When I look to my negotiating team mates, Jennifer, with her tremendous experience running the province's corporation, her background from the last deal, it was invaluable. Jerome has been part of this for – I think, early this year, digging into everything. His background in government was very helpful. His tenacity, his personality was helpful in the process. Vanessa Newhook is also a big part of our team. She is a consultant to government, with tremendous experience in contract negotiations.

Newfoundland and Labrador Hydro's employees that supported us, an amazing group of people who are dedicated to the success of the province. Government departments, Energy and Mines, Finance, lots of folks have touched this, we have been in contact with them, working through the issues.

That doesn't diminish the experts that we have used: J.P. Morgan, Power Advisory and I would say Stikeman Elliott, the province's lawyers based in Montreal, they were amazing and they have been with this province for a long time on this file. At one point they were referring to this as our province. I said, are they talking about Quebec or about Newfoundland and Labrador? I quickly understood it was

Newfoundland and Labrador. When they refer to "our province," that is what it is.

So the negotiating strategy, the Premier said we were to use the Independent Review Committee report as our framework, and that's what we did. We clearly had the previous MOU, we had the results of the Independent Review Committee and we built a negotiation strategy around that. The process was not rushed in any way. It went through several iterations before we had that strategy submitted for approval.

Ultimately, we got to a point where we were satisfied that it was the right strategy to move forward with and that strategy was approved by the province and by the board of Newfoundland and Labrador Hydro. The process was not rushed.

We have all heard about the Premier's goals around more value, more power and more transmission. They were good because it was a guide for us to approach negotiations with. You need a clear, simple approach when you are tackling these complex matters. Those goals were a good guide for us as we went through this process.

We did establish clear walkaways, like if we didn't achieve certain outcomes that we would walk. We did walk. We did suspend negotiations at times. It was not easy, probably the hardest set of negotiations I've ever done and I can tell you we did some tough stuff at Fortis to get to the deals that we got to.

We submitted our first proposal to Hydro-Québec in early June, I believe it was June 9. That was probably the honour of my life, to stand up in Montreal in Stikeman Elliott's boardroom with Jennifer and Jerome by my side, facing four of Hydro-Québec's folks and delivering our initial proposal on behalf of the Province of Newfoundland and Labrador. I'll always remember it.

I don't think they knew what to say at the end of it, frankly. They sort of said, thank you and we broke off, because we were asking for a lot.

The negotiations were very tough. It was a very much an iterative process, several trips to Montreal. They came here, constant contact as well, either being virtual meetings, phone calls, consultations with our experts, check backs to the Premier's office, to the Premier himself just to make sure he was updated.

From that perspective, it was approached, I think, perfectly. We had our strategy. It was a tough process. We got to the end and we got to a deal, I guess, the second week in August.

The oversight process, which was part of the recommendations of the IRC that there would be an improved negotiations strategy and a best practice governance regime. I can say we ended up with three individuals on the Oversight Committee that were very strong. We had weekly meetings with them, updating them on where were with our negotiation. They asked us very tough questions. They were very independent and you'll hear from the chair later this week.

The Newfoundland and Labrador Hydro board was also involved. We met with them several times. They were kept abreast of the negotiations. They had access to independent experts. They met with them privately in camera. They met without management in camera. All the things you do in good governance, that was all done. So I think that process was handled very well.

The Premier's involvement, there are lots of conversation about that. Once we got the approved strategy, we had our marching orders. What we had was complete flexibility to make decisions quickly when we were negotiating. We didn't have to check back with the Premier on everything. We knew the range of what we had to achieve and that was so helpful in how we progressed our negotiations.

We did end up with a new agreement, a DCIA, a Definitive Cooperation and Implementation Agreement. It is very different from the 2024 MOU. The material terms now, the business terms have been settled. This is why it was so hard. We had to work through all the issues this time around. The agreement itself, just paper-wise, was double the length of the last MOU. So we use the term it's a much more enduring agreement. The business issues have been resolved. I think it will make it easier to get to definitive agreements. That's my expectation.

We have set a goal of December 31 for execution of definitive agreements. It might seem like that is short. In my experience, it may be a bit long. There were folks that were pushing for it to be done sooner, but then we had the Quebec election in the middle of that, so that probably didn't make sense. There is a possibility of extending it to March 31, so that's already built in, and anything after that would have to be at the consent of both parties.

So the deal, where did we get to? On value, we've ended up at $49 billion of NPV. The last deal was $36 billion, but to be fair, there's about $5 billion of the $49 billion that's related just to a change in time periods. So there is about $8 billion of new value here compared to the last deal. The $8 billion really is centered around – and I'll talk about this in a few minutes – the value of the premium tranche as well as the contributions from the federal government, which was a big aspect of this deal.

On power, we will have access to 2,750 megawatts of power, and that's up from about 2,000 megawatts under the last MOU. We have a new concept, a portfolio of transmission, 985 megawatts, for sort of choices on transmission that we can avail of.

I just want to spend a couple of minutes on the Churchill Falls PPAs, what we've negotiated. These PPAs have built-in escalation. Out to 2041, on average, each year the price goes up 14 per cent, every year. Beyond 2041, for every year to the end of the contract, the price goes up 2.6 per cent. That is an impressive piece of escalation.

We also have an inflation formula that uses a base rate of inflation of 2.06 and there is a band around that inflation of 40 basis points or 0.4 of a per cent. So if inflation averages, over time, higher than 2.46 per cent, then we get to lift the entire price. So that is an added benefit; clearly, it works when there is sustained inflation over time, that's when you get the benefit of that.

I want to just spend a couple of minutes on the Churchill Falls contracts, to give everyone a sense of the enormity of the value that has been created here. The all-in take to the province from those contracts alone starts in 2027 at $350 million. So if we sign at the end of this year, then the province will get $350 million for that contract. Remember, we are opening a contract 15 years early. In 2033, that's climbed by this time up to $900 million. By 2041, the year when the existing contract was set to expire, this new deal will be delivering $2.7 billion to the province.

It quickly escalates into the 2050s into the $4 billion a year range, and then in the 2060s into the $5 billion a year range. It is an amazing contract. It will become the base of the province's financial plan going forward. It has very little or no volatility. There's very low risk to it, compared to revenues from mining or revenues from the offshore oil. This is a different, different contract.

The projects involved here: $50 billion of projects in Labrador; Gull Island alone, $29 billion; the upgrades at Churchill, $5 billion; wind, $8 billion; Lab West, $3 billion; and then the Gull Island transmission at $5 billion for a total of $50 billion.

I want to talk a little bit about the premium tranche because it hasn't, for some reason, gotten much airplay as we led up to this. This is probably one of the most valuable pieces of this negotiation.

For the Churchill Falls power, we have now complete flexibility and optionality with reasonable notice to bring back the power – our power – to be used in mines or other industrial uses in Labrador. For example, maybe we know a mine is starting up three years from now, we need 150 megawatts, we give our notice to Quebec and we bring back our power to time it for when the mine starts.

In the meantime, we're getting paid 150 per cent of the PPA price for that power. So a 50 per cent premium. That's what we've negotiated here and it's over the full life of the contract, 50 years. So if a mine closes 20 years from now, we can put that power back into the power bank, is what I call it, and get our 150 per cent price for it.

I haven't seen this aspect anywhere else in North America for this much power, for this long of a contract, that we've ended up here with this opportunity. It provides complete flexibility to the province to manage its needs over the next 50 years.

Federal government support: We have negotiated with the federal government a package of support totalling $3.5 billion in today's dollars – NPV. The support includes over a billion dollars for Lab West and that's building the transmission line that unlocks the mines in Lab West; over a billion dollars related to a wind farm opportunity in Labrador that we will take zero risk on. The federal government will own about 40 per cent, it will be built by an independent power producer and our Innu Nation friends will hopefully be involved as well. They also provided a guarantee on the Gull Island debt.

Gull Island will be one of the largest projects done in North America. To have its debt guaranteed by the federal government almost ensures that project goes ahead. Over $20 billion of debt guarantee.

Of course, the involvement with the Major Projects Office also helps the projects in terms of permitting and approvals. One final area I want to address and it's a question that lots of folks ask is, why should we not wait until 2041 to renegotiate the Churchill Falls contract?

Let me just go through what waiting, in my view, means. Waiting means we lose this deal that's in front of us now, $49 billion – and by the way, $49 billion of NPV is 2½ times the provincial debt currently. It is just a remarkable amount of value. I go back to Fortis; Fortis market cap is $40 billion today. This is more than all of Fortis and all it has done in its entire evolution as a company; this one deal is bigger than that.

Quebec will move on. It is very clear that Quebec has a big plan. They are spending $200 billion over the next decade to expand their electricity resources, and they need certainty. This would be the second time that we don't move forward so they're not going to trust us again. From my perspective, they move on.

Gull Island remains undeveloped, that is the scenario. We've talked about Gull Island in this province for a very long time, we're on the cusp of that project going ahead. If this dies, I think Gull Island dies with it.

There is no power for mining. For me, it is probably the biggest thing for this is that we're unlocking the Labrador Trough. In terms of economic development for the province, we need to get this line built. Having the federal government involved helps and then having the power to put on that line, that's what we need. Not a lot of the value in that is included in any of this deal, by the way. For me, that goes away if we don't do this.

Mr. Speaker, 5 Wing Goose Bay, $8 billion the federal government has committed to 5 Wing Goose Bay. It needs power. Newfoundland and Labrador Hydro does not have a megawatt of power in Labrador. They really don't. Even early in these negotiations – and this wasn't in the prior MOU – I said to the CEO of Hydro-Québec, Jennifer does not have a megawatt in Labrador to add any business. I said we have to put some megawatts earlier in this deal. So you'll see in this deal there are some small amounts, 25 megawatts in the first couple years, 50 megawatts as we head into the early 2030s. That was just to help us get moving and get power to 5 Wing Goose Bay.

I think we do lose the federal support if we don't go forward. Our timing has been great here. From day one almost, when I got involved, it was clear to me the federal government wanted to have this project move forward. I don't know if the timing will line up again in the future the way it's lined up now. I just don't know.

We lose the premium tranche that I talked about and we lose $10 billion of value of pre-2041 NPV to the province. A lot of folks maybe don't understand what NPV is but let me just put it in simpler terms. There's about $18 billion of payments that are coming from this deal before 2041. That's over a billion dollars a year of nominal payments.

Just recently, the Minister of Finance announced a power rebate and I believe that rebate is costing the province about $115 million. This deal provides the province over a billion dollars a year in payments between now and 2041, to put that into perspective. The flexibility that provides is tremendous.

With no deal, Churchill Falls delivers no money to the province for the next 15 years. In fact, it might require cash injections. This plant needs some work. We need to do the upgrades. It's making no money. At 0.2 of a cent a kilowatt hour, it is making no money. I would not be surprised, in the last 15 years, if Jennifer Williams and the team at Newfoundland and Labrador Hydro are coming and saying there's no deal, we need to put money into Churchill Falls to keep it going. That's how tight that operation is currently.

We give up on the newly developed transmission portfolio as well. Just to put it in perspective, what we would need to get in 2041 to compensate for not doing this deal just on the Churchill Falls PPA alone is we would need to get 18 cents a kilowatt hour in 2041.

So we would have to sit here today and say, we can negotiate 18 cents in 2041 just to compensate us for what we're giving up for the Churchill Falls power alone. That doesn't include Gull Island benefits, the mining opportunities, the federal government support, that's not built into that number. In fact, that number is much higher than 18 cents.

Waiting also requires us to have a strategy and that strategy involves building transmission. We're probably already too late, by the way. I know how long it takes to build transmission across multiple jurisdictions, multiple permitting. It's probably already too late. Fifteen years is probably already too late. It would cost in that $20-billion range.

In summary, waiting until 2041, in my view, is a high-risk bet that jeopardizes billions in value already negotiated. It is choosing uncertainty over certainty. It's emotionally driven rather than rooted in economic sense. In my view, it is a bet the province should not take.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Thank you for that, Mr. Perry.

Now we're going to move on to the question-and-answer session and we will go on until 5 o'clock.

Before we do, I just want to go over a couple of the rules that have been agreed to and so on, just for the information of all Members, so we're all clear.

First of all, all questions, while they're going to be to our panellists, all questions go through the Speaker as we would in normal sessions of the House. There will be 15-minute increments so when a Member is recognized, there will be a 15-minute increment on the clock. If you choose not to use the full 15 minutes, we'll be recording the time and the time will either go into your caucus bank, if you will, or in the event of the independent Members, it will go into their personal time, their bank.

The other thing is I certainly don't want to in any way influence how people ask questions and how they're answered. This is meant to be a question and answer. It's supposed to be open and transparent and for the people of Newfoundland and Labrador to hear the answer to the questions, but I would say that the rule is, you get 60 seconds to ask your question. When I recognize you, I hit the stopwatch and when the 60 seconds are up, we're up. What I will do, as I normally do when we're in Question Period and so on, when I get down to like the last 10 seconds, if anybody starts getting long, I'll go like that and you know that your time is coming to get that question out.

There's unlimited time for the panelist to answer the questions, but I would just say to the panel members that Members do have a finite amount of time to ask questions, so obviously we want to get fulsome answers, but just bear in mind that the longer you go, the less questions they get, I guess.

With that in mind, we're going to move forward now and I'm going to recognize the Premier, I believe, for the first question.

The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

My first question is around the significant amount of money that the federal government has announced in defence spending for 5 Wing Goose Bay, over $8 billion that they've announced already. This will require more power, obviously, to make that happen.

I'd like to ask the committee, what's there to allow this to happen and make sure that we're ready for this $8 billion expenditure at 5 Wing Goose Bay, in terms of power?

SPEAKER: I'll ask the panel members to raise your hand, whoever is going to answer it, so I can recognize you.

I recognize Mr. Perry.

B. PERRY: Thank you, Speaker.

In this deal, we did negotiate, as I mentioned earlier, some earlier amounts 25 megawatts in the first couple of years, 50 megawatts after that, but, then quickly, we get into larger amounts of power that are coming to the province.

When this deal goes ahead, we will have ample power to supply 5 Wing Goose Bay, to make sure that's not a gating factor in that investment that the federal government is going to be making there.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, I would ask, is it fair to say that if this agreement does not happen that power will not be available to allow that project to go ahead?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that's correct.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, the member of the committee, Mr. Perry, mentioned the fact that we provide 5,400 megawatts through the Upper Churchill to Quebec right now.

I wonder if Mr. Perry could elaborate on the amount of megawatts that the Province of Quebec actually uses on an annual basis and how much of that 5,400 megawatts contributes to that amount?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, Quebec has a massive system. They have like 40,000 megawatts in total, I think is the number I recall. Churchill is a part of that, obviously. We always think about it as, for some reason, this massive in Quebec, but Quebec's system is very, very large. From a hydro perspective, they are probably the largest hydroelectric operator in North America at this point in time.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, there has been lots of statements made that this current agreement is similar to, if not worse than, the 1960 contract.

I'm wondering if Mr. Perry or other members of the committee would care to highlight for the people of the Province of Newfoundland and Labrador the differences they see between then '69 contract and the 2026 agreement?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, for me, obviously, as I mentioned, having sort of been with the Churchill Falls file for my life, always one year or another getting involved in negotiations or conversations with people about it, and to think that I would be anywhere attached to a new deal that was the same as the 1969 contract, I just find that personally very disturbing.

This contract is very much different from the 1969 deal. It has strong escalation – 14 per cent a year to 2041 and then 2.6 per cent a year beyond that to the end of the contract – and an inflation adjustment formula as well. It also provides a lot of power to the province for economic development. It is just, I think, the opposite end of the spectrum compared to the old 1969 contract.

On transmission alone, just thinking about having the ability to move our electricity into New York City, into Boston on the Champlain Hudson Power Express line that Quebec built along with another party, the fact that we have negotiated that as part of this deal, I think, is a remarkable difference. The same thing with the line that goes into Maine that connects into the Massachusetts system. It's called NECEC, New England Clean Energy Connect. Having access to that line and getting the same price that Hydro-Québec gets, there was none of that in the last deal.

So, for me, it's the complete other end of the spectrum in terms of this deal versus 1969.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

A couple of additional points I want to make. Mr. Perry alluded to the escalation and there is also inflation. If inflation happens to out pace the price, with the target inflation metric that we have included, we can have our purchasing power contained in the PPA. That did not exist in 1969 contract. There was no change in price and there was no inflation protection.

There's something else that also isn't getting much attention and that is we are here negotiating these contracts because we need to know what is going to happen in 2041, and the existing contracts didn't contemplate that.

What we had negotiated as well as part of governance is we know exactly what will happen at the end of this PPA, Newfoundland and Labrador will have access to the exact amount of power that has been negotiated at an updated price at the time. It provides for a lot of clarity for the future utility operators and for future customers in Labrador to know that when the next end of contract is coming, they still have access to that power.

So that certainty doesn't exist at all in the 1969 contract and it was a very powerful additional aspect of this current set of arrangements.

SPEAKER: Mr. Kennedy.

J. KENNEDY: Mr. Speaker, one other point is that the 1969 contract was followed, as we're all aware, by a 25-year extension in 2016 in which the price went down. In the current 2026 agreement, there is no automatic extension.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

The 2 per cent escalation which created the $30-billion debt ballooned in nominal dollars in the previous MOU, or $1.0 billion in present value 2024 dollars, has been removed. I would ask if one of the committee members could talk about that and how that was achieved.

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Speaker.

We have seven minutes; I think I might need seven minutes on this one.

When I got involved with this process and looking at the old MOU, it became very evident to me that we had not settled the arrangements around the Gull Island project. The parties had not resolved the financial model that actually would govern the project. In fact, it was probably about a $2-billion difference in how Quebec was looking at that versus how we were looking at it. It became a big part of the negotiations in how to settle that. Clearly, the IRC identified this issue that Gull Island, with the escalation, was going to leave at the end of the term this very large amount of debt that would be problematic in the future. So our goal was to sort of see if we could get rid of that.

My experience is that the way the project was set up with this escalating model was not the right approach for this project. A more appropriate approach was a traditional cost of service model and that's what we started to negotiate with Hydro-Québec. We've now landed in a place that we've eliminated the lion's share of that amount of debt, that $30 billion. I think we're down to about $5 billion at the end of the period. It's a much more understandable project, much more financeable the way it is.

I will say Quebec fought hard. Because of those changes, they wanted a 65-year PPA and we said, no way, that is not going to happen. We held fast at 50. It was one of the issues that the parties paused on. Did we have a breakdown in negotiations? I would say, yeah, pretty close to that. We fought over it. For us, it was a threshold item; we were not moving off 50 years. We stuck to it and that's where we ended up. We got rid of the debt balloon, the $30-billion issue, and we held fast on the 50 years.

So now, when Gull comes back to the province 50 years from now, we own 60 per cent of this asset that will have nearly no debt on it and that we'll be able to realize substantial value, not dissimilar to the value that we're pricing now into the Churchill Falls contract.

So I think that we've ended up in a good place. It's clarified this issue; the parties now agree. Again, this is another example of what I mentioned. The last MOU, there were things that were not yet settled. This was one of those issues. Now that has been settled. So it makes it easier to get to definitive agreements.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

One of the other things that was talked about and recommended by the Independent Review Committee was to examine the 60-40 corporate structure as it related to Gull Island. I'm wondering if you can comment on what you did in relation to the recommendation to review all of the potential structures?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, we did have a look at this. Clearly, the province's lawyers were recommending that the structure used for Gull Island, a joint-venture approach, was the appropriate approach, but we did go and engage another firm, a Toronto firm, Gowling's as a second opinion. They did a pretty extensive piece of work for us on this matter and they did come back and recommend that the joint-venture approach for Gull Island was the appropriate approach. So we did the work and confirmed that we were on the right path.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: In terms of the 50-year contract on the Upper Churchill PPA, that 50 years includes the current 15 years that would still have to be there if we didn't do anything prior to 2041?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, absolutely. Folks are talking about the 50-year deal, but really, is it? We are opening this contract 15 years early, so to think that we could convince Hydro-Québec to agree to a 25-year deal, a 30-year deal, that's like 10, 15 years beyond 2041. That was never going to happen. So we've ended up with a 50-year deal, which is clearly the 15 years of reopener, plus 36 years after that, so I think a very reasonable place.

This reopener concept does affect how these negotiations went on. The point of maximum leverage for the province, I believe, was right now, and I think the result of that leverage is why we've ended up with the gains that we've ended up in this deal.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: The last question I'll have time for this time around. When I think about the opportunities that are in this agreement in terms of the enhanced payments by Quebec, the 150 per cent, can you just give us a brief overview?

I know you spoke to it earlier but I think that's so important that optionality for future generations of Newfoundlanders and Labradorians and what that means.

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, just in dollar terms, if we assume that all the incremental power from Churchill that we've negotiated to stay in the province, that we sold that under the premium tranche concept at this 50 per cent premium to the base price, that's worth, in today's dollars, about $3.5 billion.

Now, some would say, Barry, you're not going to do that. You're going to take some of this power back and use it for mining and other industrial uses. I would say, yeah, I hope so because we've done the work and the economic development associated with mining or other things would create more value.

For me, it was like pricing the Churchill Falls power at what it's worth and probably making it difficult for governments in the future, because it's now going to be a little harder to say, well, do I keep selling it at 150 per cent or do I bring it back for in-province use. So the decision is a little bit more difficult because you have to make sure that the in-province use is going to create value for the province that's over and above what it would be to sell it to Quebec. But I'm pretty certain when we look at mining and other industrial uses that we'll be able to beat that bogey.

The flexibility is what interests. We all know mines come and go over time. It's rare to have these discoveries that go on for 50, 100 years. Mine life, I can't say what the typical life is but let's just say it's 20, 25 years. To have the flexibility and have this large chunk of power that you've dedicated to a mine, to have the immediate flexibility to put it back into the power bank, I'll call it, and sell it at that premium price with your notice – because you know when the mine is going to end – that is a flexibility that I don't think we've seen anywhere else.

I'd say it did come from the fact that we pushed for value, right? We just would not give up. Quebec basically said, you got what you got in the old MOU, we're not giving you anymore. We just said, no, we need more. Finally, we had this breakthrough with the premium tranche. That flexibility is remarkable.

SPEAKER: Thank you, Mr. Perry.

The Speaker recognizes the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

Welcome back to Ms. Williams and welcome, Mr. Perry, and I guess a hybrid welcome back to Mr. Kennedy. It's nice to see you all and thank you for being here.

Mr. Perry spoke about Churchill Falls and 1969. I think we've all spoke about 1969. I remember when we started to debate in 2025, I always remember doing the math to figure out how old I would be in 2041. Now I'm doing the math for how old my kids will be in 2041. It's no doubt about it, we've been waiting to tear up that contract for a long time.

I guess I can ask any one of you. I'd just like one answer from one of you though. Newfoundlanders and Labradorians have been incredibly frustrated and angry because, as electricity markets went up in the world and in Quebec, Quebec saw all the benefit and all of the revenue, which has been flowing to Quebec and not to Newfoundland and Labrador over the last 50 or 60 years. I think that's a very simple concept.

Would you agree that's why Newfoundlanders and Labradorians have been frustrated?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, the frustration is rooted in the fact that power was being sold at 0.2 cents a kilowatt hour. That's not the case on this new deal, so this is completely different.

Power prices, in fact, have moved around a lot over time. If you look at wholesale power prices, which is what we're talking about here, it's the generation part of power. There have been times when those prices have gone down.

Yes, Quebec has made a lot of money, but it's because the price of Churchill Falls power has been held constant, initially at 0.3 cents then dropping down to 0.2 cents. Going forward, that is not the case. We quickly ramp up the price of power, so Quebec will not be making the money on Churchill Falls that has been made historically.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Mr. Speaker, I'll ask Ms. Williams to confirm that the new agreement does not have direct market-based pricing for the vast majority of power sold from Churchill Falls to Hydro-Québec in the new agreement, similar to what was in Schedule F in 2024?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

J. HOGAN: (Inaudible.)

J. WILLIAMS: Sorry, I didn't hear that.

J. HOGAN: I'm just asking if it's not there as it was in 2024?

SPEAKER: Ms. Williams.

J. WILLIAMS: Sorry, asking what is not there?

SPEAKER: Do you want the question repeated, Ms. Williams?

J. WILLIAMS: Yes.

SPEAKER: Can you repeat the question?

J. HOGAN: Can you confirm the new agreement does not have market-based pricing as it did in the schedule for export markets from Quebec, Schedule F, domestic markets and replacement costs?

SPEAKER: Ms. Williams.

J. WILLIAMS: Okay, thank you for the clarification. Thank you, Speaker.

The 2024 agreement had an intention to negotiate a formula that would reflect those prices. But after we concluded the negotiations for the MOU and then went into the next stage, we never did get to finalize the negotiations that would reflect the pricing as just discussed.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I'm going to jump a few questions ahead already. Yes, it was in the agreement is my understanding, and it wasn't finalized, of course, because we did not get definitive agreements, Mr. Speaker. My understanding is that the Premier's review panel suggested that implementing the block-based structure would be too complex. You advocated strongly, Ms. Williams, for the block-based structure last time around.

Speaker, I'll ask Ms. Williams if she felt that the formula that was proposed was too complex last year?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

At the time of the MOU, and Mr. Perry has alluded to this, is – I'm going to jump forward to now because it's just as helpful to talk about 2024. The 2026 agreement started with an intention to try to get as much of the material terms agreed, even before we moved the final phase. With the previous MOU, we weren't as far along. So that's a really important aspect to the answer to this question.

So when we had done the MOU in 2024, we had the two components. There was the Schedule G, which is foundational, and the Schedule F as the Leader of the Opposition has discussed. It was when we went into post-MOU negotiations and working with Hydro-Québec and our negotiators on both sides to try to come up with all the aspects to turn Schedule G and Schedule F into the formula that would last the duration of the contract, that's where the difficulty of getting the formula finalized became apparent.

