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Speaker: Honourable Derek Bennett, MHA

Monday

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The House met at 10 a.m.

SPEAKER (Bennett): Order, please!

Admit visitors.

Before we begin, I'd just like to wish everyone a Happy New Year and to welcome everyone in the public gallery here today.

Extraordinary Debate pursuant to Standing Order 8(7) – Memorandum of Understanding between Newfoundland and Labrador Hydro and Hydro-Québec

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

As everyone here is aware this morning, the House of Assembly has been recalled under Standing Order 8(7) for the purpose of this week's debate. Standing Order 8(7) states "If the Government advises the Speaker that the public interest requires the House to meet at any time because of emergency or extraordinary circumstances, a reason for the recall must be provided and the Speaker shall (a) advise Members that the House is to meet at the specified time; and (b) advise Members of the reason for the recall."

Speaker, I think we can all agree it is an understatement to call a memorandum of understanding toward a new Upper Churchill agreement with Hydro-Québec extraordinary.

SOME HON. MEMBERS: Hear, hear!

J. HOGAN: In fact, it is something many Newfoundlanders and Labradorians never thought they would see. It is why we are now taking steps to educate and inform the public on these incredible and generational-changing benefits that have been secured. Through the proceedings this week, the Members of the Legislature and the public will hear from representatives from NL Hydro, as well as independent advisors who contributed to the memorandum of

understanding that is now before the House of Assembly.

My colleagues from the opposite side of the House and I have had various discussions about what the structure of this debate will look like, and I want to thank them for their input, efforts, understanding and collaboration.

On that note, Speaker, I give notice and, by leave, move the following procedural rules of debate:

One: The resolution respecting the *Memorandum Of Understanding For A New Long-Term Energy Purchase And Development Initiative Between Newfoundland And Labrador Hydro And Hydro-Quebec*, the resolution, will be debated for not more than four days: Monday, January 6; Tuesday, January 7; Wednesday, January 8; and Thursday, January 9, 2025.

Two: On these four days, the House will sit from 10 a.m. to 12 p.m., from 1 p.m. to 5 p.m. and from 6 p.m. to 9 p.m., unless earlier adjourned.

Three: Speaking times shall be allocated as follows: (a) two hours each of total speaking time for the Premier, the Leader of the Official Opposition and the Leader of the Third Party; (b) two hours each of total speaking time for the Minister of Industry, Energy and Technology and the Official Opposition critic for this portfolio; and (c) 40 minutes each of total speaking time for each remaining Member of the House of Assembly.

Four: Debate will proceed in the same manner as Committees of the House reviewing Estimates. Time will be allocated in 20-minute blocks. Members will speak in debate or ask as many questions as they wish during each 20-minute allocation.

Five: Notwithstanding four, the time allocated for the non-affiliated Members and for the Member for Labrador West will be allocated in 10-minute blocks.

Six: Notwithstanding four, the Members referred to in 3(a) and 3(b) can choose to take a time allocation in a 60-minute block.

Seven: Notwithstanding any Standing Order, a Member may defer speaking time to another Member.

Eight: Invited guests of the Legislature will be permitted to be present on the floor of the House to answer Members' questions as follows: January 6 and 7, up to three representatives from NL Hydro; January 8, up to two representatives from Power Advisory; and January 9, up to two representatives from J. P. Morgan.

Guests referenced above may be accompanied by up to two support persons who may be present on the floor of the House, but who may not speak in debate.

Nine: Members may pose questions to invited guests or to a Minister of the Crown during the course of debate, and any response to that question shall be recorded in the total time allocation of the Member posing the question.

Ten: Invited guests will answer Members' questions that are relevant respecting the memorandum of understanding, including its structure, operation and purpose, but may decline to answer questions which are commercially sensitive, subject to Cabinet confidence or solicitor-client privilege, or otherwise information that may be excepted from disclosure in accordance with the Access to Information and Protection of Privacy Act.

Eleven: The notice requirement for the resolution will be waved.

Twelve: Debate on the resolution will begin immediately after the adoption of these rules of debate and introduction of the resolution and will be the only business of the House during the four-day period.

Thirteen: When the debate has concluded, but in any event no later than 9 p.m. on Thursday, January 9, the Speaker shall put the question on the resolution.

SPEAKER: Does the Member have leave?

AN HON. MEMBER: Leave.

SPEAKER: Leave is granted.

The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I'll just take few minutes to speak to the resolution, and thanks to all Members for giving leave to discuss and debate this here today.

It is an honour and a privilege to be part of this extraordinary sitting of the House of Assembly. Like many Newfoundlanders and Labradorians, I've only ever known the 1969 Churchill Falls agreement to be one that has caused negative emotions: anger, pain, anxiety, disappointment and, perhaps most of all, frustration. There have been countless times in my life that I've done the math to calculate how many years we are away from 2041, how old I will be in 2041 and, more importantly, how old my children will be in 2041.

That all changed on December 12, 2024, with the historic signing of this memorandum of understanding; 2041 is not the relevant date anymore. Now, the date when a new chapter for Churchill Falls and a new chapter for Newfoundland and Labrador has already arrived, that date is today. We are already living in the future, Speaker, because as we saw on December 12, our Premier not only figuratively tore up the old 1969 contract, he literally did it too.

Knowing that my children and future generations will not be saddled with the ill-fated 1969 agreement, comes with a sense of relief and a sense of pride. They will enjoy the benefits of our province's resources including new revenues, new economic development, new jobs and much, much more. While December 12 marked a transformative milestone in our province's history, it would not have been possible without our Premier's vision and the culmination of a significant amount of work, with much more to come.

It is important to note, as I said earlier, that the Premier has torn up the old agreement. This, as we all know, has been attempted for decades but has never been achieved. In fact, there was no obligation at all for Hydro-Québec to even entertain this possibility.

In Churchill Falls court versus Hydro-Québec from 2018, the Supreme Court of Canada was asked whether there was any principle of law that would require Hydro-Québec to renegotiate the power contract and the benefits be reallocated. The answer was a definitive no.

The Supreme Court of Canada stated that it cannot change the content of the contract, nor can it require the parties to renegotiate terms of the contract or to share the benefits that had been provided for in it. The court further concluded there was no gap or omission in the scheme of the contract that required an implied duty to co-operate and to renegotiate a new pricing scheme.

That is the background and that is the history. Despite this, despite all previous attempts, despite unsuccessful court cases, unsuccessful legislation, we are here today debating what we have been told was not possible: a new historic and vastly improved Upper Churchill Falls contract.

SOME HON. MEMBERS: Hear, hear!

J. HOGAN: The non-binding memorandum of understanding that Newfoundland and Labrador Hydro has entered into with Hydro-Québec was several years in the making. It is a framework for a final deal. Dating back to 2022, the negotiating team, supported by independent subject-matter experts explored and considered how we should enter potential discussions with Quebec. It was a thoughtful and deliberate approach to securing maximum benefits over the short, medium and long term for Newfoundland and Labrador.

The time is right and the moment is now and if we wait, the risk increases that Newfoundland and Labrador will not be the primary beneficiary of our tremendous

resource. That, Speaker, is why we are here today and I would like to take a few more minutes to talk about these proposed rules.

As we know, the Premier has always committed to debate this in the House of Assembly and we are doing so at the first opportunity which will give Members, who are present here today and represent every Newfoundlander and Labradorian, the opportunity to ask questions, provide their comments and debate what the MOU means. It is an opportunity to be open, transparent, to learn and to work together.

Not only has the Premier committed to this debate, he is committed to taking the extraordinary step to invite guests to the House of Assembly to share their experience, knowledge and expertise. These are industry experts who specialize in agreements and projects of this very nature and this week we will hear from those independent experts and learn more about their assessments.

From Newfoundland and Labrador Hydro, we have president and chief executive officer, Jennifer Williams and vice-president of Transmission Interconnections and Business Development, Walter Parsons. Denis Mahoney, KC, deputy minister of Justice and Public Safety and member of the Churchill Falls negotiations will be present to support Ms. Williams and Mr. Parsons.

From Power Advisory, which provides its clients that span Canada and the United States analysis and insights about the electricity sector, we have Jason Chee-Aloy, managing director, and Brady Yauch, senior manager, Markets and Regulatory.

From J.P. Morgan, we have Konstantin Akimov, managing director of Mergers and Acquisitions, power renewables and infrastructure, and David Rawlings, CEO Canada.

These invited guests will be available to respond to questions within their area of expertise, as noted in the rules of proceedings. They can choose not to

respond when the response would reveal commercially sensitive information or information protected by solicitor-client privilege, Cabinet privilege or the Access to Information and Protection of Privacy Act.

I will take a few minutes to provide an overview of their biographical information for the benefit of the House.

Jennifer Williams was appointed CEO in June 2021, having served as president of Hydro since February 2019. Ms. Williams had served as Hydro's vice-president, Production, since August 2015 and had earlier positions, including general manager, Hydro Production, as well as manager, Regulatory Engineering.

Previous to that, she worked with both Newfoundland Power and the St. John's International Airport Authority. A graduate of Memorial University, Ms. Williams has a Bachelor of Civil Engineering and is a member of the board of directors of the Professional Engineers and Geoscientists of Newfoundland and Labrador.

Over the course of her career, she has earned many accolades, including being awarded the Fellow of Engineers Canada in 2016, being elected as a Fellow of the Canadian Academy of Engineering in 2020 and winning the Canadian Women of Renewable Energy Award in 2022.

In addition to earning the respect of her peers, she is a member of the board of directors for the Cancer Care Foundation of Newfoundland and Labrador, as well as the Canadian Academy of Engineering. Ms. Williams was named to the Churchill Falls negotiating team of February 2023, served as a member of the Churchill River Management Expert Panel from 2022 and was the chairperson of the Churchill River Energy Analysis Team.

Walter Parsons joined Hydro's executive team in 2017 as vice-president accountable for non regulated transmission and community affairs, which was based in Churchill Falls. In 2021 he assumed his current role a vice-president, Transmission,

Interconnections and Business Development, which holds accountability for business development activities, including energy marketing, industrial customer accounts, contract negotiation and alternative energy projects.

He also holds operational accountability for non-regulated transmission operations, as well as relationships with Indigenous communities. Prior to joining the Hydro executive team, Mr. Parsons served as executive director for the provincial Department of Natural Resources from 2012 to 2016 and as assistant deputy minister of Energy Policy from 2016-2017.

Mr. Parsons is a professional electrical engineer who graduated from the University of New Brunswick in 1998 and currently volunteers as president of the Newfoundland and Labrador branch of Canadian Parents for French.

Denis Mahoney began his career working in the public as a labour relations advisor in 1987 with the Newfoundland and Labrador Hospital and Nursing Home Association.

Mr. Mahoney completed his articles of law and was admitted to the bar in Newfoundland and Labrador in 1994. At his time of leaving private practice, he was a senior labour and employment partner at McInnes Cooper and a member of the firm's board of directors. During his lengthy tenure with the firm, Mr. Mahoney served in a variety of leadership roles including inaugural board director, member of the firm-wide management team and regional lead partner of the St. John's office.

Mr. Mahoney has served on a number of committees and boards and has volunteered with several organizations, including Memorial University's Board of Regents, Newfoundland and Labrador's Labour Management Arbitration Committee, St. John's Board of Trade, the Strategic Partnership Coalition, the 2025 Canada Games Host Society Inc., Newfoundland and Labrador Oil and Gas Industries Association, TaskforceNL Inc., and the Boys and Girls Club of St. John's.

He is a member of the Advisory Committee for the Centre for Law in the Contemporary Workplace at Queen's University. Mr. Mahoney holds a Bachelor of Law from Queen's University as well as a Bachelor of Commerce (Honours) Co-operative degree from Memorial University. In 2022 he received the ICD.D designation from the Institute of Corporate Directors.

Jason Chee-Aloy has over 25 years of experience in competitive and regulated electricity markets. He acts for multiple clients across Canada and the United States and his main areas of advisory are wholesale electricity market design, market assessment, power generation development, along with associated procurements and contracting. Including negotiation of contracts to upgrade and expand development of hydroelectric generation projects, business strategy, policy development and regulatory and litigation support.

Prior to joining Power Advisory, Mr. Chee-Aloy was the director of Generation Procurement at the Ontario Power Authority. Prior to this, he led resource adequacy, market development and market surveillance initiative for the Ontario Independent Electricity System Operator.

He is currently a member of the board of directors for the Canadian Renewable Energy Association, the Ontario Energy Association, and the National Electricity Roundtable, a member of the advisory board of the Business Renewables Centre Canada, and is the renewable generator representative on the IESO's Technical Panel. Mr. Chee-Aloy holds an M.A. in economics and graduated from York University and the University of Toronto.

Brady Yauch is an energy economist in the electricity sector, both with regulated utilities and electricity markets. He has participated in regulatory hearings at the Ontario Energy Board, and has also appeared before parliamentary committees and has been sworn as an expert in electricity market design in both regulatory proceedings and private arbitration. His research and

commentary on the electricity sector and other regulated sectors has been published and quoted extensively in the media and in legislatures. His analysis has been utilized in jurisdictions across Canada and the United States.

Prior to arriving at Power Advisory, Mr. Yauch worked as a senior analyst within the Market Assessment and Compliance Division at the Ontario Independent Electricity System Operator. He was also an economist, an executive director of the Consumer Policy Institute, a public advocacy group that regularly participated in regulatory proceedings. He holds an M.A. in economics from York University and a master's from the University of Edinburgh.

Konstantin Akimov is managing director of J.P. Morgan's advisory and mergers acquisitions team. He is based in New York and leads the North American power sector for the mergers and acquisition advisory group. He has been with J.P. Morgan since 2011 and has 25 years of investment banking and finance experience. Mr. Akimov has much experience, including in investment banking, capital markets, emerging markets, equities, valuation, corporate finance and financial modelling.

