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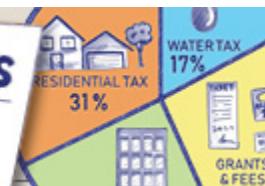
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# Muskrat Falls Wouldn't Pass Third Year Economics: Feehan

September 30, 2018 | 10:09 am

Last Updated: October 1, 2018 | 5:59 am



(Powerhouse, Spillway and North Dam at Muskrat Falls, courtesy Nalcor.)

A professor at Memorial University who has written extensively on the Upper Churchill contract with Quebec says Muskrat Falls wouldn't pass the test at second or third year economics.

Economist Jim Feehan was one of about 20 presenters at the weekend forum on Muskrat Falls at Memorial University. He says no matter how you look at it, there will be no happy ending to the Muskrat story.

Feehan says Newfoundland and Labrador gave the wrong price signals pre-Muskrat Falls by keeping prices for electricity down

even though the cost of fuel for Holyrood was going up. Many then switched from oil to electric. Without cost mitigation, electricity in the post-Muskrat Falls era would nearly double. Instead of dealing with an aging plant at Holyrood, he says government took a shotgun approach and built Muskrat. He told the forum that Nalcor should have compared the cost of Muskrat to an integrated approach as in a combination of wind, Holyrood, etc.

Feehan didn't think we would repeat the mistakes of the Upper Churchill. He says the attitude with Upper Churchill was "damn the torpedoes, full speed ahead" and Muskrat Falls became much of the same.

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