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Subject : The Telegram- Nalcor CEO wants project decision before year end

Nalcor CEO wants project decision before year end

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Ashley Fitzpatrick

Ed Martin says he doesn't want loan guarantee rushed, but also wants debate to happen

Nalcor Energy president and CEO Ed Martin says he would like to see a decision from the provincial government, on whether or not they want the proposed Lower Churchill development, by the end of the year.

The Telegram was offered an interview with Martin after approaching Newfoundland and Labrador Hydro for a feature on asset management (read more on that topic in The Weekend Telegram).

During the sitdown, in an executive board room at Hydro Place in St. John's, Martin was asked about the cost estimates for the project - specifically the development of the dam at Muskrat Falls, the Labrador-Island Link and the pan-provincial transmission line development.

"What we have to provide is the full economic package. And the province wants MHI (Manitoba Hydro International) to verify that package. A big piece now is the - you know interest costs are a big portion of that total package - ... certainty on the loan guarantee (from the federal government). The premier's talked about that. We're at the table," Martin said.

"I mean, I'm confident. But there's details to be worked out. And we're at a stage now, coming into a sanction decision, we've got to have certainty on what that actually is that you can put into it. The interest costs are a big piece of the puzzle."

Martin was asked if he felt there were "too many cooks in the kitchen" when it comes to the project and making a decision on whether or not to begin construction.

"Not really. I mean that's our business," he said, pointing to negotiations and time for agreements with the Innu Nation and Emera. He noted there had been a push to move more quickly on those negotiations, and release details of the deals before they were completed.

"These are lifetime assets, so we've taken our time, as we should have, with the Emera agreements, with the Innu arrangements, with our engineering, with our water management (deal)," he said.

"These are big agreements. They're relatively complex to someone who's not touching them every day and basically you have to make sure you are understanding and negotiating for every paragraph. And that just takes time. And until you get it, you can't - at this stage in particular - this would be the worst time to try to rush anything.

"As you try to end up closing any arrangement, that's when you have to be the most prudent and realize that all the gains, everything you've acquired up to that point ... You say settle down folks ... We're very, very, very, very close. Now's not the time to get panicked about time. You've got to maintain the value you've achieved, get it closed properly and get the certainty.

"So, that's sort of where I am. I don't think there's too many cooks there. I'm just in the background and I'm sitting there saying we do these deals. This is how we do them. Tell our people, relax - get it right. And when it's right and it's on the table, it'll be history then and we'll keep moving. The same as the rest of the agreements."

On the timeline, Martin has been consistent in saying there will be a point where continuing the debate will start to affect the relevancy of the base work completed by contractors and the Lower Churchill project team - for example, in relation to construction supply lines and scheduling.

In other words, there will be a point where, if there is no OK from the province, Nalcor would be forced to revisit numbers and timelines, essentially doing the work twice over.

"We need to finalize a decision well before the end of this year. We're into this October, November time frame. I think we need an answer there, or else things will be pushed," he said.

"Frankly, we're in a time frame where we do need to make a decision as a province."

Both provincial NDP and Liberal members of the House of Assembly have said they do not have the documentation they needed to weigh the merits of the project versus alternatives.

They have also expressed concern with Premier Kathy Dunderdale's timeline - of having everything completed by the end of October - saying there will realistically not be enough time given for them to properly review the documentation and prepare for debate in the House.

Dunderdale has said the debate will mirror a special debate held in consideration of the Voisey's Bay mining project. That means it will be straight debate between House members, with no expert witnesses called.