But, again, if you go back to the 2024 MOU, we were principles based. Then when we went into the more detailed negotiations, that's when the difficulty and the complexity proved out with us and with our advisers.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

Obviously, it was dropped because it was too complex. I had asked Ms. Williams to confirm that there was a formula put together by NL Hydro. In fact, they shared that formula with me when I was in the Premier's office. At one point in time, the formula did exist. So it's fair to say that it wasn't complex at that point in time.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

With regard to the post-MOU negotiations, yes, there were opening position term sheets for a number of the aspects of the pieces of the MOU that had to be negotiated. That was what we had developed.

It is our opening position, just like any opening position in negotiations. As Barry said, we had an opening position in Quebec in this round that was incredibly aggressive. We felt good about it, but it was very aggressive and the same situation is that we had would have had an opening position term sheet that we were proposing to Quebec that was, indeed, approved by the government at the time, knowing it was an opening position and that Quebec would have certainly have a counter to that.

B. PERRY: Mr. Speaker, can I just add something? Am I allowed to do that?

SPEAKER: Yes.

J. HOGAN: I want to thank you for your question. We only have eight minutes left already.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I guess a little bit of confusion there. It was part of the MOU to create the formula, which was done, and then negotiations would have obviously went forward. It's –

L. PARROTT: Speaker, a point of order.

The rules of debate clearly state that they will get as much time as –

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

The rules actually say, as I read them, there's a question and then there's an answer. It talks about deferring, but it doesn't talk about multiple people speaking. That's not in the rule.

L. PARROTT: You have already done it though.

SPEAKER: What was that?

L. PARROTT: You've already done it.

SPEAKER: There was no objection.

The Member's time is ticking down, so I'll ask the Member to ask the question.

J. HOGAN: Thank you for the interpretation of the rules going forward for the next four days, too.

So there was an MOU based on a formula; the formula was created at one point in time. Speaker, I think what Ms. Williams said is that the government decided not to proceed to move forward with that formula. Obviously, they switched to something else. So I'll ask Ms. Williams, did she advocate to keep the formula that had been created as part of the negotiations that led to the 2026 deal?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Sorry, just if you could repeat the question, because I didn't –?

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, did Ms. Williams advocate to keep the formula that had already been created as part of negotiations that led to the 2026 deal?

SPEAKER: Ms. Williams.

J. WILLIAMS: Okay, thank you. I think it was the preamble that had me thrown a bit there.

Thank you, Speaker.

The MOU had the principles and the Schedule G, which was the forecasted prices, and the formula was to be negotiated. The formula that would have been created at Newfoundland and Labrador Hydro with its advisers was our opening position of the formula. We would have had to continue and finalize that negotiation with Quebec.

So the MOU, itself, didn't have the formula, but that was the next stage that we would have to work the formula, mechanism, whichever word we want to choose. That was what was next, as opposed to that was not in the MOU itself.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I guess the frustrating part for me is that it was a formula that exposed us to the upside for markets in North America and in Quebec and rather than leave it in, we're walking away from it because it's complex and we picked a different formula tied to one market which I'm sure we'll get into over the next few days.

Just to go back to what Ms. Wiliams talked about in 2025, she actually said the pricing mechanism was a really substantive component. It was one of the most fundamental things we wanted to do as a negotiating team and it was a really fundamental aspect of engineering out risk of the past.

In Ms. Williams's words, the formula was really substantive and fundamental. So I guess I would ask, Speaker, for Ms. Williams to comment on this deal, if it is fundamentally and substantively changed by removing market-based pricing?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

I alluded to it earlier, the two components of the MOU that worked together were Schedule G and Schedule F, and F alluded to the market-based pricing. Schedule G, as you'll recall, had the forecast of payments totalling $33.8 billion that Hydro-Québec would pay to CF(L)Co over the duration of the contract. That was a forecast basis and if all of our forecasts held true, if that's the way it turned out, Hydro-Québec, we would have been equally unhappy or equally happy, however you want to characterize it.

We were happy with it. Hydro-Québec was happy with it. So that was Schedule G. The IRC, as you'll recall, did not find material issue with that value that was negotiated at $33.8 billion. They did say you should bring some value forward in a future negotiation, which we did do. So we took some value from out-years and we pulled it to the middle years. We've increased the value sooner.

But the Schedule G, which in the MOU, was good value and it's good value in Annex D, which is where it exists now. That's what I want to talk about. What we have is, on a forecast basis we know that – and I'll talk a little bit about some of the market reference – that term sheet that you mentioned that had, I think, about a 10 per cent allocation to this spot market. It wouldn't have been a large proportion, but the exposure there was not significant but it was an important indicator.

What we have now, in the current arrangement, is for allocation of power that Newfoundland and Labrador Hydro doesn't use, we can allocate it to some of those markets. Some of them we could choose spot if we wanted to, with a combination of the markets, or we could choose some of the higher value contracts that are in place for some of that power. So we have pulled in market pricing exposure in the current agreement.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I'm not sure that actually answered the question that was asked, but I'll move on.

Schedule F is no longer there, those three buckets, as they were talked about in 2025. I'll ask it this way, and I remind Ms. Williams she said during the debate last time that we have no idea where markets could go, although she did anticipate they'd go up, so if domestic electricity markets go up in Quebec, Newfoundland and Labrador will not get a corresponding direct benefit based solely on the domestic electricity markets rising in Quebec. Is that true?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

As we know, the electricity market in Quebec, depending on which one we're talking about, can have several components. It's the base market or the retail market. The retail market is the one that you'll often see increase with probably a little more regularity, and then you get the wholesale, which would be a bit bigger and lumpier.

There is no direct connection to the wholesale market in this, but there is, as Mr. Perry mentioned, today, Quebec is paying 0.2 cents, we jump up immediately, we escalate at 14 per cent a year up to 2041-42. There are no markets that I know of in recent 10 or 20 years that are increasing at that level. After that, even without the premium tranche, it increases at 2.5 per cent with inflation protection or 2.6 per cent if we use the premium tranche.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: So, Mr. Speaker, just to reiterate, the markets in Quebec, external, domestic markets and replacement costs to Quebec over the next 50 years, if we sign this deal, will have no direct influence on the value of the vast majority of power that's sold from the Churchill Falls PPA. Is that correct?

SPEAKER: Ms. Williams.

J. WILLIAMS: I'll reiterate something that Barry mentioned earlier. All of this is about alternatives for us and alternatives for Quebec, and when we think about the quantity that we would have to get in 2041 – so if we think about the replacement cost, Quebec is opening up this contract early – to get the same value that we've obtained for the overall contract, we would have to get, I think it's 18 cents a kilowatt hour in 2041. I do believe that exceeds any current estimate for a replacement cost in Quebec of a comparable-type source.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

Is it accurate to say during negotiations leading to 2024, Mr. Speaker, that Quebec did not want to do market-based pricing and instead preferred the certainty of the structure that exists today in the 2026 agreement?

SPEAKER: Mr. Perry.

J. HOGAN: With all do respect, Mr. Perry wasn't a part of the 2024 negotiation and I would appreciate an answer from (inaudible).

SPEAKER: Based on the rules, it says that a member of the panel can transfer to another member, so it is within the rules.

Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

This has been an interesting conversation on market-based pricing. On this last question, Quebec was positioning for a simpler approach, no question about that. In fact, their inflation formula they were asking for I think had a 100 basis-point band, the escalation with an inflation formula 100 basis-point band which you knock back to 40 basis points.

Back on this block pricing approach, my assessment getting involved here and looking at the term sheets, considering the input of the IRC, is there was no prospect that we would reach conclusion on that negotiation. It was a very complex mechanism; Quebec was not agreeing to it.

We have now ended up with an exposure to export markets, which is what most folks think about when they think about markets, New York, Ontario, New England, we have exposure to those markets through getting on the NECEC line, the CHPE line, and also the synthetic transmission. That's where we're getting our market exposure and I think it is equivalent or more than what was in the previous MOU.

I will say that is the difference here again, we have Gull Island with the escalation, you have now another piece of business with the market pricing mechanism that were not finalized in the last MOU. That's the difference between the new agreement. We focused on settling the business issues so there are no disagreements between the parties going forward.

The price that Quebec is paying, the escalating price, combined with the market prices that we get from the transmission exposure, has allowed us to end up in a very strong place.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Thank you, Mr. Speaker.

Mr. Kennedy, the Liberal leader said on August 19, 2026, that the Premier made a huge concession by giving away market-based pricing which was in the 2024 MOU. Is this statement accurate?

J. KENNEDY: No.

SPEAKER: Mr. Kennedy.

That was quick.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: What is market-based pricing?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

From what I understand, Minister, in terms of the way it was conceived in the previous MOU, was that there would be a number of markets looked at and that would be built into the formula. However, the Independent Review Committee – and I think it's important to state that the Premier indicated that the Independent Review Committee would be used as a framework for us in guiding us in negotiations and we used the Independent Review Committee report throughout.

In terms of the market-based pricing, the Independent Review Committee, on page

11, expressed a number of concerns about the mechanism that was put in place. So if you look at what they said was that there was significant emphasis placed on Hydro-Québec's regulated electricity markets in that there was a 10 per cent link, as pointed out in the term sheets.

There was another factor there in terms of the back waiting of the Schedule F of the Independent Review Committee. So they suggested that there needed to be a simpler pricing model, that the Independent Review Committee said that it increases the risk that there will be uncertain terms, and we saw that when the term sheets were exchanged.

Basically, at the end of the day, we followed the Independent Review Committee recommendation that we move to a simpler pricing model that was more durable and easier to administer, and we've done that.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So is it your opinion that the negotiating committee addressed the IRC concerns?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

Yes, we addressed those IRC recommendations and concerns as much as we could throughout this matter. They were continuously in the forefront of what we were doing. In fact, one of the roles that I played was a continuous reference to the Independent Review Committee recommendations and the need to follow them.

Can I say that we followed 100 per cent? No, but did we follow 90 to 95 per cent of the Independent Review Committee recommendations? Certainly. If you look at the five recommendations towards the end of their report, we certainly followed those.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Can you just outline, I guess, what is negotiated in the present agreement with regard to pricing, where we are?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Sorry, Minister, could you repeat that?

L. PARROTT: What was negotiated in the present agreement to offset the block pricing model?

J. KENNEDY: Yes.

The portfolio of transmission access became very important because that is really access to the markets. As pointed out by Mr. Perry and Ms. Williams, there are 985 megawatts now including the 265 megawatts of direct transmission. We have the opportunity to transmit power into New York, into New England, but we don't take the risks by selling to Hydro-Québec. We get the same rate they do. That's very important.

As pointed out by Mr. Perry, if we were to start today, in terms of 2041, to build a line into the American markets – without, by the way, having a contract – we would either have to go the Maritime Link route or we'd have to go through Quebec. I think $20 billion is probably a pretty conservative number for that.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: The 2024 MOU, didn't it simply state that the block pricing structure would be agreed upon in the following months? Did it actually happen?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that is correct, and then there was this exchange of term sheets but that really did not progress that far.

Again, those term sheets were very complex and my assessment is it had little prospect of becoming part of the final deal.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So the block pricing model was actually a concept, is that fair to say? Had the model actually been developed?

SPEAKER: Mr. Perry.

B. PERRY: Well, I think it's fair to say that, in the MOU, there was this sort of statement that they would work on it basically. So NLH would have worked on it, prepared the term sheets and submitted them to Quebec; they themselves worked on it and they submitted theirs, which really had no concept of market pricing, so the parties were at total opposite ends of the spectrum.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So is it safe to say that it would be speculative to consider whether an agreement would have been reached or what it would have looked like? We don't know what the block pricing model would have looked like, do we?

SPEAKER: Mr. Perry.

B. PERRY: Given the experience we've had in the last few months working with Hydro-Québec and how difficult every sentence and every line was and how everything had to be negotiated, my assessment is, the prospects of getting there on a working mechanism were very low.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So is there market-based pricing or an equivalent present –

SPEAKER: I would ask the minister to address the Chair, please, as per the rules.

L. PARROTT: – in this current MOU?

SPEAKER: Mr. Perry.

B. PERRY: Sorry, Mr. Speaker, could the question be repeated?

L. PARROTT: (Inaudible.)

SPEAKER: You can change the rule if you want to.

L. PARROTT: Is there market based pricing or its equivalent in the present –?

SPEAKER: Mr. Perry.

B. PERRY: I believe there is, Mr. Speaker.

There are three areas – actually, four, really – and it really involves the portfolio of transmission and being able to access the two clean energy lines going into New York City and into Boston at the prices that Quebec gets. That's one area – or two.

Then we have this concept of synthetic transmission for another 280 megawatts that we price based on Ontario, New York and New England prices, and even that's better because what was beginning discussed in the old MOU was the markets would be used to make changes to the payments. It wasn't actually getting the price in the market.

In this case, it's actually getting the price in the market and then we still have our 265 megawatts of transmission that we can export Muskrat Falls power and, in the future, wind power on. That was similar to what was in the old MOU.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: It's safe to say that one of the key fundamental arguments that the Opposition has had, and critics out there, with regard to market-based pricing, it existed in theory but there was no negotiated market-based price from the 2024 MOU so there is really no comparator?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I would say that is, again, the difference in approach that we have taken here. Last time these things were not finalized. They were still large outstanding matters: Gull Island, market-based pricing.

In this case, we have now negotiated them and we have the access. So I think it's a very different outcome.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: The IRC's conclusion was, "Due to the overall complexity and uniqueness of the block-pricing approach, there is an increased risk that the final terms will contain unforeseen gaps and that disputes will occur during the PPA term. In the opinion of the IRC, a simpler pricing model may be more durable and easier to administer while still meeting the objective of fair value over time. In addition, the IRC considers the profile of HQ's Schedule G nominal payment amounts is not reasonable and creates financial risks for GNL."

Do you believe that those risks have been alleviated and that we've met the IRC's recommendation?

SPEAKER: Mr. Perry.

B. PERRY: Absolutely, yes, I do.

In fact, remember the term sheet languages, they had concepts of relying on the good faith of Hydro-Québec to produce forecasts that we could rely on, there was dispute and resolution mechanisms that had to be negotiated. There was just a lot of uncertainty and I think it was right for the IRC to identify this as an issue. With that input, we really focused on simplification, making sure we had the right escalation in the contract at Churchill and then focusing on getting the market access through the transmission alternatives.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I will go back again.

On August 19, 2026, the Liberal leader said the Premier of Newfoundland made a huge concession by giving away market-based pricing. It sounds to me like it wasn't a huge concession, more like a huge victory. Would that be correct?

SPEAKER: Mr. Perry.

B. PERRY: Somewhat of a political question, Mr. Speaker. I wouldn't want to answer that.

I am very comfortable that we ended up in a good spot. We have a strong contract for power with Churchill with escalation and inflation built in. We also have our market access. I am comfortable that there will be very few disputes going forward and the certainty of the payments that we get under the Churchill Falls contract are there and they will go up every year of this contract going forward.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: But, to be clear, there was no market-based pricing solidified in the previous MOU?

SPEAKER: Mr. Perry.

B. PERRY: That is correct – sorry – Mr. Speaker.

SPEAKER: That is fine. I know you are not used to how we do things, but that's how we do things.

The hon. the Minister of Energy and Mines.

L. PARROTT: Just a couple of last questions. I'll get off the market-based pricing.

One of the things that we have been talking about is the Labrador Trough. We know that Kami is looking to move forward. Does the current MOU as structured set them up for success and first power by 2032?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, it does.

My understanding is Kami is going to need 125 or 150 megawatts. Just from Churchill alone, we have 1,100 megawatts negotiated. So there are multi Kamis possible because of the new arrangement here.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: The Premier had mentioned earlier about Goose Bay and the defence spending. I guess the question is, currently, we look at Labrador West and we look at Tacora, Rio Tinto, the possibility of Kami and obviously things throughout the Labrador Trough. As it stands right now in Labrador West – and I guess Ms. Williams can answer this question – what capabilities do we have to expand, say, into something as small as a 400-amp service and upward, when we're looking at new entities trying to get into the field? Forget about mining, I'm referring to individuals that are coming, setting up for what is coming, do we have that capability currently?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

There are two components of being able to supply even small loads in Lab West. You need both transmission and you need the generation supply. We are very limited in the amount of – I know Mr. Perry said we have zero – we have the teeniest, tiniest amounts that we allocate out by the 200-kilowatt load. So we have a process where for the very small amount that's left, we have to get special approval from the Public Utilities Board to even allocate power above 200 kilowatts. So it's a very, very tight situation that we have.

In order for us to be ready for larger, we've got to build new transmission to Lab West, which we now have on the horizon and we're doing work to advance that. As well, we now have generation supply in the near term that we can allocate for anything above. Those small restrictions and those things that we put in place, we'll be able to eliminate that.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I just got to go back to the block pricing there for one second. The proposed block pricing mechanism placed significant weight on both Hydro-Québec from the regulated electricity rates and Hydro-Québec's replacement energy costs with minimal weight on broader energy market. This is coming from the IRC. This agreement increases the importance of including robust protections in the pricing terms to buffer against potential structural distortions of Quebec base pricing.

I think, in essence, this is saying Quebec had the ability to manipulate market-based pricing with their own distortions throughout their province. Is that a fair statement to make, Mr. Kennedy?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

The difficulty is getting accurate information from Hydro-Québec. So we would have to be assured and we would have to ensure that we were getting information from them that we could trust. That seemed to be a significant issue in terms of moving forward in that way. Throughout this matter, as we're dealing with Hydro-Québec, we checked every piece of information that was provided to us. We reviewed every line that they wrote and we made sure that everything was accurate, and I think that was one of the difficulties that you just raised.

SPEAKER: Further speakers?

The hon. the Member for Conception Bay East - Bell Island.

S. O'LEARY: (Inaudible.)

J. HOGAN: St. John's East - Quidi Vidi.

SPEAKER: What did I say?

J. HOGAN: Conception Bay East - Bell Island.

SPEAKER: Oh did I? I'm sorry. I was looking at him and looking at her. I was looking at her and thinking of him. I thought he was going next.

The Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Speaker.

Speaker, a question: Were you aware of any discussions taking place between the provincial government and the Innu Nation on progress in negotiations? How frequent was the contact? In how much detail were they informed on the proceedings?

SPEAKER: Mr. Perry.

B. PERRY: Speaker, we had, I think it was, three extensive sessions with the Innu Nation leading up to the announcement of the new deal. For me, it was an amazing experience.

I've had with Fortis some experience dealing with First Nations. Fortis did an amazing project in northern Ontario hooking up 17 First Nation communities to the grid for the first time. I think Gary Smith is in the gallery who led that on my behalf at Fortis. That was an amazing experience for me.

Then, to now engage with the Innu Nation on the opportunity set and to keep them informed in a transparent way about the progress, I was so impressed by the Innu Nation, their representatives from the community itself and their advisers. They were so up to speed on the matters. They asked us tough questions. We were very transparent and provided them their answers.

Going forward, clearly, we're very hopeful that the opportunities here for the Innu Nation will be realized. One of the risks, I guess, of not going forward with this deal is some of the benefits vanish for the Innu Nation. For example, waiting another 15 years on repricing the Churchill Falls contract, that alone reduces the amounts that would be due under the New Dawn Agreement substantially for the Innu Nation.

We have some exciting opportunities with wind with transmission. One of the comments from Innu Nation members was back 10, 15 years ago, they would not have been interested in ownership positions in some of these projects, but that has now changed and they're very interested in going down that path.

Clearly, the federal government has numerous programs that are available to the Innu Nation to help them become involved in projects. We're hopeful that would go forward. I know that in our conversations with the federal government, that was very important. The wind farm, especially, having them involved in ownership of that business is a priority.

I think we have done, I would say, a reasonable job of doing what we needed to do to make sure they were informed. Clearly, there is lots of work left to do with the Innu Nation, but I'm hopeful, based on what I see as their understanding of the opportunities, that we'll be working well together into the future.

SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Speaker.

We don't see any specific terms on apprenticeship quotas in this DCIA, nor in the IBA. Was this a subject that was discussed at all in the negotiations?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

I'll break it apart into two. The IBA itself is really a confidential document, but there are obviously certain commitments that Newfoundland and Labrador Hydro has to make that are probably fairly public. For example, the hiring protocol for the new projects, or certainly Gull Island, qualified members of Innu Nation are required to be hired first. That's very public and clear.

With regard to additional benefits for apprenticeship, that wasn't a specific commitment, but there is further work to do with other projects to come in government, obviously, and any releases or approvals that it might give from a benefits perspective that is pending. I think there were some recent announcements about hours of work.

But as we go through normal permitting processes, any requirements that should come from that will come from those permits and issues and any releases that we have to have. So more to come, I think, on specifics with regard to apprentices.

SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Speaker, so that sounds like a no to me in terms of apprenticeship. I'm trying to get a clear answer because we've heard a lot about apprenticeship opportunities, certainly, in this debate, so I just want to be really clear on that. That's what we're trying to do here is get clarity. So no clear, specific terms on apprenticeships. Okay, thank you.

Speaker, how do potential overruns on Churchill Falls upgrades, Gull Island or transmission assets affect the price of our power, our payments from Hydro-Québec or our equity commitments?

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

So let's go through the projects. Gull Island, which is the biggest project, Hydro-Québec is taking that risk. If the project goes over, we actually are an off-taker of 16 per cent of the project power. So we would have a choice, I guess. Do we want to pay a little more and take our power, or if for some reason Gull went really high, we could elect not to take our 16 per cent and take no exposure to costs whatsoever. I think that's a really strong control aspect for us that we have that flexibility. Quebec is responsible for building the project. If costs go over, at minimum, they eat 84 per cent of it, and potentially they would eat 100 per cent.

On the upgrades, the cost of the upgrades, roughly in a $5 billion-range – and they need to be done, by the way, the plant needs to be upgraded, and the cost of that will be covered in a new PPA. Speaker, 100 per cent of the cost Quebec will be paying for that.

Then, on transmission – and we're referring here to the transmission from Gull Island to the border and from Gull Island back to Churchill – we own that transmission, Newfoundland and Labrador, but Quebec is going to build it. They're experts in building it, and all the cost of that transmission gets rolled into the price of Gull Island and gets treated the same as the cost of the Gull Island project itself. So the same concept of at minimum they will be absorbing 84 per cent of it, and we would take 16 per cent. Clearly, again, if prices for some reason went really high, we could elect not to take our allotment and not pay any of the cost.

I think we've negotiated a very strong protection for the province in terms of cost control. I do expect, by the way, that Hydro-Québec, they're good at building hydro plants so with the help of the loan guarantee, the federal ITCs now, which are applicable out to 2040, I think there's enough here that would expect this project gets done well and we won't be dealing with these large cost overruns.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you.

Speaker, my issue has always been the trust issues in that we've got basically the same negotiating team presenting who presented the 2024 deal as the best deal, now presenting this as the best deal.

Mr. Perry himself said that basically the price structure, the CPI was much –

J. HOGAN: Point of order, Speaker.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Sorry, I thought there was an agreement. We were going to split the time (inaudible) –

J. DINN: Split the time is what we're looking at.

J. HOGAN: Yeah, so there is 15 on the clock (inaudible).

J. DINN: If I may, Speaker, I assumed I had about six minutes left anyway, not 14.

SPEAKER: My understanding of the rules, as we agreed to them, is that the time goes back to your bank, but you can't split the 15 minutes. It's sort of six in one and half dozen in the other, but the way the rules are written theoretically, when she's done, she's done and then that time goes back to the NDP bank at which point I would be going over to the other side, unless Members are fine for –

J. DINN: (Inaudible.)

SPEAKER: She doesn't want to carry on.

The Member for St. John's East - Quidi Vidi, she's finished her questions?

S. O'LEARY: Yes.

SPEAKER: Okay.

The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

We've heard a lot about the costs and the potential cost. I just want to talk about taxpayers of Newfoundland and Labrador. Can you explain to me what the risk of the Gull Island project in terms of costing Newfoundlanders and Labradorians is again, in terms of how much money does Newfoundland and Labrador taxpayers have to put in to have Gull Island built?

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

In order to access the resource that we call Gull Island, Hydro-Québec is paying the province $3.5 billion to get rights to that resource. We are taking that $3.5 billion and investing it as our equity in Gull Island. So there are no other monies required from the province to fund our equity in Gull Island and then we get to earn on the equity over the life of the 50 years of PPA at 8.5 per cent.

Gull Island is part of the $49 billion of NPV, generates about $7 billion of return to the province, so the taxpayers really are not funding any monies into Gull Island. In fact, we will get a fair amount of revenue back in terms of the employment and all of that during the construction. None of that has been factored into the NPVs or anything like that, but there will be lots of funds flowing back to the province from that period.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, again, I will ask Mr. Perry, is it fair to say too that at the end of this contract, the agreement has eliminated the $13-billlion balloon payment that existed in the old MOU, has significantly reduced that down – I think Mr. Perry alluded to about a $5-billion amount left on what I will call the mortgage.

Is it fair to say then that, at the end of this term, the taxpayers of Newfoundland and Labrador, at the end of that contract, will have an asset that is mostly paid off and have capacity to own 60 per cent of the 2,700 megawatts and have the option to do with it or use it however they wish?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I heard $13 billion of debt balloon, but it's $30 billion – so, yes, through our negations, we have knocked that back down to $5 billion and we are getting 60 per cent of Gull in 50 years with very little debt on it so that the value to the province of that asset is remarkable at that point in time.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, I would also ask Mr. Perry or any other member of the committee if they would like to respond to the option that's new in this agreement in relation to the wind potential in the amount of energy and potential for that particular part of the project?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, this is one of the most exciting parts of this new deal.

Working with the federal government, we have put forward a 2,000-megawatt wind development in Labrador. This would be one of the largest wind developments, if not the largest, in the country. It is estimated to cost around $8 billion. It would generate about six terawatt hours of energy. Hydro-Québec will be the principal off-taker. They will buy the power. We will also be an off-taker, and Hydro-Québec will have no ownership in the wind farm.

The federal government will own about 40 per cent of the wind farm. It will be built by an independent power producer, essentially a private entity, and there are three in Canada that do this and do it very well around the world. Hopefully one of those will be the ultimate choice. Then there is this opportunity for Innu equity as well or other arrangements that the Innu Nation might want to put forward.

