- The province was to receive royalties[119]

In January 1998, Tobin went public with the following six key principles which were necessary to conclude successful negotiations:

1. Lower Churchill development must include both Gull Island and Muskrat Falls, providing a block of power sufficient to meet the future needs of both Labrador and the Island.
2. Provision must be made for a transmission line capable of moving up to 800 megawatts of power to the Island.
3. There can be no long-term power contracts, like the Upper Churchill. Instead, a floor price must be guaranteed. Any windfall from future price increases must flow to Newfoundland and Labrador.
4. Measures must be implemented to add value at the Upper Churchill to ensure that Newfoundland and Labrador will gain substantial value from operations at the Upper Churchill.
5. The jobs and benefits associated with the Newfoundland and Labrador portion of any proposed project will flow to Newfoundland and Labrador-based companies.
6. Power rates for Newfoundland and Labrador arising out of any development must allow for the stabilisation of both domestic and industrial rates.[120]

Stabilising CFL Co.

While point four above notes the need to improve revenues from the Upper Churchill, in order to enable the negotiations to keep going, the Tobin government agreed to not discuss changing the terms of the 1969 Contract.[121] However, two side agreements were signed which improved the province's position regarding the Upper Churchill.

The first was a Shareholder's Agreement which allowed the Newfoundland government to put money into CFL Co. if an infusion of cash was needed. This ensured that Newfoundland would maintain its controlling 66% share in the company. Previously only Hydro-Quebec had the right to inject funding and could have used the extra financing to purchase additional shares. The agreement also ensured that the price of electricity for Western Labrador would not increase beyond "reasonable commercial rates". Hydro-Quebec waived its right to purchase a 225 MW block of power which would have become available in 2014.[122]

More significant was the agreement to enter into the *Guaranteed Winter Availability Contract* (GWAC). The GWAC guaranteed to Hydro-Quebec 682 MW of additional capacity from Churchill Falls during the winter months.[123] GWAC came into force in November 1998 and is set to last until the conclusion of the 1969 Contract in 2041 with periodic renewals. CFL Co. was expected to receive $34 million per year for guaranteed peak power supplies during the winter months. In contrast to the 1969 Contract, there is an escalation clause and after an initial period of a few years, the price paid by Hydro-Quebec will automatically be tied to inflation.[124] By the time the GWAC was renewed for a second time in 2004 it was expected that the renewal would net the province $230 million over the subsequent five year term.[125] With GWAC, CFL Co's future financial stability was secured and the province expected to net an additional $1 billion dollars over the contract in additional revenues from the Upper Churchill.[126]

Lower Churchill Negotiations

Negotiating the further Lower Churchill developments proved to be far more problematic. Tobin's first principle that Muskrat Falls had to be included in development plans was opposed by Hydro-Quebec, who suggested it be postponed to a later date. Their analysis showed that only Gull Island was viable option for sales into the US market. Hydro-Quebec's studies further showed that Gull Island electricity could only be competitive if the transmission costs were absorbed by Hydro-Quebec. [127]

Quebec proposed two developments, an expansion of the Upper Churchill facility and the joint development of Gull Island. They proposed to partially divert the Saint- Jean and Romaine Rivers in order to construct an additional 1,000 MW generation station at Churchill Falls. The deal would have provided a floor price for the additional electricity but no ceiling and Newfoundland would have had to pay Hydro-Quebec a 2.8% commission for the marketing of its hydroelectric energy in the North American markets.[128]

The Gull Island proposal was to jointly construct a 2,200 MW generating station at Gull Island and the requisite transmission lines to get the electricity to the Labrador/Quebec border. There was also a commitment to help conduct a $20 million feasibility study of developing the Muskrat Falls site. The proposal would have entailed investments of approximately $12 billion, provided 6,200 jobs by the height of construction in 2004 and provided a direct line to the island portion of the province.[129]

The Tobin government was insistent that development would only happen if there was a connection to the island portion of the province as it was critical to stabilise electricity rates. His Cabinet had heard the day before, on January 6th, 1998 that "Due to political and financial realities, federal investment in transmission facilities to the island and Labrador [was] necessary for the other projects to proceed." [130] The federal government initially responded that it would help conduct a feasibility study and if the report came back positive, it was willing to become involved. However the province and the federal government were never able to come to an agreement and as a result the initiative to develop Gull Island was suspended.[131]

Premier Tobin had greater success than his predecessors in securing greater benefits from the Upper Churchill for the province. However, hydroelectric sites on the Lower Churchill River remained undeveloped. The next Premier to attempt to find the means to develop the Gull Island or Muskrat falls sites was Tobin's Minister of Mines and Resources, Roger Grimes.

