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Subject : Lower Churchill

Minister: Here are some notes on this morning's briefing for the Premier provided by Nalcor on LCP issues.

1. Nalcor senior mgmt will be meeting with Emera senior mgmt later this week to begin serious negotiations on sale of LCP power – the kind of product, term and price necessary to conclude a contract. If things work well they would aim for a term sheet in September.
2. The economic analysis performed by Nalcor demonstrates that a decision to develop Muskrat first appears to be viable. A recommendation on this project would be made in the second half of September.
3. Various scenarios have been assessed (e.g., with and without Island link; with and without NS link).
4. A financing strategy for Muskrat would then be needed by October.
5. Given that the economic case for Muskrat is based on being a better alternative than Holyrood oil-fired power, some public communications may be necessary soon that informs the public about the high cost of precipitators and scrubbers, and the expected increase in the price of oil over time.
6. Innu ratification of New Dawn is still uncertain as to timing.
7. EIS completion is expected (hoped for) in March 2011.
8. Sanction date expected in April.

Other issues covered in the briefing:

