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**To:** [emartin@nalcenergy.com](mailto:emartin@nalcenergy.com)  
**Cc:** [Bown, Charles](#); [Jim Keating](#)  
**Subject:** Re: Strategy  
**Date:** Sunday, March 18, 2012 10:27:20 AM

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So here's my first cut at an approach for consideration. I can meet today if we need to get together and discuss (I'm holding court at Starbucks on Kenmount if you'd like to come by!)

Rationalization: the discussion on gas is very technical and we have individuals who are considered to be "technically literate and knowledgeable" in this discussion (Cabot and Steve Bruneau) buoyed by the other "skeptics and public policy defenders" (Vardy, Penny) and then the other political and media folks rounding out the discussion (Wangersky, Meeker, Browne et al.). In essence, my opinion is because we have not defended our position with either a solid # reviewed by someone else, or had experts (MHI) validate our review, or we've presented a strong and logical technical argument, this is an area where the detractors have landed and feel there is somewhere to go. Interestingly reading Meeker's piece, he dismissed LNG quickly and there are others that dismiss domestic gas but seem to think LNG should work so we need to still carry on the dialogue on both. Interestingly, all the people that seem to quote your BoT speech are quoting the Telegram and did not attend your speech so they missed the logic you presented around this discussion and are relying on the benefit of a few choice quotes from the article. One caveat, as long as present facts and data, there will always be someone to disagree, so the notion we will sew this up, is not a goal. The discussion and objectives of the detractors are fuelled in their positions which are now ingrained and immovable so we need to ensure our position is well represented and available.

Audiences:

public and ratepayers

individuals with a degree of technical background

Goal

Reinforce our position that gas was considered and screened

Communicate that we continue to assess any changes in both domestic and LNG as we move to DG3

Put our position "on the record" with some depth

Strategy:

Acknowledge and accept some of the "facts" as laid out by opponents.

Slice and dice their misrepresentations and inaccuracies

Demonstrate knowledge and understanding of the market

Use 3rd party data and validation when appropriate (PIRA, Ziff, Navigant...CAPP, etc.)

Encourage local oilcos via CAPP to again represent their position

Engage many voices in representing our position (Ed, Jim K, Minister, Premier, NOIA, CAPP)

Find the emotional connection to our argument that appeals to the average person (higher electricity rates - double, triple, unstable...; Throwing our money at oil companies and giving away our independence and our control)

Connect our goal to public goal (find common ground) - lowest cost, competitive electricity rates, sympathize with those who are concerned and reinforce that we share the concern

KM (need work here)

Gas examined at gate two and was screened out for reasons of security of supply and reliability

- Domestic gas not available and will not be available

- LNG will result in higher electricity rates for consumers and no support for industrial development in Labrador

Nalcor continues to examine the markets as they adjust and change.

Nalcor is a partner in 3 of the offshore projects and are familiar with the business strategies of our co-venturers and also intimately familiar with the operations and cost models offshore.

There are no plans to bring gas to the island from the offshore NL from the oilcos and Nalcor has discussed this with the companies about potential opportunities. We were unable to advance it because of the poor economics.

Offshore gas will be more expensive than Holyrood.

Our internal experts as well as external consultants have validated our assessment and although the LNG market is changing, gas is, and will not, offer lower cost electricity rates for consumers. If we tie consumers to gas and invest in the capital infrastructure required, we will be tying consumers here to higher electricity rates.

Tactics

Media briefings on Tuesday/Wed (need to consider whether trying to "get ahead" of Bruneau may actually have people think there is some truth to his position)

Three blogs: domestic gas, LNG and Shale gas impact on markets in US and our ability to sell into that market

Supporting tweet stream of facts and arguments.

Open line: morning and afternoon to explain position Ed and Minister to reinforce

Email short versions of blog to key influencers and encourage to circulate

Letter to editor for Wed paper (Telegram)

Presentation to Rotary and CBS upcoming - discussion on gas

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Ed Martin---03/16/2012 08:15:33 PM---Dawn and Jim, We need a strategy to deal with the gas stuff. We have Bruneau speaking, also I have

From: Ed Martin/NLHydro

To: Jim Keating/NLHydro, Dawn Dalley/NLHydro, "Charles Bown" <crown@gov.nl.ca>

Date: 03/16/2012 08:15 PM

Subject: Strategy

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Dawn and Jim,

We need a strategy to deal with the gas stuff. We have Bruneau speaking, also I have heard Dave Vardy is speaking next week on something, also Sierra Club et al coming after JRP. Jim will have numbers early next week. Newspaper page? Harris Centre same night as Bruneau? Speeches? Etc etc. Do we want to forget about it. I am tied up on DG3 stuff. Dawn, can you work with Jim to develop a rational, well thought out approach for Tuesday for us to review - we'll have to get Charles in the middle of this after we review. We need something tuesday so we have time to do what is necessary next week. We have no time left.

Ed

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