

Nalcor insists court loss won't impact Muskrat Falls

'That court case will have no major impact on Muskrat Falls whatsoever,' says Stan Marshall

By Peter Cowan, [CBC News](#) Posted: Aug 12, 2016 8:21 AM NT Last Updated: Aug 12, 2016 8:21 AM NT

The new head of Nalcor says a loss in court this week against Hydro Quebec won't be a loss for the Muskrat Falls project.

"That court case will have no major impact on Muskrat Falls whatsoever," Stan Marshall said during a quarterly update Thursday.

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The case was launched by Quebec to challenge the interpretation of the language in the renewal of the 1969 contract that happens automatically on September 1, 2016.

Nalcor believed it only owed a fixed block of electricity to Quebec, allowing it sell more power for higher prices. The Quebec court sided with Hydro Quebec ruling that it can continue to control the scheduling and amount of power delivered.

"What we were hoping is that we'd get more power for ourselves, and that will not be the case under this decision," said Marshall.

Critics of the Muskrat Falls project have warned that allowing Hydro Quebec to control power scheduling will mean less power produced at Muskrat Falls, because the lower Churchill project is reliant on water coming out of the big reservoir at Churchill Falls.

On the conference call, Marshall reaffirmed that a water management agreement is in place on the river meaning the power plants have to work together to coordinate power production, and the court decision won't change that.

That court loss is just the latest in a string of losses for the crown energy company.

Likely to be challenged

The Quebec Court of Appeals earlier rejected an argument from Nalcor that the original 1969 contract wasn't negotiated in good faith. The fact that the majority of the financial benefit from Churchill Falls goes to Hydro Quebec has long been a sore point in Newfoundland and Labrador.

Marshall says that Quebec decision will likely be challenged to the Supreme Court of Canada, but Nalcor hasn't made a final decision.

Since taking over at Nalcor, Marshall has said he wants to move away from an adversarial relationship with Hydro Quebec. He says negotiating with the company has worked well.

"We were able to resolve one regulatory dispute we had and that's working out well for us," said Marshall.

He said they were able to negotiate terms for Nalcor to use the Quebec transmission lines to export power.

"Rather than take it to the regulator that we were scheduled to do in June, we decided to sit down and negotiate, we did that and we came up with an amicable solution that's working well," he said.

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