

Date : 7/25/2013 8:47:43 AM

From : "Clarke, Lesley"

To : "Boland, Tracey L (TraceyBoland@gov.nl.ca)" , "Brown, Milly" , "Paddock, Jeff" , "Tulk, Jennifer (JenniferTulk@gov.nl.ca)"

Cc : "Carroll, Lynette" , "Collingwood, Jennifer" , "Howard, Jacquelyn" , "King, Denise R" , "Power, Glenda (glendapower@gov.nl.ca)" , "Rideout, Derrick"

Subject : CP/CBC - N.L. will sell excess hydro to N.S., says Dunderdale

## N.L. will sell excess hydro to N.S., says Dunderdale

**N.L. to N.S. subsea cable Maritime Link approved with conditions**

The Canadian Press

Posted: Jul 24, 2013 9:21 PM NT

Last Updated: Jul 24, 2013 11:22 PM NT

The premier of Newfoundland and Labrador says her government is willing to sell surplus electricity from the Muskrat Falls hydroelectricity project to Nova Scotia's utility unless the power is needed in Labrador.

Nova Scotia's regulator has ruled Emera Inc. needs to show it has access to surplus energy at the best price from Muskrat Falls — or an equivalent supply from another supplier — before it will approve a proposed \$1.5-billion undersea cable.

Kathy Dunderdale told VOCM radio that Crown-owned utility Nalcor will be willing to make the sale, so long as Labrador's energy needs are satisfied.

"They are not asking for cheaper power," said Dunderdale. "They're asking for fair, market-priced power. You know if we have power to sell we're more than happy to sell that to them."

The premier said Labrador's energy users would have first rights to the power, but if there is additional power it will be sold to Nova Scotia's utility and other customers.

"We're happy to sell it to Nova Scotia until it's needed ... in Labrador," she told an open-line host.

Nalcor has a 35-year deal with Emera subsidiary NSP Maritime Link Inc. to supply Nova Scotia with 20 per cent of the energy from the first phase of Nalcor's hydroelectric development on the Lower Churchill River in exchange for paying 20 per cent of the capital and operating costs of the \$7.7-billion Muskrat Falls project.

However, some Nova Scotia opponents of the deal questioned during regulatory hearings how much it will cost NSP Maritime Link to buy energy from Muskrat Falls if it wants to exceed the 20-per-cent block for which it has negotiated an annual contracted price.

### Market-priced fuel crux of UARB approval

The utility and review board shared those reservations in its findings.

Its decision said, "the availability of market-priced energy is crucial to the viability of the Maritime Link project proposal as against the other alternatives."

The regulator attached a condition saying the project should obtain from Nalcor the right to access market-priced energy or provide some other way of getting energy at that rate.

During hearings earlier this year, consumer and small business advocates in Nova Scotia as well as an alliance of industrial customers that included Michelin and Imperial Oil questioned whether the Maritime Link would benefit electricity customers, who would foot the bill for the project.

Emera president Chris Huskison has said the company will take the time it needs to do an analysis of the board's decision.

Emera has argued that Muskrat Falls would serve about 10 per cent of Nova Scotia's power needs and give it a new source of clean energy.

Construction of Muskrat Falls is underway in Labrador with the project scheduled to generate power by 2017.