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Provincial Government Responds to Release of PUB Report

The Honourable Kathy Dunderdale, Premier of Newfoundland and Labrador, and the Honourable Jerome Kennedy, Minister of Natural Resources, today responded to the release of the Board of Commissioners of Public Utilities (PUB) report on Muskrat Falls.

“Our government has been intent from the outset on ensuring the proposed development of Muskrat Falls is subject to scrutiny and analysis prior to any decision on sanction of the project. This is why we engaged the PUB in the first place,” said Premier Kathy Dunderdale. “I am disappointed that after nine months, in excess of \$2 million spent, and the PUB having access to thousands and thousands of pages of documentation, that they have chosen not to fulfill their responsibility as it relates to the terms of reference for their review to determine whether Muskrat Falls is the least-cost option to respond to our future power needs. This is especially puzzling given that others have been able to use the same information available to the PUB to assess whether or not the development represents the least-cost option. We want to ensure the people of our province have the best information possible prior to our government making a decision on whether or not to sanction the project and we will engage expertise to ensure this information and analysis is as thorough as possible.”

The information available to the PUB in its review is the same information that was available to Manitoba Hydro International and the Consumer Advocate – both were able to reach a conclusion while the PUB has indicated it could not.

The next steps will involve analysis of Decision Gate 3 information – the most up-to-date information on load forecast, fuel price forecast, defined capital costs, and system integrated studies. The Premier announced today that the Provincial Government has engaged Manitoba Hydro International, the same experts engaged by the PUB, to provide external and independent analysis of the Decision Gate 3 information prior to any decision on whether or not to sanction.

Information from the Decision Gate 3 process, along with reports on natural gas and wind will be tabled in the House of Assembly. The Provincial Government is prepared to have a special debate in the House of Assembly once this information is available.

The PUB review was announced in June 2011, and included submissions from Nalcor Energy, the province’s Consumer Advocate and other participants in the public consultations, as well as an independent assessment commissioned by the PUB by Manitoba Hydro International. The PUB report was received by the Provincial Government on March 30, and released publicly earlier today.

“As we move closer to a decision on sanction it is critical to have the best information available to inform the people of the province, and this focused debate is another important opportunity to ensure that the project benefits from rigorous input and debate prior to a decision on project sanction” said Minister Kennedy. “Our government encourages questions and debate, and we look forward to the opportunity to debate the merits of the project. At the end of the day, this project will only be developed in the best interests of the people of our province, and we will consider all reports, analysis and informed discussion prior to making a decision on project sanction.”

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