



Review supports Nalcor's Muskrat Falls plan

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The Tories, Liberals and NDP react to a consultant's report that supports Nalcor's Muskrat Falls plans 12:48

Proponents of the controversial Lower Churchill hydroelectric project say a consultant's report released Thursday resolves doubts raised by an environmental review.

Nalcor, Newfoundland and Labrador's Crown energy corporation, released a report prepared by the international consulting company Navigant that found Nalcor's plans for Muskrat Falls on the Churchill River are better than other energy alternatives that it could have explored.

"They've concluded that our analysis is robust and they support our recommendations, and we find that to be very useful," Nalcor president and chief executive officer Ed Martin said.

Nalcor maintains that the Navigant report, which it commissioned, represents the independent analysis that was recommended in August by an [independent environmental panel](#) that found the Muskrat Falls proposal lacking.

That review also questioned Nalcor's claims that Muskrat Falls is the best option it has to generate power, and said that further study should have been given to alternatives, including wind power. The Navigant report said Nalcor was right to exclude those options because they're impractical.

Martin said the Navigant report was thorough, and examined the research that Nalcor had prepared.

"Our assumptions, our calculations, our rate analysis, our cost estimates — all the things that we do normally, we ask them to take a deep look," Martin said. "If there is something we've missed, we'd like to know now."

The report is released just days before the official launch of the campaign leading into the Oct. 11 election. The Opposition Liberals have raked the governing Progressive Conservatives over the coals for the Muskrat Falls proposal, calling it shortsighted and bound to drive up domestic electricity charges.

Premier Kathy Dunderdale welcomed the report.

"I'm not surprised at that conclusion," Dunderdale told reporters. "It's hard to relate to people the amount of work and planning and analysis that's gone into the preparation of this project."

However, Liberal Leader Kevin Aylward said the review process was rigged from the start.

"They basically said, Go and look at what we did, Nalcor themselves, and please pretty well justify what we did," Aylward told reporters.

"That's basically what this report is about."

Report meant to identify hazards

Newfoundland and Labrador aims to generate 824 megawatts of power at Muskrat Falls on Labrador's Churchill River and export all of it to Newfoundland and then move as much as 40 per cent to Nova Scotia and other markets.

Dunderdale said Navigant was brought in to identify potential hazards.

"We don't want to go down the same path as we've gone before," she said, referring to the Upper Churchill power project developed in the 1960s, in which Quebec purchases power at guaranteed low prices from Newfoundland and Labrador, and is able to resell the power at great profit in other markets.

The Muskrat Falls proposal is being developed by Newfoundland and Labrador, Nalcor and Halifax-based Emera Inc., the privately-owned parent of Nova Scotia Power.

The federal government said in August it will help with the costs of the Lower Churchill hydroelectric project in Labrador with a loan guarantee.

The loan guarantee will mean Newfoundland and Labrador and its partners will be able to finance much of the \$6.2-billion project at a lower cost.