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Subject : Chronicle Herald - N.L. government against excess power guarantee

N.L. government against excess power guarantee

July 22, 2013 - 8:51pm - By PAUL McLEOD, Ottawa Bureau, Chronicle Herald

The Newfoundland and Labrador government opposes giving Nova Scotia a guarantee to buy excess Lower Churchill hydro power, as required by the Utility and Review Board.

The disagreement could become a major sticking point. But on the day of the provincial review board decision, it was a matter of semantics.

In its decision Monday, the review board required that Nova Scotia Power owner Emera get a written guarantee that it can buy market-priced power from Muskrat Falls as a condition of approval.

But Tom Marshall, Newfoundland and Labrador's natural resources minister, opposes such a deal because there may not be excess power to be sold.

"(When) we have power surplus to our needs, then we can make it available to our cousins in Atlantic Canada and New England," said Marshall in an interview.

"But if we need to take it back because it's needed by the people of the province, then we have to be able to do so. We have to do what's in their best interests."

However, Marshall said this does not go against the spirit of the board decision. Marshall and Nalcor CEO Ed Martin said they interpret the decision as not requiring a guarantee between Emera and Nalcor.

The decision dictates that Nova Scotia Power must "obtain from Nalcor the right to access Nalcor market-priced energy" or "provide some other arrangement to ensure access to market-priced energy."

Marshall and Martin maintain the "other arrangement" means Nova Scotia Power must set up an agreement to get power from somewhere, but not necessarily Nalcor.

"The UARB has suggested that either more power could come from Nalcor or it could come from alternative sources," said Martin. "Emera is going to have to determine which is the best option for them."

Toronto energy consultant Tom Adams said there is little chance the board intended that in its decision. He said the decision protects Nova Scotia but delivers a "body blow" to the project as a whole.

"I think they deserve to be complimented," said Adams.

"They're effectively protecting the rights of Nova Scotia electricity consumers, as they should. But what this does is it puts Newfoundland in a terrible situation."