David Rawlings is a managing director and senior country officer for JPMorgan Chase & Co. in Canada. He is based in Toronto and has responsibility for the local JPMorgan Chase franchise across global markets, banking, payments and asset management. Mr. Rawlings has been with J.P. Morgan for over 20 years and has 28 years of finance and banking experience. He has previous experience in New York with J.P. Morgan.

Speaker, over the course of the debate this week there will be a lot of information provided, a lot of information to take in and understand. Make no mistake, this deal is complex and any individual who has negotiated a large transaction will tell you it would never be a best practice to negotiate in public. The best practice is to keep discussions at the table with the goal of optimizing one's position.

That is why as part of this extraordinary sitting, it is important to highlight and reiterate that negotiations for the definitive agreements as contemplated in the memorandum of understanding are expected to begin following these proceedings. Therefore, any appearances by or references to persons in this House of Assembly involved in those negotiations or of lawyers engaged in some manner related to the negotiations are in no way a waiver of any form of privileged or confidential information of any kind.

I therefore note again, as outlined in the rules of debate, an invited guest can decline to answer questions which are commercially sensitive, subject to Cabinet confidence or solicitor-client privilege or otherwise not available to the public pursuant to ATIPPA.

Speaker, thank you for the opportunity to speak this morning. I very much look forward to getting the rules of debate in place and proceeding to debate the substantive resolution on the memorandum of understanding, which I have no doubt will only bring clarity to Members and all Newfoundlanders and Labradorians.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Opposition House Leader.

B. PETTEN: Thank you very much, Speaker.

It's a kind of surreal feeling what has gone on in the last number of weeks because the Upper Churchill deal is something that is etched in everyone's minds in this province. I know in mine, it's one of the sorest points of contention I think we all collectively talk about. My lifetime has been, I guess, a lot of resentment and a lot of anger at how that worked out.

Any time we're proposing moving forward and improving on something that is going to help the people of Newfoundland and Labrador, help all of us, our own families

and what have you, is a good thing, but to put it simply – I was asked in the scrum actually just before the bells were ringing, they said: Do you support this deal? I said: No, but as the week goes on, who knows.

The minister just rightly summed it up then, it's a complex deal. This is the whole intent. How can you come out in day one and minute one and say you support something. You really don't fully know what you're supporting. I think sometimes that tunnel vision can get you in trouble. So you can walk on the fine line. I've never been one to be on the fence; it's either one way or the other. I'm a straight shooter and I think everyone in this House needs to have that lens when we're talking about this.

Experts will come in; Ms. Williams and her team and what have you, and we have a lot of questions. We've done a lot of work on this, a lot of effort has gone into it, so we have a lot of questions that we will be asking as led by our leader.

But in getting to where we are today, I think it's fair to recognize that, me and the Government House Leader, we had a lot of debate. I actually just said to the media, I talked more to him in the last four days than I talked to my wife and he can probably attest the same thing, it's been texts and calls, but it's all part of the process.

We never agreed on everything, I think it's fair for everyone to say. I mean it is, but you could get bogged down in that detail and not move off that sticking point. But we agreed to move on, agree to disagree and you move on.

One thing I'd like to point out, we wanted to have expert witnesses of our own choosing. I did supply a list to the minister. At the end of the day, I think some of them were included, but they were already mutual ones. There were other ones we would have liked to have in.

It's all about getting the best deal for the province. Really, at the end of the day, this should not be about elections; this should be about future generations, as has been

said many times. We need to make sure we get this right. It's too important for the people of this province to not get it right. I think that's something else that rings true.

I know that over the Christmas holidays, the few days I got to myself or whatever and you got out and talking, a lot of people would bring up this deal. Or this MOU I should say, it's not really a deal. My answer to them was – and I know they expected something else – I said I sure hope it is good.

I got two daughters and their better halves; I have a grandchild. I mean at my stage of my life I'll probably be all right with or without this deal, with or without the Upper Churchill; I'll probably survive the rest of it. I have a little grandson and he means the world to me and I hope that the future is bright for him. So we should never underestimate that and right across the board for each and every one of us out there.

But again, I'll repeat: We need to get this right. It's very important we get it right. One thing that will come up during this week's debate too, there were recommendations that were made in the LeBlanc inquiry that this government – and, well, I guess the previous administration ordered it, this Liberal administration. One of the recommendations was an independent expert analysis to review any deals over \$50 million, but yet we don't really see that. We're going to ask those questions and we're going to try to figure out why that's left out, why that's not included. That will happen later in this week.

These are all important points people need to make before everyone gets on the bandwagon that it's a great deal. We were getting briefed; I don't know if we were fully briefed or in the process of briefing and an ad campaign started rolling out. Again, if this is a good deal, I'll cheer it, I'll be out in the street with everyone else. I have no reason not to be. I'm not that type of person. Believe you me, I'm not. But when I see the ads were rolling before we were even

briefed, your red flags goes up and you start saying hang on a second here.

I think a lot of people in the province feel somewhat the same way, they're in between. Is it good? Hope it's good. We're not sure. A lot of skepticism towards Quebec. All rightly so because it's been in our culture, it's who we are. So we need to take the appropriate time, proper time, for debate this week and good questions. A cautionary note, I hope we're not stopped by: We can't disclose this or Cabinet confidence or it's commercially sensitive. I really hope we don't get shut down on very important questions we have with those responses.

I understand, to a degree, all that stuff. I get the importance of that, but I certainly hope it's not used in a way to shut down our questions and our debate on this side of the House, because at the end of the day the only person that loses then is the people of this province, not the person asking the question, it's the people of this province. I've said it in this Legislature before and I'll say it again, this is the people's House, Upper Churchill is the peoples and government opposite are responsible for managing the money for the people.

We will do our job to represent the people we collectively represent in the province and the province as a whole. By doing that, we're going to ask what we hope to be intelligent, forthright questions and we're looking forward to the answers and let the public decide. You'll know by Thursday; let the public decide. By Thursday evening, when the vote comes up, we'll find out are we happy, are we not happy, do we have issues.

If you want to ask me if I support the project. Maybe you should ask us Thursday evening.

Thank you very much.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you, Mr. Speaker.

I'm going to stand to just have a few minutes on the rules. First of all, I don't think there is anybody in this House that doesn't want to make sure that this deal is a good deal for the Province of Newfoundland and Labrador. We may have different opinions, but I don't think anybody in this House wants a bad deal, so that's why we have to work together.

I have been around a long while. I have been through the Muskrat Falls debate in this House, Bills 60 and 61, which were pertaining to Muskrat Falls, went five straight days, day and night. I know the Member for Burgeo - La Poile was there also and I think the Member for Mount Pearl - Southlands. We were the three that were there. The startling thing about that, for me, is the information that was coming through government that we found out later wasn't true.

There was an inquiry done; a \$30-million inquiry, I believe. One of the recommendations of the inquiry was that any project over \$50 million would be sent to an oversight committee or PUB. The President of Treasury Board, the Minister of Finance, was the minister at the time who accepted the report and agreed that we would do it. But if you notice here now, there is no oversight committee appointed. The minister, who is the Deputy Premier, went public with a statement saying that we're going to follow that recommendation.

That is one of my major concerns with this: send it to an oversight committee. Anybody that was involved at the time knew how hard it was to get information, knew how difficult it was to get information. Then when Justice LeBlanc came out and said here's what we have to do, anything over \$50 million – and that's the question I have to ask: Why isn't this committed to go to an oversight committee?

I think once we get that report back, then I think we can all say, yes or no with the recommendations that come back from the committee.

That is the major concern that I have with this whole process. So what 2026, the final deal, and here we are in January pushing this through in four days, instead of going out and letting someone like the PUB start their work today. If they haven't got the expertise, they have the ability to go out and get the expertise to do that, and the Deputy Premier agreed to that.

This is where history with me, and I'm sure with the Member for Mount Pearl - Southlands, is saying that we're repeating ourselves. Let's not do it. Again, I'm going to go back in history. There was no one in this Legislature that was here except me for the Voisey's Bay debate. There was no one here.

But I'll give you a good example of what happened in the Voisey's Bay debate. KP was the minister and we were sitting on the government side. The Opposition would come up with these questions. He would take it, with the former premier at the time, and go get answers. It may take a day or two but he would come back and give the answers. Then they would come up with something else. He would take it, go back, get the information, come back to the House. That's how that debate went.

The last thing was the big issue of what if there was a war. What would happen if there was a war and they couldn't bring the ore back? They came up and they put in what they called force majeure to satisfy the Opposition at the time; force majeure, if there is some act of god, when that's over, you bring back what you were supposed to ship out. Voisey's Bay deal was a to and fro for weeks in this Legislature. Look how good that worked.

Just think about how Voisey's Bay worked. When is the last time someone heard in the last 10, 15 years, the flaws in Voisey's Bay? Do you know why it worked so well? The people at the time, the minister and Roger Grimes was the premier, KP was the minister, they took the time to get the information from the Opposition and go and solve the issue that they had. They might have voted against it, yet every concern that

was raised was taken care of – everyone. There hasn't been one word about Voisey's Bay, what a great project that's in Labrador and also down now in the plant. That's what we should be doing here.

Everybody is speculating there's going to be an election. For me, I'm in the twilight of my career, win or lose an election, but I want this deal to be done right. I don't want to stand up and say, well, they should've done this; we should've done this. What we should be doing is saying let's do it together. History will repeat itself. Trust me, history will repeat itself if we don't have an oversight committee.

I heard the Government House Leader talk about all the people that were involved with this. I agree. We had a conference call Saturday morning. Their credentials are great, absolutely, no doubt. Their credentials are great. No one can deny that. This is no reflection on their credentials. Absolutely none. But when we did the Muskrat Falls here, we were given the information by people who had credentials – great credentials. We should get it checked, and the ones that should check is an independent committee, oversight committee, put to the PUB. That is what we should be doing.

I'll just close on this. I've been around a long while. I've been in a lot of debates back and forth: Bill 29, Muskrat Falls, Voisey's Bay, I've been through a lot of longstanding debates in this House of Assembly. If there's one thing I learned in this House of Assembly is, if you don't share information and you don't let other people give their insight into it – we got more information now about how many groups think this is a bad deal because we don't have enough information. Even what they analyze now – Wade Locke was another one that came out and said: Did we get the best deal? If you look at each one that you go forward and see, they're saying, well, hold on, this is not really what was said.

This is the concern we have: Lack of information, lack of oversight committee – independent oversight – and lack of sharing

the information, rushing it through, is going to be a bad deal. I can tell you right now, it's going to be a bad deal. If we all want a good deal, we have to start working together. We have to start to follow the \$30-million inquiry for Muskrat Falls that I sat in this House for five days – I think it was Bill 60 and 61 that we debated related to Muskrat Falls for five days that we sat in this House of Assembly. If we don't learn from that Muskrat Falls inquiry, what a waste of money. A fool's errand by not following it.

Deputy Premier, I'm sorry for bringing you up in this, but you're the one – I remember the statement at the time, how you went out and committed in the press release – because I remember it and I tracked it down – that any project over \$50 million, we will have an independent oversight committee and we will follow Justice LeBlanc's recommendation. Right now, we're not doing it. We are not doing it.

I urge the Deputy Premier: Live up to the commitment that you made to the people of Newfoundland and Labrador. I'm confident that you will; I'm confident, after bringing this up now, after going through it – and one thing I've got is a pretty good memory and I remember when the press release came out with it after the Muskrat Falls inquiry. As Deputy Premier, I think you should sit down with the Premier and say, Premier, they were my words. I have to live up to that commitment, not for the Liberal Party, not for the PC Party, but for the people of Newfoundland and Labrador whose rates right now are going through the roof, and because of the millions and millions of dollars we've got to go for rate mitigation. We've got to learn from it. History will repeat itself. It will repeat itself if we don't do it.

So I'll take my seat but, Deputy Premier, you made those public statements, and it is a press release. I can get it for you if you need it, because I've got it in my office. I think you should sit down with the Premier and say, Premier, I made those commitments. I did it on behalf of the people of Newfoundland and Labrador and I need this done because we went through a catastrophe. People in this province right

now are paying exorbitant rates while Quebec is paying six cents – I think it's six or four – and here we are paying 13.8, 13.9, mainly because of Muskrat Falls.

If we don't take care of this now, before this debate is over in four days' time, which is very short – I just know Muskrat Falls, just the filibuster, was five days, day and night, 24 hours a day. Just look at the difference in the time that we're spending on these extraordinary circumstances that Premier and the Government House Leader said we've got here, and we're spending less time on that than we did on Voisey's Bay. We spent one day.

Four days – five days, 24 hours a day we spent on Bill 60 and 61. That's what we spent, and it was all related to Muskrat Falls, and that's just the filibuster. That's not counting the other questions and debates we had. That's just the filibuster, and we're spending four days here. Four days, that's it.

So from history, from my point of view, who is in my twilight, Deputy Premier, please live up to the commitment that you made. Premier, listen to your deputy minister and if you need the press release that was done with her own statements, I will give it to you. I will supply it to you because this is too important for all of us, too important for any of us to make mistakes here.

If there are suggestions that are made here today through the Opposition and I know there are a lot of people that we have been working with also who has given great suggestions, great ideas and the summary of the details aren't always what they seem to be first when you put it out, and that's normal and the negativity that we have on it, I think you should listen – listen. Don't just say we got this and you got to take it or leave it.

That's not the way it's done; it's going to bad. It's really going to be a bad deal. In 10 or 15 years down the road, I really feel there is not one person in this room who wants to stand up and vote and say we voted for this here knowing it's a bad deal. You can't do it.

It's your grandchildren – your grandchildren are at stake here.

