

NLIS 6
Executive Council
December 10, 2013

The following are speaking notes delivered December 10 by the Honourable Kathy Dunderdale, Premier of Newfoundland and Labrador, on the Finalization of the Federal Loan Guarantee for Muskrat Falls Project:

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What an amazing turnout we have here today in the lobby of Confederation Building – the people’s building. As history unfolds before us, I am thrilled to have our partners with us, the Government of Canada, the Government of Nova Scotia, Nalcor, Emera and the Innu Nation.

This is one of those occasions we should tell our children about and help them understand how important this moment is for them and their future.

A year ago, on the 17th of December, we gathered in this very place to announce that we were ready to sanction Muskrat Falls.

Just days before this, Prime Minister Stephen Harper – on behalf of all Canadians – placed his signature on an agreement committing to the terms under which the Government of Canada would provide a loan guarantee for this mega project.

It is very symbolic for me to stand here again today, shoulder to shoulder with our partners and proudly announce that all of the conditions of the Federal Loan guarantee have been met.

I am also proud to announce that the financing for Muskrat Falls has been completed today saving Newfoundlanders and Labradorians well over \$1 billion in interest.

Today, history is being made.

We are affirming that the Muskrat Falls Project is indeed one of the most significant ventures Canada has ever undertaken. Not only are “WE” doing this now, but the Government of Canada, on behalf of all Canadians, is standing here “WITH” us, tapping its power as one of the strongest economies in the world, to secure financing at the best possible rates so that the people of this province can achieve the maximum possible benefits from the development of Muskrat Falls.

Last November we sanctioned a game changing project – Muskrat Falls, the Labrador Island Link and the Maritime Link. This project is a game changer for Newfoundland and Labrador, the Atlantic Provinces, Canada and indeed, Eastern North

America. This government made a decision to fundamentally leverage our resources for our benefit and extract the maximum value for the people of this province.

What does this mean for the people of this province? We just locked in \$5 billion over a 40 year term at a blended rate of 3.8 per cent – that's a historically low interest rate.

The savings to electricity customers in this province, home owners and businesses is well over a billion dollars in today's dollars.

We extracted tremendous value today from the markets. Our offering was over-subscribed by the market. We had a very high level of interest and uptake and we achieved the highest possible credit rating.

Many large infrastructure projects do not achieve this complete level of financing certainty until construction is completed, but the objective was to obtain this certainty early, which was possible with the benefit of the Federal Loan Guarantee.

The order of magnitude of this financing cannot be underestimated. This bond placement is one of the largest in Canadian history.

TD Securities and Goldman Sachs were our Co-Lead Arrangers and along with a syndicate of financial institutions raised the \$5 billion required to fund the project.

I want to commend the financing team at Nalcor and the Provincial Government for their diligence and commitment during this process.

Underlying all this work is the fact that we have a robust business case and the benefits of this project are exceptional.

This is a project with tremendous vision – our province will be practically 100 per cent renewable – powered by clean, emissions-free energy, and our electricity customers can bank on stable electricity rates.

Construction of the project has begun and today we are making history. This year, for the very first time, we are taking action to harness the power of the Lower Churchill to bring energy into our communities, into our industries, into our homes. No project in all our history has been investigated more thoroughly, or by authorities more knowledgeable, or in details more accessible to the people of Newfoundland and Labrador.

Leading the way in expertise and planning on this project is an energy powerhouse like nothing before it. Nalcor belongs to the people of this province and was established to harness our vast reserves of energy to fuel a new age of growth, a bright future for Newfoundland and Labrador.

In fact, there is so much clean, renewable energy waiting to be tapped in this province that we will not only be able to retire the Holyrood generating station – a significant contributor of emissions in Atlantic Canada – but we also have energy surplus for our own immediate needs.

Even if we were to let this excess energy continue to spill, unharnessed, into the sea, Muskrat Falls would be by far the best and most affordable way to meet our province's power demands.

For more than three years, teams of brilliant engineers and energy sector professionals have been busy working out the details of this initiative, first in broad strokes and, then, in details so thorough that they could withstand the most intense scrutiny any such project has ever received.

Let me take this opportunity to commend and congratulate Ed Martin and our own team of professionals at Nalcor. These Newfoundlanders and Labradorians are using the experience and expertise gained on mega projects around the world to build a world-class project right here at home.

There have also been scores of public service professionals in our province, in Nova Scotia, and within the Government of Canada that have dedicated countless hours of their time to making sure this project was beyond reproach. I am so proud to say that these public servants and the professionals at Nalcor are second to none anywhere in the world and they have enabled us to seize this opportunity and change our future.

The Muskrat Falls Hydroelectric Project is a significant resource development for the people of Newfoundland and Labrador, and through the New Dawn Agreements tremendous benefits will accrue to the Innu of Labrador. We have secured agreements that ensure and respect the rights of the Innu Nation and we are proud of the partnership we have achieved through this project. It is truly an honour to have representatives from Labrador's Innu Nation join us here today as a partner in the Muskrat Falls Project.

Opportunity belongs to those who take it – and that is what we have done, by taking the lead, with Emera, we have opened a brand new corridor for the transmission of energy in Canada – a link to Nova Scotia that connects us, like never before, to markets in Eastern North America.

An army of engineers, and the skilled men and woman we have been busy training, are working on a project to trail-blaze a brand new energy conduit, deep in the North Atlantic, and lay an immense cable in the bedrock, an artery for the transmission of electrical power. Just like the first permanent telegraph cable, that in 1866 connected Europe to North America at Heart's Content, this cable will be a game-changer – a link of nation-building significance no less important for us than "the Last Spike" when it was nailed.

Before I conclude, I want to thank an individual who is not a Newfoundlander and Labradorian, but without whom, this event would not be possible.

When the greatest moments of our history are recollected long generations from now, Newfoundland and Labrador's historians will remember the choice that Prime Minister Stephen Harper made – the choice to stand beside our people in advancing the Muskrat Falls development under financing terms so advantageous that all Newfoundlanders and Labradorians will benefit.

I would like to thank our regional Federal Minister, the Honourable Rob Moore for joining us here today, on behalf of Prime Minister Harper, and Nova Scotia's Energy Minister, the Honourable Andrew Younger for representing his government and his Premier Stephen McNeil.

This is a proud day for Canada, a proud day for Nova Scotia – and for Newfoundland and Labrador, this is our time to be a leader in this country like never before, a shining beacon of the new energy economy.

Because of this day, our children and their opportunities will be able to remain here at home, driving business growth and success in the very communities that those before us built at an enormous price. With no less drive than our forefathers and mothers, with no less determination, with our hopes reawakening and our faith unwavering, we are shouldering our “unshirkable” responsibility to leave no stone unturned, no resource untapped and to ground Newfoundland and Labrador's future firmly and securely in the solid bedrock of sustainable and renewable prosperity.

Thank you.

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6:25 p.m.