Hydro and wind put together is a good combination. It's done in other jurisdictions around the world. We do have an option as well to take out the federal government in the future. There will be a buy-out option. The federal government has agreed that we will achieve a net present value of at least a billion dollars from this wind opportunity.

Some would say, well, Mr. Perry, isn't it just the feasibility study at this point in time? I would say, yes, we have to do the feasibility study, there will probably be environmental assessments and all that, but wind is being done all over North America. This is not as difficult as building Gull Island, for example, so I am fully expecting the project would move forward.

We did negotiation with the federal government that if the wind did not move forward, we still get our billion dollars of NPV for other related projects. For example, maybe it is a large battery storage project that we can match up with some of our assets. So we've sort of locked down the opportunity in that if wind goes forward we get our billion of value, and if it doesn't, we can use that resource, that money, and do something else and still get our billion of value. It's a pretty exciting development for this new agreement.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you.

In terms of risk to the taxpayers of Newfoundland and Labrador, how much risk are the taxpayers of Newfoundland and Labrador at when it comes to this wind project? How much money, actually, does the taxpayer of Newfoundland and Labrador actually have to invest in the wind project?

SPEAKER: Mr. Perry.

B. PERRY: Zero. In fact, I missed one small point – maybe not small, that Hydro-Québec has also agreed to pay us $400,000 for every megawatt of wind that is produced for this project, so 1,600 megawatts is the allocated amount that they would buy. It is about $640 million that is also included here, so no taxpayer funding whatsoever.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, on the same thing when it comes to the Gull Island project, do the taxpayers of Newfoundland and Labrador have any risk when it comes to any of the cost overruns associated with the Gull Island project?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, no, they are not.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Mr. Speaker, the option again, when I think about the wind, Mr. Perry alluded to it. I just wanted to elaborate that this asset will be built in Labrador, the federal government and private investors will build it, the federal government will take 40 per cent of it, but future leaders of the Province of Newfoundland and Labrador who may sit here or others, at some point in the future, they could actually buy out the federal government's 40 per cent share without putting anything in upfront?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that is absolutely correct. I'll maybe take it a little bit further too, the concept of wind and hydro.

If you think about Gull Island, our share of the output there is 400-and-something megawatts. It is a run-of-river plant so the transmission lines are not completely full all the time. This wind farm will allow us to fill those lines so we'll be able to match up both the wind and the hydro in a much more efficient way in Labrador.

I think it's a good project for the environment. It makes us use the water in the Churchill River in the most efficient way possible and is a project that should get done in Labrador.

Go ahead, Jennifer.

SPEAKER: Premier, is it okay if Ms. Williams –?

J. WILLIAMS: Thank you, Speaker.

I'm trying to follow the rules. I wasn't sure if that was agreed, I was allowed to add or not.

A small additional point but, certainly, we are, obviously, as cognizant as possible of the discourse in the public about the various aspects of the announcement. There are some, and I think Mr. Perry has addressed some of this, about it's a feasibility study. However, I have already heard directly from two of those very large proponents that Mr.

Perry has mentioned. So when you have very large proponents reaching out to you to say I want to be involved, they wouldn't do that if they did not also think it was feasible to do this into Labrador. I just wanted to give that very specific additional information.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Yes, Ms. Williams, can I ask her just to expand on that a little bit about what that means for this project for the wind?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

I guess I just wanted to underline, we have been, obviously, monitoring the discourse around as many of the aspects of this announcement as possible, and one of the aspects is you have some folks that say, well, it's just a feasibility study, is it really going to happen?

They would probably want to be in a meeting with me today to talk about the feasibility. I said, can't do it this week. They want to meet very quickly to begin to understand what does wind development look like in Labrador? These are not people who just stick a wind turbine on top of their house. These are the biggest names in wind development that you can think of, and they are waiting for a meeting with us to talk about what is going to go into the feasibility, how is this possible, how can this be done.

I just wanted to add that additional colour, while it is, yes, a feasibility study, which is prudent and appropriate for us to do, we have to understand the impacts on the whole system, including the reservoirs, as Mr. Perry has mentioned, but there is significant interest already in getting it to Labrador and building wind.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: In the period of time I have left, maybe in the next three minutes, there's been a lot of talk around this is nothing more than the same as the 2024 MOU, I'm wondering if the members would take the time to highlight some of the significant differences that you have negotiated in this new agreement?

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

I wasn't part of the last MOU. I've led this negotiation with the help of Jennifer and Jerome and all the teams that I mentioned earlier. We have had some real breakthroughs here.

Just on the value, as I mentioned, $49 billion compared to $36 billion. Even if you take off the passage of time, what was the last deal versus this deal, we're still looking at $44 billion versus that $36 billion. We're up $8 billion dollars. Eight billion is a lot of money, and it's made up of the value of the premium tranche and the value of the federal government contribution primarily.

Power – we've negotiated more power. That's going to allow us more flexibility over the life of the contract for industrial development in Labrador, especially. Then in transmission, I think we have had a breakthrough on transmission. It was the insistence, I think, that we were just not going to settle with no change in transmission. The last MOU basically ended up with no transmission other than this aspect of we can export Muskrat Falls power out of the province. We have now changed that here, and we have this portfolio of transmission concept.

Overall, with that and the power, the escalating price in the Churchill Falls contract, the inflation formula, that's all settled. The combination of all those factors, I really believe that it's a better deal than prior. So yeah, Mr. Speaker, that's where I come out on it.

Jerome, Jennifer, I don't know if you want to add – we've got 33 seconds.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: In the time I have left, I just want to ask a quick question relating to the actual receiving of the amounts of money from Hydro-Québec in terms of the deal. I know that there was talk of flattening the curve, because it was a lot steeper, and how you've been able to bring more value upfront, move it closer as opposed to years out.

SPEAKER: Mr. Perry.

B. PERRY: One of the IRC recommendations was they thought that having the price increases for CF power in the latter years of the contract, moving that value back to more the middle years was recommended, and we achieved that in this negotiation. So getting your money sooner, I guess, is always better.

We achieved that and created this amazing contract now that delivers billions of value to the province here quickly. As I mentioned earlier, by 2041 we're at $2.7 billion of funds flowing to the province from the CF contracts compared to zero today.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

Just go back to an answer that Mr. Perry gave when I was previously asking questions. I don't have transcripts yet and Mr. Perry can correct me if I'm wrong, but something along the lines it was clear Quebec wouldn't agree to the formula at the outset of negotiations. Did I properly phrase that?

SPEAKER: Mr. Perry.

B. PERRY: I think what I said, Mr. Speaker – and obviously subject to looking at the transcript myself – is that when I looked at the term sheets, I really felt that there was no prospect that we would get to reach agreement on that.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

I'd ask, was that just from looking at the term sheets yourself and basing it on your experience? Or were there at least some sort of conversations with Hydro-Québec at the outset that made you realize that?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I don't think it's wise to get in the sort of blow by blow with Quebec on our negotiating approach. In terms of what was in the original proposal, what we traded along the way, that's probably not a wise thing to do here.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Mr. Speaker, I'll try it this way. Could Mr. Perry confirm at any stage, when he first became involved, that the formula was still, I guess for lack of a better way to say it, on the table?

SPEAKER: Mr. Perry.

B. PERRY: I would say initially, yes, Mr. Speaker, for some small part.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

So that is why I'm confused. I'm curious as to why it was on the table if the Independent Review Committee said to take it off the table immediately in their report. Why would Mr. Perry take that formula and continue to negotiate it when the Independent Review Committee told him not to do that?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, clearly, you start out in a negotiation with a plan. Again, not to get into details here, it was a lot smaller than 100 per cent of the PPA. Through the process of negotiation, it was clear there was no prospect of getting to the conclusion on that.

SPEAKER: The Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

That's a troubling answer. You start with a plan and negotiations, I agree. I would ask did Mr. Perry start with a plan that was different than the mandate that was given by the Independent Review Committee, in which the Premier confirmed in his opening remarks this morning was the mandate that was given to the negotiating team?

SPEAKER: Mr. Perry.

B. PERRY: No, I don't think, Mr. Speaker, there was any disagreement here. The IRC basically said that they felt that the block-pricing model was complex, that moving to a more simplified approach would be beneficial to the province, and that's exactly what we did. The block-pricing model became much less of an approach for us than was in the original MOU.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Mr. Speaker, I don't understand why it was an approach at all when this negotiating team was supposed to take the mandate given to them by the Premier based on the Independent Review Committee. The Independent Review Committee was very clear to not use a market-based formula.

So why were there discussions going on with Quebec? The words that Mr. Perry did say was Quebec was looking for a more simpler approach. Why was that being discussed at all when that was not the mandate for the negotiating team?

SPEAKER: Mr. Perry.

B. PERRY: I don't see, Mr. Speaker, any discrepancy here. We had an approved negotiating strategy. We made our initial proposals to Quebec that were a mix approach on inflation, escalation and some portion of market, and that evolved over time. Again, getting into trading and our process to get to the end state, I don't think that's a wise process to be here.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

I guess I'll disagree with Mr. Perry. I think it's very important to understand what the negotiating team took as their mandate, because it certainly sounds to me that, at least with regard to market-based formula, those discussions did form part of the initial negotiations. The Premier has said that really shouldn't have happened because the mandate was to get a simpler formula. So I think Newfoundlanders and Labradorians would question the negotiations right from the starting point now, but I will move on.

Mr. Speaker, in 2024, the MOU, we know that Churchill Falls power would be sold in accordance with Schedule F, as we talked about already this afternoon. I did ask questions about export markets and domestic markets and I also mentioned replacement costs. So I ask, in the new agreement, for the vast majority of Churchill Falls power, none of those indicators will be part of that pricing mechanism, so am I correct that there will only be one indicator that could potentially vary the price?

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

The Churchill contract has this built-in escalation plus the inflation formula. We have negotiated the market pricing concept through the use of our transmission. That's what we've done.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Could you just repeat that? It sounded like you said the built-in escalator through the use of transmission. My understanding was the CF PPA was structured-based – maybe Mr. Perry can clarify.

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, what I said was the CF PPA has the built-in escalation, the 14 per cent a year to 2041 plus the 2.6 per cent beyond that, and then the market access exposure, I'll call it, we have achieved through being able to access the clean energy lines that Quebec has into New York and into Boston as well as this 280 megawatts of synthetic transmission.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

We'll get into more a little bit later about transmission and what it means, but, just briefly, this transmission exposure to external markets, what percentage of that would be of the total sales to Quebec from the Churchill Falls PPA?

SPEAKER: Mr. Perry, or is Mr. Kennedy going to answer?

Mr. Perry.

B. PERRY: Mr. Speaker, I don't have that math, but megawatts-wise it's 700 megawatts, I guess. It's more than, by the way, the external market exposure that was in the old MOU, which was just 10 per cent. When you add the three together, it's more than that.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

So just to clarify – maybe Ms. Williams could answer this, or anybody can – the 10 per cent that you speak about in terms of market exposure, that formula had not been finalized and was still subject to final negotiations, so it could have went to 10 per cent, 20 per cent, 50 per cent or 70 per cent, is that correct?

SPEAKER: Mr. Perry.

B. PERRY: Possibly, I guess, Mr. Speaker.

The term sheets were opening positions that broke down these blocks. I think the possibility of those changing over time through negotiations, that may be reasonable to assume.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

Just back to where I was going with the single metric, the escalator that you said is built into the CF PPA, and just some comments that Ms. Williams made in 2025, I would suggest that we had multiple metrics, export market prices from Quebec, replacement costs and domestic markets, which would all potentially change the price from the CF PPA from the 2024 MOU.

What Ms. Williams said was, "… we've derisked choosing a bad metric today by taking a basket of different metrics" – that would be three metrics in 2024 – "a basket of different indices to use in the creation of the price. What that will do for us is it will ensure that we have not picked the wrong metric or, indeed, the wrong price today." She continued, "… if something doesn't work out well, we wouldn't have hitched our wagon to the wrong metric."

This agreement now has done just the oppositive of what was advocated last year, by choosing just one metric rather than derisking its introduced risk. So I guess my question is why the reversal and move to one metric?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

At the risk of repeating a little bit of what was said earlier, but I do think it's appropriate, the MOU had the intention of achieving those things that we were talking about in January 2025, and then as we started the negotiations, the complexity of finalizing the agreement on the basis of that bore out between us and Hydro-Québec.

We had the IRC report which said that there's a lot of risk associated with continuing with such a formula or what is negotiating it, down-side risk, up-side risk, which, in many instances, if we were going to have down-side risk, it is likely that we along with the government would have wanted to have a floor. If there is up-side risk, then if we wanted a floor, Quebec would say, well, I think I would like to have a ceiling, and you end up with something that looks a lot like an agreed set of prices, which is what we have in the current agreement.

So to the point earlier about the Independent Review Committee, that was foundational. In addition to any of the good work that carried forward from 2024, the IRC recommended and that was part of our expectation to go with a simplified approach.

I just want to recognize that's the case, that it was hoping we'd be able to get here but we're finding that it was very difficult to negotiate. Then to derisk that and derisk all of the future court battles we were probably going to have, it was appropriate to simplify the formula.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

I appreciate the clarification now that it was clear that the formula was part of the negotiations after this negotiating team was formed, again, in contravention to what the IRC suggested. So I have my answer on that.

Again, just to clarify, though, we do only have one indicator now in 2026 agreement, is that correct?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I don't know how to say it more clearly in that the Churchill Falls power that is being sold to HQ under that contract, the price changes annually with escalation built in and it has the inflation adjustment.

The power that we have negotiated to either stay in Newfoundland for industrial uses or to export using our transmission – for example, if we choose the transmission aspect, then pricing we get is the pricing that Quebec gets for those export markets, or we choose our synthetic and we actually price it based on New York, Ontario or New England markets.

It's a combination really.

SPEAKER: The Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

I guess another concerning word there is that the escalation is built in, whereas, when we debated this in 2025, we really talked about the potential upside that NL Hydro and Newfoundland and Labrador could have. Now I don't see that that upside is there any more.

While it is built in, it is based on these fixed numbers with regard to inflation and where inflation will go, but when Ms. Williams spoke about floors and ceilings, I guess my question would be that, because the deal hadn't been finalized yet based on the 2024 MOU, the premier of the day could have went to Hydro-Québec and said the position of Newfoundland and Labrador is we want the floor and we don't want a ceiling, is that fair to say that that could have been an ask?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I don't think that would have been reasonable.

When you look at it, we have built-in escalation. It's guaranteed. That is the best of all worlds. Your price is going up 14 per cent a year for 15 years and then it's escalated at 2.6 per cent to the end of the contract every year.

Markets go up and markets go down. We have seen that in the last 20 years. Wholesale markets, like the advent of natural gas in the US, drove power prices down to two cents in the US for many, many years. So this idea that we tie ourselves to this perception that wholesale markets keep going up is not a valid assumption. What we have achieved here is built-in guaranteed escalation.

On top of that, we have an inflation formula. If inflation runs hot at 3 per cent, which is what it is currently, for a number of years, we actually get more on top of that.

Now, listen, on the down side, if inflation went down to 1 per cent or whatever, we do get a price reduction, but, listen, that does not happen as much as inflation going the other way. I believe what we have ended up with is a very strong contract that is much better than some prediction of where wholesale markets might go in the future.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

Just one quick question. If inflation runs hot, we sign this deal for 3 per cent for a number of years, but if markets had run even hotter at 8 per cent, I guess I'd ask Mr. Perry which indicator does he wish he had to pick?

SPEAKER: Mr. Perry.

B. PERRY: I have no hesitation that the escalating model, Mr. Speaker, that we have now is the right model long term. Wholesale markets go up; wholesale markets go down. US energy prices are always a national issue. I can't see a scenario where they're going up at those levels that you're suggesting. So I would take what we have here all day long.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Thank you, Mr. Speaker.

Would it be safe to say that the original MOU was signed in December of 2024?

SPEAKER: Mr. Perry.

B. PERRY: I'm going to defer. I believe that's the case.

SPEAKER: You want to defer to Ms. Williams?

Ms. Williams.

J. WILLIAMS: Speaker, that is accurate.

SPEAKER: Pardon?

J. WILLIAMS: Yes, that is accurate, Speaker.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I assume it would be safe to say that it was brought to the House of Assembly January of 2025? January 6, I believe.

SPEAKER: Mr. Perry.

B. PERRY: That's right.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I guess for Ms. Williams, from January of 2025 until October of 2025, a 10-month period during the negotiations that were being carried out on the previous MOU, how many definitive agreements had been brought to a conclusion?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

We had not concluded any of the definitive agreements.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: The market-based pricing, I assume that would have been one of the priorities. Given the previous premier's affliction for it, I would think that would have been one of the main priorities for them to get that negotiated. Would that be safe to say?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Obviously all of the definitive agreements are priority, as they will be next if we continue on with this work. But that certainly was one of the ones that we were working on at the outset.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: But in 10 months, there were no definitive agreements negotiated or completed?

SPEAKER: Ms. Williams.

J. WILLIAMS: Speaker, that's correct.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Mr. Perry, I guess one of the questions that was asked is why would you have brought up market-based pricing in a negotiation? Now, I would assume based on your résumé that you've negotiated lots of different contracts throughout your career. Would it be safe to say when you start a negotiation, regardless of what your goal is for your outcome, everything is on the table and you negotiate from a place of trying to get to where you've got to be? Is that a fair statement from a negotiating standpoint?

SPEAKER: Mr. Perry.

B. PERRY: Yes, we came up with an effective plan. We knew that our initial asks were not where we were going to end up, but we did know our red lines, and we progressed through the negotiation that way.

SPEAKER: The hon. the Minister of Energy and Mines, and I would ask that you address the Chair, thank you.

L. PARROTT: Oh, sorry.

So can you just explain, when you restarted negotiations with Hydro-Québec, knowing exactly where the old MOU had landed, would it have been normal as part of any negotiation to explore the key areas of that MOU as part of getting to know who your counter-party was, and understanding where they laid on those issues?

SPEAKER: Mr. Perry.

B. PERRY: Yes, Mr. Speaker, sometimes knowing that someone does not want something is a good tool in a negotiation.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So when the Leader of the Opposition referred to the floor and the ceiling, I guess from a negotiating standpoint, it would be good to understand what the floor and the ceiling is. Is that a safe statement to make?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I'm already forgetting what that was a reference to, so could I ask for the question to be expanded a little bit? I'd appreciate it.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Yes, I believe he was referring to the pricing scheme, and he basically said that the premier of the day could have come in and said that they want a floor but not a ceiling, but I would assume in any negotiation, you as a negotiator would want to know what the middle line looks like, so you'd want to know what the floor and the ceiling are.

SPEAKER: Mr. Perry.

B. PERRY: Yes (inaudible).

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Fair.

So there were five recommendations from the IRC. Can you outline what steps were taken –

SPEAKER: Mr. Minister, again, I never made the rules, but I've got to enforce them. Please address the Chair.

L. PARROTT: No worries.

So what steps were taken to comply with the recommendations of the IRC?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, we did use the IRC report as, I would even call it, a fundamental document to prepare the negotiating strategy to guide us through the process. I would say one of Jerome's contributions to this was making sure that we were considering the recommendations of the IRC along the way as we negotiated.

Again, I mentioned early in my opening remarks, I did find that both having the previous MOU and the IRC were very helpful for me. So when we look at the IRC, listen. we weren't going to get everything that was in that IRC report. It is a negotiation with Quebec. So it's not whatever you ask for, you get. You have to negotiate every single thing.

When it comes down to the five recommendations of the IRC report, I believe we achieved all five of those.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So there's criticism in the IRC report of the involvement of the previous government and then taking over negotiations or not listening to recommendations. How would you compare Premier Wakeham's involvement?

SPEAKER: Mr. Perry.

B. PERRY: Well, I read the IRC report and their commentary on that. I obviously was not part of that last process. Premier Wakeham was part of the establishment of the negotiating strategy, obviously the province approved that strategy. It was also approved by the board of Newfoundland and Labrador Hydro, but once that was done, we had tremendous freedom to conduct our negotiations.

We did have regular updates with the Premier along the way over the course of the three or so months that we were negotiating. There were only one or two times when we had to really seek some input to allow us to move forward when we really reached an impasse with Quebec. I don't mind saying, they were around Gull Island, the term of the PPA and around transmission. These were really tough matters, and we had good conversations with the Premier on that, and we moved forward.

It was a very normal, acceptable process with the Premier and team, as well as with the Newfoundland and Labrador Hydro board. We would have been regularly updating the Oversight Committee along the way as well.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Recommendation 5 of the IRC report outlined the need for a fully articulated negotiation strategy. Was that recommendation complied with in your opinion?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, yes.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Can you just outline what steps were taken to comply with those recommendations?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, we worked on a negotiating strategy for several weeks. We went through a number of iterations. I know back to Jerome, Jerome pushed pretty hard back then. I had not known Jerome before I got involved with this and I was starting to wonder if he should be on the panel because he was really pushing pretty hard for us to be more aggressive, frankly, to be more aggressive with Quebec on all three: value, power, transmission. I'm very happy that he was doing that now that we've achieved some of the outcomes that we've achieved here.

That process was very good. We did end up with a final strategy document that was approved by the province and the board of Newfoundland and Labrador Hydro and was used by the Oversight Committee as their guide to ensure we were staying within the lines of that strategy as we moved through the negotiation.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I want to go back to the market-based pricing for a second, and I'll address this, I guess, to Ms. Williams because she was here last time around.

Is it fair to say that during the previous debate in 2025, the House was asked to vote on a market-based pricing model that wasn't even designed or likely to be agreed to by Hydro-Québec?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

I'd have to – not that it's necessarily as an elected official, I'm not an elected official – check what the actual vote was for, asking, maybe, if we understand what the vote was for, because I don't think the ask was to vote on something that was not agreed. I think the vote was to support negotiations to continue. I can't remember. I'm being a bit cautious about my answer. I'm just trying to recall exactly what we voted on or what was – sorry – voted on by the Members at the time.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Mr. Perry, given your vast experience with negotiations, how would you describe the negotiations with Hydro-Québec compared to other negotiations you've been involved in?

SPEAKER: Mr. Perry.

B. PERRY: I don't mind saying this, they were the toughest negotiations that I've ever had. I just go back to when we bought this large transmission company in the US and that was not easy. It was a very difficult process and we had some really tough issues to get through, but it was different. Quebec is doing this on a regular basis, new contracts. Hydro-Québec has got tremendous resources. We were representing our province and they were representing Hydro-Québec, so it was a little different.

For me, the weight of the province seemed to be on my shoulders as the lead negotiator. It was very stressful. This was with me every waking hour and most of my sleeping hours, when I could sleep, over the course of the summer.

I was thinking about how I felt coming here today compared to how I felt through the course of the summer, and don't take this badly, but I feel better today here than I felt most of the summer, trying to get through this negotiation with Hydro-Québec, because the stress of it was tremendous.

But we had a great team. I did not feel disadvantaged. We knew what our strategy was. We knew what the end game was and we knew what our walk-away issues were. So, because of that, I think we ended up getting some real breakthroughs in this deal that make it a better arrangement than the last MOU.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Mr. Perry, you just said you knew what you walk-away issues were. So was the negotiating team actually willing to walk away?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, absolutely, I would say we sort of did it once or twice probably. I only truly lost it once, but it was difficult.

It just wasn't me either. There were times when Jennifer would be very focused on a certain aspect of the agreement that she would speak to Jerome and I about and say, listen, no, this is so important for us. We need to hold fast in this area. We would go back into the room and we would negotiate that and we would get it, frankly. Then, likewise, with Jerome, Jerome would say, Barry, no, we can't. This is not good enough. We are not agreeing with the IRC recommendations. We have to deliver these improvements to this deal.

So having this, I would say, diverse team, Jennifer, probably has somewhat the same background as me, she is an engineer, I'm a chartered accountant but we are both in the business. Jerome came from another walk of like, but he brought the tenacity, government policy, all that to the table. Having that diverse team, I think was so important for us to get the results that we needed to get.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Was there ever a point during negotiations where they broke down?

SPEAKER: Mr. Perry.

B. PERRY: Yes.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I guess from a dispute resolution standpoint, how did you guys resolve that and get back to the table?

SPEAKER: Mr. Perry.

B. PERRY: Well, first of all, some of it is just time. When you're in the intensity of negotiations, you step back and reconsider your positions, you consult with folks. We would have had in a couple of these situations, for example, on the Gull PPA, making sure we stick to the 50 years. On transmission, we would have consulted with Premier and some folks in his office, just to have a conversation, frankly. But that was rare, and you sort of regroup and you get back at it.

I do believe we never truly gave up anything to the extent of not getting our red lines. We got red lines and then some. We ended up in a place that was better than the bottom line, I guess you could say, in all aspects of it.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Mr. Speaker.

I'm just going to ask a few questions here because you hear so much rhetoric about it around. There is a lot of talk of why didn't you sign an agreement and you could review it every five or 10 years?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that is really not how these kind of agreements would work. We're 15 years out from 2041; Quebec does not have to reopen this deal. So thinking that they would agree to reopen and then agree to five-year review periods, that's just not something that would happen. It is just not something that would be possible to achieve in a negotiation.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: There's a lot of speculation and a lot of questions asked, and this was answered earlier, but I just want it on the record because many people ask me, why didn't you just wait until 2041? The perception is that in 2041, we could take our power, we can go sell it and we'll make all the money. Can you just explain the whole consequence if we wait until 2041, please?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that is a scary proposition in my view. Folks think we are getting all of Churchill Falls back in 2041. That is not the case. Roughly, we own 65 per cent of CF(L)Co, which is a corporation that owns the plant. Quebec owns 35 per cent. The contract expires in 2041, but they still own 35 per cent of the company. So they have to be dealt with.

There's this concept of this freedom to do what we want in 2041. That is not the case. To think about a strategy of waiting to 2041, to think that we will have Quebec over a barrel, that, oh my God, they have to pay us this premium price in 2041. That's not how it's going to go down.