2001-2003 – Roger Grimes The Broader Context and Gull Island

Premier Roger Grimes came to power in 2001 at a time of significant change and opportunity for the further development of hydroelectric power. The American energy markets were undergoing a transformation and international concerns with limiting greenhouse gas (GHG) emissions were heightened. This section provides a brief overview of the broader circumstances that created opportune timing for the further development of hydroelectric power in Labrador.

Deregulating the American Energy Markets

Starting in 1992, the American electric industry began the process of reforming how the electricity market operated. In that year, the United States Federal Energy Regulatory Commission (FERC) enacted the *Energy Policy Act*, "FERC Order 888." The new legislation stipulated that in order to sell into the American marketplace, companies – especially monopolistic entities like Hydro-Quebec – would have to engage in "fair market practices" to get a licensee to sell their energy. In order to sell into the American market, utilities had to provide reciprocal rights and allow their infrastructures to be used by competitors.[132] While designed specifically for utilities within the United States, the extraterritorial implications meant that Hydro-Quebec could, in theory, no longer block Newfoundland and Labrador's access to the larger energy markets, either domestic or international.[133] Political scientists Bruce Doern and Mark MacDonald remarked that it appeared that "internal free trade for electricity in Canada would become a made-in-the-U.S.A policy."[134]

The next major evolution in the transformation of the energy markets came in December 1999 when FERC passed *Order 2000* which introduced the stipulation that "all transmission users should receive access under rates, terms and conditions comparable to those the transmitting utility applies to itself to serve its own customers."[135] The measure is meant to ensure that energy remains at a competitive price in the final marketplace despite having to be transmitted through one or more jurisdictions.[136]

Once again, FERC measures govern the transmission and sale of electricity within the United States, but this strongly affects Canadian utilities attempting to sell into American markets. FERC Commissioner, the Honourable William L. Massey, stated at an energy conference in Halifax in June, 1999 that "Canadian and Mexican involvement in [regional transmission organisations] formation is welcome and critically necessary. A vibrant North American bulk power market requires that regional institutions include all market participants."[137]

The impacts of the regulatory changes were reflected in Hydro-Quebec's *Strategic Plan 2002-2006*, where it stated: "Opening of the electricity market and the widespread use of new technologies have radically changed the power industry in recent years. Hydro Québec has adjusted quickly to this new business environment by becoming more efficient" and by playing an active role on the wholesale market.[138] The market changes had been good for the company which saw its sales increase by 50% between 1997 and 2000.[139] Given the strategic importance of the American market, it was no surprise that Hydro-Quebec was eager to be viewed as fully embracing the revised marketplace.

The Kyoto Accord and the Quest for a Non-GHG-Emitting Energy Sources

In 1997, the United Nations Convention on Climate Change met in Kyoto, Japan, and negotiated the Kyoto Accord which committed Canada and 36 other industrialised countries to reduce their carbon emissions by 5.2% below 1997 levels by 2012. A year later Prime Minister Jean Chretien signed the Accord and pledged that Canada would reduce its GHG emissions by 6% below 1990 levels by 2012. To accomplish that feat, Canada would have to find the means to cut emissions by 240 megatonnes (MT) over what was expected to be emitted in 2010 if no action were taken.[140]

In 1998, electricity production accounted for 17% of Canada's emissions. The oil and gas sector accounted for an additional 18%. Due to the low levels of GHGs emitted by operating hydroelectric plants, the development of hydroelectric energy sources was viewed as part of the strategy to enable Canada to meet its international obligations.[141] Newfoundland politicians were arguing the case that developing the Lower Churchill alone could contribute about 15% of what was needed to meet those obligations.[142]