So let's take our time. Let's work together. Let's get other people in and above all – I'm going to say it once more, it's my last time because I got to harp on them – Deputy Premier, live up to your commitment. Show the Premier your commitment that you made for the people of Newfoundland and Labrador.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

On one point, I will agree with the Government House Leader that this deal is complex. It has been three weeks of cramming and trying to understand it and make sure that the numbers are what they say they are. The MOU has much to recommend itself. It guarantees power for Labrador West and I think, if nothing else, for the people of Lab West and for my colleague, there is some measure of hope and a sigh of relief. It's renegotiated the Upper Churchill and we get money upfront. It looks at the development and the construction of Gull Island.

So there is much to recommend it on the surface, but it's also about understanding the cost and of not repeating Muskrat Falls and I will say, if anything else from our point of view, clearly, the project demands an independent, regulated review. There are no two ways about it. It can be done concurrently with negotiations. It does not have to stall negotiations, but that review needs to be done of a complex deal with the proper respect then to commercial sensitivities and so on and so forth.

This could be done by the Public Utilities Board and it's been said that they do not have the expertise. Well, then you resource them and give them the money to engage the expertise that they need but they are

arm's length or another mechanism that is arm's length.

Now, we've seen and we've heard, we talk about the expertise, the experts that negotiated the deal and the one missing word, Speaker, is independent. That must be independent of the Government of Newfoundland and Labrador, independent of Newfoundland and Labrador Hydro or independent of the consultants who have already been engaged to advise.

This is not about a criticism of their expertise or professionalism, but it's about due diligence. It's about analyzing the numbers to make sure that the numbers are correct. If anything, over the last three weeks, there has been many interpretations of the numbers that they don't make sense. Well then, let's make sure they make sense.

Maybe this deal lives up to the feeling that it is, indeed, transformative – fair enough. Maybe it comes off that this deal is not quite as transformative as it has been promoted but it's still a good deal overall and we should take it – fair enough, but that's what we're looking for.

We have reached out to experts ourselves and one company that's looking at a conflict analysis said we could come back with an analysis that says this deal is good and we said that's fine. At least we'd have an idea – a different set of eyes, an objective set of eyes looking at it is, indeed, that we have some measure, some competence or peace of mind in pursuing it.

The fact is the people who will be here are close to the negotiations and I think this is about an opportunity to learn from the past. It's about taking politics out from the discussion. It has got to come down to, Speaker, if, indeed, does this project make financial business sense. Does it bring an overall benefit to the province?

I remember with the Teachers' Association, we always had one group of the collective bargaining team that would develop the opening package, but they were not the ones to negotiate it because they were tied

too closely to the development of that. That was their baby. An independent group would be responsible for negotiating, who could look at the deal from an objective point of view.

I think if anything that we do in this world, whether it's buying a house, car, we check out Consumer Reports, we do our homework and we make sure that what's being sold to us is actually being sold to us. This is much bigger and much more complex and, much more, has a greater impact generationally than any one at these personal purchases.

It's interesting to note that any disputes will be resolved not in Newfoundland and Labrador or Quebec, but in Ontario, a neutral, third party place. That's where it's going to be decided.

SPEAKER: Order, please!

I'm going to ask the Member to stay relevant. Right now, we're just debating the rules of debate. Not the MOU in general, just the rules of debate.

J. DINN: (Inaudible) I'll be repeating these again, but at this point in time I will say when it comes to the rules, if it's about information, and you look at this debate, I guess, there are three reasons for it. This is what I've struggled with as well.

Is it about informing the public, as the House Leader for the government says? Is it symbolic? In other words, it's simply a non-binding debate on a non-binding MOU. Does it have the meaning? In other words, will it impact negotiations?

It's interesting to note from a December 2012 article – and I go back to the whole thing around debate – the majority Progressive Conservative government also refused a Liberal Opposition demand for a special debate or Committee format that would include questioning of expert energy witnesses. Now, I would say that here we have a debate. This is something that the Liberal government has put in place. We have a debate, we have witnesses and we

have the opportunity to question them, but the problem here with this debate then is the short timeline to prepare for such a complex debate over Christmas when we're trying to contact people to assist with this are difficult to find. We were given the briefing after the December 12 announcement and after media; we had to ask. It's a complex MOU, confusing numbers. At the time, we couldn't keep the slide deck; we couldn't call our own experts here, if nothing else, just to bring forward the questions.

Now, that seems like maybe a small detail, but we were told that, well, you can ask your experts, they'll give you the questions and you can ask the questions. I guess then we would go back and speak to our experts.

So if nothing else, I think here, if it's about information, about making sure we are all on the same playing field, then, Speaker, it may be a more appropriate venue.

We have the information sessions following the debate. We received a notification – and I will have to say there is a little bit of dirty pool here – of a technical briefing with J.P. Morgan and Power Advisory the evening before it was to take place.

So if it's about informing, any one of these, then, I think it would have been a genuine and reasonable effort made to make sure we could have had the information we needed to actually have an informed debate, which is what I'm writing to the Premier to postpone this until the end of January or in February, if indeed it's not time sensitive.

It's not an emergency debate; it's an extraordinary debate, so the only thing from what we've seen is the information, the \$300,000 ad campaign and, unfortunately, I have to wonder if there are other motivations here at play. We'll talk more about that as we go through it.

For right now, we can have this debate, Speaker, we can have the discussion, we can query the guests, but in the end, it's got to come down to – I've got to come back to

this and I'll say it again – an independent, regulated review by an arm's-length organization. We can have all the discussion here we wish, we can ask all the questions, because we're not going to get all the answers we need. It's been confusing.

From our point of view, it probably would have been helpful even to have this as part of a longer discussion, but with the input of an independent review board, such as the PUB.

It's interesting to note, Speaker, that in Nova Scotia it was the Utility and Review Board reviewing the Muskrat Falls contract that got a much better deal for Emera. So if nothing else, there's an opportunity here, I think, to have input, such as the PUB, with the appropriate resourcing to add to this debate. That would be a more informed debate, I think, here, as well.

Thank you.

SPEAKER: The hon. the Member for Mount Pearl - Southlands.

P. LANE: Thank you, Speaker.

I am glad to have the opportunity to say a few words here this morning on the debate and I guess the rules of the debate. I certainly want to concur with my colleague, the other independent Member, for Humber - Bay of Islands, and other Members, the Leader of the Opposition, of the Third Party, and the Government House Leader on some of the concerns.

Mr. Speaker, this, for me, has a special meaning, if you will. Not necessarily in a good way. I noticed my colleague, the Minister of Industry, when I came in, he has a whole stack of books there; it's called the misguided Muskrat Falls, a misguided project or report or whatever it's called. Something like that, anyway. There's a whole stack of them.

As we look around this House of Assembly, there are three Members in this House who were present for that. There was four. Of

course there was the former minister of Health before he retired just before Christmas. But there are only three of us left. Guess what? Only one of those three Members voted for that project, supported that misguided project. And you're looking at him right here. Only one in this Chamber.

That is something, while it was done with the best of intentions, based on the information that I was provided at the time and the people of Newfoundland and Labrador were provided at the time by individuals – not the same individuals, but similar individuals to who are going to be sitting here.

That's not making any disparaging remarks about these individuals, but the person that will be sitting in that chair, Ms. Williams, she had a predecessor – actually, it was the predecessor before that – who was in charge of Nalcor at the time, and his 2IC, and the deputy minister, not of Justice, Deputy Minister of Industry at the time, and the public. The people of Newfoundland and Labrador will be familiar with all these individuals because these are the same individuals that you would have seen on TV trying to answer questions at the Muskrat Falls inquiry. Same individuals.

All the people, and it was a group of them, they all walked away. They all walked away with golden handshakes, packages and so on.

There was nobody in this province that was any angrier at the time, and still angry about that, because there was zero accountability – there was zero accountability. I said in this House of Assembly that half the crowd that was there at the time, once all the information came out about misrepresented numbers, failing to accept risk reports and so on, we should have taken our chances on wrongful dismissals. There should have been pink slips handed out left, right and centre instead of payouts, but it is what it is.

SPEAKER: Order, please!

Again, I remind the Member to stay relevant to the rules of debate, Sir.

P. LANE: Thank you, I appreciate that.

I'm going to come around to that in terms of this particular process. Of course, we had that Muskrat Falls inquiry, and coming out of that – and my colleague mentioned this, as did others – Commissioner LeBlanc said, in terms of learning from what happened, learning from what went on from people that were there, supposedly working for us, supposedly working for the people of Newfoundland and Labrador, supposedly had expertise and everything else, Commissioner LeBlanc – one of his recommendations was: In the future, as we move forward, any project that happens in this province with a value over \$50 million will go through an independent oversight committee.

That was the recommendation that came out of Muskrat Falls, a project that haunts me and will haunt me to my death. I'm not saying that to be theatrical; I'm not saying that to be political; I'm saying that to be honest to this House, to the people of Newfoundland and Labrador.

I've spent my life as a community person; 13 years now I'm working on it as an MHA, eight years of municipal politics, many years before that as a long-time community volunteer, citizen of the year, I live community. Community has been my life and it will be after I leave this place. I will be a Mount Pearler to the core. I will be a community person to the core. That's just who I am. The big thing that will always haunt me, to tarnish my good name, will be voting for that and being part of that, even though I do so in good faith.

So now here we go again, as my colleague said, history is repeating itself. I never would have imagined that we would be back in this Legislature and once again I would be faced with having to vote on or support something, or not support something, of this magnitude – I never thought it would happen. Like all other Members have said, I hope to God this is a good project. I really do.

Now, without getting into the details, we'll get into that as we go through, but really

before we really start reaping the benefits, so to speak, based on what I've seen, certainly of Gull Island in terms of actual revenues, not paying off the mortgage but actual revenues, my grandson will be my age. I'll be long dead and gone. I'll be cremated, buried, whatever I decide to do, I'm not sure yet, but I'll be long gone. I could be gone tomorrow.

AN HON. MEMBER: Do you want to vote on it?

P. LANE: We'll have a vote on it, yeah. There are a few people I'm sure that would love to see me gone now, but that's too bad, I'm not going anywhere. But my grandson will be my age before we really see some of the benefits of this. I have four grandchildren, I want nothing but the best for them, as I'm sure everybody else in this House would want for their grandchildren and their great-grandchildren and so on. So I want this to be a good deal, but we have to do it right. We have to learn.

I cannot believe on the heels of the Muskrat Falls inquiry, which this administration – well really not this administration, I guess it would have been the Ball administration, a lot of the same people – initiated and we spent millions of dollars on an inquiry and then the recommendation would come out from Justice LeBlanc to say, independent oversight committee but we're not going to do it. We're not going to do it. It just is mindboggling. It is mindboggling to me.

Now maybe we're going to learn in the next four days, someone is going to stand up and say: Hey, we just didn't tell you we were going to do that. We never told you that yet. We're saving that as a surprise for the end, that we're actually engaging with the PUB now and we're going to do an independent review and that's going to run concurrent with the ongoing negotiations. Maybe that's the big surprise. Maybe that's sort of the coup de grâce.

Without that, I think we are making a big mistake. And coming into this Legislature, either have done it or doing it, I think we are just ticking a box. That is what it feels like. It

feels like we are just here ticking a box to say oh, we debated it in the House – tick. That is what it feels like.

We need to have that independent review because I have concerns about some of the numbers. The consultant that myself and my colleague have engaged has concerns about the numbers and we are hearing it. Other people are contacting us. I am sure the Official Opposition, the Third Party, the people they have working on it, have concerns about the numbers.

I can remember when this was announced and I saw it on TV for the first time – before I even received the briefing, of course, there were TV ads on the go. Then you had your big thing at The Rooms, which Members on this side of the House weren't even invited. Anyway, that is neither here nor there. We could watch it on TV, I suppose, like anyone else. If it was so historic, you would think we would have all been invited.

Anyway, we hear about his project and right off the bat, starting in 2015, a billion dollars a year. Of course, now we find out after that, well, retroactive to 2015. It is not really a billion dollars a year because I think it is like the first 10 years we are only \$400 million or whatever the case might be. Then we are hearing this 5.9 cents –

SPEAKER: Order, please!

Again, I remind the Member to stay relevant to the debate.

P. LANE: Okay, thank you, Mr. Speaker.

But we are hearing about the 5.9 cents, which really is a blended rate if we do Gull. Quebec is still only paying two or three cents and so on. There are lots of concerns in terms of what has been put out there versus the feedback I'm receiving from our consultant and from others as to the reality of it.

So that raises a lot of red flags, a lot of questions and a lot of concerns. Now we are going to try to cram this in four days. Run this through in four days. I'd like to

know, in terms of the rules, which is what we are supposed to be debating here, the rules, why we are cutting it off in four days? What is the rush? Why can't we do it for two weeks, three weeks, however long it takes? Why four days? I just like to know why four days. Why are we trying to ram it through?

My colleague, the Leader of the Third Party, also raised some valid concerns about the individual that would be sitting there. Again, that is not to be disparaging against them or to question their credentials or their ethics or anything else, but these are the people who negotiated the deal. I am sure they are not going to sit down here and say we negotiated a bad deal. That don't make sense to me.

Does anyone think that they're going to come in now and say we did a bad deal? I don't think so. That's where we get into the independence.

And then, there are going to be a lot of questions that are going to be asked and they're going to say commercially sensitive, Cabinet documentation, client-solicitor privilege. There are going to be all kinds of questions, I would suggest, that they're not even going to answer and that's why you need that independent review through the PUB to hire the expertise that can have all of the information – not just the information you're willing to tell us: all the information.

Sign the confidentiality agreement – whatever they have to do – have all the information, do a review and then come back to this House and say thumbs up, thumbs down; this is good, this is bad; these are the pros, these are the cons; these are what the numbers really look like. This is not about blending rates and blending numbers and all that. This is exactly what you're getting for this, exactly what you're getting for that, exactly what you get for that over this time frame and so on. These are the costs; these are the risks. If we had that independent analysis, then we could make an informed decision.

But I have to say that the process that we're taking here, the limitations we're going to

have in terms of people who we're calling experts – I'm not saying they're not experts – but that are so close to that project, not totally independent and not having that independent oversight committee as recommended by Commissioner LeBlanc in the Muskrat Falls inquiry is very, very problematic – very problematic.