The closer we get to 2041, the less leverage we have. Unless we've built transmission to get the power out of Labrador, because Quebec's transmission will be full, there will be no access to Quebec transmission. So building transmission means building it through Quebec, which we can do, we can apply through the rules to build transmission. That would be very difficult, to get it through Quebec to Ontario, or down to New York, or we come back to Newfoundland, across the Strait of Belle Isle, down the coast, over to Nova Scotia, back into New Brunswick, into the northeast.

This is the $20-billion scenario that we would have to do. Doing that just gives us leverage to negotiate with Quebec in 2041. We still have to find customers and all that. So I think the point of most leverage is around now, where Quebec is doing its planning, it has a new program, spending a couple of hundred billion dollars to expand its grid in Quebec. They want to know where Churchill Falls is, they're prepared to reopen the contract, and we get all these other benefits that I talked about earlier. The Newfoundland economy starts to move forward, mining in Labrador, Gull Island, Lab West line, the wind farm, all these things start to happen. Waiting for 2041, none of that happens. It just does not. We just don't have the power. The federal government money is not there.

So for me, I think this is the time. The more I moved along in this process – obviously, the prior government thought the time was a couple of years ago, but I believe this is the time. There are some folks that said, well, wait another two or three years, it would just get better.

I don't agree with that either because it's only a couple of times you could kick at this, right? Why would Quebec keep coming back to the table? They're a big jurisdiction. I mentioned they have 40,000 megawatts of power. They need the power. They will move on. They'll discount the Churchill Falls asset, basically, because they can't count on it anymore.

For me, the strategy of moving forward today with this deal, unlocking all of the things we've talked about, and when you try to figure out what is the price you'd have to get in 2041 to beat this deal? That 18 cents, that bogey of 18 cents – that's a big number. That's a big number and to the bet that you would get that, sitting here today, I wouldn't take that bet.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Speaker.

Just in your professional opinion, if we waited until 2041, which a lot of people are saying we should, what's the chances, do you feel, in your opinion, that Gull Island would be developed?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, some folks will disagree with me on this but I believe there is just one party that can develop Gull Island in this country and that is Hydro-Québec. This is a massive project, about $30 billion. It's one project.

Fortis, for example, we had a five-year capital budget of about $25 billion when I was CEO – $5 billion a year. So we were, sort of, like building a Gull Island every five years, but I can guarantee you, each $5 billion, each year, was hundreds of projects across North America. It wasn't one project. This is one project.

Even Hydro-Québec, the last big project they did was la Romaine. I think it was around 1,500 megawatts, I think, Jennifer? This is a big project for them, too.

But to think there's a long list of folks that maybe the province could go contract with if Hydro-Québec disappears and build Gull Island, I don't think they're there. I really don't. Then we still have to deal with transmission. How do you get it out? How do you get it through Quebec? How do we create industry in Labrador that could use all the Gull Island power? Like, that's a massive amount of power.

Mr. Speaker, in my opinion, if Gull is not built in this agreement and we're waiting until 2041, Gull will be sitting there and who knows what capital costs will be at that point in time; who knows what the status of our relationship with the Innu Nation will be; who knows what the environmental process will have to be at that time. These things are jelling together right now to allow this project to go forward.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Speaker.

There are a lot of people asking, do you feel Newfoundland is the prime benefactor of this deal? Can I ask for your opinion?

SPEAKER: Mr. Perry.

B. PERRY: Speaker, I've thought about that question and I absolutely believe that we are the primary beneficiary of our resource. We are doing the right things to use the assets that we have available to create the most value for the province. We're moving from a contract that delivers zero to the province currently. We're opening the contract early, 15 years, and getting $10 billion of NPV. Nominally, it's over $1 billion a year.

I go back to the Minister of Finance. He just announced the rebate on power prices for Newfoundland and Labradorians of 15 per cent. I think the cost of that is about $100 million a year. This deal, even pre-2041, is delivering $1 billion of value per year. So imagine the flexibility that this deal starts to provide the province on a go-forward basis. We're getting up 2041, $2.7 billion. In 2030, we're in the $4 billions.

As I mentioned, this becomes the base building block of the province's finances going forward. Then you add all the other things that are tied to the deal, Gull Island, wind farm, Lab West line, mining getting going. You start building all of those things and, of course, there are other things happening in the province at the same time, Bay du Nord hopefully going forward.

So you got all this finally in the province, different industries moving forward at the same time. I'm highly confident, in my view, that what we've negotiated here in its totality allows the province to be the primary beneficiary of the value of the resource.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Mr. Speaker.

Again, I know you're going to repeat this answer, but I had a very frank discussion with somebody on how this is the same as 1969. I know it was explained earlier and I explained the benefits about it the power and the money, the resources in Labrador also that now can be developed, the wind power, the federal government.

Can you, from an expert point of view – not from me from a layperson who's reading it – explain why this deal is much better than 1969 and it's not the same deal?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, the 1969 deal had two prices over time. I think this is my recollection. The first price was 0.3 cents a kilowatt hour. It had dropped down to 0.2 cents, where it is now, a kilowatt hour to the end of the contract.

This new deal is the total opposite of that. We jump up to 1.8 cents initially and then that price escalates by 14 per cent a year to 2041. We get up to around 11 cents in 2041 and then it starts escalating again at 2.6 cents per year if you include the premium tranche – without it is 2.5 cents, but 2.6 cents. The pricing at the end of the contract ends up at 32 cents.

So we go from 1.8 cents year one to 32 cents at the end of the contract. That contract alone is worth $39 billion of MPV. Of the $49 billion, the Churchill Falls contract is worth $39 billion of that number. Gull Island is worth $7 billion and then you have $3 billion from the federal government. That gets us to our $49 billion.

The other aspect is power. We now have access to 2,750 megawatts of power over the life of the contract building over time. That's just an immense amount of power to open up mining in Labrador, maybe data centres at some point if they agree to pay a fair price for the power. That's possible with that resource.

Then, the '69 contract had no aspect of transmission or anything like that, it was all to Quebec. Now we have this portfolio of transmission opportunities that we can tap into these choices to realize, I would say especially in the early years when the price is a bit low, that we can tap into these markets at the higher prices using these transmission alternatives that we've negotiated.

So when you put all of that together, it is the complete opposite of what people think about as the 1969 contract.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Mr. Speaker.

I'm going to ask a question related to the same topic, Gull Island. Was this part of the negotiations for Quebec to open up the negotiations to start to look at Gull Island?

The second question, what if they don't develop Gull Island? Are there any repercussions or are there any funds to be paid to the province in some way? Because one of the big things here is that Gull Island is going to be a big part of this deal.

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

Quebec would not reopen this contract without having access to the Gull Island project. That was a condition of them providing us $10 billion of value between now and 2041. But they have a lot of risk. If for some reason, say, economically things change, technology changes for some reason, these are all their risks, not our risks.

So we get to keep everything. We get to reopen the contract. We get the new power that we've negotiated. We get the new transmission. We get to keep all of that if Quebec decides not to proceed for reasons like technology, economic risk, that kind of thing. It's going to look really bad on HQ side if they don't go ahead with Gull.

Now, we have agreed to make sure we're good partners. We have certain obligations that we have to live up to. They are all normal for this kind of project, but the risks that if they don't proceed, we keep everything we got.

SPEAKER: Thank you, Mr. Perry, and Member.

Given the hour of the day, we are now going to be recessing until 6 p.m.

The House is now in recess.

Recess

The House resumed at 6 p.m.

SPEAKER (Lane): Admit strangers.

Order, please!

We're now going to continue where we left off with our panel. The same rules apply. We will continue until 9:15, at which point we will recess, and then we'll be doing what amounts to Question Period. I think it is called something a little different in the rules but we all know what I am referring to.

The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

Speaker, I would like to address and ask these questions now, if I could, of Mr. Kennedy and get his thoughts as part of the negotiating team and some of the decisions that had to be made.

Mr. Kennedy, what's your opinion of what the province will lose in financial terms if the 2026 agreement does not proceed?

SPEAKER: Mr. Kennedy.

J. KENNEDY: I'm sorry, Mr. Speaker, I did not hear the question.

PREMIER WAKEHAM: Let me ask it again.

What is your opinion on what the province will lose in financial terms if the 2026 agreement does not proceed, in other words, if we wait until 2041?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

The waiting until 2041, that is something that goes back to the days of Muskrat Falls, and the group had formed at that time. There has always been a firm belief by a number of people in this province that we should wait until 2041; however, there are a number of problems with waiting until 2041. In fact, they were recognized by Justice LeBlanc in the Muskrat Falls report. He recognized the issue, for example, of the share structure of CF(L)Co, that Newfoundland and Labrador Hydro has 65 per cent and Hydro-Québec has 35 per cent.

Still, the board of directors of CF(L)Co have a fiduciary duty to act in the best interests of the corporation, so there is no guarantee that the power would automatically come back to Newfoundland and Labrador to do what they want with. That's a big legal risk, I would suggest, Mr. Speaker.

In terms of the financial aspects of it, look, we can't just do a deal because we're going to get money, but as pointed out by Mr. Perry today, we will get between now and 2041 $10 billion dollars in today's dollars, approximately $18 billion or a billion dollars a year. I know the Minister of Finance, it will make him smile if that were to happen, but it's a significant factor. It can't be discounted, nor can it be a reason to do a deal, but, as Mr. Perry also pointed out, when you're looking at the net present value of the deal, when you're looking at it in today's dollars, $49 billion, or $273 billion in nominal dollars, that's a lot of money.

These kinds of financial considerations are ones that have to be taken into account. They are not necessarily determinative as to why a deal should be done but they are certainly very serious factors to be considered.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, one of the significant differences that has been negotiated in this agreement is, obviously, the involvement of the federal government. I'd like to ask Mr. Kennedy again his opinion on the impact of the involvement of the federal government in making this deal possible.

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

In terms of negotiation, we knew at some point that there would be or there could be a point with Hydro-Québec where we wouldn't get to where we wanted to be. So, strategically, we knew that we would have to have discussions with the federal government. We knew, from information, that the federal government were very interested, as the minister would know, in opening up the Labrador Trough in terms of accessing the critical minerals in Labrador West, the purity of the iron ore.

In order for all of this to happen, Mr. Speaker, we needed two things. We needed power and we needed a transmission line. So the federal government, the $1.3-billion contribution to the Labrador West transmission line is very significant.

Then when you look at the loan guarantee, again, that's a very significant development because there was always the question, are Hydro-Québec really going to develop Gull Island or is this simply a ruse to access Churchill Falls power? So the loan guarantee increased the odds that Gull Island was going to be built.

Also then, there was investment tax credits which were set to expire in 2034. The federal government agreed to expand that time frame until 2040. Those investment tax credits result in approximately a 15 per cent return on money. So on the Labrador West transmission line, for example, $1 billion and another $300 million in investment tax credits.

The federal government, then they came along with the proposal for the wind project. So the federal government involvement, Mr. Speaker, has been crucial in finalizing this deal. They've been very supportive and very good to deal with. As the prime minister has stated when the agreement was announced, the importance to not only our province and Quebec, but to the country as a whole.

I would suggest, Mr. Speaker, that the federal government support has been a very significant factor in reaching this agreement.

SPEAKER: Thank you, Mr. Kennedy.

The hon. the Premier.

PREMIER WAKEHAM: On that same topic, I'd like to get your opinion on the fact that the federal government has agreed to refer these projects to the Major Projects Office and the impact that that will have on oversight and on the whole process.

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

I will start with this, and I'll then refer it to Barry or Jennifer. But my understanding of the Major Projects Office, it's meant to streamline projects. It's meant to ensure that there's one agency that can look after the issuance of permits, the environmental assessments and things like that.

So the prime minister's approach appears – and by the way, I should say a special shout-out to the federal minister of Natural Resources. He was a very big supporter of everything taking place here, and I don't think the federal support would have happened without his persistence, if I can put it that way.

Basically, the Major Projects Office, as it was explained to us, will help facilitate and move things quicker because that's what the building of the power lines, the building of the project to ensure that electricity flows and that it happens as quickly as possible in light of the macroeconomic environment and geopolitical environment that Canada finds itself in this day and age.

I don't know if Barry or Jennifer have anything to add to that.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you.

Just to build on some of the things that Mr. Kennedy mentioned with regard to the Major Projects Office. When you think about the amount of work that is in front of us – and I believe that Mr. Perry mentioned it at the beginning. If we're talking about $50 billion worth of work and the role that the federal government will play, obviously, we would have to, as a jurisdiction, interact with them.

Having a one-stop shop, which is essentially what the Major Projects Office is intending to be, that will streamline the experience in our province as it relates to getting these things done – for financing opportunities, for Indigenous partners to go through the solutions that they need to go through to avail of as much of the opportunities as possible.

If there is any additional permitting, it's just really critical to be on that list and if you're paying attention nationally, which I know a number of folks are, there are a lot of jurisdictions looking to get into that list of major projects.

To make your way into that, to be sanctioned as that, to have the prime minister come here and bring us into the fold puts us in a very enviable place, nationally, that we will have the attention that we need when, across the country, there's a lot of folks clambering, a lot of jurisdictions clambering to get on that list and to get that attention of the federal government.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you.

I'd also, Minister Kennedy, ask you, in your opinion, to elaborate on the difference between the 1969 contract and the 2026 agreement, if you would?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Mr. Speaker, the minister, I think that was a long time ago, Mr. Premier.

One of the first things I did when I became the minister of Justice in 2007 was read Philip Smith's book, the story of BRINCO. It's an excellent description of how Churchill Falls was developed, the challenges it faced and the difficulties that they encountered when it came to trying to do the deal because of the lack of money that existed.

When you look at the 1969 contract, and Mr. Perry has already referred to this in some detail, but there is also the issue of restricted market access in the 1969 contract. Mr. Perry has talked about the fixed-price structure and there was restricted market access and limited provincial access to power.

One of the most significant aspects, Mr. Speaker, of this new agreement is the ability to access power, to obtain value for it and also to choose whether or not the province will use it for mining and other industrial purposes in Labrador. That becomes very important because one of the concerns we had is that if we have the power, and you have 300 megawatts on the basis that the mine may be built, but what happened is this premium pricing or the premium tranche gives us the opportunity to either sell the power at a higher value and make money or to bring it back, recall it, with three years' notice.

The Independent Review Committee suggested that the financial and economic contributions to GDP, for example, of the mining industry could outweigh the export of power. Recommendation 1 was the balancing of the financial value versus the economic value. The '69 contract didn't allow for these kinds of things, so now we have access to the markets in the United States, to both the New York and New England lines of the synthetic export pricing and also, we have the ability to use this power in Labrador, if we choose, or to sell it.

When you look at those points alone, I really have difficulty understanding how there can be argument that this is simply the 1969 contract. Even when it comes to the fixed price, as Mr. Perry had pointed out, there's built-in escalation in that along with a separate inflation formula.

I would suggest to you, Mr. Speaker, I don't see, personally, the similarities at all. What we have done here addresses the issues of the 1969 contract, and the Independent Review Committee specifically dealt with that at page 38 of their report.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

In the couple of minutes I have left, Mr. Kennedy, maybe you can, again, elaborate on some of the value that has been obtained under this new agreement compared to the previous agreement.

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you very much, Mr. Speaker.

There are a number of factors. I'll just highlight a number of the factors that I would suggest to you are very significant.

First, is that we have in the 2026 agreement, an estimated capital cost project of $50 billion. We have, as pointed out by Mr. Perry, a deal that's worth $49 billion NPV. Even if you compared in 2024 dollars, it's still $8 billion more than the 2024 MOU.

The cost of the power being sold has increased to the point where it averages 7.4 cents a kilowatt hour up to 11.4 cents in 2041. People of the province will remember, people in this House will remember, the discussion of the 5.9 cents a kilowatt hour that was discussed in the 2024 MOU.

One of the most important things, though, Mr. Speaker, is the increase in the power that we have available. I can't emphasize enough, based on the Independent Review Committee recommendations, how important it was to obtain more power. As pointed out earlier today by both Mr. Perry and Ms. Williams, we don't have power right now – Newfoundland and Labrador Hydro does not have enough power for the development in Happy Valley-Goose Bay.

Under the previous MOU, there was 1,960 megawatts of power available and, at some point, I'm sure Mr. Perry will put that in perspective of what all that power means. Without the wind, we still have 2,350 megawatts of power. That is a lot of power and if you include the wind – and I agree with Mr. Perry that the federal government involvement goes a long way towards ensuring that project takes place – that's 2,750 megawatts of power.

We're getting $3.5 billion in various ways from the federal government and there was nothing in the previous MOU. This is an important point, Mr. Speaker, although the transmission allocations remained. When I say the transmission allocation, prior to 2024, there was 265 megawatts of power that was available for direct transmission, sell on the spot markets. In the 2024 MOU, the transmission allocation remained but it was agreed that all power that wasn't used in Newfoundland and Labrador had to be sold to Hydro-Québec. That's a significant difference when you look at the way that the transmission access portfolio, which has been discussed earlier, the issue of the debt balloon and the 2 per cent escalation has already been discussed.

One other point I will make is that in relation to Gull Island, there was an exclusivity period of 15 years. That was again bothersome because of the length of the time and the question of whether or not Hydro-Québec was simply trying to tie up Gull Island. So even before the federal government got involved, we wanted to reduce that exclusivity period. Recognizing, of course, that when we are building a project that it $30 billion, there has got to be a lot of work done, there has got to be a lot of engineering to ensure that the project is viable.

We set it up so that the exclusivity period is reduced to 12 years, but the first period is seven years. Hydro-Québec has to spend a billion dollars in those first seven years or they lose their rights of exclusivity. Then, of the $3.5 billion, the option fee, which they are paying to access the Gull Island project, there would be maybe up to $2 billion that would have been paid to the province, that will be non-refundable to them.

So that is also an important point in trying to ensure that Gull Island is built.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

As I started to say the last time, there are trust issues insofar that the negotiating team that is promoting the current MOU also promoted the 2024 MOU. Mr. Perry pointed out that the flaws of the 2024 MOU: market-based pricing, the escalator model was not the right approach, lack of transmission and power. He said that this deal is really better than the prior deal.

My question to Mr. Perry is: Was the negotiating team wrong to promote the 2024 deal, considering it was so bad?

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

I wasn't involved with the 2024 MOU process. I wasn't here in this House. What I do have, though, is the results of the Independent Review Committee report, which we used in this process. There were some really troubling matters in that report, especially around Gull Island and the debt balloon.

When I look back, that was in the last MOU and it wasn't resolved. It was a $2-billion gap in how each party was looking at Gull Island and it was leaving us with that $30-billion debt balloon. The market-based pricing was a couple of sentences in the MOU. After the deal was announced, there was these term sheets that were exchanged, which were, I don't know, 20 or 30 pages long, detailing those couple of sentence. So that area wasn't resolved.

So when I look at it, I think it really comes down to the different approaches. The MOU was way early compared to what we're announcing now. We have negotiated all the material issues in this deal. I would say the MOU had not done that, so there was a lot of work left to be done with the previous MOU.

We did not take that approach. We took the approach that we wanted to announce a deal that would be enduring, that would stand up and that would get to definitive agreements. That's what, I think, we've done.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Considering that, I would like to ask Mr. Perry: Why should we take his word that this deal is in fact better or in the best interest of the people of the province?

SPEAKER: Mr. Perry.

B. PERRY: Speaker, I'm here doing, I guess, the best that I can based on my experience that I've had in my entire career. I didn't have to do this. Clearly, I felt it was important. I sort of put aside my life for the last number of months. I would hope that, based on my reputation and what I achieved at Fortis, my commitment to the province, that you all would take seriously what I am saying. It is not coming from any political bias. I did the best I could with my team here, with all the expert advice that we had to negotiate a good deal with Hydro-Québec. I really believe that's what we got. I would hope that, yes, you would trust my advice, but, obviously, each and every one in this House will have to make that determination.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

I would agree with Mr. Perry, but I would say that same thing holds true for all members of the negotiating team, but still we have a deal that's now supposed to be better and we're being asked to trust that.

I noticed that several times, Speaker, that Mr. Perry has referenced the IRC report as a framework for negotiations. I'm just wondering: Did Mr. Perry or the team at any time consult with members of the IRC regarding their report and their recommendations?

SPEAKER: Mr. Perry.

B. PERRY: Speaker, no, I had no contact with any member of the IRC. I thought the report was pretty clear, so I did not think that was necessary.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

Considering that and the fact that Mr. Perry said based on his experience this is a good deal, would the current deal, as it stands now, stand up to scrutiny by an independent consultant such as Manitoba Hydro International, BC Hydro or another top-tier consultant? Would they come to the same conclusion that this deal is in the best interest of the province?

SPEAKER: Mr. Perry.

B. PERRY: Yes, Mr. Speaker, I would hope so.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: I ask Mr. Perry: Does Fortis or it's subsidiaries or Edison Electric Institute stand to gain any financial benefit directly or indirectly from this MOU?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I'm retired from Fortis at this point. I have no relationship with them.

I am a shareholder. I do own some stock. It was the biggest part of my portfolio when I was CEO. I sold a lot of it once I retired and bought some other stuff, but I have no pension with them, no other financial arrangement.

So Fortis is not benefitting in any way other than, I would say, hopefully, a prosperous Newfoundland and Labrador going forward. Fortis owns Newfoundland Power, as you know. At one point it was 100 per cent of Fortis, and now it's down to 3 per cent of Fortis. That's how much Fortis has expanded. I would hope that the growth of Newfoundland and Labrador would allow Fortis to grow Newfoundland Power over time. That would be good, but there is nothing here that I can see at this point in any relationship with Fortis.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: We have heard discission around the transmission of power lines through Quebec, so two things. Is there any discussion with regard to invoking rights under section 92, or as some people have suggested – I think it's even in the Independent Review Committee's report – accessing FERC, the Federal Energy Regulatory Commission, to maybe gain access? I am looking what the viability is of taking those approaches if we wanted to take that approach.

SPEAKER: Mr. Perry.

B. PERRY: I'll take the second one and Mr. Kennedy might be able to answer the first one.

We always have the right to apply to the Open Access Transmission Tariff arrangements in Quebec to get transmission access. The issue is, the Quebec transmission is full and it will always be full, but they say, come on in. How much capacity do you want? Okay, let's go study it, come up with a cost and then go at it, but that's billions and billions and billions of dollars.

I can tell you, just on the 265 megawatts direct access transmission that Jerome mentioned earlier, the HQ view on that, that is billions of dollars just for that little, small piece of transmission. So when we talk about building the amount of transmission to either bypass Quebec or to go through Quebec, these are the numbers, the $20-billion kind of numbers. This is not a viable path for the province.

Jerome, do you want to –?

J. KENNEDY: Yes. Thank you, Mr. Speaker.

When I was the minister of Justice in 2007 going into 2008, we were exploring issues in relation to Churchill Falls and one of them was whether or not could we expropriate, could we bring in legislation or could we impose taxation? What, if anything, we could do.

In relation to section 92, myself and – she's unfortunately deceased right now – a former Supreme Court Justice, Debbie Paquette, went and met with a retired Supreme Court of Canada Justice, Gérard La Forest, in Fredericton to discuss what options we might have available. We were continuously looking at other issues. I think it's the Member for Windsor Lake, I'm not sure, but I think he might have been the minister when the good faith action actually went to the Supreme Court of Canada.

We had started that, again, back in 2008. I found the letter in a file from a lawyer from Montreal by the name of Colin Irving. We started that process with, again, unfortunately, a retired and deceased Supreme Court Justice, Don Burrage, who was then deputy minister, and we explored that issue.

So early on, we've always been exploring these issues. The advice given was that there was not a whole lot that could be done because if we expropriated, we had to pay fair market value. If we recalled power we had to pay fair market value. Those were some of the issues that we ran into.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: So would it be fair to say to Mr. Perry or to Mr. Kennedy that the prospect of pursuing our own power lines, as such, I guess, whatever profits we would make or potentially make would be eaten up just in building the infrastructure itself to get the power there? Would that be a fair assessment?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I'm not certain if they would be all eaten up, but it would be a substantial part of those profits.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: With regard to the 2.06, the CPI, and I know there's a deadband of 40 basis points on either side – I think it was also indicated here that Hydro-Québec wanted 100 basis points – in the models that you examined, was the deadband more often engaged because inflation ran over the 2.06 per cent or under that? Was this different in the early years versus the later years?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, we did look at historical inflation, the empirical evidence, first of all, to land on what the midpoint is, this 2.06, and that's very close to the historical. I'm talking the last 30 years, in that kind of range, or it might be a little longer that inflation has been in that area. The parties, both sides, got fairly comfortable that that was a reasonable prediction of what inflation might be going forward.

I will point out that the central bank, Bank of Canada, targets inflation around that level. So one could say that the bank will take actions in the future to make sure inflation tends to stay around 2 per cent.

Now, it's running a little hot these days because of what's happening in the world and tariffs and oil prices and these things, but over the long run, I still think it's a reasonable expectation.

We would have run some scenarios around what happens if it's 3 per cent, 4 per cent or 1 per cent, all of these things, and clearly our goal was to narrow the band from where Hydro-Québec was at 100 basis points to a narrower area. We started out at a lower level than 40 basis points, not to get too detailed here, but we landed in a pretty good spot in my view.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

I would hope that where we started with the deadband was at zero but, anyway, that's wishful thinking.

If the deadband was engaged due to higher inflation or even an average of 2.06 per cent a year over the life of this agreement, is there an estimate as to how much this deadband would cost or will cost the province?

SPEAKER: Mr. Perry.

B. PERRY: When inflation is consistently higher, it would generate more value for the province because we would get to lift the price for the power that we sell to Hydro-Québec under Annex D, I think it is, in the DCIA at this point.

So higher inflation actually causes us to be able to increase that price. Lower inflation would cause us to reduce the price. There are some examples in the DCIA that go through some scenarios as well, so those are representative of what might happen.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Very quickly then, consider the deadband a deductible, inflation is going up, I'm looking for what would be the costs of the deadband be in lost revenue over the life of the agreement. Has that been estimated?

SPEAKER: Mr. Perry.

B. PERRY: I don't see it that way, Mr. Speaker. First of all, there is this built-in escalation. We're talking incremental now. The 14 per cent by year increases to 2041 and then 2.06 per cent every year after that, that's built in, that's guaranteed, and now we're talking incremental to that.

