UARB approved the energy access agreement in November 2013. Nalcor's concession could have altered the economics of the Muskrat Falls project and hence its economic value relative to other options. It is likely that the PUB would have wanted to conduct its own investigation after the UARB's approval in November 2013 in order to understand the implications for the Muskrat Falls project.

Fourth, the new cost estimates for the Interconnected option released in October 2012 were almost 20% higher than the estimates the PUB received for its 2011/12 review (DG3 $7.4bn versus DG2 $6.2bn), which would probably have reduced the attractiveness of the Interconnected option relative to other potential alternatives that the PUB could analyze in an unrestricted review (but which were excluded from the original review).[121]

Fifth, had the PUB review occurred during 2014, it would have coincided with the dramatic collapse in global oil prices that occurred during 2014. As a result of increased U.S. shale oil and non-OPEC production, global oil prices approximately halved, causing sector analysts to reassess their market price forecasts.[122] The estimated difference in cumulative present worth between the Interconnected and Isolated Island options was quite sensitive to the oil price forecast used, making the timing of the PUB review potentially consequential.[123]

It is not possible to know with certainty how any of these factors, or combination of them, would have influenced the PUB's overall evaluation of whether Muskrat Falls was the preferred option compared to other alternatives in the context of a hypothetical review – but they could have reduced the probability of the PUB finding in favour of the project. If the PUB had publicly concluded after a comprehensive review that Muskrat Falls was not needed at that time or was not the lowest-cost alternative, it would have been more difficult for the government to justify a sanction decision. Even if the government had still decided to proceed, allowing the PUB to review project costs and to assess prudency could have contributed to better cost containment and on-time delivery during the construction stage.

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[121] MHI stated in its October 2012 report for the government that the estimated costs of the Isolated Island option had increased since its January 2012 report for the PUB (the base case cumulative present worth was estimated at $8.8bn in January 2012 versus $10.8bn in October 2012).

[122] See https://www.eia.gov/todayinenergy/detail.php?id=19451

[123] Analysis presented during the PUB review in 2011-12 showed that forecast Holyrood fuel costs had a significant impact on the estimate of which option was least cost. The PUB reported that a 44% reduction in the forecast oil fuel price would make the Isolated Island option a similar cost to the Interconnected option, all else equal. Reducing the oil fuel price by 20% while increasing the Interconnected Option capital cost by 20% would have a similar effect.