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Subject : SN - Minister Marshall
Attachment : SN_MF Announcement_October 2012_DRAFT 1.doc;
FYI – please note speaking notes for Minister Marshall for tomorrow's event...

Heather

Speaking Notes
Minister Marshall
Muskrat Falls Announcement
October 30, 2012

Good afternoon and thanks for coming. This is certainly an interesting and exciting time to be living in Newfoundland and Labrador as we continue the discussion around Muskrat Falls. And that discussion will go on as we enter the House of Assembly in the coming weeks for the special debate.

As the Premier, Minister Kennedy and Minister Martin have so effectively pointed out this afternoon, Muskrat Falls is the right project for us to meet our energy needs. It is consistent with the vision that we have laid out in our Energy Plan. It diversifies the economy and will provide us with renewable energy revenues. It puts us in the driver's seat and allows us to continue down the path towards self-sufficiency and long-term prosperity.

This government has taken great steps to improve the province's financial situation since coming to power in 2003 and we would not do anything to jeopardize the work that we have done to date.

We are providing an equity investment in the range of \$2 billion that will be financed through a combination of cash on hand and debt. Let me be clear though. Even though we will finance a portion of the equity stake through borrowing, we have the capacity to do so and there will be no impact on the province's net debt as we will be investing in a revenue-generating asset.

As well, the revenue generated will result in cash dividend for the province which will be used to service the borrowing costs. From a provincial perspective, Muskrat Falls is self-sustaining.

Then there are the economic benefits. Construction at Muskrat Falls will create significant employment, income and taxation benefits. Overall, there is an estimated \$6.1 billion in net economic benefits to Newfoundland and Labrador in the form of rate savings, labour income, revenue from the asset including dividends, and savings related to carbon and Greenhouse Gas reductions.

Employment will peak at 3,100 jobs with an average of 1,330 jobs each year during construction. There will be 9,100 Person Years of Employment with 5,800 of these in Labrador. The jobs will be spread across 70 trades and occupations. This will provide invaluable experience for the province's trades people.

The Muskrat Falls project will also provide a power supply to support industrial development in Labrador.

There have been talks to develop the Lower Churchill for decades. The Muskrat Falls project in its current format has been discussed for almost two years. The Governments of Newfoundland and Labrador, Nova Scotia and Canada think it is a good project. Emera, Nalcor and Manitoba Hydro International think it is a good project. I think it is a good project.

At a cost to the province of \$6.2 billion, Muskrat Falls is undoubtedly the largest and most significant initiative that we have ever undertaken. But it is the right project at the right time for Newfoundlanders and Labradorians. We have never been stronger economically or fiscally, interest rates are at historic lows and the Federal Government has committed to a loan guarantee.

I look forward to discussing these aspects of Muskrat Falls in the coming days and weeks.

Thanks you.