And unless we can get all the answers we require, I'm going to be like the Member for Conception Bay South: Are you for this deal today? No, I'm not. Not unless I can get an awful lot of things clarified, a lot of questions answered then I'm not. To be honest with you, I'm not sure if I would be anyway unless we're going to have that independent review.

I'm going to, again, appeal to the Premier or to the Deputy Premier, according to my colleague, who made the statement, I'm going to appeal to you both: Let's have this independent review. We already went down the road of Muskrat Falls. We know where that got us and we know that there was a very costly inquiry and we know what the recommendations were. Let's not make the same mistakes all over again. Let's not let history repeat itself. I plead with you, please, let's not do that.

Not for me or anyone in this House really, but for our children, our grandchildren, because they're the ones that are really going to see the benefit or are going to face the negative consequences or what could have been had it been done right. They will be the ones that will have to live with what we decide in this House of Assembly.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Seeing no other speakers, is the House ready for the question?

All those in favour of voting for the rules of debate, 'aye.'

J. HOGAN: We have to close the debate.

SPEAKER: Oh, sorry, yes.

The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I'll just take a couple of minutes just to close the debate. I thank the Member for CBS, the Member for St. John's Centre, for Humber - Bay of Islands and Mount Pearl - Southlands for their comments about the procedure today.

To be honest with you, after listening for about an hour here this morning, I'm already pleased and confident that the right decision to bring this MOU to the House to debate it was the right decision because there are questions and I can guarantee that if those proper questions are asked over the course of the four days, they will be answered. It's important that the public and the Members have those answers.

This is part of the process, Speaker. The misguided project report from Justice LeBlanc was referenced by a couple of Members, and it's important to look at Recommendation 7, which says: "In preparation for 2041, government should appoint an expert panel with a mandate to determine the best approach to be taken by the Province in its attempt to ensure maximum long-term benefits from the Churchill Falls generating station and other potential generation sites on the Churchill River. This panel should be properly funded, non-political and include experts who are best able to assist government in preparing for the negotiations with Québec. The panel should be required to report its progress to Cabinet on a regular basis."

Speaker, that was the initial stage of this process. That set in motion where we are today. The expert panel was put in place and made recommendations. A negotiating team was put in place. Despite what the Member for St. John's Centre said, they did have independent advisors. Members from Power Advisory and J.P. Morgan do not work at NL Hydro. They are independent entities who will give their answers and information throughout the course of the week about their involvement in the negotiations for the MOU.

The expert panel was in place, as per the recommendation of Justice LeBlanc. The negotiating team was put in place. An MOU was then established and formalized. Now we are here, at the earliest possible time, to look at and debate and ask questions and understand the MOU as we move toward the next stage, which hopefully is to sign definitive agreements in 2026.

Speaker, when I started speaking I talked about why I know this was the right decision to be here today to debate it, because I hope there are questions on this recommendation: "The Government of Newfoundland and Labrador should never undertake, on its own or through one of its Crown Corporations or agencies, the planning, approval or construction of any large project (meaning a project with a budget of \$50 million or more) without: Engaging independent external experts to provide robust review, assessment and analysis of the project." This seems to be a theme throughout the morning, I hope that questions are asked about this recommendation and about how it relates to the MOU.

Who was proposing the MOU to a construction project? Who was proposed the plan and approved it? How will NL Hydro fit into that construction of, for example, Gull Island or upgrades to Churchill Falls? If NL Hydro participates, how are they participating? Is it debt? Is it equity? Is it cash? How much will it be? Are there risks of cost overruns? Who's assuming the risks of cost overruns: is it Newfoundland and Labrador Hydro? Will the Government of Newfoundland and Labrador be called to provide any cash?

These are very important questions and I think when those questions are asked – I hope they're asked – it will bring into light how these recommendations from Justice LeBlanc play into the future of the MOU as we move toward a definitive agreement.

I'm very pleased that those issues were raised, and I very much look forward to the substantive debate on the resolution, Speaker. I know all Members on this side,

I'm sure Members on the other side, look forward to these four days as an historic moment in the history of Newfoundland and Labrador, Speaker.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Is the House ready for the question?

All those in favour of the resolution.

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

Motion carried.

On motion, resolution carried.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Speaker, I ask that this House adjourn for 10 minutes to allow the first set of invited guests to come to the House of Assembly.

SPEAKER: This House do stand in recess until 11:20 a.m.

Recess

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I move, seconded by the Premier, that WHEREAS a *Memorandum Of Understanding For A New Long-Term Energy Purchase And Development Initiative Between Newfoundland And Labrador Hydro And Hydro-Quebec* was signed on December 12, 2024, the MOU;

THEREFORE BE IT RESOLVED that the House of Assembly support Newfoundland and Labrador Hydro proceeding with the MOU toward the definitive agreements, as defined in the MOU.

Speaker, I have a copy of the memorandum of understanding, dated as of December 12, 2024, to table in the House of Assembly.

SPEAKER: The hon. the Premier.

A. FUREY: Thank you, Mr. Speaker.

I'd like to start by thanking all Members of the House of Assembly, as well as support staff and all those who helped organize today's special and historic sitting, and a happy and healthy new year to everybody. It certainly will be a happy one indeed.

We sent out 2024 by taking bold steps in correcting a historic wrong. After more than 50 years of a lopsided agreement that has been such a contentious point for Newfoundland and Labrador, we will finally, in 2025, have a new framework for Churchill Falls and an agreement with Quebec.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: Mr. Speaker, this framework did not come easy; it has taken years of tough negotiations. Because we dug in hard, like only fighting Newfoundlanders and Labradorians can, our fortitude proved to be impenetrable and paid off in results.

We knew that our province was in a good position, that Quebec had only time, and not enough of it on their side. We went into these talks demanding that our province see bold, future-focused changes; that we will only see benefit, not risk; that we will reap now and into the future what we've waited over 50 years for, to receive real gains that will help overcome the shortcomings of the past and use it to boldly guide us forward. Physically, financially, finally, we will realize the potential energy of our resource and of our Churchill Falls.

Now, there is no doubt that what is written in the memorandum of understanding is an agreement that will have generational impact on the growth and prosperity of Newfoundland and Labrador. Moving forward, we will have a new working relationship with the Province of Quebec. We will be partners who both will see the

benefit of what Churchill Falls has to provide to our provinces.

There is another partner playing a significant role, however. It is of utmost importance to me that I acknowledge and sincerely thank the Grand Chief of the Innu Nation and his people who have secured their special relationship through the New Dawn Upper Churchill Falls redress agreements. We are truly blessed to have his input, guidance and support throughout these negotiations. Thank you, Grand Chief, and I look forward to continuing this working relationship.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: I'd also like to acknowledge and thank some folks who have joined us here today for this momentous occasion: Jennifer Williams and her team from Newfoundland and Labrador Hydro; the team members from J.P. Morgan, as well as Power Advisory, two organizations with a vast amount of insight and experience, who helped provide critical, independent analysis and advice throughout this process. Thank you all for your contribution and dedication to help us make this deal a reality.

I'd also like to sincerely thank Premier Legault and his team for showing the responsibility to replacing the old, unfair deal and the openness to build this new deal. Sitting next to Premier Legault last month and physically tearing up the 1969 Upper Churchill contract was a moment I will never forget. It felt as though the hands of every Newfoundlander and Labradorian were with me on that document. That, in tearing up this deal, we tore up over 50 years of hurt, 50 years of imbalance, over 50 years of seeing others thrive from our resource, profiting from our energy. But, Mr. Speaker, no more.

This memorandum of understanding on a new energy partnership outlines the terms for our new deal with the Province of Quebec. It remedies the inadequacies of the old deal. It paves a lucrative and a fair path forward for Newfoundland and Labrador. It emphasizes our commitment to work with

Indigenous communities, to continue to build respectful relationships and engage in this initiatives moving forward.

This new deal is happening 17 years ahead of schedule. This team has accomplished what no other Newfoundland and Labrador government could do, no matter how much they wanted it, no matter how hard they tried.

We realized, as did Quebec, that there is an undeniable opportunity here for the immediate and lucrative benefit of a strong commercial deal. We must seize it. We cannot wait while yet another generation grows up seeing zero benefit from our resource. We must be proactive. We must act now.

So we enthusiastically tore up that old, inadequate agreement and we'll replace it with a big, bold step forward. One that will bring hundreds of billions of dollars in new revenue to our province. Over the life of the new agreements, we will see more than \$225 billion in revenue.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: Two hundred and twenty-five billion dollars has transformative power. This does change everything.

Premier Legault said that his province will benefit \$200 billion from this deal, and that is true. But his analysis includes all the indirect and induced benefits to their economy as the result of this agreement. But Newfoundland and Labrador's number of \$225 billion is revenue alone.

This \$225 billion will lead to being directly deposited to the Treasury and the people of Newfoundland and Labrador. The indirect and induced benefits to our economy will be significantly higher. The opportunities that our additional power and the additional economic impacts will bring are immense – an additional tens of billions of dollars to the province. We all know what this money will mean to our province at this moment and for generations to come. Because today we better understand the value of this resource,

it's potential now and into the future. The demand for clean, renewable energy is set to rise even higher and that means that this is the right place, at the right time, for the right opportunity.

The world wants this kind of energy, and we are finally in a position to greatly benefit from supplying it. We will receive our fair share. Our new agreement will use a price escalator model, a model that allows for the price we receive for our power to grow, a market-based block pricing that will unlock increasing and escalating revenues. No more fixed prices. No more free power. It is finally a fair deal and it guarantees that we will receive fair value as the price per kilowatt hour will continue to grow at a pace that reflects real energy prices.

Unlike the old deal, the new one will finally level the playing field. It will be governed by a fair and modern shareholders agreement and disputes will be resolved in neutral court, rather than in Quebec's courts.

For every Newfoundlander and Labradorian, we must all come together now, here in this House. We must be bold and have the courage to ask questions of this MOU to get the answers from experts and then to act, to see 17 years of extraordinary new benefits. This new deal will see an average of \$1 billion returned to the province every year from 2025 to 2041, growing to \$2 billion a year, every year, by 2044 and \$6 billion a year, every year, by 2060. We can't let this opportunity pass us by.

We wait 17 years and we see nothing in 17 years. Quebec would have moved on and found a different energy supply because it needs this power now. This only strengthened our bargaining position. We act now and we see hundreds of billions. This is our moment and our moment means exploring all opportunities on the table.

This new energy initiative unlocks so much more for our province. For years, Gull Island has been known to be one of the last significant undeveloped hydroelectric sites in North America. That too will now change. Through this partnership, Newfoundland

and Labrador will be the majority owner and Gull Island will be developed to produce over 2,000 megawatts of additional clean energy. In addition, we will expand Churchill Falls and build a new powerhouse adjacent to the existing facility while upgrading the existing units.

Let me be clear, I will not allow our province to ever repeat the mistakes of previous megaprojects.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: Hard lessons were learned from the 1969 contract; harder lessons still from the megaprojects that threatened to drown our province in debt. But make no mistake, this is not Muskrat Falls.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: Since 2015, our government has been fixing and learning from the mistakes made. The LeBlanc inquiry clearly found wrongdoing and we have made the recommended changes so that it cannot happen again.

In order to embrace those lessons of the past, we have engaged independent experts throughout the process. We assembled the Churchill Falls river expert advisory team and they were given the mandate of undertaking a detailed analysis of the hydroelectric opportunities that exist on the Churchill River. We used its valuable analysis and advice to move forward in negotiations.

We appointed the Churchill River Management Expert Panel to recommend potential approaches for the government to ensure maximum long-term benefits from the Churchill Falls assets. That's one thing recommended by the Muskrat Falls Commission of Inquiry.

We created a negotiating team with an independent chair from Hydro and government. They had Hydro officials and government representation. We also bolstered Newfoundland and Labrador Hydro's board of directors, also

recommended by the Muskrat Falls Commission of Inquiry. This serves as another check on Newfoundland and Labrador Hydro and the negotiating team.

We've been relying on the expert independent advice and analysis from JPMorganChase, Power Advisory and Stikeman Elliott. We also went a step further and engaged the largest firm in Atlantic Canada, Stewart McKelvey, to provide the government with independent advice as a parallel, completely separate team designed to provide independent views separate and apart from the views of the negotiating team and their legal advisors.

Our government gave back oversight to the Public Utilities Board, the very oversight that was removed in order to push Muskrat Falls through. We will be holding a series of public virtual town halls next week to ensure all Newfoundlanders and Labradorians get their say and a chance to ask questions of the negotiating team.

We are here today for a special sitting of the House of Assembly to discuss this historic memorandum of understanding in an exercise of true democracy, a courtesy other governments did not provide, including for Muskrat Falls. We will continue to engage outside experts as we move forward in this transformative and negotiating process. We start by bringing this to the House, then to the people. We will continue with oversight with an independent expert panel that will provide advice to Cabinet on negotiations and definitive agreements.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: And finally, this is an MOU, we will return after all of that analysis to this very House.

I can tell you, as Premier, this deal has weighed heavily on me. I have lost much sleep in considering every single detail, making sure we were pushing as hard as possible to get the maximum value for the province and through careful consideration, through consulting with experts and their

independent advice, through weighing the immense value on the table here now, versus the alternative, doing nothing and getting nothing. I realized finally that I would lose more sleep in not taking this deal to the people for public debate.

This deal is worth over \$225 billion, tens of thousands of jobs and a chance to correct mistakes and rewrite our future. The people of the province deserve to understand the opportunity that lies before us.

Mr. Speaker, the easy thing to do and perhaps the politically most advantageous thing to do, would be to do nothing. But, Sir, that may not be the right thing to do. The right thing to do is to put this in the public domain.

