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**From:** Bown, Charles W.  
**Sent:** Monday, November 25, 2013 2:28 PM  
**To:** Burt, Paula  
**Cc:** Noble, Paul  
**Subject:** Premier's briefing  
**Attachments:** Premier's briefing November 21 2013.ppt

Paula;  
Here's the updated presentation for this afternoon.

Paul  
I will call you shortly to discuss.  
Charles

# Requirements to Satisfy Conditions Precedent for Federal Loan Guarantee

## Summary of Cabinet Papers

November 25, 2013

# Submissions

- Land Use and Joint Management Agreements for Subsea Components
- Maritime Link Exemptions
- Assignment of Churchill River Water Rights

# Land Use and Joint Management Agreements

## Purpose

- The Submission seeks authorization to sign:
  - Subsea Land Use Agreements with the Government of Canada regarding the lease of subsea lands for the transmission lines that will be laid:
    1. The Strait of Belle Isle (SOBI) – PWGSC, ENVC, IGA, LIL Partnership
    2. Cabot Strait (CAST) – PWGSC, ENVC, IGA, NS, NSPML
  - Joint Management Agreements which establish a mechanism for the parties to manage and administer the Land Use Agreements.
  - Reliance Agreement for the Independent Engineer

# Land Use and Joint Management Agreements

- Lease will be issued jointly by Canada, NL and NS
  - Will allow all 3 jurisdictions to avoid issues around ownership of seabed.
  - Prevents overlapping and conflicting rights to the same land.
- Leases provide certainty to project proponents for project financing.
- Lease terms are from 2013-2068, and may be extended for 3 further terms until 2111.
- Joint Management
  - Establish mechanism for parties to manage and administer the Land Use Agreements,
  - Separate agreements will be signed for each of CAST and SOBI.
  - Include provisions for the establishment of Management Committees to review compliance, review lessee requests and negotiate extensions.

# Issue

[Redacted]

- Options

[Redacted]

# Maritime Link Exemptions

# Maritime Link Exemptions

## Purpose

- Protects certain contractual rights to Emera relating to the delivery of power from Muskrat Falls and Nalcor.
- Clarifies the jurisdiction of the PUB to avoid duplicate regulatory oversight and conflicting regulatory decisions with the UARB.



# Maritime Link Exemptions

- Public Utilities Act Exemptions will:
  - Clarify the jurisdiction of the PUB to the UARB to avoid duplicate regulatory oversight and conflicting regulatory decisions.
  - Allow Maritime Link costs to be recovered from NS ratepayers by allowing cost recovery to be under UARB jurisdiction.
  - Ensure the NL transmission system can continue to operate safely and reliably.

# Maritime Link Exemptions

- Electrical Power Control Act Exemptions will:
  - Protect certain contractual rights to Emera relating to the delivery of power from Muskrat Falls and Nalcor.
  - Provide necessary assurance that in the case of a genuine emergency, the NS Block can be curtailed with remedies available through the ECA.
  - Ensure that Emera has access to ECA and EAA contract remedies in the event of curtailment.

# Assignment of Churchill River Water Rights

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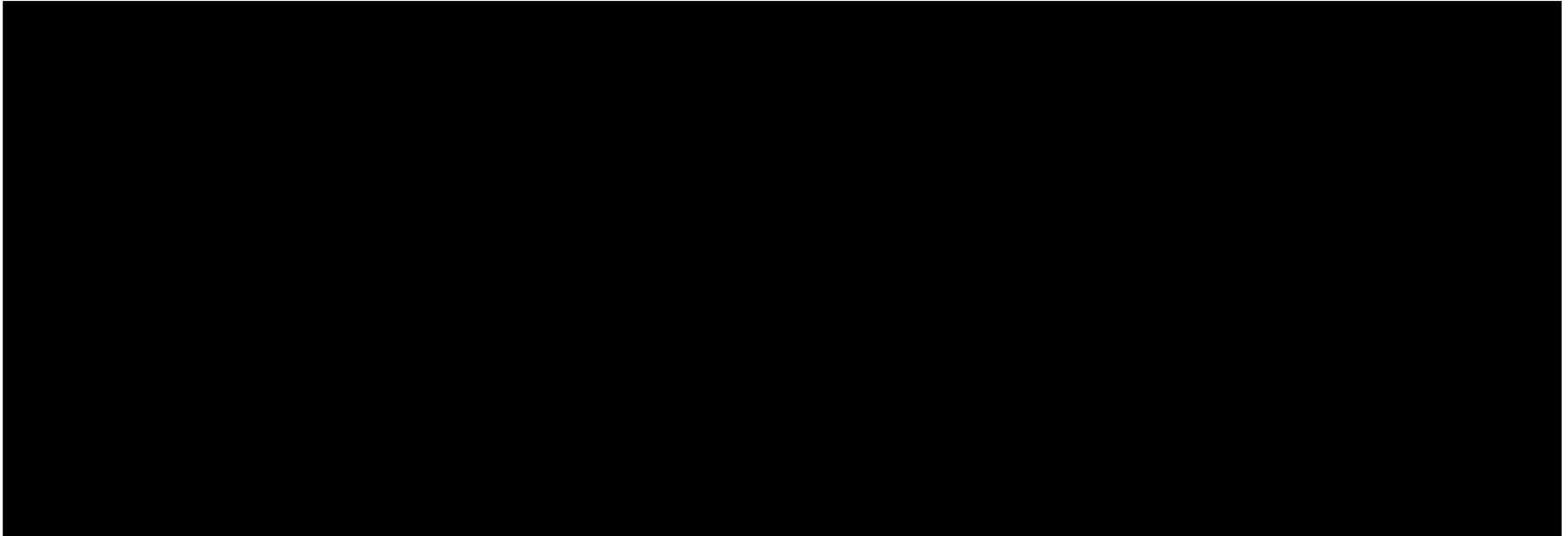
## Purpose