Let's just use round numbers, so 3 per cent inflation for a decade, for example, then we actually get more money. It is not a cost because that will be 54 basis points above the 2.46 per cent and it will be an annual increase in the payment that Hydro-Québec makes to us.

Now, on the other side, if inflation runs low, then the amount that Hydro-Québec pays us will go down. It is a two-way thing but, predominately, our concern was making sure that we protect the value that the province is receiving for the power we're selling to Hydro-Québec, protect that value if there is higher inflation, and that is what the mechanism does.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Thank you, Mr. Speaker.

I just want to go back – because it has been a focus of external and internal voices – the whole idea of waiting until 2041. We've heard lots of different things about mining, and we've heard lots of different things about Goose Bay, Innu benefits, but what is the alternative to the 2026 agreement? If we do nothing, what happens?

SPEAKER: Mr. Perry.

B. PERRY: There are a number of scenarios, I guess. Do nothing until 2041, we've already, Mr. Speaker, spoken to that. I think it puts us in a very difficult position, not a lot of leverage. We have this big plant, contracts coming to an end. Quebec will have made choices to procure its power from other sources. We will be trying to figure out what that power is worth. How do we get it out of Labrador? That's one scenario.

The other scenario might be people would say, well, we just come back at it two or three years from now. I think that's a high-risk strategy. I'm not sure that asking any other party to come back a third time after two unsuccessful attempts and expect them to deliver more than what we've negotiated now, I'm not sure that's a wise strategy.

The strategy of building transmission, starting today, that's a very, very uneconomic strategy in my view and may not even be achievable, frankly. The idea of encouraging industrial development to occur in Labrador in advance of when the power would come to us in 2041, I'm not sure anyone is going to build anything the size of what we're looking at without certainty of that power being available.

We've already talked about the concept that we don't get control of CF(L)Co in 2041. We own 65 per cent of the corporation. We have a 35 per cent shareholder with rights. There's a board of CF(L)Co that have to follow the business laws in Canada and it's not the simple thing of saying, oh, we have total control of CF(L)Co. That's not how it is.

All these scenarios point to, really, this is the time. This is the time to negotiate. This is the time to get a deal. Quebec has been a reasonable, tough negotiator here. We've ended up with a good deal. So, in my view, this was the point of most leverage.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: It's safe to say, I guess, if we wait until 2041, not only are we risking the creation of Gull Island, for lack of a better word, but would it be your opinion that we're risking the future of the mines in Labrador West, the development of the Labrador Trough, the development in Goose Bay, electrification of other communities throughout Labrador and possibly the extension of Voisey's Bay, from an asset life standpoint?

Basically, we would be risking the entire future of development, because even if we wanted to put off until 2041, Quebec still holds some authority over how CF(L)Co operates from a transmission standpoint and would probably still have veto rights, is that fair to say?

SPEAKER: Mr. Perry.

B. PERRY: They would have substantial rights. I can't sort of opine on every one of the things you put on your list, Minister, but I'll just use the mining.

Mines can't operate without the power. Now, they can build oil-fired generation and on-site gas-fired, diesel-fired whatever, but in this day and age, that is just not something that's the right path forward and even that is very, very difficult.

I would agree, no power to Lab West, no transmission, these projects just sit there for a very long time and maybe never get developed. I agree with that.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So in 2041, does Newfoundland and Labrador have full control over CF(L)Co?

SPEAKER: Mr. Perry.

B. PERRY: No, we do not. We have 65 per cent of the company; the minority shareholder has 35 per cent. The board of CF(L)Co have to act in the best interests of the corporation, not in the best interests of Newfoundland and Labrador, not in the best interests of Quebec or Hydro-Québec. They have to act in the best interest of the corporation.

For example, that might mean that the entire output of Churchill Falls would have to be marketed. We couldn't just market our share, for example. There are a lot of restrictions.

By the way, we dealt with many of those in this new agreement. We fixed them so that when we come to the end of this PPA, there is a defining process now that deals with conflicts. Again, back to how we've handled this agreement of really fleshing out all the details, we went at that end of the contract period as well and dealt with that. That is not in the sort of existing 1969 contract so that process is fraught with problems.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So, Mr. Perry, one other thing, and I know based on your background that you've negotiated lots of different types of contracts, but one of the criticisms has been that this was rushed.

Can you explain to us how you feel about that statement and if you think it's correct?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, it's simply not true. I personally got involved in early May. I spent the entire month of May, I don't know, 12 or 15 hours a day constantly getting input from the previous process, the IRC report, taking all of that advice and working on our new opening proposal for Hydro-Québec.

Then we went into this intensive negotiation process, multiple trips to Montreal, multiple interactions with Hydro-Québec over the series of June, July to mid-August. Yeah, we benefited from the fact that there was this previous MOU structure. We benefited from the fact that there was this IRC report. That helped reduce the time frame.

I did not feel rushed as the lead negotiator. I think if we felt that way, we would've said stop the bus, we're not going there. We had no deadlines – we had no deadlines. People might think, well, maybe Quebec had a deadline. We didn't sense that, by the way, until really near the end and there was some chatter about, well, there's a pending election, but that wasn't our issue. It was their issue.

So this wasn't rushed. I feel we've landed a good deal. There's nothing I could point to and say, well, we could've done that better if we had more time. I think that's not true.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Thank you.

Mr. Kennedy, you said earlier about the federal government's involvement, and I know that multiple ministers in this government had conversations with their federal counterparts and painted a picture of what Newfoundland and Labrador could and should be, based on the development of mines and secondary processing and, certainly, Churchill Falls and Gull Island. I would assume that there was a multitude of negotiations and conversations with the federal government.

Can you just outline how supportive they've been and what those negotiations actually look like?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

The initial contact with the federal government occurred after, I think, the Premier met with the Minister of Natural Resources. I think you might have been there also, Minister, in Houston. It was shortly after that that a meeting took place, whereby the minister of Natural Resources for Canada, outlined the government's interest in having and needing the Labrador Trough opened. Of course, in order for that to happen, there had to be the ability to access power and the ability to transmit power. So that opened up the discussion. That was before negotiations had actually commenced.

During negotiations, I understand that the Premier's office was having contact with the federal government. But then eventually, as I've indicated, the issue of whether or not the deal could be finalized was going to need federal government involvement.

One of the interesting aspects of that was that Michael Sabia – I think he was the clerk of the – or the prime minister's, I'm not sure – the clerk of the Privy Council, maybe – he had negotiated for Hydro-Québec in the 2024 MOU, so when discussions started with him, we were a little bit tentative. But I have to tell you, I've never seen someone who is as supportive and pretty smart – I have to say that – in terms of his ability to access information, to digest information. Clearly, he and the minister had the authority to speak on behalf of the prime minister.

There were very good discussions. I don't think the issue of political strip ever entered into the picture. It wasn't like you have a Liberal government in Ottawa and a PC government. It was just the federal government dealing with a province in the country to work with another province to develop mines which would hopefully assist the province and the Government of Canada in terms of accessing the critical minerals, and we've all heard how important those minerals are in the last number of years.

Yeah, they were very supportive, Minister.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: When we talk about the $273 billion or $49 billion net present value, do any of those numbers include spinoffs? Do any of them include the economic development that will be associated with this? Is there any skew in that number that would change if those things didn't happen?

SPEAKER: Mr. Perry, I guess.

B. PERRY: Speaker, things like value of the contribution of mines to the province, GDP, employment, taxes, those kind of things, are not included in the overall number. The IRC did some work on that and we did some work with the Department of Mines, obviously. There is substantial value over and above the $49 billion related to that.

I point out this, we didn't count stuff like the Gull Island project, at some point, we will probably have 5,000 on the site. These are well-paying jobs, so there are a lot of taxes coming the province from those jobs, probably in the hundreds of millions, frankly, over the life of the construction period. None of that is in these numbers.

Unleashing that development in Western Labrador is going to create a lot more value.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Given the fact that there is a baseline of 85 per cent of the work going to happen here in this province from a procurement standpoint, from an hour's work standpoint, from everything, would it be a fair characterization to say that this $49-billion number is not even close to what we will see if all of these projects move forward, if the economic gains from this project show, as we think they will show?

SPEAKER: Mr. Perry.

B. PERRY: It is definitely more, Mr. Speaker. I think substantially more, frankly. I think we underestimate how much power we are talking about.

The 2,700 megawatts of power, if we can use that in the province – the Island part of the province doesn't use 2,000 megawatts, currently. So this is more than all the power consumed today on the Island part of the province.

So unleashing that for industrial development, mines, will create a major uplift in value, no question about it.

SPEAKER: The Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

I know we asked a lot of questions about market-based pricing and the lack thereof in the new agreement compared to Schedule F in 2024. I did touch a little bit on replacement costs as well.

So just to confirm, and from my reading – you can correct me if I'm wrong – there are no provisions for any replacement costs upside in 2026 deal compared to Schedule F in 2024. Speaker, Ms. Williams spoke a lot about replacement costs last year. Just to confirm that the new agreement has nothing tied to replacement costs for Churchill Falls power that is sold to Hydro-Québec.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Yes, the current agreement doesn't have an explicit connection to replacement costs, but I referenced earlier, and Mr. Perry also mentioned it as well, that the same value would have to be about 18 cents a kilowatt hour in 2041 to replace the value of the deal. That would encompass what we would expect the replacement cost – there's different estimates of what the replacement costs could be in that time frame, but it is in a similar range. It's not an explicit connection but you would have to get 18 cents a kilowatt hour in 2041 to get the same value as today.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Okay.

I guess I'd ask, maybe, Mr. Kennedy if leaving out – which, again, Ms. Williams, I'll read you some quotes, it was very important to you in 2025 that it was there – leaving replacement costs out explicitly, does that expose us legally to not getting any value in the event that Quebec spends a lot of money on energy infrastructure in their province?

Anyone can take it, just ….

SPEAKER: Mr. Perry.

B. PERRY: Sorry, Mr. Speaker. Can we get the question repeated?

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Let me try it this way.

I just have these quotes from Mr. Williams in 2025. She said, "What about if replacement costs go through the roof? And then, our answer is, well, that would be wonderful. Because that would mean that the component that we've tied the price to will also go up."

"We are going to win."

"As the replacement cost goes up in Quebec, the price of the PPA" – the

Churchill Falls PPA – "will reflect the replacement cost in Quebec. So if the replacement cost goes up in Quebec, awesome, we're going to get a part of that price. So we shouldn't be afraid of replacement costs in the future going up because we are going to have part of our price tied to that."

I guess I would say that Ms. Williams, she was very keen on this being in the deal in 2025. Can they explain then why they're not bothered by the fact that that explicit provision is not in the 2026 agreement?

SPEAKER: Ms. Williams.

J. WILLIAMS: I'll open it, and I don't know if Mr. Perry might want to jump in.

I think I recall also in the 2024 MOU that Mr. Sabia, as Mr. Kennedy mentioned, was referencing the price they would have to pay in 2041 in 2024 – that was the time we were talking about – was 13 cents to 16 cents a kilowatt hour. So going back to what I mentioned just then, the value that we've negotiated here now is worth about 18 cents a kilowatt hour. As the price has gone up, we are achieving some of that replacement cost value.

SPEAKER: Mr. Perry.

B. PERRY: I want to point out again, Mr. Speaker, the difference in the last deal and this deal. This was a concept in the last deal. It was a term sheet. I was never agreed to. I think the prospects were slim.

What we have now is a negotiated deal; we know what it is with the guaranteed escalation, the inflation protection. Jennifer mentioned having to get to 18 cents to better this deal, and that's just in the PPA alone. That doesn't include all the Gull Island and federal contributions. That number is probably well into the twenties to actually match what you'd need to get in 2041.

I just make stress the difference in what this deal says versus what the last deal. This was a unnegotiated concept that had the slim chance of getting done, and what we have now is a fully negotiated arrangement that is very attractive.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I guess I take exception with it being a concept; it was signed by the person sitting to your right as a memorandum of understanding. It was more than a concept. It was an agreement that was negotiated between Hydro-Québec and Newfoundland and Labrador Hydro.

I guess if it was a concept, then why –

SPEAKER: I ask that you address the Chair, please.

J. HOGAN: I guess if it was a concept then, Mr. Speaker, what are concepts in this agreement?

Again, there does need to be final negotiations before we get to a final place with Hydro-Québec, the same way as in 2024. So forgive me, but, again, Ms. Williams, if it was a concept in 2024, it was not the way you explained it to the House of Assembly.

Mr. Speaker, the way it was explained to the House of Assembly was it was fundamental to the deal based on lessons learned in 1969. You can understand why Members of this side of the House are frustrated and disappointed and probably a little bit angry to hear that those were concepts in 2024 when they were fundamental to the future of the province.

SPEAKER: Does anybody want to respond? I'm not sure if I heard a question, but do you want to respond to the statement, Mr. Perry?

B. PERRY: I just pointed out, because the MOU was early – it was early – there were things that were left to be negotiated and this was one of them. There was a general statement about the goal, but it had a major piece of negotiation left to be done.

The same thing with Gull Island. Gull Island was an unsettled matter. The level of the uncertainty or disagreement between the position of the parties was wide, and the big difference in this deal is we learned from that. We didn't want that to happen again. We spent the time to actually announce something that wouldn't set us back into that spiral again. We worked hard on all these issues to settle them between the parties.

It wasn't easy. This is why I say it was the toughest set of negotiations I've ever done. We tried to, basically, get to definitive agreements before that. You can almost argue, if we spend another month at it, maybe we would have got all the way there. It's like a completely different process. There were things that were left to be negotiated last time, and this time we've settled all these business issues. That's just the big difference.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: It wasn't easy?

I mean, I'm no JFK, but we do these things not because they're easy but because they're hard.

SPEAKER: I would ask that you address the Chair.

J. HOGAN: Now what I'm hearing is that if you had another month, maybe you could have got there?

I mean, maybe I should ask the Premier, but I'm not allowed because the rules prohibit him from speaking, maybe they could give the negotiating team one more month to get what Newfoundlanders and Labradorians wanted, protection in the event that markets went up –

SOME HON. MEMBERS: Hear, hear!

J. HOGAN: Anyway, I'll move into another topic.

Another thing that Newfoundlanders and Labradorians have long wanted was transmission access to Quebec's lines to sell directly to the US so NL Hydro could negotiate its own price and sell to US markets and not have to worry about Quebec blocking us.

So I guess I would put it to any members of the panel, do they agree that this issue has been a sense of frustration over the years?

SPEAKER: Who's taking that one?

Mr. Perry.

B. PERRY: Transmission access, because of how much of a role it played in these negotiations, yes, clearly, it has been a sense of frustration. We have made, though, tremendous progress on this deal compared to the 2024 MOU.

Really, there are four pieces in this deal, four pieces of transmission, one of which was there back in the 2024 MOU, which was being able to export Muskrat Falls power under this 265 megawatt reservation. We have added now three other pieces to that: one was into New York City on the Champlain Hudson Power Express line, two is into the Massachusetts area on the New England Clean Energy Connect line and then third is a synthetic approach where we get true market prices for 280 megawatts of transmission. So take the market, take off the cost of transmission and that's the net price we get.

I will tell you, these three extra pieces now will provide a lot of value in the early years of the new deal because prices for those three options will be probably upwards of triple what we could get under the PPA with Quebec. They're bringing some substantial value to the province.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

Mr. Perry mentioned the 265 megawatts. I guess people have heard the word wheeling, and I think it's fair to say the 265 megawatts will be what can be wheeled through Quebec. I'm wondering if someone could briefly just explain what that means, the term wheeling.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Mr. Speaker.

Basically, what the 265 megawatts means is that Newfoundland and Labrador Hydro would have access to a transmission line pipeline, if you want to call it that, and if we have excess power that we would like to sell, we can choose to send our excess power to an eventual customer at the end of that transmission line of which we have a booking.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

So transmission line pipeline, that's a good way to use it, so I'll steal that.

The 280, 240, 200 megawatts that Mr. Perry mentioned, does the new agreement allow us to sell any of that power to the US in the exact same way that was just described by Ms. Williams.

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, very similar, power will go into Quebec, though we ultimately do sell it to Quebec, initially, but it comes out the other side into New York and into Boston. I remember talking to the CEO of Hydro-Québec, she said, Barry, your electricity will go to New York and will go to Boston. Churchill Falls power will go to New York and go to Boston.

Yes, we have to pay for the transmission cost through Quebec. We have to pay for the transmission cost on the other side of the border, on the US side. So, for example, with the Champlain Hudson Power Express line, I think the price is about 10 cents a kilowatt hour, US, and when you knock off transmission, we're probably netting around 8 cents for that power.

Synthetic, a little different, obviously we get to choose the market, New York, Ontario or New England. Once we make our choices, we take off the transmission and get our net numbers. So it is a way of having transmission without having to build the transmission up front. So I think that we've ended up with this portfolio, these choices, the optionality.

By the way, we can choose to elect to use this up to the numbers. For example, Champlain express is 240 megawatts, I think. We can elect anything up to 240 megawatts, give three-years' notice and then three-years' notice to come off it. If we have a better use in the future, we can come off that line. We have a real flexibility about these choices as well.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

I guess I'll just say it this way, the 265 megawatts would be sold to – so the cheque would be coming from a US market, as opposed to the 280 and the 240 megawatts blocks, the cheque would be coming from Hydro-Québec. Is that correct, Mr. Speaker?

SPEAKER: Mr. Perry.

B. PERRY: Yes, I guess, Mr. Speaker, I don't really care who pays me as long as I get the price that Quebec gets in those markets and I get the price that represents the export market price. I do think Hydro-Québec does pay their bills, so I don't really care who pays me.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

I understand the concept of getting the price based on what Hydro-Québec is getting, but I think what Newfoundlanders and Labradorians are hearing is that NL Hydro has the ability to go through Quebec, when the contract very clearly says sell to Quebec. I would suggest it is misleading to tell Newfoundlanders and Labradorians that we now have the ability to transmit through Quebec, which I would suggest Newfoundlanders and Labradorians understand that someone in NL Hydro can pick up the phone, the same the way they do with the 265 megawatts and negotiate a price.

So can anyone in NL Hydro negotiate a price with anyone in the US markets for the 280- and-240-megawatt blocks?

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

For the 280-megawatt blocks, the prices are based on the US node pricing. These are published indices, so they're getting those prices. The two lines, these are contracts that we know what the prices of these contracts are done at. We're getting those prices in those contracts, the same as Quebec is getting. Clearly, we're not picking up customer A in Poughkeepsie, New York, and saying, will you pay X? We're not getting that, but we're getting the same price Quebec is getting for these lines.

When you think about it, we didn't have the pain of building the lines. Champlain Hudson Power Express was 16 years to build from start to finish. Quebec is now saying we have a chunk of that line. That was a major development in this negotiation process, and I don't want to diminish it because it was our push to get more transmission access that finally caused Quebec to put those lines on the table.

We still have the choice to elect to get on them. When we get to the point of final agreements, Newfoundland and Labrador Hydro will have to evaluate what the best choice is, and we have that flexibility.

On synthetic, the same thing. We still have our direct access, which for Muskrat and maybe wind in the future, we can actually create a lot of value. We are also exporting Muskrat back to Newfoundland into Nova Scotia.

So, all of a sudden, Newfoundland and Labrador Hydro has got this portfolio of transmission that really is starting to allow them to be operating in a way that we're accessing these markets.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

I'd like to ask Ms. Williams a few questions, if I could. I want to go back to the whole market-based block pricing.

The Leader of the Official Opposition would have you believe that this market pricing under the old MOU was a fait accompli, that it had been part of the original agreement and then it just simply needed to be finalized. Yet, I heard earlier that no definitive agreements had been completed in the 10 months after the MOU was passed here in the House. Could you confirm that, Ms. Williams?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

It is confirmed that we had not completed any definitive agreements.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, again, I go back, if the market pricing then, as the Leader of the Opposition describes, was such an important part and was near completion or close to it, why wasn't the market pricing definitive agreement completed in the 10 months after the MOU was signed?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

So for the period of time immediately post the signing of the MOU, obviously we had to come here and speak publicly. So once we got through some of that, we certainly worked with, I guess, our jurisdiction to develop the appropriate term sheet that we would then sanction and then exchange with Hydro-Québec. So we did that.

As was referenced earlier – and I think Mr. Perry mentioned the length of it – this is a very extensive document, so we took our time to work with our advisers to come up with what the opening position would be and then we sent that to Hydro-Québec. There were a whole host of definitive agreements that had to be completed. So we were working on a number of documents and a number of positions to exchange with Hydro-Québec. The complexity of all of them together would be a reason why we never got any of them complete in the time frame before the election.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Ms. Williams, is it fair to say that the comment by the IRC about the overall complexity and uniqueness of the block-pricing approach, there is an increased risk that the final terms will contain unforeseen gaps and that disputes will occur during the PPA term, how far along did you actually get in negotiations on the market pricing?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

We got as far as we did. I can't give you a clock of per cent complete, unfortunately, but we didn't get to a place where we had confidence that we would have it resolved before the election.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Again, it was far from completed and, while it was a line in the MOU, there was certainly a lot more work to be done. Is that a fair statement?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Yes, we had progressed a lot of the work and a lot of the thinking, but we never brought it to negotiations.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, I'd like to go back to Mr. Perry or Mr. Kennedy on this, because one of the things when I look at the pricing model that you've talked about and that you've got now in the new agreement is the certainty, not the uncertainty. I think that's something that I'd like for you to expand on, exactly what this Province of Newfoundland and Labrador will certainly have under this agreement.

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

Really, the heart of this agreement is this Annex D, which is sort of another version of the Schedule G in the MOU that identifies how much money Quebec pays each year for the power it gets from Churchill Falls. As I mentioned several times now, that price for that power, the payments every year go up starting in 2027, increasing 14 per cent a year to 2041 and then 2.6 per cent a year after that.

There is very low risk in that stream of payments, making those payments extremely valuable to the province. I mentioned the Churchill Falls PPA is now, of the $49 billion in value, about $39 billion of that number, to give you a sense of how valuable the plant is. The province can pencil in, with certainty, the amounts of money that are coming from Hydro-Québec. In return, they're getting the output of the plant. They get to direct how the plant is operated. They take all the hydrology risk, for example. So anything that people think about climate and all that, they're taking all that risk. It's not Newfoundland that's taking that risk. They take all the technology risk. If something happened in the future in 50 years that power, I don't know, becomes cheaper from another source – who knows – they take all that risk. We get our payments going up every year, year after year, with certainty.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

I think that's the other piece of this which is so important, the actual power and how much power and how much more power that we have now negotiated into this agreement that will allow us to build those new industries, to start new industries, to develop new industries.

Going back to what was there before and what we have now and the optionality again – I keep going back to that – you did mention earlier that there was no numeration or no accounting for what those dollar values would look like in terms of new mines and new industries in this, but I'd just ask for you to comment, in your opinion, on the value of having more power.

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

So just to talk a little bit about the power, and I have my little chart here in front of me, as I mentioned earlier, right away, in, I think, the first set of negotiations with Hydro-Québec, we asked for more power earlier. This was not present in the old MOU. We currently have about 525 megawatts of power coming from the base plant at Churchill. Right away, starting in 2028 – these are small amounts, but they will help 5 Wing Goose Bay to go ahead – we'll have 25 megawatts in '28 and '29, then jumping to 50 in 2030 and another 50 in 2031, and then we start seeing the climb.

From the base plant, we another 300-plus megawatts in 2032. It doubles in 2035 to 605 megawatts and then we start seeing the upgrade power for the Churchill Falls plant start to kick in. In 2036, we have 605 extra megawatts from the base plant; we have 216 megawatts from Gull, because Gull is starting to come online; and then we are doing one turbine a year on the upgrades, so we are starting to see that come in. Over time, there's almost every given period we are getting more and more power.

If you look at Kami, Kami is like 125 or 150 megawatts. By 2035, we will have enough power to do about four Kamis.

Now, what was important for us is when we looked at this and we started matching up with the mines and energy, the expectations of mines was to have this concept of, okay, let's say we get all this power and the mines don't proceed, what do we do with the power? This is where the concept of the premium tranche comes in, where we can put the power back to Quebec at a premium of 50 per cent creating tremendous value.

The amount of power that we now have in this deal is a remarkable amount actually, allowing multiple mines to go ahead over time, probably allowing the possibility for smaller scale – when I say smaller scale data centres, couple hundred megawatt, 300 megawatt, assuming we can get market value for the power from those folks. That seems to be changing a little bit these days. Hopefully, that will be the case going forward. It introduces a lot more optionality for the province with the amount of power that we have negotiated here.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: If I can turn my attention to Gull Island, how much power will actually be produced or anticipated to be produced by Gull Island? How will it be split between Hydro-Québec and Newfoundland and Labrador Hydro?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, Gull Island, the assumption is it is 2,700 megawatts. We get 16 per cent of the output; it is equivalent to about 432 megawatts when it comes online.

We have an option, by the way, to take that. Back to earlier conversations, if Gull, for example, something really bad happened where Hydro-Québec blew out the budget on Gull and the price of power coming from the plant became very high, we would have the ability to take no power and, therefore, not have any cost impacts related to Gull.

We don't expect that's what's going to happen. We'll take our allocation of 432 megawatts, 16 per cent of the plant but we do have that decision that we can make at the time.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

In terms of paying down the debt that is going to be part of Gull Island, the province, as we heard, earlier will not have to put any money upfront into this particular development. Hydro-Québec will assume the risk of the cost overruns and Quebec will pay for 84 per cent of the power that the plant generates, i.e., paying down the mortgage, if I can say that or use that expression.

At the end of the day, after this contract is up, I think you alluded to the fact that we've gone from a $30-billion balloon payment to a $5-billion balloon payment owing on Gull Island, but what would value of that asset to the people of Newfoundland and Labrador at that time be?

SPEAKER: Mr. Perry.

B. PERRY: Well, in dollars, out in that time period, Premier, it would be tens of billions of dollars for sure. It will be a remarkable asset. We will have 60 per cent of it; Quebec will have 40 per cent. But it will be an incredible asset.