So here we are today, examining the details of the MOU and charting the course forward with transparency and with accountability. We've worked too hard for too long to correct the mistakes of the past; they will never be repeated. We have taken steps to guarantee our province is protected against any future financial risk and we will continue to engage outside experts as we move forward in this process.

Hydro-Québec will bear full responsibility for construction risks on new generation assets including any cost overruns. Our province will benefit from the thousands and thousands of jobs that are created and our equity and ownership will not be diluted.

For the new developments, Hydro-Québec will compensate Newfoundland and Labrador for the right to co-develop these assets to the tune of \$3.5 billion. This amount covers Newfoundland and Labrador's equity requirements without needing the province to invest any of our own current funds.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: Quebec is paying for our majority equity position in Gull Island with this \$3.5 billion and then we earn a guaranteed 8 to 9 per cent profit on that equity without risk. We are majority owners

of a \$25 billion project without paying for equity and earning a guaranteed profit that will escalate over time.

The final component is addressing the transmission infrastructure. The Labrador transmission line will be 100 per cent owned by Newfoundland and Labrador Hydro. In total, these new projects will almost double the generating capacity of the Churchill River, all to be sold at modern and escalating prices.

Together, these construction projects are worth a combined capital investment of nearly \$33 billion to our province. These projects will bring tens of thousands of jobs to Newfoundlanders and Labradorians. This new deal will also provide more access to more power in the near term to increase the capacity of industrial developments in our province, especially in Labrador; power that will grow to four times the capacity that we currently have. This means the potential for new development in Labrador will become a reality. And again, more indirect and induced economic benefits and more jobs to the people of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

A. FUREY: This agreement does change everything. For over the past 50 years we have stood by while Quebec received most of the revenues and all of the benefits of Churchill Falls but no more. Mistakes are behind us, but they are informing our path forward. In front of us is a once-in-a-generation opportunity. This is our moment to chart the course ahead. This is our opportunity, if we have the courage and conviction to understand and act.

For those who thought we would not see a new deal in our lifetime; for those who tried so hard to change the 1969 deal; for our Indigenous communities who have long deserved a seat at the table and real economic reconciliations; for every Newfoundlander and Labradorian who has long wondered what a better deal for Churchill Falls would have meant; and for every child, teenager out there across our province who will now grow up with only a

positive reaction when they hear the words Churchill Falls.

This is a deal for you, for all of us. From Deer Lake to Placentia, from Nain to Burgeo and every town, village, bay and city in between. Every Newfoundlander and Labradorian can say that, together, we will make this possible.

We saw the imbalance and we corrected it. We listened to those who said it could not be done and we did it, ahead of schedule. More than anything, this new deal provides, though, beyond the electricity and beyond the economic impacts, positivity, the energy of hope for future generations.

It will manifest itself in more schools, more hospitals, more police officers. It will reinforce and rebuild our infrastructure, pave more roads and reach greater heights and more places. It will provide debt relief from the burdens we inherited as we create major investments in our businesses and encourage new business growth.

This will reinvigorate our economy and burn brightly for the world to notice and will draw them to us, because, here, change doesn't just happen; we make it happen. This new deal represents a quarter of a trillion dollars to the provincial Treasury over its lifespan. We will maximize the value of Churchill Falls. We will realize the potential of Gull Island. We will attract new industries and we will provide a generation of work.

This isn't our government's moment; it's our province's moment. This is an incredible opportunity within our reach, within our lifetime, not 2041, but today.

I challenge every Member of this House of Assembly here to remove any political bias they have may have set, set aside any party partiality, and think long and hard about the opportunity before us. Think what this will mean for our constituents, to our province's Indigenous communities, to the generations that will inherit the choices we make today, to the opportunity that is within our reach and to the benefits that are now within our control.

The irony of this historic backdrop of the House of Assembly is that I am not here to sell this for any political points. In fact, I am not here to sell this at all. The merits of this MOU must rest on the intersection of history, opportunity and finances.

This debate will help shape this moment, help expose any issues, help inform and help to challenge its contents and help create a path forward. We have waited long enough for this. We have tolerated 55 years of a bad deal. Newfoundlanders and Labradorians are a patient people but enough is enough. We have something that is better than strength, though; we have always had guts. Guts to never stop fighting for what is ours, for what is best for our province. Guts to act on every opportunity. Guts to be bold when the right moment presents itself. And now, Mr. Speaker, it has.

The new framework for Churchill Falls is in front of us. We will not spend another 17 years of receiving nothing when we have an agreement in front of us that changes everything.

Thank you, and God guard thee, Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Order, please!

Before the Leader of the Official Opposition speaks, he's going to take approximately 20 minutes, I understand. Does he have leave to go shortly past 12?

AN HON. MEMBER: Leave.

SPEAKER: Leave is granted.

The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

I, too, want to start off by wishing all my colleagues here in the House of Assembly and our guests, the people in the gallery

and the people at home a very happy New Year. Thank you again, Speaker.

I'd like to begin by speaking directly to the people of Newfoundland and Labrador. We are here this week to debate this memorandum of understanding to enter into new contracts with Hydro-Québec to sell them most of your energy on the Churchill River for the next 50 or 60 years. These are new contracts that will not just replace the Upper Churchill Contract, which is supposed to end in 2041, but legally bind our province and our children's, children's, children for pretty much the rest of this century.

These are new contracts that will take the last best undeveloped hydroelectric energy resource anywhere in North America, a resource that belongs to you, and place it under the lead of Quebec. If you are worried that all of this is being rushed, you have a good reason to be worried because we cannot overstate the magnitude of what's at stake. This is your children's birthright that's on the selling block, and you haven't been given sufficient information to know whether the terms of this sale are as good for you as they are for the buyer, the Province of Quebec.

The choice this Liberal government is rushing to make will be locked in stone and unbreakable for generations to come, the same way the first long-term Churchill contract with Quebec turned out to be. What we are debating this week is not a quick deal for extra cash to solve today's challenges; what we are debating is something that will last for long generations to come. So long, in fact, that your children who are in kindergarten right now will have great-grandchildren in kindergarten before this new contract ends. Just think about that.

When we say this entire endeavour is being rushed, when we say more time is needed to get this right, that is the reason why this needs to be slowed down and done properly. This is not about the next election. It is about the next generation and the generation after that and the generation

after that. If we get this wrong today, the impact will be crushing this province long after everyone responsible for this plan is gone. They won't have to contend with the consequences, but your great-grandchildren will, for all intents and purposes, if this is a forever contract.

And that's why I make no apologies for demanding a thorough, independent examination of the brief 32-page memorandum that has been brought before this House today. It's also why it's outrageous that this Liberal government has absolutely refused to allow time for an independent, expert review so we have the full benefit of that expert second opinion – that second set of eyes – before we hold this debate and proceed to a rushed vote before Friday.

Just 25 days ago, the Premier directed Newfoundland and Labrador Hydro to sign a memorandum of understanding that you, the people, had no idea was coming. It came completely out of the blue, even the Members of his own party were surprised. But here's the thing: Even though the Premier never informed you or consulted with you about any of this, he directed his officials at Newfoundland and Labrador Hydro to sign provisions of that MOU that are already legally binding. They are already set in stone. I ask the people of Newfoundland and Labrador: Did you realize that? Even though we are here to debate this MOU today, critical parts of that MOU are already locked in.

That's because the Premier approved an exclusivity clause. A clause that blocks our province from dealing with anyone else, except Hydro-Québec, on these Churchill River resources for quite some time to come. Then, it appears, to avoid shining too much light on this MOU, this was rushed to open the House of Assembly, starting today, and provide only four days of debate.

So here's the irony: If this were any ordinary piece of legislation, we would have unlimited time to debate the details. If this were a simple annual budget for a single year, we would have more than 75 hours to

debate the fine details and question officials under oath. But for this agreement, this agreement that will last for most of the century, this Premier has dictated that the Official Opposition will have only 12 hours, spread over four days, to ask critical questions of importance for the people of Newfoundland and Labrador on this MOU. That's it, four days.

During the debate this week, we will be unable to question an expert independent review authority on their examination of this MOU because the Premier has refused to allow an expert independent review authority to scrutinize this new deal. There has been no independent expert review of the MOU. Why not? What is being hidden from you, the people, in all the rush to get this done?

We have been blocked from bringing in experts who have raised serious questions about this MOU. Over the next four days, we are going to use whatever time we need to ask the tough questions that you want answered. If this deal was really so good, it wouldn't have needed a \$300,000 ad campaign to convince you about it. And the fact that the ad agencies actually knew more about this MOU than the people of Newfoundland and Labrador before it was announced, because as soon as the announcement was made the ads started rolling right away.

But all the hype should have you hearing alarm bells. Let's figure out what Quebec officials meant when they told their own media, in French, that this MOU is – quote – remarkable for them, with remarkable prices for decades to come. A deal so good they had to grab it. A deal so good they would grab it 10 times out of 10. Let's figure out why that French interviewer cautioned the head of Hydro-Québec not to say too much because people could hear it and translate it down there in Newfoundland and Labrador.

Ask yourself whether Quebec's remarkable gain is a fair gain or another lopsided gain coming at our own province's expense, at the expense of fairness, at the expense of our province's future, the future of our

children, grandchildren and great-grandchildren. Ask yourself whether this Premier rushed too soon to give Quebec everything they wanted at the bargaining table. Ask yourself whether he gave too much and got too little for the 50 to 60 years ahead. Does this MOU really safeguard the future of Newfoundland and Labrador's young people or sell our future short?

As the Official Opposition, we have one goal and one goal only: to ensure that the MOU with Quebec is the best deal possible for the people of Newfoundland and Labrador. We have an obligation to do our due diligence and ensure we do not repeat the mistakes of the past. Newfoundlanders and Labradorians deserve nothing less.

Newfoundlanders and Labradorians also deserve to know that this MOU is being done for the right reasons and not for political reasons. This is a massive undertaking that affects a precious resource that is owned by the people of Newfoundland and Labrador. That is why it is so vital that we do everything in our power to make Newfoundland and Labrador the principal beneficiary of our majestic Churchill River.

SOME HON. MEMBERS: Hear, hear!

T. WAKEHAM: That means we must protect and maximize our resources, the benefits of the communities and regions affected, as well as our local industries and workforce now and into the future.

The people of the province want to know exactly what's happening with the jobs and the development. It appears from the MOU that Hydro-Québec has control over the development and the jobs for the Gull Island project and the Upper Churchill expansion. No jobs, no development, unless Hydro-Québec says so.

Again, it begs the question: Why the rush and why won't the Premier let the MOU undergo an independent review? Hopefully, there is nothing to hide. We certainly hope that this MOU is not about winning the next

election. It must be about our people and our future generations.

We have heard from a lot of people around the province who have questions and we hope we can get some clear answers for them during this debate. However, there are also some very important facts about the MOU that are worth repeating.

The Liberals went ahead and signed the MOU with Quebec without any independent expert reviews or any discussion in the House of Assembly. Quebec will now have a share in the ownership of both the existing Churchill Falls development and the expansion planned under this MOU. Plus, Quebec will have ownership in a world-class asset, Gull Island. Through this MOU, they will hold an even bigger share of our resources.

Hydro-Québec has publicly stated this MOU will ensure an agreement that guarantees access to Quebec to a minimum of 7,200 megawatts of power for the next 50 years at a lower price than all renewable options in North America. The lowest in North America for the next 50 years – that's their words.

We will be signing up for a pricing model with Quebec that will be in place for 50 years, no changes – we all know how that turned out the last time. Furthermore, Quebec will actually get back at least one-third of the money they pay us. Why? Because they have ownership in the two companies that will control the resource.

With that in mind, I'd also like to remind the people that government will only give us, the Official Opposition, 12 hours to debate this monumental 50-year MOU. So we need to get down to business and start asking questions.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I move that this House do now recess until 1 p.m.

SPEAKER: This House do stand in recess until 1 p.m. this afternoon.

Recess

The House resumed at 1 p.m.

SPEAKER (Bennett): Order please!

Admit visitors.

Before we begin, I'd just like to welcome to the floor, the Deputy Minister of Justice and Public Safety, the Chief Executive Officer for Newfoundland Hydro and the Vice-President of Newfoundland Hydro.

Welcome.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Okay. We'll begin.

The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

I'm going to address a series of questions to the CEO of Newfoundland Hydro, so I won't keep repeating that title. I apologize to all as my voice is raspy; I've been doing a lot of talking in the last three weeks.

My first question is to the CEO. As I understand, you lead the negotiation team from this province that negotiated the MOU. Is that correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Mr. Speaker, I will also apologize in advance. I do have a nagging cough. So if you could bear with me if I do happen to interrupt but I'm managing it as well as possible with some cough drops.

I would have been part of the leads for the negotiating team for this MOU, alongside Denis Mahoney. As well as Mr. Karl Smith, who could not be here with us today.

SPEAKER: The hon. the Leader of the Official Opposition.

Make sure that your microphone is on.

T. WAKEHAM: Okay.

Thank you.

The negotiation team that you were leading or part leading, when was it first formed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, Mr. Speaker, the negotiating team would have been announced in 2023 and so I would have been part of the team since that time.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, I ask is that the same date as it was actually formed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Excuse me, Mr. Speaker.

Could you please have that question repeated?

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: You mentioned you became part of the negotiation team in 2023 and my question was, when was the negotiation team formed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

So, yes, the negotiating team was announced in February of 2023 and that's when we would have commenced work on negotiations.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, did you form the negotiation team, or you were just part of the negotiation team?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Mr. Speaker, I did not form the negotiating team. I was part of the negotiating team.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Can you tell me then, who chose the members of the negotiation team?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I would suggest that would be a question for government.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So you don't know who appointed you?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, I do know who appointed me, but I think your question was who chose the members, plural. Certainly I know that I was appointed by government, and that would have been included in the press release. I believe it was February 28, 2023, might be the date of that, where it would have been indicated by the Premier.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, maybe I can ask the Premier then.

Premier, did you appoint the members of the negotiation team?

