

# Muskrat Falls Net Benefit Analysis

19 September 2012

Boundless Energy



# Background information

- Communications effort to date have focused on Cumulative Present Worth (CPW) – the difference between isolated and interconnected options. CPW is used to determine the least cost method of providing new sources of power generation
- CPW does not include benefits that accrue to Government and the people of the province that are typically associated with the construction and ownership of a large scale energy asset, such as direct labour employment and income and dividends



# Background Information

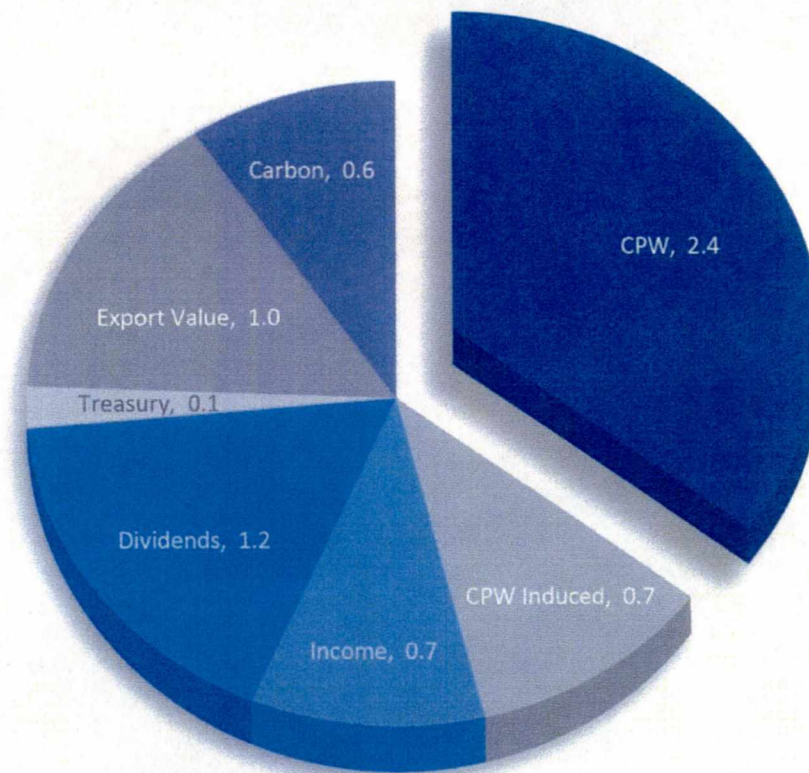
- Nalcor has compared these types of benefits from developing Muskrat Falls to those of developing the Isolated Island scenario
- The result shows a net benefit to the province of approximately \$6.8 billion. In other words, MF provides \$6.8 billion more in present value benefits to the people and government of NL than continuing with Isolated Island (incl. \$2.4B CPW difference)
- In nominal terms, the incremental benefit of Muskrat Falls is \$60 billion

# Background Information

- Note: There may be minor changes to this chart as a result of updated work being prepared on socio economic benefits



# Provincial Benefit from Interconnected Island Alternative Based on DG3 Analysis (billions 2012\$)



CPW,	2.4
CPW Induced,	0.7
Income,	0.7
Dividends,	1.2
Treasury,	0.1
Export Value,	1.0
Carbon,	0.6
<b>Total</b>	<b>6.8</b>

Note: Net NL Treasury Benefit to be updated