In 2002, the importance of hydroelectric energy was noted in the federal government's *Climate Change Plan for Canada*, where it was estimated that 5.4 MT could be reduced if additional hydroelectric capacity was brought on-line by 2010. To meet that end, the federal government and the Council Energy of Ministers (from all provinces) committed to work to find ways to ease restrictions to the flow of electricity across jurisdictions. [143]

2002 Gull Island Negotiations

It is within the broader context that Premier Grimes and his Quebec counterpart, Premier Bernard Landry, restarted the Gull Island negotiations. The Grimes government set five conditions for the negotiations:

- Newfoundland and Labrador would wholly own the project
- There would be an escalation clause
- The province would have the right to recall power when industrial or other demands required
- Project benefits were to be maximised for both the province and Quebec
- The Innu had to be partners[144]

The first two points were clearly aimed at reminding the people of the province the contrast with the 1969 Contract. However, the draft agreement also contained measures which caused significant concern among others. Detractors included Dean MacDonald, the Chairman of the Board of Directors of Newfoundland and Labrador Hydro, who resigned over the draft agreement.[145]

The provisions that caused the most concern included that Hydro-Quebec was to be the sole broker of Gull Island`s electricity, and it was to fully finance the entire project.[146] The draft contract was to be for 45 years and the recall provisions were also heavily restricted:

- 150MW once the project was in operation and subject to Hydro-Quebec being given five years advanced notice
- a further 150MW would only be available ten years after operations began and
- an additional 200MW being able to be recalled after twenty years with a five year advance notice to Hydro-Quebec

Project detractors, including then Opposition Leader Danny Williams, thought the amounts insufficient for the province's future needs. In addition, the absences of Muskrat Falls and a transmission line across the Strait of Belle Isle meant that the island would not receive any direct energy supply from the Churchill River.[147] Significant opposition to the draft agreement prevented a final agreement from being concluded.

Our Place in Canada

In 2002, Premier Grimes established the Royal Commission on Renewing and Strengthening Our Place in Canada, headed by long-time veteran of negotiations between Hydro-Quebec and Newfoundland, Vic Young.[148] Young had been directly involved with hydroelectric issues in the province since 1975 when he had served on the Board of Directors of Newfoundland Hydro. Three years later he became the Chair of the Newfoundland Hydro Group of Companies (including CFL Co.), a position which he held until 1984 when he left to become the Chairman and Chief Executive Officer of Fishery Products International.[149]

The Commission reviewed and assessed the history of the failed strategies by various governments to develop the Lower Churchill since 1969. The approach of the Grimes government was described in the Commission's final report as a 'recipe for failure' as having Hydro-Quebec be lender and purchaser would put the province in a weak position.[150] The Commission's recommendations also rejected the insistence of Premiers Frank Moores' and Brian Peckford's governments when it said that "issues related to Churchill Falls should not be directly linked with negotiations to develop Gull Island." [151]

The Royal Commission issued its final report in June 2003 after the Gull Island negotiations had failed and Premier Grimes only had a few months remaining in office. In November 2003, Grimes was replaced by Conservative Danny Williams who had ousted the Liberals from government after nearly fifteen years in power.[152]

2003–007 Danny Williams – Creating an Energy Plan

With a strong majority, the mantel of developing an effective strategy to develop the Lower Churchill River fell to the Williams' government. The broader context described at the beginning of the Grimes section still applied during Williams' first term as Premier. While climate change became less of a concern when Kyoto-skeptic Stephen Harper became Prime Minister in 2006, broader issues of combating climate change remained.[153] Talks of establishing a national power grid also persisted.[154] As well, the implications of changes to the North American energy markets continued to be felt.[155]

The Williams' government came into power at a time when the province was facing significant economic difficulties and prospects. The strategic development of the province's vast natural resources was viewed as key to a sustainable prosperous future.[156]