SPEAKER: The hon. the Premier.

A. FUREY: Yes, after consultation with Cabinet and the Executive Council, yes.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, to the CEO, did the Premier give the negotiation team a negotiating mandate?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Mr. Speaker, sorry, I'm trying to follow the right process here, so please keep me in line as appropriate.

We would have commenced discussions, you know, with our board of directors, as well as government, to develop a mandate and ensure that we received approval for that mandate with government and our board of directors.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So again, I ask, is there then a mandate letter or anything similar to that, that would form the basis of what you were to do as part of this mandate?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

There is no mandate letter that we received, but we would have developed a mandate and received approval for that mandate from government and our board of directors.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you.

Would it be possible to table or provide a copy of that written mandate?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much, Mr. Speaker.

The actual mandate would be part of the negotiation criteria, and so it would not be appropriate for us to release the specifics of that mandate.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So you've got a mandate to negotiate, but the people of the province are not allowed to know what's in that mandate?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The mandate, in broad terms, certainly would have been disclosed in, I would suggest, the press release, and is to ensure that we got the best possible value for the assets both developed and undeveloped on the Churchill River and in Labrador. But any further specific detail, I believe, would potentially harm our commercial negotiations in this moment.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: When did you start negotiating with Hydro-Québec?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Mr. Speaker, we had our first meeting where we received information from Quebec in March of 2023, but we had an introductory, get-to-know-you, hello meeting right around the time that the team was announced and after Premiers Furey and Legault indicated that they were assembling the team.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So you've stated then that you started negotiations in March of 2023, yet in December of 2024, the Premier said there was four years of tough negotiations. Are you aware of who negotiated before you?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I can say what Hydro was doing over the last number of years and I think it was

detailed a little bit earlier, but in preparation and understanding for this potential, Newfoundland and Labrador Hydro undertook to do an analysis with our third-party experts on what would be the bounds of possibilities for getting the most value out of the river. That would have commenced in 2022.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So that would have been a different group of people then that you're talking about. Do you know who they are?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, Mr. Speaker, it would have been primarily the same people that carried us through into the negotiations. Certainly not the lead negotiations, but the analysis we would have utilized J.P. Morgan, for example, Power Advisory, for example, to support us in understanding what opportunities and benefits and alternatives could exist for both us, as well as for Hydro-Québec, leading up to the negotiations. Then, we carried forward with those third-party experts to assist us when we actually started negotiations with Quebec.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So who asked for the negotiations to begin? Was it the Government of Quebec, Hydro-Québec or the Government of Newfoundland and Labrador or Newfoundland and Labrador Hydro?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I think, Mr. Speaker, that might be a question for government, but I know that we were asked to undertake negotiations and to pursue opportunities to get the best value from these assets.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: And that mandate was given to you by the Premier?

J. WILLIAMS: (Inaudible.)

T. WAKEHAM: Okay.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: I can ask the Premier, then: Who asked for the negotiations to begin? Was it the Government of Quebec, Hydro-Québec, the Government of Newfoundland and Labrador or Newfoundland and Labrador Hydro?

SPEAKER: The hon. the Premier.

A. FUREY: Thanks, Speaker.

So just to clarify, a couple of points. First of all, Premier Legault and I met in August of '21, with a very public display of meeting then. One of the sources of discussion at the time was if he had any understanding of the economic and cultural significance of the Churchill Falls agreement in the context of Newfoundlanders and Labradorians. He did.

There were some very informal chats that led to him coming to Newfoundland and Labrador to meet with us, with Hydro-Québec officials meeting with Newfoundland and Labrador Hydro officials. Then there was a discussion at that time, in addition to his public commentary on the existing agreement, that teams could begin in earnest negotiations.

In the interim, between the time where we first met and him coming to Newfoundland and Labrador, there was a series of work ongoing, as prescribed by LeBlanc in terms of the expert panel and an evaluation of the overall benefits that could be achieved on the river.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: To the CEO of Hydro: We know that the MOU covers the existing

Churchill Falls plant and upgrades to the existing plant, an expansion of the Upper Churchill site and Gull Island. In your initial mandate given to you by the Premier, how many of those four things were covered by the initial mandate?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

The mandate detail, as I've mentioned, is not appropriate for me to disclose here for commercial purposes. I will restate that the intention of the effort was to do everything possible to get the maximum possible value out of the assets, both developed and undeveloped.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: To the CEO, again: I'm having trouble understanding that, because we all know what's in the MOU. It talks about the Churchill Falls plant and upgrades to the existing plant. It talks about the expansion of the Upper Churchill site and Gull Island.

So again, asking what was covered off by your initial mandate, I'm not sure how that's sensitive?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Sorry, one moment.

Thank you, Mr. Speaker.

In our view, the MOU is consistent with the mandate that we were charged with.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So, to be clear, that everything that's currently in the MOU was part of your initial mandate?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The MOU is quite detailed and quite substantive. And the mandate certainly can't and wouldn't contemplate all of the detail that the MOU would. Otherwise, you would have the agreement right at the beginning.

You have an intention of what a set of discussions should deliver and the MOU does indeed deliver and the MOU is in spirit with what we were charged with achieving.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, what I'm getting to again is the fact that the Churchill Falls plant and upgrades to the existing plant are part of the MOU. The expansion of the Upper Churchill site is part of the MOU. Gull Island is part of the MOU. Were all of those things part of your initial mandate?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The initial mandate was to achieve the best value from the Churchill River and, if I could go a little further, for example the pricing mechanism, in our view, is a really substantive component of the MOU. Those kinds of aspects and those kinds of details, including what should exactly form every component, it's not, I guess, expected that all of that detail would be included in a mandate. Again, which it is not appropriate for me to disclose here today.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, I don't understand, when it's already in the public domain, that these three things I've mentioned, these three projects, are part of the MOU. I was simply asking whether it was a part of your initial mandate or not. It's a simple yes or no.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I understand the question and where it's coming from, of course, but just to talk a little bit about the rules of procedure that we passed here the morning is that the members – invited guests, I should say – once they declare that an issue is commercially sensitive or privileged for any other reason, I would argue then, based on the rules, it's within their realm to make that decision and then we move forward from there. They would be the one, obviously, who know what is commercially sensitive.

I also spoke a couple times this morning about the fact that this is part of a process. We are now at the memorandum of understanding stage of the process, where we are certainly hopeful, for the next four days, to bring to light a lot of information about what the MOU is and what it means. But it is just a stage in the process and then next stage, the next milestone would certainly be, at some point in 2026, hopefully, a series of definitive agreements. To get from an MOU to definitive agreements, there has to be continued negotiations.

So having said that and having looked at the big picture here, that is a reason why information needs to remain commercially sensitive, because we are not there yet. We are only at the early stage of this process and negotiations will continue after this week between Hydro-Québec and NL Hydro. Disclosing anything other than the Premier's instructions to get the best possible deal for Newfoundland and Labrador would put the definitive agreements and the best possible development of our resources at risk.

Thank you, Speaker.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, Speaker, I would reiterate I am not asking for details about negotiations; I was simply asking about the process that formed the mandate. I will move on.

Was it your negotiating team or Hydro-Québec's that decided what was to be discussed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Mr. Speaker, could you please have that question repeated?

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Sure, no problem.

Was it your negotiating team or Hydro-Québec's that decided what was to be discussed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

It's been close on two years that we have been having meetings with Hydro-Québec. This is a memorandum of understanding between two parties and the content reflects the needs and interests of both parties. The content of MOU would reflect things that both of us wanted to achieve and would bring to the table. So the discussions would have reflected both of our interests.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Whom did your negotiating team report to?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

We would have had certainly our Newfoundland and Labrador Hydro board of directors; we would have been reporting back to our board at appropriate frequencies over the last number of years. I say the last number of years because, again, as we were doing our research and analysis, even prior to actual discussions with Hydro-Québec and then as well we would have been reporting back to government at appropriate intervals and frequencies to provide for feedback on how

things were progressing after we were asked to have those discussions with Hydro-Québec.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: I ask the CEO: Were you part of the Churchill River expert panel that was announced in May of 2022, which was tasked to make recommendations to maximize the value of the Churchill River?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, Mr. Speaker, I was part of the expert panel sanctioned in 2022.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: The public hasn't seen the report. I've called for the release of the report. I ask the CEO: Were the recommendations of the report a part of the negotiations? Did the recommendations inform negotiations?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, a lot of work with significant expertise went into – we call the 2041 panel. As you noted, it is important and the documentation around what we did make public says, **“To protect Newfoundland and Labrador’s future commercial interests and ability to negotiate, the Panel’s report will not be shared publicly.”** That was appropriate and shared by the panel members. But the efforts, the negotiating team received the panel's report and utilized it through the course of the discussions with Hydro-Québec and the MOU would reflect the advice suggested by the 2041 panel.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So just for clarity purposes, who made the decision that the 2041 report should not be made public? Was that made

by the panel or was it made by someone else?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

Mr. Speaker, I'd have to go back and double check, but as a member of the panel and considering the content, I would not endorse releasing that report publicly. I just can't remember specifically, a specific decision point, but I think all of the panel members went into this effort under a non-disclosure agreement. I believe it's for 20 years. So when you're entering into an effort with that kind of expectation you also discuss and pursue research and thinking with the expectation that it will not become public and it's too important and potentially harmful to the province to contemplate that it would become public.

SPEAKER: Do you want to continue on?

The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

Again, I appreciate the question, just to make sure that everyone is aware and to be clear about the record here over the next few days, is that while the CEO has said that she wouldn't endorse the report being public, there is certainly available online at churchillriverexpertpanel.ca a summary of the report.

Just to highlight some things in it, it says: **"Three main opportunities were considered, and are not mutually exclusive:** 1. Increased sales inside the province for electrification, as well as new and growing industries; 2. Increased sales to export markets; 3. A new arrangement for sales to Hydro Québec."

So certainly as we get into the next four days, I think that those three things have been achieved and I look forward to detailed information about exactly how those are outlined in the MOU.

SPEAKER: The hon. the Premier.

A. FUREY: Thank you, Mr. Speaker.

Just to further add, we were following the advice of Justice LeBlanc. Justice LeBlanc, in his summary, in recommendation 7, said that: "The panel should be required to report its progress to Cabinet on a regular basis." Assuming that Justice LeBlanc understood the commercial sensitivities of any revelation to the general public and how that could harm Newfoundland and Labrador's interest moving forward.

So while there was a summary released, I believe the CEO suggests that the details of the expert panel report would jeopardize Newfoundland and Labrador's negotiating position and it is nice to see that it was fully followed as per the prescription by Justice LeBlanc.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: We'll continue. I'd ask the CEO: You signed the MOU on behalf of Newfoundland and Labrador Hydro, correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, Mr. Speaker, that is correct.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Did the Premier tell you to sign the MOU?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: The MOU was signed on behalf of Hydro by myself and other colleagues after we recommended it to our board of directors as it should be accepted, as well as we would have recommended it to government.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So did you recommend to government that the MOU be signed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, I recommended to government and to the board of directors, along with the negotiating team, that this MOU should indeed be signed.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Can it be unsigned?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I'm not a lawyer, but this MOU is intended to reflect many years of research and work and our collective and joint best efforts to continue to take the principles contained in the memorandum of understanding, through with additional negotiations, to definitive agreements.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, can it be unsigned?

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

It's funny, I think that word "unsigned" came up in some of our discussions when we were debating with the Opposition House Leader and other Members about the purpose of this debate and what this debate looks like. But in any event, the word non-binding for this MOU has certainly been discussed publicly and in this House, even this morning. What the MOU is – certainly a framework, I think I used the word framework this morning in my comments about why we're here and what the purpose of this debate is – a framework towards more definitive agreements.

In looking at the MOU yesterday – if I can find it here – is that "the Parties agree to use their respective best efforts to negotiate

and enter (or cause their relevant subsidiaries to enter) into the Definitive Agreements in connection with the following development projects."

So, Speaker, as I said earlier in one of my responses as well is that this is one stage of the process. The next stage is to negotiate all these definitive agreements, which would be based on, as I said, the concepts and the principles in the MOU.

There are four different potential development projects outlined here which could form one, two, three and/or four definitive agreements: One being the upgrade to all turbine generator units at Churchill Falls; another one being the expansion of Churchill Falls as it currently exists; the third one being the development, construction and operation of a new hydroelectric power generating facility on the Churchill River; and the development, construction and operation of required electricity transmission assets in Labrador and Quebec.

So to say that the MOU can't be unsigned, I think that's legally accurate. But to contemplate that this is the end of the story is not true. The MOU certainly, I hope, will advance towards negotiations after we finish up in the House this week, and trusting that Hydro-Québec and NL Hydro will continue good faith negotiations on any and all of the things that are outlined as principles and concepts in the MOU.

Thank you.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

I know the minister mentioned that it's non-binding, but there are clauses in the MOU that are binding in our interpretation of it. So we'll have more to say about that later.

My next question for the CEO: Can changes be made to the MOU?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question, Mr. Speaker.

As we've just discussed, the MOU is the MOU. The details of how the MOU becomes definitive agreements is yet to be negotiated. So I would say that's where further information negotiating is yet to occur.

Section 2.8 lists the 10 definitive agreements. These are substantial and require a lot of work and effort and continued negotiations. So while the MOU is signed and it contains that framework, there is a lot of negotiation still yet to execute in the coming period of time as is detailed in section 2.8.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you.

Would you please confirm that if the definitive agreements that you just mentioned are signed, for at least the next 51 years and beyond for some of the agreements, that the contractual arrangements will be carved in legal stone?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, thank you for the question.

Proceeding over the next period of time to definitive agreements, there are several aspects with regard to the time frame that is pending. One component does have a 51-year time frame and that is the Upper Churchill CF PPA.

