



Minutes of Meeting

MOM-CD0501001-0231

Project:	Lower Churchill Project	Package No.:	CD0501 / CD0502
Purpose:	Steering Committee Meeting	Package Title:	Converters / Substations
Location:	Nalcor Hydro Place Office – Main Boardroom	Date / Time:	Friday, 04-Nov-2016 9:00am – 11:45am

Attendees:	Company: John MacIsaac – Executive Vice President Power Supply Darren DeBourke – Project Manager HVdc Specialties Trina Troke – Deputy Project Manager HVdc Specialties	Contractor: Patrick Plas – HVDC & FACTS General Manager Laszlo von Lazar – Executive Project Management Leader Scott Bianchi – Executive Project Director LCP
	Distribution: Attendees	
Recorded by:	Trina Troke	Signature: <i>Trina Troke</i>

Item	Description	Action	Date
1	Safety Moment Slips, Trips, and Falls - Awareness & Prevention		
2	Introductions / Roles & Responsibilities Former steering committee member John Lavelle was recently appointed CEO GE Renewable Energy's Offshore Wind business and will no longer be involved with LCP. Laszlo is taking over for John Lavelle in the interim and is responsible for the execution of projects with the corporate PMO. Patrick is responsible for P&L aspects of the HVdc business. Laszlo's organization is in parallel with Patrick's organization and both have an indirect reporting relationship to Reinaldo Garcia. Reinaldo Garcia is the CEO of Grid Solutions, reporting to Russell Stokes. Russell Stokes is the President and CEO of GE Energy Connections. Company is looking for clear, single-point accountability within Contractor's organizations for the CD0501 and CD0502 packages. Who is ultimately in charge and responsible for delivering the projects?		



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3	<p>Schedule</p> <p>Contractor is currently estimating completion of static checks for CD0501 on 29-Mar-2018. This is later than the contractual date of 15-Jun-2017. The Mar-2018 date comes as a complete surprise to Company, considering that the most recent project schedule submitted by Contractor to Company shows the milestone date as Sep-2017. Milestones for the completion of static checks, for the CD0502 sites (SP and CF/MF), were not discussed.</p> <p><i>Post Meeting Note: Contractor has since clarified that 29-Mar-2018 is the estimated completion date for the project (before impact of transformer delivery delay) and not the estimated completion date for static checks.</i></p> <p>Company continues to have serious concerns about Contractor’s overall project schedules for both CD0501 and CD0502. This has been ongoing since contracts were first executed and has been repeatedly highlighted as a key issue for the past year. In particular, Company has reiterated that:</p> <ul style="list-style-type: none"> • Schedules are unrealistic (targets / durations) and unachievable • Inputs (i.e. procurement) have not been validated • Schedules for engineering, procurement, construction and completions are not logic-linked, no critical path • Priorities cannot be determined • Non-compliance with the requirements outlined in the Agreement. <p>Contractor indicated that the most significant schedule risk is related to protection & controls programming and the effort / duration to complete that work.</p> <p><u>Action Items:</u></p> <ol style="list-style-type: none"> 1. Deliver a project schedule for each of CD0501 and CD0501 that addresses these concerns. 2. Present CD0501 and CD0502 schedules to Company. Involve Contractor’s project management teams and provide a sufficient level of detail to assure Company the schedules are valid and achievable. 3. Provide Company with a narrative identifying and describing any remaining major gaps, exposure, and risks with the CD0501 and CD0502 schedules as submitted on 04-Nov-2016. The narrative shall include sections on Engineering, Procurement, and Construction / Site Work Execution / Completions. 	<p>S. Bianchi</p> <p>S. Bianchi</p> <p>S. Bianchi</p>	<p>04-Nov-2016</p> <p>08-Nov-2016</p> <p>11-Nov-2016</p>



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Item	Description	Action	Date
	<p>Schedule (continued)</p> <p>Contractor proposed an option to address Company’s concerns regarding the delay in the delivery of first power to the Island from Labrador. Contractor indicated that it can deliver (energize) a monopole system by Oct-2017 and afterwards focus on the delivery of the bipole system. However, this would be at the expense of the schedule for the bipole system which would then be delivered on some future date (and later than the Contractor’s latest estimate of 31-Mar-2018).</p> <p>Company confirmed that the Agreement clearly states the requirement for timely delivery of a bipole system (and that is the basis for the schedule Milestone Liquidated Damages). Company encouraged Contractor to look for other options (to accelerate its schedule) in order to deliver the bipole system per the Agreement.</p> <p>Company is willing to review Contractor’s proposal for the monopole option. However, Company emphasized that Contractor must not allow its team to be distracted by the option. Contractor’s team must continue to focus on delivering the bipole system in accordance with the Agreement.</p> <p>Company also reminded Contractor about the unique aspects of the Newfoundland Island electricity grid and about its customer base which demands reliable electricity service. As such, the LCP basis of design describes the HVdc system as a 900 MW, ±350 kV bipole system which is capable of operating in monopolar mode. That is, the bipole system is required by Company to provide redundancy and ensure reliability of supply. To operate in monopole only, for the initial 6+ months after commissioning, particularly during winter months, would compromise the Island electricity grid. It is probable that any issues on the monopole system during that period could result in the collapse of the grid.</p>		

