

MINUTES OF THE THIRTY-NINTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON THURSDAY, AUGUST 25, 2011 AT 03:30 P.M.

Present in Person: E. Martin, Acting Chair
C. Bennett
T. Clift

Present by Telephone: K. Marshall
G. Shortall

Secretary: W. Chamberlain

520. CHAIR OF THE MEETING

In the absence of the appointment of a Chair of the Board of Directors, Mr. Martin acted as Chair of the meeting.

521. CONSTITUTION OF THE MEETING

Notice for the meeting was forwarded to Directors on August 24, 2011. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

522. SAFETY MOMENT

Mr. Chamberlain provided a safety moment on stairway safety.

523. REPORT OF THE JOINT REVIEW PANEL (LCP)

Mr. Martin circulated copies of the Report of the Joint Review Panel with respect to the Lower Churchill Project ("Report") at the meeting and advised that copies would be provided after the meeting to those Board members attending by telephone. He reported that the Report was recently received and undergoing a thorough review.

He further advised that the Joint Review Panel ("Panel") has approximately 83 recommendations, and is a public document that has been posted on the Canadian Environmental Assessment Act website.

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Mr. Martin advised that he was very disappointed with the tone of the Report, particularly the executive summary and comments on need, purpose and rationale made by the Panel. He then noted the section of the Report which stated: "The Panel concluded that Nalcor's analysis, showing Muskrat Falls to be the best and least cost way to meet domestic demand requirements, was inadequate, and recommended a new, independent analysis." He also noted that the Panel gave an equal weighting of credence to both Nalcor's extensive body of information submitted and the input of other interveners, while at the same time the Panel "acknowledges that Nalcor has significant knowledge regarding details of the Island's grid system, its strengths and limitations, constraints related to dispatchable power requirements, etc., that the Panel and participants generally do not have".

Mr. Martin also noted that an independent assessment of supply options analysis was already underway prior to this Report by Navigant Consulting, a global consulting firm with an excellent reputation and extensive experience in such matters. Nalcor has asked Navigant to provide an independent assessment of supply options as part of our normal decision making process whereby we seek a "cold eyes" perspective at key decision points. In addition, a second independent review is also underway by the Public Utilities Board as requested by the Provincial Government.

He also noted that the Report is not an approval document for the Project, but in essence is a report provided to the Federal and Provincial Environment Ministers to consider when they make their approval decision.

Mr. Martin provided further information and responded to questions from the Board members with respect to the Report generally and advised that work continues to proceed. He also noted that there will likely be press releases

related to the Report from both the company and Government in the next few days.

524. CHHC UPDATE


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525. NL HYDRO UPDATE

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526. TERMINATION

There being no further business, the meeting was terminated.


Secretary

Verified at a meeting held on

Sept. 30, 2011


Chairperson (acting)