While in opposition, part of Williams' criticisms of Grimes proposed Gull Island agreement was that it was negotiated in the absence of "a coherent energy plan" for the province.[157] From the outset, the new government believed that an extensive examination on multiple fronts had to be conducted to glean the lessons from previous attempts to develop the Churchill River's hydroelectric resources and to best position the province to maximise the benefits of all its natural resources going forward.[158] As a result, the Williams' government did not immediately attempt to engage in negotiations to develop hydroelectric resources in Labrador; first they would study the current circumstances using all the expertise required and survey the realms of possibilities before developing negotiating strategies.[159]

A key step in learning about the current state of possibilities came in January 2005 when the government issued a *Request for Expressions of Interest and Proposals for Development of Lower Churchill Hydro Resource*. The process was open to any group that had the interest and ability to make a proposal. The initiative was described as the first step in what would be a four phase process.[160]

While the government received twenty-five proposals, a joint proposal from Hydro-Quebec and Ontario to develop the Lower Churchill attracted significant attention. TD Bank proclaimed that the Lower Churchill's "day in the sun may have finally arrived."[161] However, the proposal was predicated on the same assumptions dating back to the Upper Churchill contract negotiations. Labrador power would be sold to Hydro-Quebec, which would then resell the power to the customer. The proposal did not contain provisions for the wheeling of power through Quebec, but rather insisted that Newfoundland negotiate terms with Hydro-Quebec which would in effect retain exclusive rights to sell Churchill River power in the North American markets.

The Williams' government rejected the Hydro-Quebec/Ontario proposal and announced in May 2005 that the province would develop the Lower Churchill itself and would continue to seek partners to ensure Lower Churchill sites were developed with the maximum benefits accruing to the people of the province. In lieu of selling to Hydro-Quebec, the Premier announced that it had submitted an application to Quebec that would grant wheeling rights to the North American markets.[162]

The government had made a major decision concerning the general principle it would adopt going forward, and now it turned its attention to understanding the broader context. In November 2005, the government released a Discussion Paper to engage citizens in creating a "comprehensive Energy Plan for Newfoundland and Labrador."[163] Those discussions and provided an input into the creation of *Focusing Our Energy*.

The focus on the future and the lessons learned from the previous four decades of Churchill River negotiations were evident in *Focusing Our Energy*. The 1969 Contract, which expires in 2041, looms large throughout the entire document and is specifically mentioned ten times. A critical part of the province's energy plan was to ensure that CFL Co. maintains the Churchill Falls facility such that it is in optimum condition in 2041.[164]

Focusing Our Energy also provides evidence that the Williams' government had studied issues associated with developments since the 1960s to develop the Lower Churchill River and incorporated lessons learned. For example, in granting the "energy corporation" water rights, it was noted that this would not interfere with existing contracts. That statement acknowledges the Supreme Court Decision in the previously mentioned *Water Rights Revision Act*. The Supreme Court had decided against Newfoundland and Labrador, in part, on the belief that the intent of the Act was to interfere with the 1969 Contract.[165] Similarly, Premier Clyde Wells' enactment of the *Electrical Power Control Act* (EPCA) had an analogous aim, but it did not lead to any advances on the Churchill Falls front. The Williams' government amended the EPCA in 2007 to allow the PUB to directly regulate the coordination of power production and water management arrangements. When mentioned in *Focusing Our Energy*, it was immediately followed by the explanation that: "The amendment provides that all relevant delivery commitments under existing power contracts can be honoured, including the 1969 power contract for the Upper Churchill."[166]

While of utmost importance (as it had been in previous decades), developing the Lower Churchill was presented as an ultimate goal, but not one that would be achieved at any costs.[167] The electricity chapter of the *Focusing Our Energy* reflected caution towards future developments when it stated that if plans to develop the Lower Churchill did not proceed as planned then the province had a back up plan to fill expected demand using a combination of thermal, wind and small hydroelectric developments.[168]