As folks will know, there's an existing, well, 16 years if you count now from this year – 16 years left but as of last year it was 17 years left in the existing contract. So that would continue for the CF PPA. When we say that it would be – I'll talk about that first – carved in stone, one of the important schedules to read is Schedule F of the MOU. Schedule F of the MOU details how things can and will change over time.

So while the principles that are here will make their way into definitive agreements, assuming we get the authority to continue to do that, the mechanisms that are contained in there will allow for evolution of pricing. So the mechanism is going to be in place, but the outcomes will evolve. So I would suggest that is not necessarily carved in stone.

As it related to the other components, we will work with Hydro-Québec on those other definitive agreements – I will go back to them – those are the kinds of agreements that are appropriate for Newfoundland and Labrador Hydro to be able to operate. So we would want clarity for the coming decades on how to operate the river, for example, it's really important to do that; how is the transmission going to be operated.

That is normal for us to enter into these long-term agreements to understand how are we going to be operating these assets. These are not just, again, a price item. There are a whole host of documents that you would see there on how we will be operating the system into the future once some of these projects come on line.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: So the Churchill Falls Power Purchase Agreement will be for 51 years?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, the intended period for the Churchill Falls, the Upper Churchill PPA, which is just for the existing generation, not for any of the other projects that are being contemplated, we would expect that they would be 51 years starting five days ago, and continuing for 51 years, of which they already have access to the next 16 years. So it is really an extension, or they are gaining about 34 more years beyond what they currently have access to.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you.

Are you aware that Hydro-Québec in recent years has negotiated two contracts to sell a total of 20 terawatt hours a year in the US for 20 years?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, I am aware of those two contracts.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Why then did Newfoundland and Labrador Hydro agree to a 51-year contract when it is obvious that Hydro-Québec is willing to enter into 20-year contracts?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I certainly can't necessarily speak for Hydro-Québec, but I can speak to Schedule F and I really think you'll probably hear me talk a lot about that today, it really is worthwhile for us to examine that in significant detail. This memorandum of understanding is intended to really be a lessons learned memorandum of understanding. It is meant to consider the inadequacies of the existing contract, as well as the previous major projects that we've had in the province.

When it comes to the duration of the contract, the negotiating team contemplated what could we do differently that, at its most fundamental, reflects the fact that we don't know – nobody knows – what energy markets are going to look like in 20, 30, 40 years' time.

So instead of picking one single market to adhere itself to, one single price to attach to, and then in 20, 30 or 40 years looking back and saying why did we pick that one market, that one metric to attach ourselves to, we

took that and said what is a creative solution that we can come up with derisk making a poor choice today.

What we've done, again in Schedule F, if you look at the sub-bullets, and that's on page – I guess that page is not numbered. But it's Schedule F of the MOU and there are several things I would want to draw everyone's attention to. One of the first things is a phrase in the bottom of the first paragraph. It says: The terms and conditions of each block, from a pricing perspective, are meant to ensure that the principles intended behind the proposed pricing mechanisms remain relevant and fair – fair is a really key word there – over the entire term of the New CF PPAs.

Other things I'd like to draw your attention to, in particular, is of the word "forecast." There is, I think, some clarity required, that folks think that that's a cap. That is not a cap. The \$33.8 billion that Hydro-Québec will pay CF(L)Co, these are forecasted payments, and it is for the existing generation only. But I draw, in particular, your attention to the sub-bullets, because this is what the principles are, and this is what is going to need to be negotiated over the coming period of time.

You'll see there that we indicate that the price has got to be: "reflective of the wholesale electricity market in Québec; replacement costs in Québec; and wholesale electricity market value in the northeast export markets." I think if folks in the past would have gone back and said – just even five years ago – gosh, I really wish we could access to the market price in Boston, in New York, and that would be great at that time. Now if you look at where, I guess, the reality is with regard to the industry going forward, there's a lot of building within your own jurisdiction now. So that's where the prices are likely going to increase versus in the markets.

But we don't know that. That's what we know today. Five years ago, the markets were a great thing for us to look into to try to get value. Today, what's happening with electrification is driving a lot of investment

inside jurisdictions, so the replacement cost is going to be a really important metric. What is it we don't know today of how those things are going to happen in the future.

So what we've done is we've derisked choosing a bad metric today by taking a basket of different metrics, a basket of different indices to use in the creation of the price. What that will do for us is it will ensure that we have not picked the wrong metric or, indeed, the wrong price today.

When we think about a 51-year term, we have de-risked picking the wrong choice here now and we will have this ability to get the best of all of these or if something doesn't work out well, we wouldn't have hitched our wagon to the wrong metric.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you.

I'll ask a question, again, in simple terms. Did you offer Hydro-Québec a 51-year contract or did Hydro-Québec request a 51-year contract?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

Mr. Speaker, we won't be getting into any of the details of the negotiations with Hydro-Québec, but I will state that we do believe that 51 years is an appropriate term, considering that there's already 17 or 16 years provided for Quebec if we don't do something and, as well, as for the pricing mechanisms that I've just described.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, I'll ask, again, the CEO, you have publicly stated that your negotiation team has relied on Power Advisory and J.P. Morgan for advice. Do you know whether the Premier's office has had any advice outside of your negotiating team and consultants?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

I think that would be appropriate for government to answer as opposed to myself.

SPEAKER: The hon. the Premier.

A. FUREY: Absolutely, we had advice from Stewart McKelvey in a parallel process that was set up to allow them to provide independent, completely from the negotiating team, advice as to the negotiating positions and potential counter arguments with the contemplation to avoid themes of the LeBlanc report which include cognitive bias creeping into deal making; specifically things like groupthink, confirmation bias, et cetera.

So it was a parallel stream. The two never did meet until the very end to provide independent view into the negotiations from a legal perspective.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you.

Again, I ask the CEO: Are you familiar with Justice LeBlanc's recommendations from the Muskrat Falls inquiry?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, I am.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Have you applied all of Justice LeBlanc's relevant recommendations to the MOU in negotiation process?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, I believe that the process that we have followed and certainly with the steps that were previously described here today with regard to the panel reporting to Cabinet, those components of the key recommendations, I believe that the MOU does indeed consider and take into account the key recommendations from Justice LeBlanc's report.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, with reference to the MOU, did you refer this MOU to an independent expert review panel as recommended by Justice LeBlanc before you signed it?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

Mr. Speaker, Recommendation 7, I believe it was spoken about earlier, but I'll refer back to it. It says: "In preparation for 2041, government should appoint an expert panel with a mandate to determine the best approach to be taken by the Province in its attempt to ensure maximum long-term benefits from the Churchill Falls generating station and other potential generation sites on the Churchill River. This panel should be properly funded, non-political and include experts who are best able to assist government in preparing for the negotiations with Québec. The panel should be required to report its progress to Cabinet on a regular basis."

And, indeed, this was done.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you.

Yes, we've heard that before and this expert panel was used to help you and involved in the whole negotiation part. What I'm asking about is that we now have an MOU that has been signed and was this MOU subject to an independent expert review panel before it was signed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: (Inaudible.)

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

To answer that question – the question, I think, being asked is, was the MOU subject to an expert panel as per Justice LeBlanc's recommendation. I don't actually see the word "panel" in there. I see engage independent external experts.

Again, when we look back at Muskrat Falls, which obviously is on the Churchill River, and we're talking about changes to the 1969 Upper Churchill agreement, the MOU is not the same as Muskrat Falls in that Muskrat Falls was sold to Newfoundlanders and Labradorians as a project that was needed to generate electricity and power for ratepayers in Newfoundland and Labrador. We needed this to keep the lights on. What we were told was that we didn't need all the power, so we would use some of it for external sales, which we now know, of course, didn't come to fruition in terms of how it was described at the time, back in 2010, and here we are now in 2025 having to pour in \$500 million per year into that project.

But again, to my point, there's legislation in this province that says that NL Hydro has to deliver power – electricity – to Newfoundlanders and Labradorians in a reliable manner, in the lowest possible cost and in a sustainable manner. That is quite different than what we are talking about here in regard to the MOU, which at its first stage is providing redress to the Upper Churchill agreement, which is really just a transfer of funds as set out in the original agreement.

If and when future projects are developed and the definitive agreements are reached to develop those future projects, which may be upgrades to Churchill Falls, which may be a new generation facility at Churchill Falls 2, which may be developing of Gull

Island, those are projects potentially as contemplated by Justice LeBlanc. They may not be projects – and Ms. Williams can correct me if I’m wrong – to deliver power to the ratepayers of Newfoundland and Labrador. It may be all for export sales. If that’s the case, I would argue that it’s not what was suggested necessarily by Justice LeBlanc.

Of course, if we are responsible as a government or a Crown corporation to plan and approve construction of any large project, which, for example, may be transmission lines over \$50 million, then absolutely. I can’t commit on behalf of the Premier, but I would expect that he would engage independent, external experts to provide a robust review, assessment and analysis of that project.

My understanding on Gull Island, of course, is that there’s an amount that we would be responsible for as the utility. That price has already been contemplated. We don’t bear the risk of cost overruns in that situation, but again those would be for export sales, delivering out of Labrador into Quebec and throughout wherever Hydro-Québec chooses to deliver their electrons.

But there is a very important distinction to be made from what Muskrat Falls is and was and was intended for, versus what this memorandum of understanding is.

Thank you, Speaker.

SPEAKER: The Chief Executive Officer, would you like to add to that?

J. WILLIAMS: Thank you, Speaker.

Probably just a little bit. Minister Hogan mentioned about what is going to be the role of several of these projects. One of the other real positives about this memorandum of understanding is the opportunity to gain access to power, both from existing facilities as well as future, potential facilities. So as we move into definitive agreements – and then projects could even have to be sanctioned even beyond that – it will be important to think about what is the role of

these in particular, versus Muskrat Falls, as we mentioned, was specifically for use by this province as the primary drivers.

If we happen to have excess that could be sold, that would, I guess, assist with the decision, but in this instance, these projects are really being developed with the intention that we would get some of the power back for use within the province. We will certainly be considering how that could have to go further to, for example, the Public Utilities Board.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, we’re sitting here debating an MOU that will have a significant impact on Newfoundland and Labrador for generations to come, and what I’m hearing is reasons why we’re not using an independent review panel. At the same time, when I read the motion that we’re supposed to talk about or approve on Thursday, it says: Therefore, the House supports NL Hydro proceeding with the MOU toward definitive agreements.

I would think that the MOU is going to form a significant part of the negotiation for those definitive agreements. I would think it would be appropriate to make sure we have the best deal possible, the best MOU possible. I would think that having an independent second set of eyes on that would certainly not do us any harm whatsoever.

SOME HON. MEMBERS: Hear, hear!

T. WAKEHAM: As a matter of fact, it would only benefit us and the people of Newfoundland and Labrador.

So other than that, I don’t understand the reason why we would not go to an independent expert review panel. Clearly, it hasn’t been done. Clearly, there’s no intent to do it.

I will continue on in the last minute I have left and simply ask again: The Members of the expert panel have been described by government as possessing “... expertise in

areas ranging from energy development to environmental stewardship.” Was former senior public servant David Vardy on this panel?

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Just to address the preamble very quickly so the Member can get a response to that question.

I was just trying to make the distinction between what Justice LeBlanc said with regard to Muskrat Falls does not necessarily apply to the MOU. Having said that, of course, independent oversight is important and the Premier did commit this morning that as NL Hydro moves from the MOU towards the definitive agreements, there will be independent analysis providing their opinion – for better or worse – to Cabinet.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: If that’s the case, I would ask the Premier now: Will you commit to an independent expert review of the MOU before we vote on this MOU in the House on Thursday?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Government House Leader.

J. HOGAN: I said what the commitment was. Of course, you can’t provide advice as you move from the MOU towards definitive agreements without contemplating the MOU, Speaker.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, I’ll just simply repeat the question. I’ll ask the question again: Will you commit to an independent review of this MOU prior to us voting on it on Thursday of this week?

SPEAKER: The hon. the Premier.

A. FUREY: There’s been extensive independent analysis of the MOU. That’s why we have experts here today and experts here all week.

We have said, and I maintain and we will commit to continued independent oversight with regular updates to Cabinet, including a separate set of eyes that will provide continued oversight, independent oversight as the negotiating team, to provide outside and independent advice to Cabinet as we move towards definitive agreements.

The Member opposite seems to think that the MOU is definitive. We are taking a completely different approach than what was exercised in the past. We’ve brought the MOU here to the House; we’re bringing it to the public for outside debate and for public consumption. Then, as we move towards definitive agreements – if we move towards definitive agreements, if it’s accepted in this House, based on the debate and questions posed to the experts – we will continue to have independent oversight that will provide independent, outside expertise.

To say that there’s been no independent assessment and inputs into this thus far is disingenuous.

SPEAKER: The Member’s time has expired.

The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

I would start by asking the question: Doesn’t the deal, an MOU of this magnitude, this transformative power, deserve an independent review that basically is answerable to the House of Assembly and to the people of the province? That’s what this comes down to. One that you could look into the specifics but would not necessarily have to report those specifics to the public, it would be cognizant of the commercial sensitives, yet there seems to be resistance to this, fudging or smudging the boundaries here. The Muskrat Falls report may not specifically align with this, but there are

lessons to be learned nevertheless, Speaker.

I've heard it said over there on the government side that basically we've engaged expert advice to advise Cabinet, but we also know that such advice would be protected by Cabinet confidentiality. No different than the Rothschild report, which we didn't see, nor the report on the integration of the school district into the department. We know that the department did not seek independent analysis or land appraisal of the land it purchased in Kenmount Terrace. It seems to be one thing after another, when it comes to any independent analysis or oversight, they are resistant to it.

I am prepared, to me it comes down to: Does it make good economic sense? I'll be the first to admit, and to quote one person who wrote in: Politicians really shouldn't be making the decisions on this in some ways. But I will say that what I'm looking for is that independent analysis.

That's certainly a clear message, whether the members of Newfoundland and Labrador Hydro or the government want to admit it, that's a clear message that's coming in from people, unsolicited, the need for an independent review, arm's length.