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Item	Description	Action	Date
4	<p>Safety</p> <p>Contractor indicated that it has worked 1 million hours on the LCP sites without lost time incident. Contractor indicated that it would typically provide a memento to workers to celebrate this accomplishment.</p> <p><u>Action Items:</u></p> <ol style="list-style-type: none"> 1. Company will draft official letter to send to Contractor to recognize the 1 million hours worked. Company will send draft to Contractor for review, prior to official transmission. 2. Company and Contractor will coordinate to determine further recognition (suitable memento) for the workers. 	<p>D. DeBourke</p> <p>D. DeBourke / S. Bianchi</p>	<p>11-Nov-2016</p> <p>11-Nov-2016</p>
5	<p>Resources</p> <p>Company questioned whether Contractor had the right people and enough people to accelerate the work and deliver the work in accordance with the Agreement.</p> <p>Company expressed concerns about Contractor for:</p> <ul style="list-style-type: none"> • Quantity and quality of resources • Severe deficiencies in all areas: project management, contract management / claims management, engineering, construction management / inspectors, quality, safety, project controls, completions... • Contractor obligations – Agreement • Company has had to do Contractor’s work <p>Is everything Contractor doing adding value (i.e. effort and detail required for monthly reports)? Company encouraged Contractor to reference the Agreement for minimum requirements.</p> <p><u>Action Items:</u></p> <ol style="list-style-type: none"> 1. Contractor will provide details on its current staffing as well as its staffing and hiring plans for the coming months. (Current organization and proposed future organization) 	<p>S. Bianchi</p>	<p>11-Nov-2016</p>

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Item	Description	Action	Date
6	<p>Commercial Exposure</p> <p><u>Civil Works Contracts</u></p> <p>Lien from Pomerleau. While Contractor agreed to complete the action item below, to resolve the claims, it also indicated that it will send a letter to Company to dispute Company's plans to withhold payment until the lien has been resolved.</p> <p>Need to prevent, get out in front of and resolve the claims from HJOC, before a Lien is filed.</p> <p><u>Other</u></p> <p>AC filters – if still unresolved, will bring to next steering committee meeting for discussion.</p> <p><u>Action Items:</u></p> <ol style="list-style-type: none"> Reply to Company's letter on Notice of Lien confirming: <ul style="list-style-type: none"> Acknowledgement of receipt of Company's letter Details of Contractor's plans to address the claims and approach for how it will interface with Pomerleau Identification of who, from Contractor's side, will lead the execution of these plans (confirmation of resources) Contractor's expected timeframes for the execution of its plans 	S. Bianchi	11-Nov-2016
7	<p>Procurement / Quality Management</p> <p>Documentation for shipment. Contractor will monitor KPIs to see how things are going and will determine if there are areas for improvement to be discussed at next meeting.</p>		
8	<p>Completions / Commissioning / Energization</p> <p>Company asked for Contractor to provide, in writing, its plans confirming how these activities will be executed, by whom (resources – internal and, if applicable, external), and how it will comply with the requirements of the Agreement.</p> <p>Company expressed concern that Contractor currently has no dedicated completions resources at either of its sites.</p> <p><u>Action Items:</u></p> <ol style="list-style-type: none"> Send Rev 1 of Contractor's completions plans to Company. 	S. Bianchi	11-Nov-2016



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Item	Description	Action	Date
	<p>Next Steering Committee Meeting</p> <p>Tuesday, 06-Dec-2016 at the CD0501/CD0502 Muskrat Falls site office</p>		

Contract/Supplier hereby agrees that Contract/Supplier has reviewed and agrees with the content and accuracy of these Minutes of Meeting.

Signature: _____

Name (please print): _____

Date: _____


Minutes of Meeting - LCP/GE CD0501/CD0502 Steering Committee

Trina Troke to: patrick.plas, VON LAZAR Laszlo, BIANCHI Scott
-EXT

11/18/2016 04:32 PM

Cc: Darren Debourke, John MacIsaac

Minutes of our 04-Nov-2016 Steering Committee meeting are attached.

Per Scott's request, I have added a post meeting note on Page 2 of 6. Aside from a reduction in font size, this is the only change between the draft and final documents.

Regards,
Trina



Mintues of Meeting - LCP_GE Grid Steering Committee - 04-Nov-2016.pdf

Trina L. Troke, P.Eng., PMP
Deputy Project Manager - HVdc Specialties
PROJECT DELIVERY TEAM
Lower Churchill Project
 t. 709 778-6627 c. 709 690-4827 f. 709 754-0787
 e. TrinaTroke@lowerchurchillproject.ca
 w. muskratfalls.nalcorenergy.com

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?

Trina Troke	Draft minutes are attached for our most recent C...	11/10/2016 08:59:22 AM
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From: Trina Troke/NLHydro
 To: patrick.plas@ge.com, "VON LAZAR Laszlo" <laszlo.vonlazar@ge.com>, "BIANCHI Scott -EXT" <scott.bianchi@alstom.com>
 Cc: John MacIsaac/NLHydro@NLHydro, Darren Debourke/NLHydro@NLHYDRO, Trina Troke/NLHydro@NLHYDRO
 Date: 11/10/2016 08:59 AM
 Subject: Draft MoM - LCP/GE CD0501/CD0502 Steering Committee

Draft minutes are attached for our most recent CD 0501/CD0502 Steering Committee meeting, held Friday, 04-Nov-2016 in St. John's.

Please review the document and let me know as soon as possible if I have missed or misrepresented any relevant details. I would like to issue the minutes as final early next week.

Thanks,
Trina

[attachment "Draft - Mintues of Meeting - LCP_GE Grid Steering Committee - 04-Nov-2016.docx" deleted by Trina Troke/NLHydro]

Trina L. Troke, P.Eng., PMP

Deputy Project Manager - HVdc Specialties

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