

Muskrat power will be profitable, Dalley says

Enough estimated to be available for province needs and for markets, minister tells conference

1 Nov 2013 The Telegram (St. John's) BY JAMES MCLEOD jmcleod@thetelegram.com Twitter: TelegramJamesTHE TELEGRAM

The Muskrat Falls project will be an important source of power for mining developments. So everyone is clear: while we're waiting for some of that development and we don't need that power, we're going to sell it. We're going to make money for Newfoundlanders and Labradorians.

Natural Resources Minister Derrick Dalley had a clear message to members of the mining industry Thursday: we'll have the power for you when you need it.

Dalley was speaking about a regulatory filing in Nova Scotia, which will see the province provide energy for more than two decades at market prices.

"The Muskrat Falls project will be an important source of power for mining developments," Dalley said. "So everyone is clear: while we're waiting for some of that development and we don't need that power, we're going to sell it. We're going to make money for Newfoundlanders and Labradorians."

Speaking to reporters afterwards, Dalley explained that the "firm" constant power generated by Muskrat Falls is available for domestic use — for mines and industrial development, as well as residential and commercial demand on the island of Newfoundland.

"What we're talking about there is firm power. Beyond that, there is an average supply of power that gets created every year as a result of rain and snow," Dalley said. "That excess power — based on 50 years of science and study — tells us that we're going to have surplus power that we can make available to the markets. It just happens that the market is right in Nova Scotia."

Dalley said the province is expecting a lot of development in the mining sector in the coming years — as much as \$10 billion in investment.

"The other important thing about mining is that it's out in a lot of our rural communities," Dalley said. "It's providing employment to Newfoundlanders and Labradorians across the island, so it's significant. It's big, and there's tremendous opportunity in the future."

Dalley also talked up the government's recent trip to China, saying it's driving capital investment in the mining sector.

"When you look at the growing economy in China, they have funds that they want to invest around the world. It's a great market and it's a great opportunity," he said. "The mining activity right now, the mining prospects are being fuelled by foreign investment, and mostly it's Chinese investment."

On Monday, politicians will return to the House of Assembly for the fall sitting.

Last year, the fall was dominated by legislation related to Muskrat Falls, and MHAs held the longest filibuster in provincial history in the week leading up to Christmas.

This year, Dalley said, he expects Muskrat Falls will be a major source of discussion, but there's no big legislation in the works.