

Email Message

From: [Beckwith, Judy \[EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=JUDYBECKWITH\]](#)
To: [karen1@\[REDACTED\] \[SMTP:karen1@\[REDACTED\]\]](#)
Cc: [Premier, \[EX:/O=PSNL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=PREMIER\]](#)
Sent: 4/30/2012 at 2:49 PM
Received: 4/30/2012 at 2:50 PM
Subject: Untitled Message

Attachments: healey.pdf

Attached please find a response from the Honourable Jerome Kennedy, Minister of Natural Resources, in reply to your email to Premier Kathy Dunderdale. Thank you.



Government of Newfoundland and Labrador
Department of Natural Resources
Office of the Minister

APR 30 2012

Ms. Karen Healey

karen1@ [REDACTED]

Dear Ms. Healey:

Thank you for your April 1, 2012, email to Premier Dunderdale expressing your concerns about the Muskrat Falls hydroelectric project.

We are considering developing new electricity sources because we are facing an electricity supply shortfall on the Island of Newfoundland. The supply and demand forecast from Newfoundland and Labrador Hydro shows we will begin to experience power shortages in the next five years unless we act now to develop a solution. Separate independent international electricity consultants hired by the Public Utilities Board and Nalcor Energy have independently confirmed these forecasts.

To address the shortfall, Nalcor Energy has embarked on a process to find the most affordable long-term generation supply. As a result of that comprehensive analysis, two options emerged as reasonable solutions: 1) develop the Muskrat Falls project with a transmission line to the Island; or 2) remain an electrically-isolated Island relying on new fossil fuel generation along with other smaller generation plants over time. Although the evidence supporting the Muskrat Falls case is persuasive, and has been verified by independent industrial experts, our government will await the results of some important additional work before deciding whether to proceed further with the project. This work includes an independent review of Nalcor's updated project information, which will be available later this year. The additional work will inform our government on whether Muskrat Falls is the least-cost source of new electricity generation for the Island of Newfoundland. Only after we have all this information, as well as a full debate in the House of Assembly, will we be in a position to reach a final decision on Muskrat Falls.

I appreciate your interest in this important issue, and thank you for expressing your concerns.

Sincerely,

Jerome P. Kennedy, Q.C.
MHA, Carbonear-Harbour Grace
Minister of Natural Resources

c. Premier Kathy Dunderdale