Focusing Our Energy's overall message concerning Churchill River hydroelectric developments was that the government planned to have the province in the best possible position to reap the maximum benefits of sustainable hydroelectric developments in Labrador over the long term.[169] The government spent nearly four years since coming into power in 2003 studying multiple aspects of the past, present and possible futures of hydroelectric development in Labrador.[170] However, at the time it was not clear if an effective means had emerged that would allow the province to get Labrador energy to market without Hydro-Quebec being in the position of sole broker. The ability to wheel power to the markets remained dependent on external circumstances and political decisions at national and international levels. The previous decades of experiences in attempting to secure hydroelectric developments in Labrador had shown that if Newfoundland and Labrador was dependent upon Hydro-Quebec as its only customer, it put the province in a weakened negotiating position. Former Newfoundland and Labrador Energy Minister, Mr. William Marshall once stated "if parties [could] not negotiate on equal footing, inequities [were] bound to result."[171]

Fifty-five years had passed since the first concrete steps were taken, through BRINCO's creation, to develop the Churchill River's vast hydroelectric resources and yet the core issue of access the broader North American energy markets remained.

Transmission Line to the Island

It is within the context of ending Hydro-Quebec's status as sole-broker for Churchill River electricity that *Focusing Our Energy* stressed the vital importance of building a transmission line to the island to ensure the province was able to fully realise the benefits of its hydroelectric resources in Labrador.[172]

In his official history of Newfoundland and Labrador Hydro, historian Melvin Baker stated that since the 1960s a multitude of economic and technical reports have shown "that the most economic long-term alternative" for electricity supply on the island portion of the province was through a transmission line from Labrador, especially through the development of the Gull Island and Muskrat Falls sites.[173] By 2007, 35% of the province's electricity was thermal-generated which had associated with it fuel price volatility as well as 1.3 million tonnes of GHG emissions and other emissions sulphur dioxide and particulate matter. Moreover, it was expected that by 2015 the province would be looking for additional sources of supply.[174] The construction of the transmission link was viewed as key to future electricity rate stability, sustainable development and the development of other renewable energy resources such as wind. The plan stated "The Labrador-Island link will enable us to meet almost all our electricity demand with clean, renewable electricity, essentially with no emissions."[175]

However, it is within the context of 2041 that the transmission lines assumed extra significance. The energy strategy noted, on numerous occasions, the fact that the 1969 Contract expires in 2041 and the province assumes full control over the Churchill Falls facility. However, the power lines that connect the generating station to the North American energy markets will remain owned, operated and controlled by Hydro-Quebec. In 2007, it was far from clear that the province would be able to use any of: changes in the US energy markets (began in the 1990s), Ontario's and the Maritime's energy supply challenges, and international climate change concerns (coupled with Canada's international commitments) to ensure market access.[176] Consequently, in 2041 the province could have not been in any better a position to negotiate access to the markets than it had been in the 1960s or in the decades since. Moreover, the province had negotiated provisional power supply agreements with American customers, but without the means to get energy to markets, such arrangements were moot.[177]

A transmission line from Labrador to the island and then across the Gulf of St. Lawrence through the Maritimes and into the United States, fundamentally altered future discussions concerning market access. *Focusing Our Energy* had acknowledged that the province's "direct transmission access to export markets [was] extremely limited." [178] The plan noted that the government was examining two potential export routes. The first was the most direct route which was through Quebec. Unlike in previous decades, the province saw an opportunity to gain domestic and international market access through Quebec territory but using Hydro-Quebec's Open Access Transmission Tariff which had been developed in response to FERC regulatory changes mentioned earlier. [179]

As it was not clear if the province would be able to leverage access changes in the US market, the province was examining a subsea link to the Maritimes and then to the Northeastern United States. The province was optimistic that technology had sufficiently advanced since the 1960s when Premier Smallwood's investigations into the possibility of an Anglo-Saxon route following the same basic path was found to be unfeasible. Moreover, the plan pointed to the 580 km NorNed subsea link that united Norway's and the Netherland's electricity infrastructures as proof that the 425 km subsea route it was proposing was feasible.[180]

The end of the beginning for the Williams' government

Following nearly four years of intensive multi-disciplinary strategising on negotiating additional Lower Churchill hydroelectric development, the Williams' government felt it had sufficient information to present a comprehensive long-term energy plan that was expected to have a major role in shaping the future of the province. However, the determination to develop the Lower Churchill on its own terms and the lack of clarity on the best path forward were evident in *Focusing Our Energy*.

