

Signed, sealed and delivered

Muskrat Falls loan guarantee sewn up

Financing interest rate lower than expected

Nova Scotia minister praises project

11 Dec 2013 The Telegram (St. John's) BY JAMES MCLEOD THE TELEGRAM

The only thing left now is to actually build the dam. On Tuesday night, scheduled to coincide with the closing of the House of Assembly and the live supper-hour news broadcasts, Premier Kathy Dunderdale announced that the federal loan guarantee is finalized, and the money has been borrowed for Muskrat Falls.

“As far as Newfoundland and Labrador is concerned, all the t’s are crossed, the i’s are dotted, the loan guarantee is in place and secure, the financing is in place and secure, the interest rate is secure and now we just get on with the project,” Dunderdale said.

The announcement was held in the lobby of Confederation Building with more than 100 civil servants, cabinet ministers, members of the media and other dignitaries in attendance.

In her speech Dunderdale called the Muskrat Falls hydroelectric project one of the most significant developments in Canadian history, on par with completing the national railway.

“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,” she said.

“We are shouldering our unshrinkable 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.” Stripping away all the rhetoric, the hoopla and the choir on hand to sing Christmas carols and patriotic anthems, Tuesday’s announcement was really all about the numbers.

The government has secured \$5 billion in financing for the project for 40 years at a blended interest rate of 3.8 per cent.

“It’s much lower than we thought it would be,” Nalcor CEO Ed Martin told reporters after the announcement.

“The actual financing of this project came in significantly less costly than we expected at (Decision Gate) 3.”

The \$5 billion is just for the Newfoundland and Labrador portion of the project.

Nova Scotia utility Emera will separately be going to the markets for financing on the Maritime Link.

Sitting beside Dunderdale at the announcement were ministers from Nova Scotia and Ottawa. Liberal Nova Scotia Energy Minister Andrew Younger has been deeply critical of the project, but on Tuesday he said he's convinced it's a great deal for everyone involved.

As recently as last month, Younger was speaking at hearings of the Nova Scotia energy regulator to lay out a laundry list of conditions to protect the ratepayers. On Tuesday, he was striking a different tone.

"Neither I nor the premier have ever spoken against the project," Younger said. "We had concerns with some of the structure on the Nova Scotia end of it. In the past eight weeks we've been able to address our concerns on the structure that we had with Emera and so forth, and now we're satisfied."

Rob Moore, the federal minister responsible for Newfoundland and Labrador, was also on hand Tuesday, saying the project is financially sound, and will create jobs both in Newfoundland and Labrador and in Nova Scotia.

In her speech, Dunderdale made a special point of thanking Moore's boss for his role in the project.

"When the greatest moments of our history are recollected long generations from now, Newfoundlanders and Labradorians will remember the choice that Prime Minister (Stephen) Harper made — the choice to stand beside our people in advancing Muskrat Falls."

Both Liberal Leader Dwight Ball and NDP Leader Lorraine Michael greeted the news with a shrug.

Both politicians said they're still worried about the final cost to ratepayers, and whether there will be cost overruns during construction.