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Subject : VOCM - Reaction Swift to Report on Muskrat

## Reaction Swift to Report on Muskrat

VOCM: Thursday, February 2, 2012

The Liberals say the Manitoba Hydro review of Muskrat Falls should not be seen as an endorsement of the project. The report released Wednesday said the hydroelectric project was the least cost option when compared to maintaining Holyrood. Andrew Parsons says the scope of the review was too narrow. Parsons wants to see the Public Utilities Board examine all energy options. He compares the review to buying a car. Parsons says it's like comparing a Lexus to a Mustang, and saying the Mustang is cheaper without considering buying a Toyota.

Manitoba Hydro says Nalcor needs a new business plan. And the New Democrats want another review when the energy company readjusts its numbers. Lorraine Michael says that was also a recommendation of the Environmental Assessment. She says the new business plan should be under scrutiny by the PUB.

The Natural Resources Minister says the report satisfies the two major questions about the development; do we need the power, and is it the least-cost option. Jerome Kennedy says MHI is not all accepting of Nalcor, which shows the report's objectivity. Kennedy says there are risks associated with all major projects.

He says they will never satisfy the critics. The reality is, Kennedy says, they have to make a decision at some point. He says new numbers will come in, and they'll be compared to MHI numbers to see if there's differences.

Premier Kathy Dunderdale hails the report as 'positive' and 'important'.

Nalcor says it is giving full consideration to MHI's recommendations. CEO Ed Martin says there's still another decision making stage before government makes its final decision. Martin says project reviews will continue as they have all along. He says in the end the recommendation to government has to pass through his hands, so he wants similar types of reviews which will be done internally.

There are ominous words coming from the minister of natural resources regarding the power needs of Newfoundland and Labrador. Jerome Kennedy says yesterday's report from Manitoba Hydro on the Muskrat Falls project clearly agrees with the province's position that we will need a new supply of electricity in the next few years. On VOCM BackTalk with Paddy Daly yesterday, Kennedy warned of dire consequences for all of us if Muskrat Falls does not proceed. He says we will be experiencing blackouts by 2015 and will all be going to bed with sweaters by 2020.