It's interesting, Jennifer always points this out to me, at a time when our pricing in Churchill Falls for the cost of power that was selling to Quebec is getting up there, up 20-something cents by then, the cost of Gull, this fully amortized plant, will be very low at that point in time.

For using power in the province, I think her go to is going to be we'll sell the Churchill power to Quebec at the higher price, premium tranche all that, and I'll take the Gull power because, for ratepayers in Newfoundland, that's what I want to use. The sort of portfolio concept comes into play where Churchill is going like that and Gull is going like that.

It's an interesting dynamic and very attractive to the province.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

Again, the word "optionality" comes into play significantly for future generations to decide on exactly what they want to use the power, how they want to use the power. But it is also fair to say that this is an asset that will be paid down, the majority of payments, at least 84 per cent of it, by Hydro-Québec.

SPEAKER: Mr. Perry.

B. PERRY: That is absolutely correct, Mr. Speaker. Fifty years, we'll be down to about $5 billion. The traditional cost of service is very simple. Essentially 1/65th of the debt and the cost are amortized every year. So we start out high, and it just keeps going down.

That creates a project at the end that is basically fully paid off, and Quebec would have paid – if we decide to take our share – 84 per cent of that and they would have taken all the risk to build it and all that.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

I take some exception to some of the comments from the Premier about me thinking that the market-based pricing was a fait accompli, I think were the words he used. At no time did I ever say that that was a done deal. In fact, I said the opposite.

During the course of the campaign, I said that if we were successful that there was still a lot of work to do to negotiate the MOU towards final definitive agreements. At no time did anybody expect that an agreement, any agreement, especially the market-based pricing one would be done before the election.

I guess, Speaker, I would ask Ms. Williams to comment on what the target date was for the final definitive agreements based on the 2024 MOU.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

It was the end of the year or April of the following year, 2026. So what year are we in now? We're in 2026, now, yes.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I could have asked if it was April 2026, but I didn't want to be leading. But yes, what I recall is it was April 2026. I would ask Ms. Williams why would any of the definitive agreements be done before the target date of April 2026, which by the way I remind the Members opposite said was a rush?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you for that question, Speaker.

I acknowledge that the timeline was up to April 2026. We had a whole host of work for all the definitive agreements to try to get done in that time frame.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Just for the record, Speaker, personally as premier, I didn't feel I had a mandate to finalize those definitive agreements before the general election if they had been done in time. I certainly wouldn't have signed them until the electorate had a chance to vote. Again, we would have brought them back to the House of Assembly to debate the definitive agreements. The Premier still continues to struggle with deadlines, it seems.

Speaker, I'll go back to some questions about transmission. I would ask if NL Hydro can enter into any contracts with any entity in the US marketplace to sell NL Hydro power from the 280- or the 240-megawatt blocks?

SPEAKER: Mr. Perry.

B. PERRY: No, that's not the arrangements. The arrangements are to, beyond these two clean energy lines, get the same price that Hydro-Québec gets, because these are contracts that have lives to them. I think the CHPE is 25 years and the NECEC is 20, I believe. Quebec has also agreed that whatever happens post, though expiration of those contracts, we will have an option to participate with them on whatever they choose to do post-expiry of those contracts, but direct contract with others, no.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Mr. Speaker, just to follow up on that, and I may have missed it, but can you point to the provisions in the new agreement that says that Newfoundland and Labrador can participate in the negotiations of those contracts, once the CHPE and the NECEC ones expire?

SPEAKER: Mr. Perry.

B. PERRY: That's not there. What is there, though, is we will have the choice. Quebec will have – in terms of the CHPE line, as an example, Champlain Hudson Power Express – CHPE for short – when they renegotiate and let's just say they go to some market-based pricing mechanism, for example, we would have the option to decide if we want to tag along with them. So that's what's new under this agreement that wasn't there last time.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, just to be very clear to Mr. Perry, I understand the benefit of his position that we get the price of Quebec. What I'm trying to clarify for Newfoundlanders and Labradorians is what you said, is that we do not have the ability to contract directly between NL Hydro and any entity in the United States for those blocks.

Another reason that's important when I look at the Independent Review Committee's report it says, the transmission access we have now, the "situation restricts NLH's ability to both contract directly with external customers and capture export pricing."

What I just heard from Mr. Perry is we still do not have the ability to contract directly with markets in the United States.

Has the mandate of transmission access, as outlined in the report that I just read, been met, when, by the way, you just said that we cannot do what they recommended that we do?

SPEAKER: Mr. Perry.

B. PERRY: I have no hesitation to say, yes, we've met the goals of more transmission as part of the negotiating strategy. We have created this portfolio of transmission choices that were not there in the previous MOU.

I want to stress how difficult this was to negotiate with Quebec, to get them to put this on the table. This is new and it's providing tremendous flexibility and immediate value to the province, once these agreements are executed. We can make the choices to be on these lines, and I really think it's about triple the value of what is the price under the CFPPA in the early years as we ramp up the price.

So the election will be, let's get on these lines as quickly as possible so we can realize value and then once our price of Churchill Falls power gets to a certain price that's beyond what these lines can deliver in these markets, we will elect to get off the lines.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, I ask Mr. Perry, I understand he's very adamant that he feels that there was value in getting what wasn't in the 2024 MOU. He said he feels like he's met the mandate but he's contradicted himself because he said he has met the mandate but he agreed that NLH does not have the ability to contract directly with external customers. So perhaps he could square the contradiction.

SPEAKER: Mr. Perry.

B. PERRY: We spend a lot of time talking about transmission, Mr. Speaker. I just believe what we've achieved gives us the price that Quebec gets for these lines and our electricity is going to New York and going to Boston. I don't see the distinction, I really don't.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

Again, I understand the argument about value and I'm sure we'll talk about that over the course of three days, but I did not get an answer about not meeting the mandate to contract directly with anyone in the US marketplace.

It gives me a little bit more trouble, not only because the mandate was not being followed, but if I just look at, for example, a Government of Newfoundland and Labrador news release from August 17, 2026. It says, "Unlike the previous MOU, Newfoundland and Labrador has secured the ability to transmit power from Churchill Falls and Gull Island through Quebec to the U.S. marketplace."

So I would ask any members of the panel to answer if they feel that they have it through Quebec, when I would remind them that the contract that they signed says to Quebec, and further remind them that the technical briefing we received, it was said to us that no, they don't have the ability to go through Quebec.

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I've been clear in my view that we have this portfolio of transmission. We do sell it to Quebec at the border and then it comes out the other side, I guess, after paying transmission, it goes on the lines to New York and Massachusetts. To me, it's the same thing, it's the same concept. So I don't really get the distinction.

We are getting the same price as Quebec, net of transmission, and that net, by the way, is transmission through Quebec. So we're paying for something, we're paying to get transmission through Quebec and we're paying to get it to the lines, to the customers. So I think it's the same thing.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Mr. Speaker, would Mr. Perry agree there's a distinction of being able to get a price that Quebec has negotiated for itself and that we get that price, versus us negotiating our own price with an external entity?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I do agree. That being said, we do have the option to not do it. It is our option to either take the price Quebec has negotiated, which looks like a very good price, or not. So we have that flexibility. We're not locked in to something that Quebec has done; it's our choice to take it and to take as much as we want up to the maximum. It's not like we have to make one decision for the full 280 megawatts.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

Mr. Speaker, I'll say to Mr. Perry, I know that those weren't his words. This is unfortunately how the deal was sold to Newfoundlanders and Labradorians, and we struggle with it because words do matter, I agree with the Finance Minister. Telling Newfoundlanders and Labradorians that we have the ability to transmit through Quebec to me is just not what we have the ability to do. We have the ability to sell to Quebec, based on contracts that Quebec negotiated. Might be the best price in the world, might be the best idea in the world, but it's not what Newfoundlanders and Labradorians have been told.

So do you have any comment on that and about why you can understand why we need to ask those questions, and why Newfoundlanders and Labradorians might be confused that what the contract says and what we're hearing on the floor is different than what the Premier and the minister have told Newfoundlanders and Labradorians?

SPEAKER: Mr. Perry.

B. PERRY: I think it's a political question. I'm just explaining what we have negotiated. We have this portfolio of transmission. We've gone through it, the two lines, the synthetic and the Muskrat Falls. To me, accessing these two lines is exactly the same as if we had direct transmission. Clearly, we're taking the price that Quebec has negotiated, which is a very strong price, versus, say, spot prices or some other process. I think this is actually a very attractive proposition for the province.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, I guess I'll ask Mr. Kennedy's opinion. Words matter, certainly, in his career. I've certainly been aware of court cases in Newfoundland and Labrador that have cost millions of dollars because a comma was in the wrong place. So words do matter.

Would Mr. Kennedy agree that the word "to" versus "through" could matter in the minds of Newfoundlanders and Labradorians?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

The Member is right that words do matter, but there comes a point, too, when it's a question of semantics, through Quebec, to Quebec. In this particular case, Mr. Perry has highlighted the portfolio, the transmission and access. We also have the 265 megawatts of Muskrat Falls power, which can go direct through Quebec and sold on the spot markets.

Ms. Williams can outline a little bit more detail on this, but it's my understanding that there's not enough power available for firm contracts. Therefore, any power that's sold historically has been on the spot markets. Is that correct? Can Ms. Williams answer that?

SPEAKER: Go ahead, Ms. Williams.

J. WILLIAMS: Thank you, Mr. Kennedy.

Speaker, any excess power that we currently have for Muskrat Falls, we are able to sell. Even though our booking, the 265 megawatts, is a firm booking, the availability of the power does fluctuate based on the needs of the province at any point in time. So I think that addresses the question.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you.

Mr. Kennedy raised we still have the 265 megawatts, which has been there since 2009. Just to be clear, the 265 megawatts were not negotiated as part of this deal. It's just the 720 megawatts. Is that correct?

SPEAKER: Mr. Perry.

B. PERRY: That is correct. It wasn't really described in the last deal, but the assumption was it was still there. Before the last MOU, there was the ability to export Churchill Falls power on that 265 megawatts. That disappeared in the last MOU and was reduced to just Muskrat Falls power. We have retained that now in this agreement and added these other three choices.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Mr. Speaker.

I guess I would ask either of you to comment on this. It's 985 megawatts of guaranteed transmission through Quebec to sell to other markets, we won the ability to transmit power through Quebec.

Would you agree or disagree that that statement 985 megawatts of guaranteed transmission through Quebec to sell to other markets – I would say the contract says that you only sell to Quebec except maybe the 200 megawatts for the synthetic transmission and the 265 megawatts not being part of this deal since 2009 – is that an accurate statement of what was achieved in this agreement?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I believe so. I can understand the comments about semantics and all that, but even things that were in the last deal, you still had to negotiate them to stay in this deal. So 985 megawatts does include the 265 megawatts from Muskrat Falls that was possible in the last arrangement, but we have added these three other choices for the province, which again gives us tremendous flexibility, especially in the early years of the new contract to realize a lot more value for the province.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Thank you, Mr. Speaker.

Mr. Speaker, if I sell the 265 megawatts of electricity to a market in New York from Muskrat Falls, how does it get there?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, it could go over the Maritime Link, it could go through the Quebec booking and into the markets in the United States.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Can you just speak up a little bit. I think you said it could go through Quebec, is that what you said?

J. WILLIAMS: Correct.

L. PARROTT: So without the Maritime Link, if we were to sell any electricity to the United States or Ontario, how would it get there?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

If you were to sell any electricity from Muskrat Falls or from another source, if you could –

L. PARROTT: (Inaudible.)

J. WILLIAMS: Sorry, could you repeat the question?

SPEAKER: Can you repeat the question, Minister, and direct it to the Chair.

L. PARROTT: I said if we didn't have the Maritime Link and we were to sell any amount of electricity to anywhere in the

United States or Ontario, as an example, how would it get there?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you.

It would go through Quebec.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Through Quebec, okay.

If you were doing a project and you needed, for argument sake, a Siemens generator and you went online and you bought it from Amazon, would it be your expectation that that would come through Amazon or that it would come through Siemens?

AN HON. MEMBER: Relevance.

L. PARROTT: That's relevant.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you for the question.

So if I ordered something online, where would I expect it to come from? Through the transportation networks. I'm trying to follow here.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: The question is about the delivery. The semantics that are being played out here are based on the fact that we are wheeling electricity through Quebec to another market, which is clearly in the contract.

What I was elaborating is that if we were to buy a package from Amazon, it's still coming from the vendor through Amazon, no different than our electricity is going through Quebec. Is that right or wrong?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

I think so, I just want to make sure I understand. I don't know which question I'm answering, if it's about the electricity or about Amazon.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

Ms. Williams, I would ask, if you could, if possible, speak up a little bit. I've really been struggling to hear you, to be honest.

J. WILLIAMS: Thank you, Speaker.

I flew last week and my hearing has been fooled up since. I don't know if I'm yelling or if I'm too quiet, so my apologies.

SPEAKER: Feel free to yell.

J. WILLIAMS: Feel free to yell, okay. I will do my best.

Thank you and thank you for your patience.

SPEAKER: Okay.

The hon. the Minister of Energy and Mines.

L. PARROTT: I'll ask Mr. Kennedy a question.

Mr. Kennedy, to your knowledge, how much power could we wheel through Quebec to the United States under the last MOU?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

In the IRC report, I couldn't find the quote, but my recollection was that no negotiation had taken place on transmission access, that the 265-megawatt allocation still remained, that doesn't disappear, and that basically there was no transmission access because all power that was not used in Newfoundland and Labrador had to be sold to Hydro-Québec. So there was no power available, at least from Churchill Falls, to wheel, sell or go through Quebec.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Is it your understanding that under the previous MOU there was a non-compete clause with Hydro-Québec?

SPEAKER: Who wants to take that one? I'm going to go with Ms. Williams. I hope you know the answer.

J. WILLIAMS: Thank you, Speaker. I hope I do, too.

A non-compete clause, Minister, I don't know if you were able to point that to me specifically just so I make sure I'm talking –

SPEAKER: The hon. the Minister of Energy and Mines, and try to address the Chair, please.

Thank you.

L. PARROTT: In the previous MOU, we were not allowed to sell power to anyone other than Hydro-Québec, as Mr. Kennedy just said. So, in effect, it was a non-compete clause. Is that fair to say?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, I understand the question now.

Yes, basically, for the CF power, we were going to either use it in province for domestic purposes, or we would sell it to Hydro-Québec.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Do you recall at what price?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you for the question.

Any specific year or are you talking …?

L. PARROTT: Just in general.

J. WILLIAMS: I think the effective price, which I know from an IRC perspective, they thought we shouldn't use effective price, we should use LCOE, but the effective price that we were talking about at the time was 5.9 cents a kilowatt hour in 2024 dollars.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Did we have the ability to sell it at 150 per cent of the agreed upon rate?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

No, we did not have that ability at that time.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: So we've gone from 265 megawatts up to 985 megawatts right now. Is that correct to say?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

The 265 megawatts is the booking, the transmission booking that we have, and the remainder between that and the 985 megawatts is the transmission pricing.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: That would make up our portfolio of transmission that can be sold to spot markets, to the Boston, New England market, to the New York market or to Ontario. Is that fair to say?

SPEAKER: The hon. – Ms. Williams.

7I'm sure you're honourable, too.

J. WILLIAMS: Thank you, Speaker.

Yes, Minister, that's correct.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: From an optionality standpoint, as the Premier has talked about, we have the ability to keep that electricity if we require it, sell it to the markets in the US or Ontario, or to sell it to Quebec for 150 per cent of the agreed upon rate. Is that correct?

SPEAKER: Ms. Williams.

J. WILLIAMS: Speaker, that is correct.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I guess the question is, is the 985 megawatts of power that we can now wheel through Quebec to the markets in the United States, better than what was in the previous MOU?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Yes, I do believe, especially for the 150 per cent premium tranche, this is better than what we had at the time of the signing of the MOU.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: I'll ask Mr. Perry.

Mr. Perry, I guess it's common practice when we talk about synthetic markets or any of that, for electricity to be sold to a generation plant and then they sell whatever the closest generation is from that point to the end destination. Is that fair to say?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, yeah, electricity is, I suppose, fungible. It doesn't have a tag on it; it goes into a system and you can't track the electrons, so it's pretty normal to have those kinds of arrangements.

In this case, clearly those two lines in the US, I'm comfortable in saying that Quebec was really interested in having the Churchill renewable power available to go on those lines to satisfy their obligations on the lines. We're benefiting from that in terms of the value that we're netting back to the province if we make that choice.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Mr. Perry, we have added an additional 720 megawatts to our portfolio of transmission capabilities, that will be sold at no lesser of a rate than Quebec would get in those markets for projects – or not for projects but this stuff is negotiated years in advance and these contracts are long-lasting. If we don't opt into this agreement, we have to wait 15 years, fair to say; create our own power lines at billions of dollars – if we can create them at all through Quebec, or through the Maritime Link, and probably would not be able to do any of that until post-2041 when this agreement expires. Does that sound like a good idea to you?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, no, it doesn't sound like a good idea. Even on the 265 megawatts, our negotiations with Quebec around trying to maintain that full access for Churchill Falls power, understand that the MOU, that went away, but we would have started out trying to keep that.

That was labelled at billions of dollars of value, to mimic or replace that transmission, so what we've achieved here is historic, I think, in terms of value, because the difficulty that Quebec had on these lines, especially the CHPE line, the 16 years, I think starting out with Blackstone to put the line down the Hudson River, submarine cables in upstate New York, down into New York City, the difficulties attached to that, we now have 20 per cent of that line. That's remarkable.

I mentioned earlier a couple of the big issues we had in this negotiation; Gull Island being one and then transmission being the other. It was because we pushed on transmission so much that finally Quebec provided some new ideas to us to achieve our goals on transmission. I think we created a really strong outcome for the province.

SPEAKER: The hon. the Minister of Energy and Mines.

L. PARROTT: Thank you, Mr. Speaker.

Mr. Kennedy, from your experience, if somebody had said to you, even two years ago, that the provincial Progressive Conservative Party, the Quebec government and the federal government are going to sit down at a table and sign a historic agreement on power, would you have dreamt that would ever happen?

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

One of the difficulties I've always had with this file – and I think one of the Members referred to this earlier – was there is a lot of historical and emotional baggage, for lack of a better term, with this file. It's hard to get over. For me, from a personal perspective, it's hard to get over what's happened; I'm almost furious when I read those Supreme Court of Canada cases.

At the end of the day, if you're going to engage in negotiations, there has to be objectivity. The emotion has to be put aside, for the most part. I wasn't totally capable of it but 97, 98 per cent.

We sat down with Hydro-Québec to have a conversation. Did I think the conversation would be as – even though it was very tough, did I think it would be as civilized as it was? No. Did I think that we would ever get to the point where we could start to make progress? No.

Well, come back, Mr. Speaker, to Justice LeBlanc in the Muskrat report. He talked about 2041 was coming up and he said that both parties would have leverage. It's in Volume 4, page 4. He was hopeful that the parties could get together. He recognized that both parties would have to give a little in negotiations, that Hydro-Québec could not expect to use geography against us like they've done in the past, nor could Newfoundland and Labrador expect that we would get – I don't know if he used the word everything but that's my interpretation of it.

Basically, what he said was, look, Hydro-Québec are going to have an interest in Churchill Falls whether we like it or not. There are the geographical issues and there are also the equity issues in terms of the shares in CF(L)Co. The way I remember that Justice LeBlanc put it was that Quebec is going to have to accept that they cannot continue to keep making windfall profits and Newfoundland and Labrador would hope to have a better agreement.

What he said – and this was the really striking part – was that even though we have hope for a greatly improved agreement, the people of this province should be cautioned against expecting a massive windfall. In other words, that 2041 wasn't a panacea for all of our ills; 2041 wasn't going to solve all of the problems; 2041 was not going to rectify history; 2041 was not going to be what everyone thought it would be.

When we entered these negotiations, from a personal perspective I had to put aside some of that anger, some of the issues that have haunted us as a province and say that we're going to give this a real good try. The word "partner" has been used, I have difficulty – they're business partners, but we sat down and we went into it.

Look, the benefit, Mr. Speaker, of having people like Mr. Perry and Ms. Williams, they're experts in utilities; they know this stuff inside out. So when one of them said, look, we're good here and we've done well here, that, to me, meant a lot.

So it is a longwinded way of saying, no, I didn't think it was possible. Did we get everything we want? No. Did Quebec give a lot? I feel they did. But is that negotiations? I think Mr. Perry put it one time, negotiations will be successful when both parties walk away unhappy.

Is that where we are? We're happier than I think we expected to be. It has been a tough process but one that has been very worthwhile, where there had to be objectivity and a lack of emotion.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Speaker.

I'd like to direct my first lot of questions to Mr. Perry.

Mr. Perry said earlier today in this House that it was the Premier who called him at some point in time in April and asked him to be the lead negotiator on the team. He didn't say yes immediately, but by the early part of May he was in.

He also said today that he was still on the board of directors of the Canada Pension Plan Investment Board, and I would ask Mr. Perry to please give us a high-level view of what the CPPIB does – its value, I guess? Just a really brief answer please, Mr. Speaker.

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, thank you for the question.

CPPIB invests the funds that support the Canadian pensions of some-22 million Canadians. The fund currently is in the $800-billion range.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Sir.

SPEAKER: I'll refer to you as the hon. Member from now on to save time.

F. HUTTON: Okay, thank you. I appreciate it. It's a big district, the biggest.

I'd like to ask Mr. Perry now, he said today as well that he was asked to do a similar role by the former Liberal administration, is that correct, to take part in negotiations?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, clearly this is a difficult conversation but, yes, I was approached previously to get involved and, at that time, was not able to get the clearances that I needed to become involved.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Mr. Speaker, I wonder if Mr. Perry could explain what those clearances were for the House, so we can understand why he didn't do it then but can do it now?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, when you're on large boards, like the Canada Pension Plan or the Royal Bank of Canada, directors do have to get clearances from the chair, usually, of these boards to take on other assignments, because the concern always is how much time it would take? Does it take away from your duties as a director on these other boards and could there be conflicts?

Conflict possibilities, I guess that's another consideration, and then there's the entire public aspect of the role. You know, you're out; could you be seen as being political, representing one side or another side? There are all of these aspects that go into the approval processes for boards to allow their directors to be involved in other activities.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Mr. Speaker, I was the senior advisor in the Premier's office at the time. My recollection of the answer that was given by Mr. Perry at the time to staff there was that he could not do it because he was in a conflict.

So my question to Mr. Perry now would be, why was he in a conflict then but not now, because he had already been retired as the chair of Fortis, if I'm correct in the dates that he gave earlier, but was still on this board?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, we're getting into some personal stuff here I guess, I did approach one of my boards then and they would not give me the approval to proceed. I was disappointed in that. It was the concept that there could be some investments that this entity in the future could be involved in, that maybe this would present a conflict or something like that.

Boards do change and the chairs do change. This time around when I was asked, I went back through the process and I got nothing but support, frankly, from the chair of all three organizations. It was a different answer this time than last time.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Mr. Speaker.

So it was the change in the board and the structure of the board, the people who were actually on it that had a different mindset on it that gave you the clearance.

I would like to ask Mr. Perry what investments CPPIB, which is the Canada Pension Plan Investment Board, has with Pattern Energy?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, my understanding is they own substantially all, I think, of the shares of Pattern Energy.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Mr. Speaker.

For the record, for anybody watching at home who are not familiar with Pattern Energy, they are a group who are trying to establish wind power developments here in Newfoundland and Labrador and have expressed considerable interest in doing whatever would be done in Labrador with respect to wind power, which is now a new part. It was not part of the 2024 MOU but is part of the 2026 MOU, I'll call it, or the Definitive Cooperation and Implementation Agreement.

So is there no conflict there if the board that you're on is also the majority or complete owner of Pattern Energy? Is there any conflict there? Do you see one, I ask the member?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I don't see any conflict. I haven't been involved in any discussions about that. Very few of these kind of things come to the CPPIB. They have to be very large projects.

I suppose there is a potential in the future, if Pattern got involved in the wind farm in Labrador, that might come to the board of CPP, but I will be long gone at that point. I don't see any connection there. I would tell you if there was anything that arose during this negotiation that gave me a sense that I would be in conflict. I would have declared it immediately. There is nothing in it for me to do anything but that, frankly. That is what would happen.

There was nothing around Pattern. The wind farm, that has to be studied, there has to be an RFP process and all these things that were down the road before anything like that could happen.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Right, but I would suggest to Mr. Perry that it is a multi-billion-dollar project, one that the federal government has expressed interest in investing in heavily, billions of dollars. So, to most people, I guess –

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

F. HUTTON: – if you are part of the CPPIB, an $860-billion fund, that might not seem like a lot of money, but to the province, a $4-billion deal is a big deal.

SPEAKER: Is that a question for Mr. Perry?

F. HUTTON: Would you consider it to be a big deal?

SPEAKER: Mr. Perry.

B. PERRY: I think the wind farm opportunity for the province is an incredible opportunity, actually – yes, I do – but I don't see the conflict at this point.

If there was a conflict, I would declare it and not be involved in any decision-making role to choose Pattern. I am not going to be in that role, but I am just saying that if there was any part of this process that that happened, I would declare my conflict and not be part of it.

Those are always the things you consider when you are on these boards. These are large Canadian institutions. They touch a lot of what we do in the country, whether it be the Royal Bank or the Canadian Pension Plan; not as much Capital Power, they are sort of Ontario West focused and down in the US. They don't have much of anything east of Ontario, but the other two, they are organizations that have investments across the country.

I would say the response I got from my board feedback was, how could we say no, Barry? You have the background. It's important for the province. It's important for the Province of Quebec. It's important for the country. You have this experience. Please, we're so happy that you're standing up to do this.

This time around, that was the feedback that I got.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Mr. Speaker, Mr. Perry also mentioned that he's a member of the Board of Directors for the Royal Bank. I need you to just answer this really quickly. Is there going to be any conflict there? Will the Royal Bank be financing any of this? You're on that board, too.

SPEAKER: Mr. Perry.

