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Subject : Draft Letter to PM

Dear Prime Minister

On November 12, 2010, Premier Williams sent a letter to Minister MacKay highlighting the national importance of the Lower Churchill project and the enormous benefits that strong inter-provincial cooperation on electricity can bring to the Atlantic region. In that letter he also identified the benefits of a loan guarantee for the generation and Island-Link portions of the project.

I acknowledge your continued interest in this project and the statements made in December 2005 and again in a letter to Premier Williams in January 2006 expressing your willingness to provide assistance by way of a loan guarantee.

Over the past several weeks, officials from the governments of Newfoundland and Labrador and Nova Scotia and Nalcor Energy and Emera have met with staff in your office and in the Department of Finance. These meetings proved very beneficial in highlighting specific details about the deal structure between Nalcor and Emera, the proposal for a loan guarantee and attendant benefits to the ratepayers of both provinces.

I also had the opportunity to meet with the Honorable Jim Flaherty today during which he received a briefing on the project and the details of the loan guarantee proposal. Our discussion was very open about the strategic benefits of this project for the Government of Canada and that this type of investment would be consistent with other investments made in projects or policies of national interest.

Providing support to the Lower Churchill Project would be a strategic investment project that will deliver significant economic and environmental benefits to Canada as a whole and to the Atlantic region in particular. Seen from abroad, facilitating this project would signal Canada's strong support for addressing climate change through the development of renewable energy projects. From within Canada, this project represents a strategic platform for building a national green economy that is consistent with your Government's recent investments in carbon capture and storage and Green Infrastructure Fund programs.

It am requesting that we meet at the earliest opportunity to discuss this strategic opportunity for the Government of Canada. I have asked my staff to arrange for a meeting or telephone call over this current weekend or early next week to begin this discussion. I look forward to hearing from you at the earliest opportunity.