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From : "Bown, Charles W."

To : "Thompson, Robert" , "Ed Martin"

Subject : Summary of Ottawa Meetings

Attachment : Summary of Ottawa Meetings.doc;

Robert – Ed;

Attached is a summary I have prepared from our Ottawa meetings. This is the first draft and it has been circulated to the other members of the project team for comment. However, there is some important information and timelines that you should be aware of right away. I am available to discuss.

Charles

Summary of Ottawa Meetings

Objective:

To provide first-hand briefings to MP's, Senators and senior staff in the Government of Canada on the Lower Churchill Project. The briefings focused on: individual project elements; strategic value for NL and NS; the Nalcor-Emera deal and the national benefits from the project. The meetings were also an opportunity to discuss the federal asks including: P3, loan guarantee and investment tax credits.

Project Team:

Gilbert Bennett	Vice President, Lower Churchill Project, Nalcor Energy
Charles Bown	Associate DM, Natural Resources, NL

Rob Bennett	President and CEO, Nova Scotia Power Inc
Paul Black	Director of Policy & Community Relations, Premier's Office, NS
Gerald Wesseen	General Manager, Communications and Public Affairs, NSPI

Meeting Schedule:

Wednesday, Dec. 1

1. Noon - Lunch with Atlantic Liberal caucus - Parliamentary Restaurant (Room 601, Centre Block)
2. 1:00 pm - NS Conservative Senators – Sen. Greene's Office (Room 572, Centre Block)
3. 2:00-3:00pm - Carole Grenier, Policy Advisor in Environment Minister John Baird's office – 10 Wellington Street, Gatineau
4. 4:00pm - Atlantic NDP caucus – NDP office

Thursday, Dec. 2

1. 8:30am – Atlantic Conservative caucus – Parliament Hill
2. 11:00 am - Prime Minister's Office (deputy chief of staff Derek Vanstone) – Langevin Block

Meetings Attendees:

1. Atlantic Liberal Caucus
NL MPs included Judy Foote, Shioan Coady, Scott Simms, Gerry Byrne and Todd Russell. The Senators were Bill Romkey and George Furey.

NS MP's included....

There was also representation from NB and PEI

2. NS Conservative Senators
Michael MacDonald, Fred Dickson, Stephen Greene, and Kelvin Ogilvie.
3. Environment Canada
Carol Grenier, Senior Policy Advisor, Minister of Environment
4. Atlantic NDP Caucus
Jack Harris, Megan Leslie, Nathan Cullen (NDP Energy Critic – BC)
5. Atlantic Conservative Caucus
Minister Peter McKay, Scott Armstrong, Gerald Keddy, Greg Kerr. Senator Manning was also in attendance.
6. Prime Ministers Office
Derek Vanstone, Deputy Chief of Staff
Andrea McGuigan, Policy Advisor, Economic Affairs, Environment and Energy Security
Sean Speer, Policy advisor and Manager, Stakeholder Relations

Summary:

The meetings were all very positive. There is tremendous support for the project in the Atlantic caucus of all three parties and clear delight in the demonstration of Atlantic cooperation. The briefings were very helpful for those who attended and through the presentations and questions, many questions and issues were addressed.

There were three common themes through the meetings. The first is the need for more information about the project. It was obvious that there were some misunderstandings regarding elements of the project. This is due largely to the fact that they are getting their information and analysis from the media. In particular questions were asked about the viability / financibility of the project and the benefits of the project in both provinces and the remainder of the country. Our presentation on the need for the project to meet domestic load, reduce GHG's and stabilize electricity rates was very important context they had not heard. We also included strong messaging on the benefits and opportunities to NB and PEI; the Atlantic cooperation message was very well received.

The second theme was the willingness to be engaged in supporting the project. It was very clear that they want to be openly supportive of the project but don't have the messaging or media lines to counter some of the negative responses they are hearing. At the respective caucus meetings, we were asked to provide additional information and messaging around the specific issues. In particular, many politicians openly spoke of the claims that the BQ was making regarding providing support to the

project and that they indicated a need to be armed with appropriate information and media lines so that they could respond.

The third theme was federal assistance for the project. At the conclusion of our project presentation, the questions quickly got to “what are you looking for?” and “is the project viable?” There was awareness of NL’s request for a loan guarantee but less so about the P3 application. This was no more evident than in the Atlantic Conservative MP caucus where there was no knowledge of the P3 request. We messaged that the project was viable and that the request for support is meant to provide Canada with an opportunity to invest in a tremendous national project. A message that resonated very well was the earmarking of the requested federal support as being a direct benefit to ratepayers who would benefit from lower project costs through their electricity rates. We did not encounter any negative reaction to the support request. Our only concern was the question of whether P3 and the loan guarantee was an “either – or” proposition. We were consistent with a “no” response and received no push-back on this account.

Atlantic Conservative Caucus:

Minister McKay was engaged in the presentation, took many notes and asked a number of questions regarding federal support. At the conclusion of the meeting he spoke positively about the project and that “we need to get this done.” We were left with a positive impression of his support.

Both Minister McKay and Senator Manning provided an update on Innu discussions; both noted they had been briefed by Minister Duncan. It was revealed that the gap has been closed considerably with the feds moving from \$60 million in committed support to \$120 million. The deficit was characterized as being \$30-40 million but that Innu may need to back off on some of their request as they would be inconsistent with Canada’s approach to settling land claims.

Senator Manning also advised that the Atlantic Caucus would be meeting with Minister Flaherty next Wednesday. He requested project information, messaging and greater detail on the federal ask, including examples of similar federal funding.

He also advised that Minister Flaherty would be in St. John’s on December 17th as part of his budget consultation process and had requested a private meeting with 8-10 leaders to discuss NL issues.

Prime Ministers Office:

The meeting with PMO was very encouraging. The direct messages were as follows:

1. Ball is in NL’s court with respect to providing information on the loan guarantee. There won’t be a reply to the Premier’s letter. Get the information to FIN and PMO.

2. We get the project and the benefits of the project to NL and NS, but we need more information. Help us help you
3. Won't be facilitating P3; that process will take place on its own. Be sure to provide all the required information.
4. Loan guarantee is easy. It can be done; but need the information soon. The opportunity is time limited.
5. Investment tax credits are an interesting possibility; specific information is required

Next Steps:

1. A high-level briefing package, tailored to the audience, is required on an urgent basis. The Atlantic Conservative Caucus is meeting with Minister Flaherty next Wednesday meaning the package must be sent before Tuesday.. The focus should be:
 - basic project principles
 - economic and environmental benefits
 - Atlantic cooperation (impt to include NB and PEI)
 - Federal ask
 - Examples or other federal investments
 - Direct responses to BQ comments
 - Direct responses to questions on project viability and financibility
2. A package supporting the request for the loan guarantee and ITC's must be developed and provided to PMO and FIN asap. The federal government is engaged in its budgetary process, and while support wouldn't be provided in the upcoming fiscal year, the government will be planning for subsequent years. There is also the potential for a federal election meaning that the indication of support may come sooner rather than later.

We should assume that a significant amount of project info is required and proceed to include in the package. Making a request to FIN on what info they require will only serve to delay the process. We should provide them with a package and allow them the opportunity to ask for more.

3. A repeat of these briefings is required. Some of the sessions were hurried and not everyone got to ask a question. It would be beneficial to target some of the MP's and Senators individually.