B. PERRY: Again, Mr. Speaker, Royal Bank finances a lot of things. I will not be involved in any of those decisions. That was not this part of the deal. We were negotiating the new arrangements with Quebec. We weren't talking about what bank was going to finance a particular project. That was not part of any of the conversations.

I'll be out of this process long before any of that happens. I'll be, hopefully, back in retirement with my regular board schedule and other things that I've been doing.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Speaker, and thanks to Mr. Perry for his answers.

I'd like to ask the president a few questions, if I may, please. This is directed at Ms. Williams.

Could she have signed off on this MOU or DCIA without the approval of the Premier or Cabinet?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

You can see very clear that I am a signatory to the DCIA and from an oversight perspective, there were several steps that we would go through to get it to final approval, to get the authority to sign on. Certainly, the Newfoundland and Labrador Hydro board would have been a component of that oversight and approvals, as well as the approval of Cabinet.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Speaker.

So Ms. Williams can you just say directly, would any of this be possible without the direction and ultimate final say from the Premier of the province and his Cabinet?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Yes, I would say that, not being a scholar in provincial government processes, but I do agree that Cabinet would have to authorize the signing of this agreement and eventual definitive agreements.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Mr. Speaker, I'd like to ask Ms. Williams again, and I want to say something that she had said the last time she was here. She said this, and it's a quote from Hansard: "The other really important point that we have, and I'm going to say we had Quebec commit to, which is really, really important and I'll draw everyone's attention to this, too, the word 'fairness.' Fairness contained in this document is something that we wish we would have had before; it might have changed some history."

You said, "This, to me, is one of the most important things that we've gotten in writing and upon which we're going to now, hopefully, continue negotiations to definitive agreements."

The word "fairness" is not in the new agreement. Why? Why was it so important the last time?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Yes, you're correct that the word "fairness" is not in the current DCIA. But I'll reflect on something that Mr. Perry has mentioned and I've mentioned also. We had work left to do, and I believe the Leader of the Opposition also talked about that as well when they were campaigning, that there was a lot of work left to do to get to the definitive agreements.

In this instance, as Mr. Perry has talked about and I talked about earlier – hopefully you can hear me now; I'm trying to speak a bit louder – we had a lot of the work done this time. So the need to include an attestation to being fair, we would have incorporated a lot of that in the material terms that were already agreed and included in the DCIA.

SPEAKER: The hon. the Member for Conception Bay East - Bell Island.

F. HUTTON: Thank you, Speaker, and thanks, Ms. Williams.

Ms. Williams said also on January 7, 2025: “I’m happy to be scrutinized by anybody and believe that every component of this” – referring to the 2024 agreement – “will stand up to the scrutiny, which is exactly why we’re here, obviously.”

We now know, Speaker, that that is not the case because the IRC said it was not in the best interest of Newfoundland and Labrador.

I respectfully ask this question, but, as I said earlier today in my opening comments, this comes down to trust and whether or not we can trust, not only the process, the government that’s in charge, but the people who are advising the government.

So my question directly to Ms. Williams is this: Why should we trust you now when you said the last time that it was the best deal we could have gotten and now you’re saying the same thing now? Why should people trust you and the advice you’re giving the Premier and the government?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker, for the question.

When I think about 2024 and I think about today, there are a number of things that have changed that are different, and I do acknowledge the question and the weight of that question.

So in 2024 and 2026, I already talked about what’s different is the materiality of the agreed terms. For what we had brought forward at that time, I felt strongly about what we had agreed up to and including in the MOU, work left to do after that.

We now have, I think, a few of the things, as had been discussed earlier, we had made improvements to the premium tranche, the federal government involvement is significant to add significant value to this moment, which we did not have that in any kind of formal way in 2024, and then, as I said, we got a lot of the materials and terms done now and we wouldn’t have had that knowledge at that time.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: First off, Speaker, let me start by thanking Mr. Perry for agreeing to lead this negotiating team and for being a proud Newfoundlander and Labradorian who was proud to take this on.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: I only have a minute in order to be able to ask a question, but I want to say congratulations to you and all of the negotiating team for the work that you have done on behalf of the people of Newfoundland and Labrador.

Speaker, the involvement of the Liberal federal government has been a significant part of this new agreement, so I would ask Mr. Kennedy about the provision of the federal loan guarantee for Gull Island generation project and what that means to this agreement.

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you very much, Mr. Speaker.

I almost found myself clapping the desk a minute ago, and I realized that’s long past.

The federal loan guarantee in terms of Gull Island is very important because it reduces the financial risk to Hydro-Québec in terms of the building of the project; but it also, Mr.

Speaker, has an impact potentially on Newfoundland and Labrador because if the costs of building Gull Island are reduced, then the costs to the ratepayer in general will be reduced.

It certainly has a positive effect, but it also gives a certain, I would suggest, degree of confidence to the people of the province, or could give a degree of confidence to the people of the province. Look, the federal government is involved in this in terms of, I think Mr. Perry said, guaranteeing debt up to $20 billion. I mean that's a very significant move, and then when you put in the investment tax credits, that's a lot of money.

It satisfies – at least from my perspective – one of the concerns as to whether or not Gull Island was actually going to be built. Now, Hydro-Québec has always maintained that. Newfoundland and Labrador Hydro people have always maintained that. But one of the roles I played in this negotiation is that of the skeptic, or the contrarian; I challenge things. I don't accept what I see at face value.

So that loan guarantee certainly goes a long way in giving confidence that, not only is the project going to proceed, but that the federal government believes it is going to proceed and Hydro-Québec certainly has more economic incentive for it to proceed because there was a lot of power involved.

B. PERRY: Can I just add –?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, thank you.

I am a numbers person, really. I have a finance background, so I don't want to diminish in any way the size of what the federal government is doing here. The Gull Island loan guarantee, I would say it's unprecedented: $20 billion of loan guarantee; extension of the ITCs for Gull Island alone in the $4 billion-plus kind of range.

They are also agreeing to pay the ITCs on an annual basis. Usually, you got to wait until the project is finished to get the ITC value. The federal government is agreeing to pay the value on an annual basis. That helps with the financing costs.

On the other billions that the federal government are putting on the table, these are like unheard of kinds of commitments. I saw it right through this negotiation, the support of Minister Hodgson, the prime minister, the clerk, all of them wanting us to get to a successful agreement.

We would not have announced something without that support, in my view. So it is just an incredible package of benefits that they are bringing to the table to make all this work for Newfoundland and Labrador.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Mr. Speaker.

Prime Minister Carney, in his words, has called this the largest hydroelectricity project in North American history. Would you agree with those comments, in you background?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I think in totality, in the terms of the upgrades at Churchill, the wind, the Gull Island project, yes, the combination of all of these projects in one geographic area, I can't point to somewhere else where this much capital is being put to work to create the amount of new renewable power. It is just an incredible story and it's happening right here in Newfoundland and Labrador.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

Also, I'd just say for Prime Minister Carney and his Liberal government, what's the impact, the support for the biggest capital project in Canada, which will result in significant contributions to the Newfoundland economy? Is that a fair statement?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I think it's massive. Just the Lab West transmission line, the support to allow that line to proceed with a combination of federal support, with the mines paying, basically, the province will put very little capital into that line. Opening up the mine, just that one aspect alone is remarkable. Gull Island moving ahead. The wind farm, the federal government was so excited about being involved in this large wind opportunity in Labrador.

You know, we've fleshed out the broad strokes of that with them. There will be a lot more conversations, but their willingness to step up and own 40 per cent of that facility and to support, through the various programs, Innu Nation involvement and to guarantee a billion dollars of NPV for the province. Then, on top of that, say if it doesn't go ahead, you'll still get the money just for other related projects.

So these are some of the things we negotiated with the federal government that are so additive to the overall deal here.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

Can you elaborate on some of the negotiations that you had with the federal government including the minister of Natural Resources and his office and others because all of these things that are now here to become part of this deal, were part of the negotiations, that I assume your team would have done. Maybe you can just elaborate on how those conversations happened and where we are and how we arrived at where we are today.

SPEAKER: Mr. Perry.

B. PERRY: Thank you, Mr. Speaker.

The federal government, Minister Hodgson especially, was definitely following this negotiation very closely. He's doing a lot across the country, frankly, a lot of big projects to try to make change occur in the country, especially in electricity, pipelines.

He has a big portfolio, clearly, but I think I have to say it has to be his priority, because if not, he's not sleeping at all because I have frequent contact with him. We started, at some point, talking about how the federal government could be involved. Our team led that process. Quebec, obviously, don't typically engage the way we engage with the federal government so we led the process around talking about the contributions that the federal government could make.

Even the Gull alone guarantee, that concept, we are the ones the proposed that and clearly it was of interest to us to make sure that Gull was as attractive a project as possible. We ended up leaving at one point, because our flights got cancelled the night before, at 3 in the morning to go have a long meeting with the federal government in Toronto that was built on a series of interactions with them to discuss all of these opportunities. I've said to my teammates that they would never be in another meeting like that meeting because when we left, we had created tremendous value for the Province of Newfoundland and Labrador.

We walked away with a loan guarantee for Gull Island, with $3.5 billion of value for the province. I was actually shaking after the meeting. It was something that I will always remember. I guess when you think of what the prime minister has been trying to do in the country. He's been doing a lot in Western Canada with pipelines and LNG export terminals and things like that. This project was in his sweet spot, wind in Labrador, hydro in Labrador, transmission to hook up renewable resources. This is in the sweet spot for the prime minister, so having tapped into that, we managed to create an amazing outcome for the province.

Again, back to timing, leverage and all of that, it sort of was fortuitous that we're here, really, with that support of the federal government. That is not something that is going be there forever. The timing is so important, and I was just amazed, frankly, at the support that they provided.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: I would ask then, would you consider the federal government involvement a turning point in terms of finalizing the agreement?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, yes.

I would even go as far as to say we exhausted all possibilities further with Quebec. We had pounded as hard as we could, but we were still not there. We were still not satisfied that we had a deal that was good enough.

We made that known to the federal government. We made it known that this is not something that we can live it. So it was something for them to consider and it did create the kind of support that we've seen here to allow this to move forward. It was all positive, I have to say, but they knew that without the kind of support that was being provided, it was not likely that this deal was going to forward.

For me, it was a critical component in the overall set of negotiations. I have to commend the federal minister, the clerk of the Privy Council and the prime minister for the dedication that they've shown to the province to provide the opportunities to allow this to go forward. It's remarkable, frankly.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Thank you, Speaker.

I will follow that up then with the last question I have. Would the deal have occurred without the federal government's support?

SPEAKER: Mr. Perry.

B. PERRY: No, I don't know if I would have recommended to the Premier that we should have kept going. I think it was integral.

Even the Gull Island debt guarantee, we had to get the confidence that Quebec was going to build Gull Island, the loan guarantee was the icing on the cake. To have that much debt guaranteed by the federal government gave this guy complete confidence that this project is going to move.

Support for Lab West – the wind was just incredible. I can't imagine this project overall without these aspects. I would have a tough time saying that we would have went forward. No, I don't Premier.

Obviously, it would not have been my decision, but my recommendation would have been we park it.

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Clearly, Mr. Perry, based on what you've said, that timing and opportunity is now, and with the federal government investing in building Canada strong and wanting to electrify the nation, would you agree that this opportunity is before us now?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, yes, we're right in a mainstream, I'll call it, of what it looks like federal government wants to do in the country. I think Canadians, generally, are very supportive of what's happening in the country. There is big stuff happening in Western Canada. There's now big stuff happening in Newfoundland and Labrador.

Despite our smaller size, this is on par – more, in fact, on what's happening. The new pipeline proposal, second pipeline to the coast is, I think, $38 billion or something like that, this is $50 billion of projects in Labrador. This is national in scale. This is the time.

SPEAKER: The hon. the Government House Leader.

L. PARROTT: Thank you, Speaker.

I move, seconded by the Deputy Premier, that this House do now recess for 10 minutes, so 20:37.

SPEAKER: I'd just defer to the Clerk, where the rules are pretty stringent.

Do we need unanimous consent?

CLERK: No, we can just recess.

SPEAKER: We can just do that? We're fine, okay.

We're going to recess.

Recess

SPEAKER (Lane): Order, please!

Let's get the show back on the road.

The hon. the Member for Lake Melville.

K. RUSSELL: Thank you, Mr. Speaker.

SPEAKER: I'll refer to you as the hon. Member from here on so we don't cut into too much time, okay?

K. RUSSELL: Absolutely, Sir.

Make no doubt about it, everyone's here to talk about our crown jewel which is Gull Island. We've heard time and time again here tonight from multiple speakers that there's no federal support, no base in Goose Bay, no 14 years early revenue, no mines in Lab West. To me, I'll be blunt, Mr. Speaker, this seems like nothing short of fear tactics to me.

I'll ask Mr. Perry, how can this be considered a partner in Hydro-Québec with an equitable deal?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, what we're saying is if we don't do this deal now, these things don't happen. Clearly, the arrangement that we've negotiated with Hydro-Québec allows this to go forward. So that's the point we're making.

The question of whether they're partners or not, in a business sense, given the arrangements that we have now between the parties, we have to work together to implement them and to make these projects successful. That's the sense of how I would use the term "partnership."

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: Thank you for that answer.

Let's see what can I move onto next.

You said earlier, Mr. Perry, that the residents, the people of Newfoundland and Labrador –

SPEAKER: Please address the Chair.

K. RUSSELL: Mr. Speaker, Mr. Perry said earlier that the residents of Newfoundland and Labrador are the primary beneficiaries of this deal moving forward. I'd like Mr. Perry to describe in detail how we benefit more as Newfoundlanders and

Labradorians than do anybody living in Quebec.

SPEAKER: Mr. Perry.

B. PERRY: What I said, Mr. Speaker, was that I do believe the terminology, are we the primary beneficiary. When I look at the overall arrangements here, I believe that that is the case.

The value that we get from the Churchill Falls contract, selling the power to Quebec under the PPA with the built-in escalation, that value in the range of $39 billion, the value of our power that we have negotiated to be able to use in Labrador for industrial development for the mines and other industrial uses, whether it be small business as well, that kind of thing, and the transmission access, plus, when you add on the other projects, Gull Island, wind, Lab West line, the upgrades at Churchill, when you put these all together, I'm comfortable in saying that the outcome meets, in my opinion at least, the primary beneficiary concept.

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: It was said very clearly by the Premier today that with no deal, no $8-billion investment on the base in Happy Valley-Goose Bay, 5 Wing Goose Bay.

Were you given any indication during negotiations that this was the fact since the $8 billion was announced previous to this?

SPEAKER: Mr. Perry, and I would ask the Member, again, to please address the Speaker.

B. PERRY: Mr. Speaker, no, I was not given that. I just understand that the base needs a chunk of power and currently that power is not available so, clearly, that is an issue for that investment in the base. The power has to come from somewhere; it is not a small amount. It is not half a megawatt or anything like that.

What we did in this deal was to build in, even in the early years – this wasn't part of the MOU 2024, but we built, in 2028, 25 megawatts, the same in '29, and then jumping to 50 megawatts to make sure we didn't slow down anything with 5 Wing Goose Bay.

But, no, I had no direction from anyone from the federal government saying that it wouldn't go ahead. I just know they need the power.

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: Mr. Speaker, Muskrat Falls is generating around 830 megawatts. I'd like, perhaps Ms. Williams, if she can comment on what we're averaging at in terms of power output now and that there would be no possibility for the base to be supplied power from Muskrat.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

Muskrat Falls plant is fully commissioned, as is the Labrador-Island Link, all the appropriate tests have occurred and have been in place. As it relates to the use of Muskrat Falls in Labrador, the Muskrat Falls plant was built for the purposes of use of Island customers.

Basically, on peak, we need every megawatt that comes out of the plant. So I just wanted to be clear about that. Could you get creative in the future? Perhaps, but, at this point, it was a project that was needed fully for the domestic customers on the Island and that is where the power is currently allocated.

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: Mr. Speaker, we've talked about it matters whether it's to Quebec or through Quebec, either way, in any case, it has been said here today that power fluctuates and at any given time we may have an excess of power that we want to wheel – for lack of a better word – into the Quebec markets.

You've said that the power fluctuates, we have excess at certain times. Usage determines that; hard to predict I would imagine. Can you tell everybody here in this hon. House whether or not we're going to have open access to those two lines when we have those excess power amounts, and it's at our schedule as opposed to the schedule of Quebec?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, the lines, in fact, require firm power. We would have to dedicate a chunk of our power basically on a 24-hour basis to those lines. The commitment that Hydro-Québec has entered into with the jurisdictions requires firm power. So the concept that was identified is not how that would work.

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: What would that chunk of power be to make it feasible?

SPEAKER: Mr. Perry.

B. PERRY: Well, the lines are 200 megawatts for the NECEC line and 240 megawatts for the CHPE line. So there are certain requirements that will have to be met. I don't have that detail right in my head, but maybe Jennifer does?

SPEAKER: Are you okay with Ms. Williams to continue?

Ms. Williams.

J. WILLIAMS: Sorry, Speaker, can you just restate the question for me so I fully understand it?

SPEAKER: Do you want to repeat the question for Ms. Williams?

K. RUSSELL: The question was basically access to the two lines and it was about the scheduling of the two lines.

Basically, I guess I could say, Mr. Speaker, if we had a block of power of 500 megawatts in order to participate in wheeling that power across Quebec, how likely is it in the near future that we'll have that excess power? Does this mean that making the choice to go to market across Quebec with that prevents any excess power in Lab West?

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

I don't recall if I said this earlier tonight or if Mr. Perry certainly did, it is the intention and the best benefit to the province to use as much of the power that we have negotiated for use, essentially, almost immediately, within the first number of years, in province. It brings a lot more value than the exporting of the power. So there will be a choice.

I think you referenced non-firm or firm, a customer generally doesn't want non-firm power, say, in Goose Bay; they would want to have that firm power. We would want to make a choice at the time. So if we do have early estimates of what the base might like to use in the coming years, we would include that in our forecast and that would reduce the amount then that we would export, but that will bring a lot of economic development and that would also be the case, certainly, as we work through final estimates and working with the proponents for Lab West, because we will do the assessment at that time.

What makes the most sense is to export that power at one of those prices, sell it to Quebec at a 50 per cent premium or at 150 per cent of the price, or do we keep it in province for economic development? We will either export it or we will keep it in-province. Generally, we would love to see, and I am sure you would as well, as much as possible kept in province for development.

SPEAKER: The hon. the Member for Labrador West.

K. RUSSELL: Mr. Speaker, some people are concerned that this is not so much a nation-building project as us being hamstrung by geographic location and the fact that we're saying the stars are aligned. I think this is very purposeful on how we are proceeding here.

I think this is Quebec wins big time. I think this is a multi-generational project. I would just like to know if this is clearly 100 per cent the right way to go and this is truly in the best interests of Newfoundlanders and Labradorians and we are the primary beneficiaries. We are all going to be dead here by the time this contract expires, and I will say that bluntly, so if this is so important, so multi-generational, affects every Newfoundlander and Labradorian, it affects everything we are going to do from this point forward for economic development, why would we not take it to the PUB? If you are not confident, why wouldn't you be sure that the PUB will get somebody to match up those results with your own and prove this to the people of the province, that this is the way?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, this is probably a political question but, in my view, these are projects that are mainly related to export of power and not typically subject to review of a Public Utilities Board. I would think that the condition that is a part of this deal, where they are excluded from that review, is very typical for these kinds of projects. That is why it is a condition for the closing of the transaction.

I've seen this myself in work that, for example, Fortis has done in Western Canada, in British Columbia, with projects in the public interest in BC, for example, that are excluded from a regulatory process, whether it be LNG terminals, that kind of thing.

Any time there is a part of the project that, say, Newfoundland Hydro wants to take power from Gull and supply ratepayers with that power, then clearly that is something that would likely be covered by the Public Utilities Board and would have to be tested, but not the actual construction of the projects.

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: That's 85 per cent of the power for 50 years. We won't see any of that.

Mr. Speaker, anyone could answer this maybe, it sparked my interest when Mr. Kennedy had mentioned, in 2007, that there wasn't a lot could be done about taxation at that time. I was just wondering from a negotiations standpoint, at any time have you guys considered looking at Crown assets, like the river itself, like the Smallwood Reservoir, like any other reservoirs created, and consider a tax regime on that in order to fill up our coffers a little better, as opposed to selling the farm or selling us down the river so to speak.

SPEAKER: Mr. Kennedy.

J. KENNEDY: Thank you, Mr. Speaker.

One of the cases that went to the Supreme Court of Canada was the Water Rights Reversion Act. At that point, Newfoundland and Labrador – I think it was in the early '80s – had brought in a piece of legislation to try to bring power back on the basis that it was needed. It was a legitimate exercise of power by the government. What happened was the Supreme Court of Canada looked at all the factors, but there were statements by – if I remember correctly – politicians at the time which were used to show that it was meant to break the contract – that's probably not the appropriate term, as opposed to a legitimate exercise in constitutional power.

There's a question now as to whether or not a piece of legislation could be brought in by this House which would again claim the power for the Province of Newfoundland and Labrador. I could be wrong on this, but my understanding is that it's essentially almost an expropriation, the fair market value would have to be paid, and I don't know what fair market value would be for the Churchill plant. It becomes complicated, of course, as a result of the corporate structure. That's my understanding. That has been dealt with in the past, and it has been looked at in the recent past also.

SPEAKER: The hon. the Member for Lake Melville.

K. RUSSELL: Mr. Speaker, I would suggest we be progressive and go after that as much as possible.

In the eyes of the negotiating team here, what was our best alternative to this course of action right now or have any been pursued as a fallback or secondary strategy in case anything like what happens in Quebec or elections or any of that happens to impede?

SPEAKER: Mr. Perry, do you want to answer that?

B. PERRY: The fallback position is really keep going, Mr. Speaker. Labrador doesn't have access to any incremental power. The province doesn't get the value that has been negotiated here. It's not a pretty picture. That's the fallback position. There is no magic solution to create massive amounts of power in Labrador, that we have negotiated here. There is no magic solution to create proponents that will build Gull Island. Maybe it's unfortunate, that's the situation that we're in.

We've been at this for a while and I think we have negotiated the best solution for the province. Yeah, there are no other magic solutions.

SPEAKER: Thank you.

The hon. the Member for Corner Brook.

J. PARSONS: Thank you, Speaker.

A few questions now on the inflation adjustment mechanism for the panel. The new PPA has Hydro-Québec making scheduled payments throughout the life of the PPA. There is an adjustment mechanism talked about in Annex F around inflation. Is it fair to say it's not as simple as the price changes as CPI increases?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, with regard to the inflation adjustment, that is correct. Although, the price does change every year with the escalation, it's in Annex D, the former Schedule G in the old MOU, but the inflation adjustment formula centers around this 2.06 per cent inflation amount, which when we went back, as I mentioned earlier, sort of is the empirical evidence about where inflation has been.

Given that the Bank of Canada does target that rate, we expect that over time that's where inflation will average. But we have created this mechanism to sort of say, well, what if it doesn't, what if inflation is higher, for example.

The first 40 basis points of that higher inflation, there's no adjustment. It's really when it goes beyond that and it has to be, I would say, more on a sustained basis. If it went higher for three or four or five years, you would start to see some uplift in the payments that we would get under Annex D.

There are scenarios where inflation would be up one year, down the next and it wouldn't create adjustments. That's why there's, I think, three examples in the DCIA that sort of go through those scenarios.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Yes, and that's my understanding, there's a deadband range intended to make that payment schedule not change at all, if it sticks within 40 basis points over a cumulative period.

So looking at the last 20 years of CPI data, it doesn't seem that the inflation adjustment will kick in at all. That's during times when we had COVID and we had inflation rates of 3.4, 6.8, 3.9 per cent and it wouldn't trigger the adjustment mechanism. Does that sound right?

SPEAKER: Mr. Perry.

B. PERRY: I have to run back through that period to see, say a three-year period. I think there would have been adjustments for those three years, if it was 8 per cent or 3 per cent and those kinds of numbers.

But you're right, if inflation stays relatively in a sort of tight band, there are no adjustments. That's what it's designed to be, because there is tremendous escalation already in the schedule. There was a concept that even the Bank of Canada might change its target, for example. Say it changes it to 3 per cent, all of a sudden, you see sustained inflation over maybe decades at 3 per cent. It would pick up those adjustments. That was the purpose of the adjustment mechanism.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Again, going back to the length of how much cumulative change over that 2.46 per cent, again looking at the numbers, you'd need at least 3 per cent for five years in a row after five years; probably nine years in a row after 10 years of inflation data. Remember, it goes back to the beginning of the PPA.

So unless there's a change in inflation the first few years of the PPA, it would be very unlikely that there would be – in fact, it would have to be 4 per cent for 10 years or more after 30 years of the PPA. So it doesn't seem like the adjustment should kick in. Is that a fair assessment?

SPEAKER: Mr. Perry.

B. PERRY: Sorry, Mr. Speaker, I don't agree. We have developed the formula; it was negotiated. Quebec wanted 100 basis points. That's where they started. We've knocked it all the way back down to 40 as the deadband, I think is what you called it, and we did model various scenarios. Some scenarios there was no change, other scenarios there was fairly significant lift in payments for the province.

So I'd have to look in detail at your timing of your inflation assumptions to really be able to answer your question, but I think the formula does work to protect the province in a way that if there's sustained inflation that there would be price increases under the contract.

J. PARSONS: (Inaudible.)

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Sorry, Speaker, it's very difficult, we're so used to Committee going back and forth.

SPEAKER: I understand it's a bit awkward, but those are the rules.

J. PARSONS: Mr. Speaker, to follow up, I think Mr. Perry mentioned that the Bank of Canada has targeted 2 per cent and been very successful over the last 30, 35 years. Do you think there will be any change in monetary policy for the Bank of Canada in that regard? Is there any indication that they are going to change their policy on this?

SPEAKER: Mr. Perry.

