

Statement by
The Honourable Jerome Kennedy
Minister of Natural Resources
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The Government of Newfoundland and Labrador secures agreement on terms for a federal loan guarantee

Mr. Speaker, I rise in this Honourable House today to celebrate the Government of Newfoundland and Labrador's success at securing an agreement on the terms for a federal loan guarantee for the Lower Churchill hydroelectric project with the Government of Canada.

The loan guarantee represents a significant milestone in the development of Muskrat Falls and this agreement is a testament to our Premier's outstanding leadership in getting us to this point.

Mr. Speaker, without the Premier's leadership to advocate on behalf of the people of Newfoundland and Labrador and her vision on the Muskrat Falls Project to achieve energy self-sufficiency for our province, there would be no loan guarantee.

Our Premier stood steadfast during these negotiations and her commitment to ensure that the principles of the loan guarantee be done in the best interest of Newfoundlanders and Labradorians never wavered. Officials from Newfoundland and Labrador have been in discussions working out the details of the agreement since August 2011 when the Memorandum of Agreement was signed.

Mr. Speaker, negotiations on the loan guarantee were complex and detailed. We needed to attain a guarantee that provided maximum value for the ratepayers and ensured no interruption in project schedule. We accomplished this goal. Our Premier's perseverance and persistence have paid off and we have successfully achieved a loan guarantee that will provide projected savings of approximately one billion dollars for ratepayers in Newfoundland and Labrador.

The term sheet is a legal binding document that covers the full amount of project debt based on Decision Gate Three costs. The loan guarantee will mean a one billion dollar benefit from lower interest rates and savings will be passed onto electricity ratepayers in the province.

Muskrat Falls has been determined to be the best least-cost source of new power for Island consumers and therefore the lowest rate available to consumers. Dividends from the Muskrat Falls Project will supplement revenues to the provincial treasury and benefit the people of Newfoundland and Labrador.

Mr. Speaker, Muskrat Falls will be a significant source of clean renewable electricity generation for Newfoundland and Labrador. The development will meet the province's increasing energy needs, ensure stable electricity rates for residents and businesses, support industrial development in Labrador, and provide tremendous economic, employment and social benefits for the people of our province.

Muskrat Falls represents a pivotal opportunity for the province to transform itself from a non-renewable resource economy, to one that will secure a sustainable economic base for Newfoundlanders and Labradorians for many years to come.