

## Commission of Inquiry Respecting Muskrat Falls Timeline of Events

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This timeline reflects certain events that occurred between the signing of the Term Sheet between Emera Inc. and Nalcor Energy in November 2010 and the second Federal Loan Guarantee being agreed to in March 2017. Certain items for the period November 2010 to December 2012 were recited from the CIMFP Exhibit P-00005.

- November 16, 2010 – Approval of the Muskrat Falls development scenario (Decision Gate 2). The development scenario consists of:
  - (1) a dam and generating station at Muskrat Falls (MFGS), with a capacity of 824 MW of power and an estimated average annual energy production of 4.9 TWh.
  - (2) The Labrador Transmission Assets (LTA), high-voltage cables to transmit power between Muskrat Falls and the Churchill Falls Generating Station.
  - (3) The Labrador Island Link (LIL), high-voltage cables capable of transmitting 900 MW of power from Muskrat Falls through Labrador, under the Strait of Belle Isle, and across the Island to arrive at Soldier's Pond on the Avalon Peninsula.
  - Together, these assets are estimated (at DG2) to cost \$5 billion plus interest during construction (IDC) and financing costs (allowance for funds used during construction or AFUDC).
- November 18, 2010 – Nalcor signs a term sheet with Emera Inc., a publicly traded energy utility company with headquarters in Halifax, NS., to pay for and build the Maritime Link (ML), a 500 MW high-voltage connection from Granite Canal, NL to Woodbine, NS. The ML may be used to export surplus power from Muskrat Falls through Nova Scotia. The ML is estimated at DG2 to cost \$1.2 billion plus IDC, AFUDC and other financing costs. The term sheet is based on the “20 for 20 principle”: Emera would pay 20% of the total capital costs in exchange for 20% of the energy and capacity from Muskrat Falls.
- February 23, 2011 – Government of Newfoundland and Labrador (GNL) applies for a Federal Loan Guarantee. Loans guaranteed by the federal government have a lower interest rate, so a guarantee from the federal government could reduce the project's interest and financing costs.
- June 17, 2011 - GNL submits a reference question to the Board of Commissioners of Public Utilities (PUB), asking it whether the MFGS, LTA, and LIL “represent the least-cost option for the supply of power to Island Interconnected Customers over the period of 2011–2067, as compared to the Isolated Island Option”. The Isolated Island Option is a particular combination of thermal, small-scale hydro, and wind generation on the Island designed to meet the Island's energy needs.
- August 19, 2011 – The governments of Canada, NL, and NS reach a memorandum of agreement indicating that the federal government will provide a loan guarantee for the projects.

- September 22, 2011 – The PUB writes the Minister of Natural Resources indicating that it “cannot meet the December 30, 2011 deadline” but that “it is not formally requesting an extension at this time because we cannot provide a realistic alternate date until we have a better idea as to when Nalcor will answer the outstanding information requests”.
- October 18, 2011 – GNL gives Nalcor a Commitment Letter indicating that GNL will provide base and contingent equity financing as necessary and will guarantee that Nalcor will recover its costs from the Muskrat Falls Project.
- December 2011 – The Minister of Natural Resources advises the PUB on December 12 that it is imperative that its report be received by March 31, 2012. In response, the PUB requests on December 16 that the deadline be extended until June 30, 2012. This request is denied on December 23.
- March 30, 2012 – PUB releases report concluding that because the information provided by Nalcor is not detailed, complete, or current enough, they are unable to determine whether the MFGS, LTA, and LIL are the least-cost option.
- April 26, 2012 – GNL issues a cabinet directive on amending legislation to meet the requirements of the Commitment Letter. When passed, the legislation exempts Muskrat Falls Project from PUB oversight, allows GNL to direct the PUB to include the costs of the Muskrat Falls Project in NL Hydro’s regulated rates, requires NL Hydro enter into a power purchase agreement and transmission funding agreement with Nalcor to cover Nalcor’s costs, makes NL Hydro the sole supplier of electricity to NP and industrial customers, removes the MFP from borrowing limits, and limits Crown liability.
- July 31, 2012 – First set of 13 commercial agreements were reached between Nalcor Energy and Emera Inc.
- November 30, 2012 – A Term Sheet is released for the Federal Loan Guarantee. The Federal Government will guarantee up \$5 billion of debt for the Muskrat Falls Project and \$1.3 billion of debt for ML, all contingent on the sanction and financial close of both Muskrat Falls Project and ML.
- December 17, 2012 – Official sanctioning of MFGS, LTA and LIL by GNL.
- December 22, 2012 – An Act to amend the Electrical Power Control Act under section 14.1 titled Exclusive Right was assented.
- July 22, 2013 – Nova Scotia Utility and Review Board (“UARB”) decision 2013 NSUARB 154 stating ML was approved as lowest long-term cost alternative, conditional on obtaining from Nalcor the right to access Nalcor Market-priced energy.
- October 20, 2013 – Energy Access Agreement (“EAA”) was signed and executed by Nalcor Energy, Emera Inc. and Nova Scotia Power Incorporated to address the UARB’s concern on Nova Scotia’s access to Nalcor market-priced energy.

- November 29, 2013
  - UARB supplemental decision 2013 NSUARB 242 concluded the EAA was sufficient in addressing its concern regarding ML and all conditions in the Board's Maritime Link Decision dated July 22, 2013, are satisfied.
  - Intergovernmental Agreement was signed and executed between the Government of Canada and GNL.
  - Power Purchase Agreement was signed and executed between Newfoundland and Labrador Hydro and Muskrat Falls Corporation.
  - Muskrat Falls Project Exemption Order (Order in Council 2013-342) was passed under the authority of section 5.2 of the Electrical Power Control Act and section 4.1 of the Public Utilities Act.
  - Project Finance Agreements for each of the Projects are signed with the Toronto-Dominion Bank and the respective parties to each Project. Related Guarantee Assurance Agreements, Equity Support Agreements and Guarantee for Equity Support Agreements signed.
- December 2, 2013 – Intergovernmental Indemnity Agreement for ML was signed and executed between the Government of Canada and the Government of Nova Scotia.
- December 12, 2013 – An Act Respecting the Maritime Link was amended and assented by the Nova Scotia Government.
- December 13, 2013 – First round of public debt was issued.
- July 31, 2014 – 13 commercial agreements were amended to update for the sanctioning of the defined assets.
- April 13, 2015 – EAA was amended to update for the sanctioning of the defined assets.
- March 30, 2017 – A second Term Sheet is released for the additional Federal Loan Guarantee. The Federal Government will guarantee an additional \$2.9 billion of debt for the Muskrat Falls Project.