- Transfer the rights to the Lower Churchill River from Nalcor to Muskrat Falls Corporation.
- Muskrat Falls Corporation, a subsidiary of Nalcor, requires these rights as it will own, construct and operate the Muskrat Falls assets.

# Assignment of Churchill River Water Rights

- The rights under the 2009 Lease will be transferred via an Assignment and Assumption Agreement between Government, Nalcor and MFCo.
- This Agreement has an option for Nalcor to take back rights to the River related to Gull Island.
- The Agreement also provides Government's consent to MFCo granting a security interest in the Lease to Canada for the Muskrat portion only.

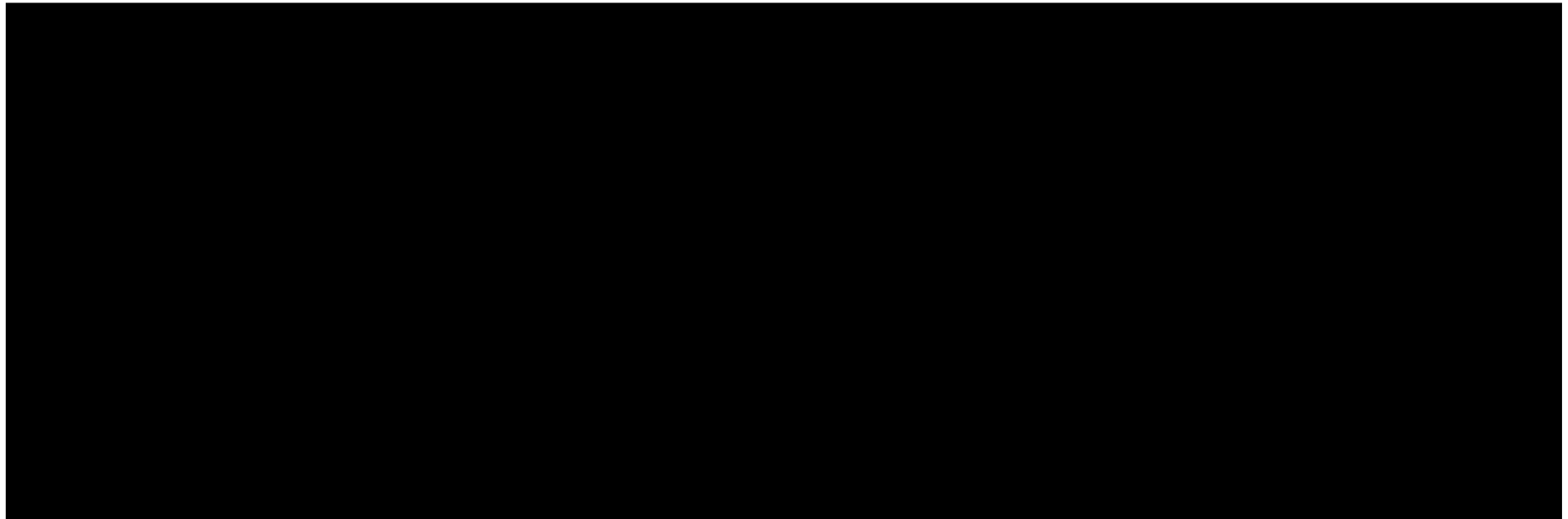
# Assignment of Churchill River Water Rights



# Issue



# Issue





## Other Matters

- UARB Decision
- Nova Scotia IGA
- Emera Guarantee Agreement

# Land Use and Joint Management Agreements

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