B. PERRY: Listen, I'm probably not qualified to answer that question. Maybe Prime Minister Carney could answer it after being central bank governor for two different countries, but I will say Quebec was looking to have the 2.06 per cent changed in the event that the Bank of Canada did change its target. We did resist that in our negotiations and said no, no, no. That's what this is all about. If the Bank of Canada does change its target in the future, we want to be protected against that. We were not prepared to agree to that concept that everything gets lifted if the Bank of Canada changes its target in the future. So if that did happen, we are protected.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Something completely different now.

You brought up earlier talking about Gull Island and the cost of service model. Just so I understand, with the decreasing debt and equity over time, as you talked about, is it correct to assume that the revenue requirement will also decrease and, therefore, the price per kilowatt hour is going to decrease over time?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that is correct. That is the cost of service model; the higher amounts are in the earlier years and the price comes down over time.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Again, the upgrades PPA utilizes a very similar type of structure; is that correct?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that is correct.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Okay.

Is it fair to assume that since we're estimating, what, $30 billion for 2,700 megawatts of capacity for Gull Island, and we're also making the assumption about $4.8 billion for the 1,275 megawatts for the upgrades, the upgrades price per will be much lower than the Gull Island price?

SPEAKER: Mr. Perry.

B. PERRY: I think, Mr. Speaker, there are different projects where the upgrades are mostly a capacity project. There's not a lot of energy being created there. The Gull Island project creates a fair bit of energy, so they're not comparable that way.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Do you have any estimates for the amount of energy or the capacity factor you considered for that project?

SPEAKER: Mr. Perry.

B. PERRY: Maybe, Mr. Speaker, can I have Jennifer answer the upgrade question?

SPEAKER: Ms. Williams.

J. WILLIAMS: Yes. Thank you, Speaker.

I think we're expecting about one terawatt hour of energy from the upgrades.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Okay, thank you.

Now, back to the main big fish here, which is the Churchill Falls contract. That is not like these projects in terms of a variable and pricing. They are set out and, as I understand it, the payments would work out to, like you said – and I'm talking about payments; I'm not talking about combined pricing or water rentals or anything like that – you have a little under 14 per cent up to 2041 and then you have 2.5 per cent after that, correct?

SPEAKER: Mr. Perry.

B. PERRY: Yes. If you exclude the premium tranche, it's 2.5 per cent per year to the end of the contract.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Is it anticipated that the Churchill Falls upgrade cost prices will be lower than the Churchill Falls payments that are negotiated?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, the Churchill Falls upgrade is about $5 billion. It's going to happen over a 10-year period, per unit. One unit a year, I believe, is what the plan would be. There is a separate PPA with that that Hydro-Québec essentially will pay all the costs related to the upgrade.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: So you're saying that the costs for the upgrade are coming from Hydro-Québec, not CF(L)Co?

SPEAKER: Mr. Perry.

B. PERRY: Yes, the cost of the upgrades will primarily be paid by Hydro-Québec. There will be a separate PPA for it.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Can you tell me what part of the agreement that is described in?

B. PERRY: If you give us a second, maybe.

SPEAKER: Ms. Williams is going to take that one.

I would ask the Member for Corner Brook to please address the Chair.

J. WILLIAMS: Thank you.

We have the opportunity to take some of the power from the CF upgrades as well. But further to what Barry said about Gull Island comparison, it is a different product because it has not much energy associated with it, so comparing the CF base plant PPA to the CF upgrades PPA, they are not as comparable just because the amount of energy that comes on a per megawatt basis is very different.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Mr. Speaker, the question I asked was about who was paying for the upgrades.

SPEAKER: Ms. Williams.

J. WILLIAMS: Thank you, Speaker.

The project will be executed by CF(L)Co and Newfoundland and Labrador Hydro is the operator, essentially, for CF(L)Co, so we will do the project. CF(L)Co will do it, but, to Mr. Perry's point, the off-takers essentially pay for it as they pay for the usage of it. So you execute it, you develop the cost, then it's paid for in the same way we mentioned

Gull Island is paid for by the off-takers. The same thing will happen for the upgrades.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: So it isn't in fact being paid for by Hydro-Québec. It's being paid for by CF(L)Co and the customer for the power is primarily Hydro-Québec. Correct?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, I think that's correct, yes. I think that's a correct way of saying it.

The actually building, the construction is being handled by CF(L)Co through Newfoundland Hydro but the actual costs gets captured and are recovered over time using traditional cost of service from the off-takers, basically.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Now, again, going back to Gull Island with the same kind of idea, we understand that Hydro-Québec is providing our share of equity on the project but it is going to be financed with 75 per cent debt. So, in that case, who is paying for the project itself?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, is the question about back to the upgrades now?

J. PARSONS: No, Gull Island.

SPEAKER: Mr. Perry, Gull Island.

B. PERRY: In terms of Gull Island, the construction of Gull Island will be paid for by Hydro-Québec.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: Okay, and that would be leveraged 75 per cent debt and 25 per cent actual equity. Is that correct?

SPEAKER: Mr. Perry.

B. PERRY: Mr. Speaker, that is the sort of capital structure that we are using. For example, if 25 per cent is the equity, our share of that, we'll be earning our return of 8.5 per cent on it. Whether the actual capital structure exactly tracks that, we may, but it is generally in that ballpark, yes.

SPEAKER: The hon. the Member for Corner Brook.

J. PARSONS: One last thing, it was mentioned earlier by the Premier that the overruns for Gull Island will be covered by Hydro-Québec, but there is some indication of equity replacements, subordinated debt and things like that. Can you point me to the part of the agreement that describes paying for overruns by Hydro-Québec?

SPEAKER: Mr. Perry.

B. PERRY: I don't think it's specifically there like that. What is there is that we have the option to take our power or not. So when you think about if, for example, Gull Island became 50 per cent more than what is being predicted, we would have an option not to take our 400 megawatts and therefore have no cost associated with Gull Island.

So that is where it comes in as our decision really to not take the power. Quebec builds it, takes the risk, the cost, and we obviously have involvement, we are aware of the decision-making as the project proceeds, but ultimately our choice is, if there is a problem with the project and it is over budget, we have a choice not to participate and take the power. We would just get the project, 60 per cent of it back at the end, with debt paid off, all of that, under the traditional cost of service.

I don't think that's going to happen but that's our decision, that's how we protect ourselves in that, if there's an increase in the cost, we don't have to elect to take the power.

SPEAKER: Okay.

We have basically two minutes left. I guess we'd recess now, or does someone want to ask a question?

AN HON. MEMBER: (Inaudible.)

SPEAKER: We'll recess now.

Okay, I want to thank our panellists for being here today. There were a lot of questions and we really appreciate you guys coming in and providing a lot of answers.

We're now going to recess for five minutes and give our guests an opportunity to leave and then we will finish off our evening with Question Period.

Recess

SPEAKER (Lane): Order, please!

We're going to begin our Question Period now very, very shortly.

Before we hit 21:20 here, I did receive a little bit of feedback that apparently people at home watching this, all they're hearing is the beep, beep, beep on my stopwatch. I don't know how to turn off the beep, beep, beep, but we'll figure it out for tomorrow.

Questions to Government Ministers

SPEAKER: The hon. the Leader of the Official Opposition.

SOME HON. MEMBERS: Hear, hear!

J. HOGAN: Thank you, Speaker.

The Premier's new agreement with Churchill Falls power is not tied to market-based pricing. He gave that away in negotiations and, as a result, we will now sell power to Quebec for fixed prices regardless of rising energy prices in Quebec and regardless of how much Quebec sells it for.

Why didn't the Premier learn lessons from the 1969 deal?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, this new agreement that we have reached with the federal government's involvement and with the Province of Quebec delivers more power, more value and more transmission to the people of Newfoundland and Labrador.

It guarantees certainty, not uncertainty and it involves a significant increase in price up to 2041 and continued increases in prices beyond that.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I agree with one thing the Premier said, it guarantees certainty, and that's the problem. We now will not get any upside if energy prices rise in Quebec and they continue to make money that Newfoundlanders and Labradorians deserve.

Why did you give up a concession to Quebec? Did you really give it up because you felt it was too difficult to finalize a formula?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Mr. Speaker, let's talk about what we have achieved. The previous MOU: $36 billion NPV. This new agreement: $49 billion NPV.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: I don't consider that giving up anything. Speaker, $225 billion cash value to the end of the contract in the old MOU; $273 billion –

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: That's not giving up anything.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Mr. Speaker, no one is interested in the old MOU, what we want to know was why we lost market-based pricing. The lead negotiator today actually admitted that Quebec was positioning for a simpler approach, as opposed to the market-based formula, and they got it.

Why did the Premier give in and agree to a formula that Quebec wanted and not a formula that Newfoundlanders and Labradorians want and deserve?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Mr. Speaker, it was only in March of 2026 that the Members opposite were clamouring for us to sign the old MOU. Demanding that we get it done. Here we are now with a new agreement that has more power, more value, and more transmission. That's an improvement over anything.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: And this is what we feared would happen, we're not getting answers to the questions in this Question Period, which we knew what was going to happen, which is why we wanted to ask questions throughout the course of the four days.

I ask the Premier: What will he tell his constituents when they ask him why he gave away market-based pricing?

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Mr. Speaker, I will tell my constituents that we now have transmission that we never had before. That we have power now to develop our own industries in the Province of Newfoundland that we never had before.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: That we can now talk about developing those mines in Labrador West and other new mines. That we can actually explore building new industries in Labrador, like data centres, and that we have more value, more money – $273 billion compared to $225 billion.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

The negotiators admitted today that they were continuing to negotiate this formula, but they couldn't get Quebec to agree to the specifics, so they gave up.

My question is, why were they continuing to negotiate the formula in direct contradiction to the Independent Review Committee and the Premier's mandate?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, the negotiating team were given a mandate to use the recommendations of the IRC report as a framework for the agreement. They have followed those recommendations and they have delivered for the people of Newfoundland and Labrador. They will continue to deliver for the people of Newfoundland and Labrador.

We have agreed and we have continued to deliver. We have more power, more value, and more transmission in all categories. This is a better deal than before.

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, did the Premier know that at the beginning of the negotiations his team ignored the mandate that they were given?

SPEAKER: The hon. the Premier.

PREMIER WAKEHAM: Speaker, the negotiating team have followed through on the commitments that were made. They followed the negotiation strategy that was developed and we had an Oversight Committee put in place to make sure they followed that negotiation strategy. They met with that Oversight Committee on a regular basis and I'm confident and I'm proud of what this negotiating team has been able to achieve for the people of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, in his opening remarks this morning, the Energy Minister called Newfoundlanders and Labradorians who oppose and question this deal do-nothings.

I ask the Premier: Does he agree with his Energy Minister that Newfoundlanders and Labradorians who simply ask questions are do-nothings?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you, Speaker.

I love being misquoted by the former premier and the Leader of the Opposition. What I said was very specific. I said we have another group, the do-nothings, the people who believe we should do nothing. The people who believe that we don't need more jobs, that Gull Island was going to build itself. The people that believe that this contract would negotiate itself, that we should wait until 2041.

And if he goes back and reads *Hansard*, he will say that not only did he misquote me, but he put it up on Facebook and used it against us. Political posturing, the same as always.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Let's talk about political posturing, because there was a post on Facebook from the Conservatives right now that says: "What the Liberals want you to think: We should wait until 2041."

I ask the Premier or the Energy Minister: What Member of this Liberal caucus, either now or in 2024, when we wanted to do a deal, said we should wait until 2041? I know the answer – it's no one – so why is this on Facebook?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, what we have been able to do is take an

Independent Review Committee report, and turn around, follow the recommendations with a new negotiating team and put forward and reach an agreement with the partnership of the federal Liberal Party and the prime minister.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: The Liberal prime minister, who they were not able to do any kind of a deal with in the months leading up to and before the election. But here we are with a brand new agreement that will deliver more power, more transmission and more value and billion of dollars from the federal government.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: He didn't answer my question. Premier, why is your PC Party posting things that are not factual? Facts matter, but not when it's the PC Facebook post?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, again, I go back to the fact that we have turned around and got an historic agreement. We have all heard today from the negotiating team that waiting until 2041 is not an option. That is not an option. We all recognize that. I think all Members recognize that, but that's why it's some important for us to act now.

We have a federal Liberal prime minister who wants to energize this country, who's prepared to build big things, who wants to make Canada strong again. We have an opportunity to be part of that. We are a part of that and we're proud to be a part of it.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, we heard this evening that the new so-called transmission portfolio does not give NL Hydro any new ability to contract directly with US markets. The IRC said that this was essential to get and the Premier claimed he got it. Now we know this deal brings no new transmission to external markets, as recommended by the IRC.

Will the Premier admit he failed in achieving his mandate to receive the ability to contract directly with the American markets?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you, Mr. Speaker.

I'm not sure what the Member across the way heard, but I heard the committee talk about a portfolio of energy capabilities that we can sell to Boston, to New England, to New York, to Ontario – all of which has to go through Quebec.

I heard the committee talk about an ability that we'd now have that we never had before. I heard him talk about the 265 megawatts that we may or may not have been able to transfer under the MOU because of the exclusivity right that Quebec had. But what I also heard was that we now have the ability to put 985 megawatts through Quebec into partners New York, New England and Ontario.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I ask the Minister of Energy: Does he agree with what Mr. Perry said that they do not have the ability to contract directly with US markets?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: I would say again Mr. Perry never said that. Mr. Perry clearly indicated that we had 265 megawatts of power that we could sell on the spot market or anywhere else to whoever we wanted. He also indicated that we had 720 megawatts of power that could yield to New England, to New York and to Ontario through Quebec.

It would be sold to Quebec and we would get the exact same price that they sell to market for. It would come back into our coffers. It's a good deal for Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I'll try it one more time: Who will NL Hydro sign contracts with for this transmission portfolio?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, let me talk about the transmission, because it's great to hear the Opposition talk about more transmission, which is exactly what we've been able to acquire.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Because, Mr. Speaker, we been able to negotiate more power to develop our own industries. As I stand here today, our hope would be that we would never have to transmit power through anywhere, because we will be able to use the power to build our own industries in Newfoundland and Labrador. That is the ultimate goal.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: I will say neither the Premier nor the minister said that NL Hydro will be able to directly contract with the American markets. We are discussing this non-binding agreement and there have been many concerns raised and there are plenty of details left to finalize. As premier, I committed to bringing definitive agreements back to the House of Assembly before finalizing.

Will this Premier commit to debating definitive agreements here in the House before committing to another 50-year deal on Churchill Falls?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, I'll just quote from a previous premier, Premier Furey, in his closing remarks to the extraordinary debate in January of 2025. He said: "… and we will bring the definitive agreements back to the Legislature, back to the people of Newfoundland and Labrador." And we will do the same.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Thank you, Speaker.

The Premier has said that the review panel's report formed the mandate of his negotiations on Churchill Falls, but he's still not fulfilled his promise to let them speak.

Now that he's brought forward an agreement clearly based on some of their recommendations, while actually ignoring others, I'll ask again, will he let them speak?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, the Independent Review Committee did its job, presented its report. We made that report public, without any redactions and we have used that as a guideline for our negotiating team, with an Oversight Committee above that, to make sure they follow that negotiating strategy.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Mr. Speaker, they were clearly a very important point of getting to this point in time today. They provided the mandate from the Premier to the negotiating team. We still do not know who they took the information to, to get to their recommendations. The Premier didn't answer my question, big surprise.

I'll ask again: Will he allow the members of the Independent Review Committee to speak to the public?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, as I said before, the Independent Review Committee did an outstanding job.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: They presented an outstanding report that we used as the basis to make sure that our negotiating team followed the framework for that. They have done their work.

The negotiation team has done their work and we now have an agreement for the people of Newfoundland and Labrador that delivers more power, more transmission and more value.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: If they did such a wonderful job, why are the so afraid and why is the Premier so afraid to let them tell Newfoundlanders and Labradorians about the great work they did? Why can't we hear from them about how they got the information to make their recommendations? Why don't we know who the individuals are that provided the evidence that made them make those recommendations that provided the mandate to the Premier?

For the third time, will the Premier allow Newfoundlanders and Labradorians to hear from the individuals who provided the mandate that will lead us to a deal on Churchill Falls for the next 50 years?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, I will continue to say the same thing. The Independent Review Committee did an outstanding piece of work. They certainly took a look at the old MOU, pointed out the weaknesses that were there and made recommendations on how we could move forward to get a better deal for the people of Newfoundland and Labrador.

That's exactly what we've done: a better deal for the people of Newfoundland and Labrador – more value, more transmission, more power.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Official Opposition.

J. HOGAN: Speaker, this is the most important deal in the history of Newfoundland and Labrador. The Premier will not answer the question.

Why will he not allow the members of the Independent Review Committee to speak to the public? I'm not asking if they did a good job; I'm asking if he will allow them to speak to Newfoundlanders and Labradorians.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: I only want to hear the people asking and answering the questions.

The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, it is ironic that the Member opposite campaigned on a MOU. He talks about this as the most historic opportunity in the history of our province, and it is.

He campaigned on a previous MOU with less power, less transmission and less value, and was urging all of us to sign it.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

PREMIER WAKEHAM: Speaker, we have negotiated an agreement that adds more power, more value and more transmission.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Speaker, the Premier is touting that the DCIA supplies the province with enough power to supply Canada's three largest cities, Toronto, Montreal and Vancouver, yet 23 communities in Southern and Northern Labrador will continue to rely on diesel to meet their power needs.

Why aren't all Labrador communities able to benefit, Premier, from the resource located in their own backyard?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you, Mr. Speaker.

It's sad that, in the previous 10 years, none of those communities were actually hooked up to the grid.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Now, if we were to look at the cost of putting the transmission lines to the coast, we'd understand exactly why it hasn't happened to date, but the reality of this is that Voisey's Bay, as an example, has looked at a life-of-asset extension. They are currently talking to the federal government, and they would love to put power to the coast.

We are looking for ways to do it but we need this deal signed in order to do that. The Premier has committed to electrifying Labrador, and that's exactly what we will do.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Premier, I don't think the people of Labrador are going to take their word. We want more than a word that they have a plan in place to connect Northern and Southern Labrador and to get them off diesel.

Premier, your government has repeatedly told Labrador that this agreement is a good deal for Labrador. Yet, the Member representing Lake Melville has chosen to leave your caucus right at the start of debate this morning.

What does the Premier believe this says about the government's claim that Labrador is being well served under this agreement?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: People of Labrador got a good reason to mistrust government after 10 years of what they just went through with the Liberal government.

Mr. Speaker, people in this House have the right to make decisions, as did the Member for Lake Melville today. The reality of this is that this government has put Labrador first and now, with this deal, we will secure more transmission, more value and more power for Newfoundland and Labrador, and Labradorians will be the primary beneficiary.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Mr. Speaker, actions speak louder than words and when a Member on the inside don't feel heard, how do we expect Labradorians is going to believe that their needs are going to be met?

Speaker, speaking of needs not being met, the Premier's opening remarks today, he said the final choice will, of course, rest with the Innu. However, the Grand Chief has already said that the government's deadline of December 31 for the new MOU finalization will not be met by the Innu.

How does the Premier intend to proceed if the Innu has already said they will not be following the Premier's guidelines?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Speaker, there are lot of challenges that we have to overcome. The negotiating team was in contact with the negotiating team for the Innu all through the negotiation process, had several meetings with them. We recognize that there continues to be issues outstanding that we need to resolve and we look forward to working through them.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Speaker, Labrador City is being asked to support significant future growth, yet the community is already struggling with affordable housing, transportation, airport reliability and access to health care.

How can the government expect Labrador City to accommodate further growth when these basic infrastructure needs remain unresolved?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: hear, hear!

L. PARROTT: Thank you, Mr. Speaker.

Again, after 10 years of neglect, the people of Labrador West deserve way more and that is exactly what we are going to give them. We have looked at a plan to move this thing forward. The Kami project has a benefits agreement that stipulates that they have a responsibility to build houses and that it will not be a fly-in, fly-out project.

Both Wabush and Lab City are aware and they are looking for active ways in order to increase housing. Both mines up there are in conversations with this government in a way to help recruit doctors, nurses, teachers and the things that have to happen up there. This Premier committed to long-term living up there for our seniors, which will open up more houses, which will allow expansion and teachers will be able to get houses at a cheaper cost.

Mr. Speaker, we are doing what we said we were going to do and we will continue to do it.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Speaker, over the last number of days, I've heard from many, many folk concerned around the environment piece. The environmental assessment for Gull Island dates back to the Lower Churchill process that concluded in 2012.

Does the government believe that assessment still adequately reflects the Gull Island project being proposed today? What additional environmental assessment or study will be undertaken before construction proceeds?

Lord knows we went through enough with the last Muskrat Falls project also green lit by this Progressive Conservative government.

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: Thank you, Mr. Speaker.

Green lit by this government but I can tell you that the environmental concerns with methylmercury came directly from that government and the decisions they made.

Mr. Speaker, we are proud to say that we just signed "one project, one review" with the federal government, so the environmental oversight that this project will have will certainly be different. The current environmental assessment that was done in 2012 is still valid, but we have said that we will look at it, we will explore and see if there is anything that needs to be done going forward, and that is exactly what we're going to do.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Cartwright - L'Anse au Clair.

L. DEMPSTER: Speaker, the federal government is backing the Labrador Trough corridor to feed critical mineral mining, are there power pricing incentives or conditional power allocations built into the agreement that require mining companies to do high-value refining in Labrador rather than simply shipping raw ore out of the province?

SPEAKER: The hon. the Minister of Energy and Mines.

SOME HON. MEMBERS: Hear, hear!

L. PARROTT: If the Member were to do her research she would understand that electricity alone will not give us the capability to do the secondary processing; we need natural gas.

As a matter of fact, we went out two weeks ago with our new natural gas land bids. We are looking for ways to do that. We have had those conversations with the current proponents that are up there and, if there is way for us to do secondary processing in this province, we will find a way to do it.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Speaker, the chair of the negotiating team referenced how he used the IRC report but didn't consult the committee nor did he see a need to. We continue to hear how important and essential this Premier's Independent Review Committee is in reaching the current MOU, yet what's not in front of us today, or the rest of this week, is the IRC themselves. They haven't even addressed the public.

I ask the Premier: If the experts can come in here in front of the House and not reveal commercially sensitive information, why can't his IRC? By the way, the IRC report does have redactions, plenty of them.

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: Thank you, Mr. Speaker.

As I continue to say, the IRC did a fantastic job. The members of the Independent Review Committee and their research did a fantastic job in providing us with a review of the previous MOU. We have taken the recommendations of that report and that has formed the basis of the framework for the new negotiation team.

It has moved from the Independent Review Committee to the negotiating team and, now, we have a new agreement in front of us that we're talking about here in the House of Assembly. For four days, we will have the opportunity to ask questions of the people that were involved in the negotiation of this new agreement and I look forward to it.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Speaker, as NDP critic for Indigenous Relations and Reconciliation, how can the Premier deny the history of the Innu whose lands make this development possible, at the same time he's saying they will be partners in this development?

SPEAKER: The hon. the Minister of Labrador Affairs.

SOME HON. MEMBERS: Hear, hear!

L. EVANS: Thank you, Speaker.

In my role as Minister of Indigenous Relations and Reconciliation, I'll answer that question. The Innu have raised concerns. They've raised concerns about the Provincial Archaeology Office. They've actually suggested to us in meetings that the records were being used to erase their history, which was very concerning. They also raised in questions some of the public employees, which was very concerning for us.

For us, we want to work with the Innu, so we put forward the independent, comprehensive audit to identify and assess all research completed regarding Innu presence in Labrador. We hope that will restore the credibility and win back the trust of the Innu.

We want to support the Innu. Speaker, the federal government has acknowledged the Innu as Aboriginal people of Canada.

SPEAKER: The minister's time has expired.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for St. John's East - Quidi Vidi.

S. O'LEARY: Thank you, Speaker.

How is the province guaranteeing that under the DCIA that Innu of Labrador on whose land this is being developed will be provided the lasting benefits that they have already been promised?

SPEAKER: The hon. the Minister of Indigenous Relations and Reconciliation.

SOME HON. MEMBERS: Hear, hear!

L. EVANS: Speaker, the Innu have been made partners in this project. They've been offered a stake in the wind development which would actually bring a lot of revenue to the Innu, but more importantly, Speaker, the Innu have the IBA. There will be Innu employees first.

What we will do, Speaker, is we will make sure the Innu are treated with respect and that they will actually be able to access the job opportunities that are being made available for them, and we will build on their employment skills. We will make sure the Innu benefits from this project for years into the future, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Speaker, Mr. Kennedy today said that the IRC report wasn't 100 per cent followed, but it was 95 per cent followed in this new agreement. When asked where the IRC got their information, the government wouldn't say. We, the public, still do not know what data or information was used by the IRC to get those results.

So I ask the Premier: Would you yourself trust an independent panel, no matter how good a job they did, that was politically handpicked and relied on undisclosed information in a report presented to you?

SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER WAKEHAM: The people that were chosen to do the independent review were highly qualified individuals with résumés of expertise in what they were being asked to review. They did their job. They presented a report. We have turned around and used that as our framework for the negotiations, as was said earlier, and we now have in front of us an agreement that actually does provide more value, more power and more transmission than any previous agreement.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Mr. Speaker.

I've been asked to ask this question. If this MOU goes through and the deal works out, I've been asked to ask the Minister of Finance, will you make a commitment in this House that funds that are coming into the government will help pay down the debt that will save us millions of dollars during the year in interest payments which can go to other services? That was the number one question that many people asked me to ask the government.

SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

SOME HON. MEMBERS: Hear, hear!

C. PARDY: Mr. Speaker, that's a very good question, and indeed we will.

The previous government doubled the debt in Newfoundland and Labrador over their 10-year reign in government. Doubled the debt, $10 billion. What we have now is we have an interest charge on carrying our debt of $1.2 billion.

Speaker, $1.2 billion can pay for the residential electricity users in all of Newfoundland and Labrador, which we said we would start with 15 per cent. The only thing we would commit to is that we need to have good debt management and good debt management we will have.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The time for Question Period has expired.

Given the rules that were agreed to, this House is now going to be adjourned until 10 tomorrow morning. The House stands adjourned.

On motion, the House at its rising adjourned until tomorrow, Tuesday, at 10 a.m.