It was hoped that by understanding the full energy picture, the province would be in the best possible position to benefit from its vast hydroelectric resources in Labrador. The inclusion of a transmission line linking Labrador to the island, through the Maritimes and to the US markets beyond ensured that future discussions would be fundamentally different than in previous decades. While not necessarily ensuring a level negotiating table, having a viable alternate route to the markets significantly strengthened the provinces' relative negotiating position when discussing Labrador's vast hydroelectric resources.

The Williams' government saw *Focusing Our Energy* as a foundational piece that would create the conditions in which the province could achieve sustainable prosperity for its citizens through the intelligent, coordinated and fact-based development of its natural resources.[181] Critical to that vision was the exploitation of the Churchill River's hydroelectric resources to the benefit of the people of the province. It was the continuation of a dream in the province that extended back to the years before Newfoundland and Canada joined in 1949.

Conclusion

The expression "the more things change the more they stay the same" encapsulates the overall theme of negotiations to develop the Churchill River's hydroelectric potential. The geographic isolation of Labrador's hydroelectric resources has dominated discussions from Confederation in 1949 to the publication of *Focusing Our Energy* in 2007.

The signing of the 1969 Churchill Falls contract took seventeen years of arduous negotiations and established a pattern of events which was repeated when subsequent discussions of further hydroelectric developments took place. Quebec insisted on its jurisdictional rights concerning the wheeling of electricity through its territory. The tone was largely set by Quebec Premier Jean Lessage in 1965, when he stated that Quebec would never allow a transmission line through its territory that any electricity that ever entered Quebec territory would "become property of Hydro-Quebec".[182]

In response to Quebec's position, Newfoundland governments sought alternative jurisdictional and geographic means of accessing the energy marketplaces. Meanwhile, the federal government provided substantial financial and technical assistance but stopped short of enacting political/constitutional measures that would likely have caused upset in Quebec.[183] The federal government consistently insisted that Newfoundland and Quebec had to mutually agree to a negotiated settlement on the wheeling of electricity from Labrador through Quebec territory to the domestic or international markets.

Throughout the 1970s, 80s, 90s and into the 2000s, energy demands in the North American markets remained high with increasing energy transfers among jurisdictions and with an overall trend towards establishing open markets. Domestically, the idea of establishing a national power grid to facilitate the development of renewable energy sources and to provide sustainable power to major energy demand centres, such as in Southern Ontario, was periodically discussed.

Meanwhile, the Northeastern United States consistently increased imports of Canadian energy. As well, American energy markets evolved to embrace open access principles where, in order to sell into the US markets, utilities would have to allow other electricity generators to access their transmission infrastructures to access the markets.[184] There were times, such as during the energy crises of the early 1970s and 1980s, and the push for non-green-house gas emitting energy sources in the late 1990s and 2000s, when circumstances seemed especially opportune for the further hydroelectric development on the Churchill River. However, final development agreements were never concluded.

The long history of attempts to sign final agreements on developing hydroelectric sites on the Churchill River influenced the writing of *Focusing Our Energy*. For Newfoundland and Labrador from 1949 to 2007, governments, individuals and market circumstances may have changed but the core issue of getting electricity from Churchill River sites to the potentially lucrative energy markets did not. Since 1969, technical feasibility, economic conditions, and environmental imperatives have not facilitated the signing of final agreements to enable Lower Churchill projects to proceed. That historical context reflected the 2007 report's insistence on a flexible strategic approach to future negotiations to harness the remaining power of the Churchill River. The inclusion of the Labrador-Island Transmission link has added a new wrinkle to the established narrative. Time will tell if it means that things have changed utterly, or if the goals of Newfoundland and Labrador premiers since Confederation to have the province reap the full rewards of the Churchill River's hydroelectric resources will remain elusive.

Appendix: Additional Readings

This report has provided a general overview of the history of negotiations to develop the Churchill River's hydroelectric resources from 1949 to 2007. While not exhaustive, the readings listed below provide greater details on specific aspects of the Churchill Falls story.

Baker, Melvin. *The Power of Commitment: A History of the Newfoundland and Labrador Hydro-electric Corporation 1954-1999*. St. John's: Silver Lights Club, 2000.

