

Muskrat doubts can be resolved: Dunderdale

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An independent review that found that the proponents of the Lower Churchill hydroelectric megaproject have not proved their case will not stop the plan, Premier Kathy Dunderdale says.

The Joint Panel Review of the Lower Churchill plan found that Nalcor, the Crown-owned energy corporation, has not justified plans to tap power at Muskrat Falls on the Churchill River, as well as a separate plan for the larger Gull Island site.

The panel's report, which was publicly released Thursday, also recommends separate financial reviews before either project goes ahead.

But Dunderdale said that work is already underway, and that the panel's report will not stop the megaproject.

"We're on the same path," Dunderdale told reporters in St. John's Thursday. "We're not misaligned. We absolutely agree."

But NDP Leader Lorraine Michael said the report is significant enough for work on Muskrat Falls to be stopped immediately.

"I think everything has to be halted until we get a firmer sense [and they] get the proof this panel is asking for," Michael told CBC News.

"The proof could be that there is no proof, and that this project is not economically viable and that it should not go ahead."

With a provincial election set for Oct. 11, the report will likely add fuel to political debate in Newfoundland and Labrador on the merits of the Lower Churchill project, which the government announced last November with its partner, Halifax-based Emera Inc.

The Nova Scotia government also backs the plan, which last week won the tentative support of the federal government for a loan guarantee.

That commitment is expected to lower financing costs for the \$6.2-billion megaproject, which will see power generated at Muskrat Falls, fed through a subsea cable from Labrador to Newfoundland, and then have about 40 per cent of the power fed through a separate subsea cable from southern Newfoundland to Cape Breton.

Liberal MHA Marshall Dean said the questions raised in the report underscore what the Opposition has been saying all along, including Nalcor's insistence that Muskrat Falls will be the cheapest energy choice for the province.

"This report confirms they feel the same way," Dean said.

"I don't think you can overlook it or pass it off. It is what it is."