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(Executive Council)  
(Natural Resources)

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### Premier releases Request for Expressions of Interest and Proposals for development of Lower Churchill hydro resource

Premier Danny Williams, Ed Byrne, Minister of Natural Resources, and Dean MacDonald, chairman of the Board of Directors of Newfoundland and Labrador Hydro, today released the Request for Expressions of Interest and Proposals for participation in the development of the Lower Churchill hydro resource. The Request for Expressions of Interest and Proposals is a joint effort of the Government of Newfoundland and Labrador and Newfoundland and Labrador Hydro.

"Our decision to issue this request signals a new approach for the development of this significant renewable energy resource at a time when there is increasing demand for clean, renewable electricity supplies," said Premier Williams. "We believe this public call is the most effective, open and transparent process for meeting our commitment to develop the Lower Churchill hydro resource in a way that maximizes benefits for Newfoundland and Labrador and its people."

Premier Williams said that, through the Request for Expressions of Interest and Proposals, this government is indicating its interest in hearing from any party, whether private companies, consortia or other governments.

"This process is open to all interested parties regardless of any exploratory discussions that have taken place previously," said Premier Williams. "We are interested in receiving innovative proposals from companies, consortia and other parties with the technical and financial capacity to participate in a potential Lower Churchill hydroelectric project. We are open to considering all proposal concepts, including the use of power in Labrador, on the island, for export, or some combination of these options in terms of achieving maximum economic and employment benefits for this province."

Premier Williams explained that the Request for Expressions of Interest and Proposals is just the first step in what will eventually be a multi-phase process. A committee consisting of representatives of the provincial government and Newfoundland and Labrador Hydro will be established to assess and analyze the proposals received in response to the Expressions of Interest and Proposal call.

The Government of Newfoundland and Labrador is interested in all possible forms of participation by parties in the development including, but not limited to: potential equity participation, financing arrangements, possible power purchase arrangements and other private sector partnership options.

After the initial assessment of the proposals, a short list of potential proponents will be prepared. Proponents whose proposals satisfactorily meet government's criteria may be invited to enter into an agreement with the Government of Newfoundland and Labrador and Newfoundland and Labrador Hydro to undertake a feasibility study of the proposed concept. Phase II will involve the feasibility assessment of selected project concepts. In Phase III, government and Newfoundland and Labrador Hydro may select the proponents with the most viable and attractive development concepts, and enter into a Letter of Intent for negotiation of commercial principles. Phase IV could lead to detailed commercial negotiations.

"Our expectation is that this could take upwards of two years to complete," said Premier Williams. "It must be clearly understood by everyone that this is not a process we are prepared to expedite just for the sake of getting a deal in place quickly at any cost to the people of this province. I assure the people of Newfoundland and Labrador that we will take whatever time is necessary to ensure our objectives are achieved in the development of the Lower Churchill hydro resource. Our commitment is to secure maximum benefits for the province and its people. The development of the untapped hydro-electrical potential on the Churchill River must bring real and long-term benefits to the people of the province and make a strong contribution to our economy, particularly in Labrador."

The provincial government and Newfoundland and Labrador Hydro have consulted with the Innu Nation in developing the Request for Expressions of Interest and Proposals process consistent with the government's policy of consulting with aboriginal groups with accepted land claims on developments in their claim areas.

Minister Byrne stated that, as the Government of Newfoundland and Labrador moves forward on a process to develop the Lower Churchill hydro resource, it is also advancing its commitment to develop a comprehensive energy plan for the province.

"By spring, we intend to release a discussion paper on an energy plan for the province," said Minister Byrne. "We will initiate a consultation process that will include a series of consultations across the province, during which key stakeholders and the general public will have an opportunity to voice their opinions on an energy plan which will include the major directions and policies that will guide government's management of the energy sector."

Dean MacDonald stated that the objective of this request for expressions of interest and proposals is to provide a formal process for all interested parties to present their development proposals and credentials for consideration. "This process will ensure that we will be in a position to evaluate all our options and then proceed forward when we have identified a development concept that is in the best interests of the people of this province. I look forward to seeing the response to the public request."

All proposals must be received by 5:00 p.m. (Newfoundland Standard Time) on March 31, 2005. Copies of the Request for Expressions of Interest and Proposals and other related documents can be accessed at the following website: [www.gov.nl.ca/lowerchurchill](http://www.gov.nl.ca/lowerchurchill)

All inquiries relating to the Request for Expressions of Interest and Proposals shall be made in writing to the Labrador Hydro Project Office at the following address:

Newfoundland and Labrador Hydro  
Labrador Hydro Project, Hydro Place  
500 Columbus Drive, P.O. Box 12400  
St. John's, NL, Canada A1B 4K7

Or by e-mail to: [lowerchurchilleoi@nlh.nf.ca](mailto:lowerchurchilleoi@nlh.nf.ca), or fax: (709) 737-1985, or phone (709) 737-1273.

[BACKGROUNDER - Request for Expressions of Interest and Proposals for the development of Lower Churchill Hydro Resource](#)

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