- While not the explicit focus of the book, *The Power of Commitment* does an exceptional job putting the negotiations to develop Churchill River hydroelectric resources within the broader setting of the electricity supply challenges faced on the island from the 1950s to the end of the century. During that time the province was fundamentally transformed through initiatives, such as the drive for rural electrification, which created strong supply demands for electrical power. Baker clearly describes the costs and consequences of the province's inability to access Labrador electricity.

Blue, Ian. "Off the Grid: Jurisdiction and the Canadian Electricity Sector," *The Dalhousie Law Journal*, Volume 32, 2007.

- This article is highly recommended as it provides an in-depth analysis of the profound impact on the Canadian electricity sector of changes brought in the US energy markets. Author Blue also warns of the perils of domestic jurisdictional and regulatory structures which prevent the Canadian electricity sector from fully capitalizing on domestic and international market opportunities. The article goes on to explain how structural difficulties also prevent broader benefits such as supporting the development of renewable energy sources and reducing greenhouse-gas emissions at the national level.

Bourassa, Robert. *Power from the North*. Scarborough: Prentice-Hall Canada Incorporated, 1985.

- This book provides a Quebec perspective on the Churchill Falls negotiations and operations. The book puts the Churchill Falls story into the broader context of the evolution of Quebec's hydroelectric system.

Churchill, Jason L. *Power Politics and Questions of Political Will: A History of Hydroelectric Development in Labrador's Churchill River Basin, 1949-2002*. St. John's: Royal Commission on Renewing and Strengthening Our Place in Canada, 2003.

- This report provides some additional details on Churchill River negotiations from the time of Premier Joseph Smallwood up to Premier Brian Tobin. In particular additional detail and context is provided on the deregulation of the US energy markets under FERC and the potential new associated opportunities created. It also addresses other issues not address in this paper such as failed attempts to negotiations Chapter 12, of the Agreement on Internal Trade which has become known as the "missing energy chapter".

Feehan, James P., Melvin Baker. "The Renewal Clause in the Churchill Falls Contract: The Origins of a Coming Crisis." *Political Economy Research Group. Papers in Political Economy*, 96. London, ON: Department of Economics, University of Western Ontario, 2005.

- This article provides a detailed analysis of the events and circumstances that led to the inclusion of the controversial 25-year renewal clause in the 1969 Churchill Falls Contract. The main forus of the paper is during the three year period from the singing of the Letter of Intent in 1966 to the final contract in 1969.

--- *Forces: Churchill Falls*, No. 57-58, Summer 1982.

- This Quebec publication contains a number of articles related to Churchill Falls negotiations and the development of the project including from Douglas Fullerton who once was an advisor to the Quebec government and went on to Chair Newfoundland and Labrador Hydro. There are also articles from Robert A. Boyd who was head of Hydro-Quebec and led much of the Churchill Falls negotiations.

Smith, Philip. *BRINCO The Story of Churchill Falls*. Toronto: McCelland and Stewart Limited, 1975.

- This large book provides an in-depth history of the British Newfoundland Corporation (BRINCO) from its founding in 1953 through to the official start of official operations at the Upper Churchill Falls facility. The book provides a broader understanding of BRINCO’s challenges at various points during negotiations and provides portraits of some key individuals involved with Churchill Falls negotiations. Included is the story of the impact of the plane crash death of then BRINCO President Donald McParland and four other management team members.

