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From : "Collingwood, Jennifer"

To : "Power, Glenda" , "Brown, Milly" , "Cheeseman, Josephine" , "Howard, Jacquelyn" , "Maclean, Heather"

Subject : FW: Muskrat power too expensive for US markets

Attachment : Muskrat power too expensive for US markets.doc;image001.jpg;

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**From:** oppositionnewsreleas

**Sent:** Thursday, May 31, 2012 3:51 PM

**To:** Miles, Peter

**Subject:** Muskrat power too expensive for US markets

# NEWS RELEASE

Office of the Official Opposition



May 31, 2012

*For Immediate Release*

## Muskrat power too expensive for US markets

Liberal Opposition Leader Dwight Ball noted today that according to Nalcor's *2011 Business and Financial Report*, energy marketing for 2011 resulted in sales of 1.5 TWh at an average realized price of \$45 USD per MWh, which was down from \$50 USD per MWh in 2010. The primary reason for the decrease was lower market electricity prices in the United States.

With the Decision Gate 2 numbers projecting the price of Muskrat Falls power at \$239 per MWh, and US energy costs trending down, how can we expect to be competitive in a market that now can only bear \$45 per MWh," said Ball. "If government still plans on selling excess power in the US market, how can they be confident that US markets will be competitive and available when Muskrat Falls power comes on stream?"

"I was also surprised to hear the Premier say today in the House that she would build this project, even at a cost of \$8 billion," added Ball. "At what point does this project become too expensive for this government?"

Cartwright-L'Anse au Clair MHA Yvonne Jones also noted that according to Nalcor, although Muskrat Falls is touted as having a capacity of 824MW, they have indicated that the most they can get from the project is 70% of that capacity. Consequently, that reduces the actual capacity of the project to 576MW. The commitments to the Island and to Emera will leave very little power for potential mining developments in Labrador.

"The priority for the consumption of Muskrat Falls power will be the 40% for replacement of Holyrood production and 20% for Emera," said Jones. "There will be very little left for use in Labrador, yet that is where the demand lies. Why are we even considering exporting power when the Minister has already admitted that there is enough potential demand in Labrador to consume more than Muskrat is capable of producing?"

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Media Contact: Peter Miles | Director of Communications | Office of the Official Opposition | 729-6151 | 725-5332 | E copies @ [www.liberaloppositionnl.com](http://www.liberaloppositionnl.com)



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