Endnotes

[1] Government of Newfoundland and Labrador (GNL), *Focusing Our Energy: An Energy Plan for Newfoundland and Labrador*, (St. John's: GNL, 2007), pp.i-iii. GNL, *Economic Self-Reliance and Environmental Sustainability Cornerstones of the Province's Energy Plan* (St. John's: Executive Council Natural Resources, 11 September 2007), http://www.releases.gov.nl.ca/releases/2007/exec/0911n02.htm.
[2] Newfoundland and Labrador Hydro (NLH)**,** *Lower Churchill Hydroelectric Generation Project Project Registration Pursuant to the Newfoundland and Labrador Environmental Protection Act Project Description Pursuant to the Canadian Environmental Assessment Act*, (St. John's: Newfoundland and Labrador Hydro , November 30, 2006), pp.8-9.
[3] An email listed the following sites and the estimated power capacity Megawatts. Gull Island 2,264 MW, Muskrat Falls 824 MW, Lobstick 160 MW, Pinware 77 MW, St. Lewis 68 MW, Alexis 98 MW, Paradise 89 MW, Eagle 661 MW, Minipi 647 MW, Naskaupi 290 MW, Kanairuktok 394 MW, Fig 204 MW, Kogaluk 58 MW, Mistastin 81 MW, Notakwanon (Lower) 84 MW, Notakwanon (Upper) 94 MW, Ugjoktok (Lower) 94 MW, Ugjoktok (Upper) 43 MW, Harp Lake 51 MW, Kanairiktok 153 MW, Kingurutik 31 MW, and Big 109 MW. The total given is for a potential of 6,574 MW of hydroelectric energy.
The above information had the following advisory: "1) The potential of these sites have not all been brought to the same level of engineering feasibility, as a result, the capacity values presented are approximate and may change significantly after additional study."
Hubert Budgell (Newfoundland and Labrador Hydro), "Email to Jason Churchill," 28 November, 2002.
[4] -- *Newfoundland National Convention, 1 December 1947, Debates on Confederation with Canada*, Decmber 1, 1947, (https://hcmc.uvic.ca/confederation/en/lgNFNC_1947-12-01.html . Time 909-911.
Joseph R. Smallwood, "Speech to National Convention, 1 December, 1947," in James K. Hillier and Michael F. Harrington (editors), *The Newfoundland National Convention 1926-1948 - Volume 1: Debates*, (Montreal: McGill-Queen's University Press, 1995,) p.904.
[5] Robert H. Cuff, Melvin Baker and Robert D.W. Pitt (editors), *Dictionary of Newfoundland and Labrador Biography*, (St. John's: Harry Cuff Publications Ltd. 1990), p.132.
[6] Lords of the Judicial Committee of the Privy Council, *Text of the Report of the Privy Council on the Labrador Dispute*, (n.p.: Robinson & Co. Ltd., Printers and Publishers, 1927).p.18. [hereafter short form J.C.P.C., *Report*]
[7] J.C.P.C., *Report*, pp.20-21.
[8] J.C.P.C., *Report*, p.17.
[9] Sir Wilfred T. Grenfell a noted philanthropist, dedicated much of his life to serving the medical needs of the people in Labrador and on Newfoundland's Northern Peninsula. By 1893, through the Grenfell Mission, hospitals were built at Battle Harbour and Indian Harbour. In 1899 he had raised funds for a medical ship the Strathcona; by 1912 numerous other hospitals had been constructed as well as nursing stations and in 1904 an orphanage at St. Anthony.
Cuff, Baker and Pitt, *Dictionary*, pp.135-136.
[10] J.C.P.C., *Report*, p.24.
[11] J.C.P.C., *Report*, p.25.
[12] J.C.P.C., *Report*, p.32.
[13]J.C.P.C., *Report*, p.35.
[14]J.C.P.C.,*Report*, p.37.
[15] Government of Newfoundland and Labrador, (GNL) "An Act to Authorise the Lieutenant-Governor in Council to Enter Into An Agreement with British Newfoundland Corporation Limited and N.M.

Rothschild & Sons", National Archives of Canada, (NAC), CFL Co. Papers MG28 III 73 Vol.35, (20 May 1953).

[16] Seventy-two per cent of CFL Co. was owned by BRINCO, while the rest of the shares were divided up between the Newfoundland Department of Resources and Rio Algoma Mines. To help finance the endeavour, BRINCO sold General Mortgage Bonds to Hydro-Quebec to increase the latter's share of the company to 34 per cent, leaving BRINCO with 57 per cent of the shares, and Newfoundland with nine per cent.

The Newfoundland and Labrador proportion appeared to be small, but Newfoundland and Labrador received eight per cent of BRINCO's profits.

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being used to buy out private shareholders. Each year the province continued to pay the interest on the money borrowed to finance the deal while the Lower Churchill remained undeveloped.
Interview Jason Churchill with William Marshall, 13 August 1997.
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