Now, I well know the 1969 Churchill Falls agreement and the Muskrat Falls agreement, the hangover from those. But I do not think we can be paralyzed from taking risks. We'll never minimize risks to zero. There's always going to be an element of risk. But I believe we should learn from them.

I'll go with Muskrat Falls: They will saddle us with heart-breaking debt. I know that, I've read through Justice LeBlanc's report, it's a misguided project. But I will say this, Speaker, for the last six years, my colleague and I had no part in that debate and I said at the time the New Democratic Party raised serious concerns and voted against – not against the deal, but because of the lack of information.

But I will tell you, over the last six years, every time the Official Opposition has brought up something, the government side has reminded us, reminded them, ad nauseum, about what this province could have done if it wasn't saddled with the debt from Muskrat Falls. We haven't engaged in it, but we've had to listen to it.

To me, what I'm looking for here is that simple analysis. I'm not looking for the specific commercial sensitive information, but I am looking for an independent body to say we've analyzed it and to give that summary that this makes perfectly good sense. Maybe again it's not as good as reported but, overall, it's a good deal and we should take it, and the framework is sound, move forward. To me, it's not a partisan issue, but it's got to come down to a business issue. It's got to come down to a commercial case. It's got to come down to does it make financial sense and in what way.

There have been enough people who have questioned the numbers already that I really don't know the answers to. Nor do I know, for that matter, if the answers that are being given to me are the answers I should be looking for.

But I do know that the language, it's interesting that back in December 2012, the provincial government has called Muskrat Falls a project on investment with projected dividends of more than \$20 billion over 50 years, starting in 2017. Obviously, clearly, there was a lot of hype, a lot of hope about this, and we will have a resource that's going to eventually make money for the province.

Interesting, critics have argued that the pricey project has not cleared a single independent regulated review. The Premier's response at the time was that Muskrat Falls received the endorsement of Global Energy Consultants, so they were hired and paid for by her government. She refused further review by the provincial Public Utilities Board since it declined last spring to endorse Muskrat Falls, saying it lacked updated information. So at that time,

the administration was relying on its own global energy consultants. I would assume they would call them independent experts as well.

So to be very clear, while the Muskrat Falls inquiry report may not apply directly to this situation, and there is this attempt to distinguish the two projects, there are lessons to be learned.

Today, I guess in general terms and, specifically, the Premier says he is not here to sell the MOU. But I would argue that the number of high-quality ads, high-production value ads that appeared immediately following the announcement, half paid for by the provincial government, half paid for by Newfoundland and Labrador Hydro, suggests otherwise, that there is indeed here a lack of objectivity.

By the way, that is not to disparage the professionalism or the expertise of the people, but the fact is that I do believe that once you cheerlead it, you become tied to it, and the need for an independent review is important.

We note that the expert team for the preliminary discussions with Hydro-Québec included veteran Karl Smith – this is back on February 28, 2023. He was the chair of the Churchill River Management Expert Panel; Jennifer Williams, president and CEO of Newfoundland Hydro; and Denis Mahoney, deputy minister of Justice and Public Safety. That was the expert team and they sit on the negotiating team. That again is not a separation and it is definitely not independent.

The team was appointed by the Premier after consultation with Cabinet and Executive Council. So to be clear, as expert as these people are and as competent as they people are, as knowledgeable and I would say people of integrity, the fact is they are hardly arm's length from the process.

I go back again when we would go to the negotiation process, the team who negotiated the contract had nothing to do with cobbling it together, for that reason. I

think, I believe that an independent review, arm's length, would probably show that the deal does indeed have merits and that, overall, it is a positive step forward, but we will never know.

Now, if I understand it correctly, the Muskrat Falls inquiry cost us in the area of \$24 million-plus. It may have cost more than that because when you look at the \$13.5 billion or so in debt from Muskrat Falls itself, I can't help but think that right now there is an opportunity to do an analysis for considerably less and would provide the confidence we would need.

Really, if there is a commitment from the other side that such an independent review, as what we're suggesting, would take place, I would have no problem supporting this. Because I do believe that it can occur side by side, concurrently, that it would not take a whole year but enough to say that yes, this deal has merit and it is worth pursuing. We're on the right track.

I do not believe that the negotiating team is out to negotiate a deal that is going to harm people of the province, but, then again, the people who negotiated Muskrat Falls or the 1969 agreement weren't out to hurt the people of the province either, but we're living with it. I think it's been said here by the Premier: We can act in haste and repent at leisure. So here it is, it's just an opportunity to consider this.

I will say this – and I go back to a quote from a former Premier Danny Williams in the inquiry – I can guarantee the people of this province that rates will not double as a result of Muskrat Falls. Well, rates are going up, they're mitigated and we're paying for it.

Certainly, there was significant enthusiasm. I look at the hype today, look at the language that comes with this: realizing the true value of the Churchill River; transformative opportunities; our jobs, our money, our power; a significant milestone; extraordinary news; everything changes; ripping up the 1969 contract, even though the contract hasn't been ripped up yet; starting a new chapter after tough

negotiations; opening line of a bold, new chapter; generational impact; remedies the past and lays out a prosperous path; a rightful value; rightful opportunity.

All well and fine. I want to believe that, Speaker. I really hope it is because it means my grandchildren are going to be enjoying a more prosperous future and more likely to stay in this province and make it their home. That's what it means to me.

I'm not interested, really, whether Quebec gets a good deal. Whether it's a Liberal or PC initiative, it doesn't make any difference. What I do want to know is does the deal make sense. That's what it comes down to for me. That's all it comes down to: Does it make economic sense? Will we get the jobs that are promised? Will we see the benefits that are there, the \$225 billion – the quarter of a trillion dollars and so on and so forth? Will we get that?

I will say this: One of the first things I did was I went through the Muskrat Falls recommendations and looked at some of the lessons that are there. The decision-making process – and I look at Recommendation 1 and I will agree with Members of the other side that we're talking about two different types of projects. However, page 61 in the Executive Summary, Recommendation 1: "The Government of Newfoundland and Labrador should never undertake, on its own or through one of its Crown corporations or agencies, the planning, approval or construction" Now, this is not about construction as such, but it is a significantly large project. It is five, basically, in one.

It can be argued that the Government of Newfoundland and Labrador is not undertaking the construction of what's put forward here, since this seems to be Hydro-Québec, and I probably don't really have any problem with Hydro-Québec building it because they definitely have the expertise. I would have a problem if Newfoundlanders and Labradorians find themselves left out of the contract and work and so on and so forth, and there is some concern around that.

I would argue then that it still needs independent experts engaged by an arm's-length agency, such as the PUB, or pick another one, but they have nothing to do – they don't report to Cabinet; they would report to the province. They have no skin in the game here. It is as simple as that.

I do believe this: If the project can withstand scrutiny, Speaker, then it is a good project. It is as simple as that. There is no such thing as zero risk. It still may go sideways but if we have all that in place and we can go forward, then we're doing the best we can, as simple as that.

Recommendation 2: "The Public Utilities Board should review the proposed business case, reliability, cost and schedule of any large project that could potentially impact Newfoundland and Labrador electricity ratepayers." Well, this project, it is claimed, is going to have a significant, transformative effect on the people of this province, which means the converse could also equally be true; it could have a negative effect as well.

Now, we have argued for this, and I will continue to argue for this and I will continue to advocate for this, not because I think that the deal is bad, but I just want that independent analysis. I don't think it needs to be lengthy, but it can be done. If the Public Utility Board lacks the expertise, then it can engage the expertise it needs to assess the project.

The Government of Newfoundland and Labrador and Newfoundland and Labrador Hydro have become cheerleaders – and I understand that, of course, that makes perfect sense. You worked on this deal; you've been tied to it and you want to see it thrive. I understand that. Really, though, we cannot depend on the objectivity to assess or engage consultants to independently assess the merits of the Churchill Falls MOU.

So I think that's due diligence, that's oversight, that's positive. I think, too, that negotiations can still proceed but if this MOU is a stage, then I'm assuming there are stages before and there are stages to

come. In Muskrat Falls, it doesn't call them stages; it calls them decision gates at any point along the way where government could have pulled out or exercised some due diligence and stopped. That's not what I'm suggesting here.

But I do believe and what I've been trying to wrestle is: What is the purpose of this debate? Because really, it's Newfoundland and Labrador Hydro and Hydro-Québec who are negotiating this. Nor do I want to be the one to tell Newfoundland and Labrador Hydro you should stop or do this. I think that comes down to: Does it make a good business case? That's what it comes down to: an independent, arm's-length expert panel to review. Because I do think it's better to do the review now than to spend much more on an inquiry 10 years down the road. Hopefully it will never come to that.

If you read through the report, there are plenty of examples here where I'd say maybe some are hubris on the part of the administration at the time, where they were recommended to hire an independent consultant to conduct a full review of the project, that was turned down. I think here it's prudent to do that, especially since we've got Churchill Falls, the original deal, and Muskrat Falls in our rear-view mirror.

I think it's important to make sure that when the people of the province are looking at this complex deal and they're trying to make sense of it: nominal dollars versus net present value, plus escalation clause, plus discount rates and so on and so forth. It's a significant challenge.

Again, we would have preferred – and I wrote the Premier on this – to have this debate delayed until maybe even after the House of Assembly had its communications upgrade, the end of January or February, when we could have actually had the time to make sure we are understanding and to ask the questions. But that's a tight timeline over Christmas; trying to talk to people was significant. I think, it would have given us that time to get comfortable with it, to absorb it.

Keep in mind, too, that it has been said here, that it's been four years – certain government Members and I would say certainly Newfoundland and Labrador Hydro people – you've lived, breathed it and you can probably recite this in your sleep. But it comes down to – and I'll speak as a small caucus here – trying to make sure that we get this right. That's been the main thing. It's not been about poking holes. Making sure I understand it and making sure we get this right. That's what it comes down to for me, simple as that.

If it's about education, then, I think, we can take a longer process. I remember when we were trying to fix our pension plan, it took us a full year, but we started the education process from the get-go. By the time it got to the vote, teachers were sick of hearing about it, but they knew it.

If it's symbolic, then fine, I guess it's a low-risk adventure. Do I support Newfoundland and Labrador Hydro in the negotiations? I'll say right now, yes. I will say that: I do. But what I want for that is that independent review. I have total faith that these people are experts, and they know their business. That they're working in the best interest of the people of this province, but I want an independent, arm's-length review. We need it.

If it has meaning, if this debate is more than just symbolic, even more so.

I'll just read here from one of the many people who wrote in, unsolicited, and by the way there are people who wrote in and just automatically put Quebec in the sentence and there's an automatic opposition and concern.

Others laid out some pretty extensive, rationale and charts; those which I shared with the Chief Executive Officer of Hydro and good enough to respond to them, Speaker.

So one person, an engineer, acknowledged background, wrote: This is a very complex term sheet and with the various components, one is not easy to understand.

With no intended disrespect to the province's current cohort of MHAs, this is a tall ask to ensure a deal of this magnitude gets the scrutiny it deserves on the public record by politicians rather than true subject-matter experts.

Now I didn't take that as an insult because I would have to say, yes, I agree with you on that one.

Irrespective of the quality of the deal, the proper public process should be ensured considering not only the impact of future generations, but this is one of the remaining Holy Grails to ensure future fiscal sustainability of the province. This should not be a political or partisan debate and it should be one which is of the highest standards.

So I agree but I think, here, in the end, whether it's the PUB or whether it's an independent expert that Members of the House here agree to, that we all have input that this is the person, this is the team or this is the organization to look at it and I think that's needed. To review what has been written, have access with that and I think the CEO of Hydro said, look, send in your experts to us and we'll have a chat with them.

In a way, if there's an independent body to do that, then fine. They can, with that – subject to confidentiality – at least if there's a report to the House then, that says this deal makes good sense and we've passed the stage. Let's move on with it.

Or if there are concerns, those concerns can be addressed but at no stage, I do believe this, should we stop. My colleague will tell you and he's very articulate at this that, as people suggest, we could wait but it could very well spell the death knell of Lab West. It's significant. Whatever deal comes out has to be about protecting the people of Labrador and the jobs and the overall economic, fiscal sustainability. That's what it comes down to. To me, there can't be any other reason for it.

What I would like to hear before debate finishes, before we come to a vote, is a commitment to such an independent, arm's-length review. It doesn't have to be a lifelong commitment, but something that could start now, have a report back, for that matter, before the end of the spring sitting – at least an initial report. Talking about people that know the business, that should be possible. I think that's doable. But at least then I know that in 50 years' time, people won't be looking back, gee whiz, what was Dinn thinking when he voted in favour of this?

P. DINN: You.

J. DINN: Me, this Dinn.

I think, Speaker, that's not unreasonable to ask, because I still think an independent review would be a lot less costly than an independent inquiry down the road.

With that, I will have questions to ask, but I think that's the commitment I want. I have confidence. We've spoken to Ms. Williams on several occasions. I've always found her to be professional, open, engaging and forthright. I have that respect. But I think at this stage – since we're at, obviously, a stage, sort of a decision gate – it doesn't hurt to have this review now.

Thank you very much, Speaker.

SPEAKER: The hon. the Member for Mount Pearl - Southlands.

P. LANE: Thank you, Speaker.

I have lot more, I guess, I could say. I like a lot of what my colleague just said about the independent review and I will maintain that stance as well. Again, not because I question the integrity of any of our guests here today, but I'm the one person who has been down that road with former people in your position who told me things that obviously didn't pan out the way I was told. An independent review has to be it, as far as I'm concerned.

I have a couple of questions. I'm wondering, to the CEO, are these projects tied together? Does one infer that the others have to occur? I guess my specific question is around if we renew the Upper Churchill and just basically change the rates, because that's all we're really doing, is we're kind of just – really the same deal, except changing the rates. I know there are some changes, generally, but, for example, if we signed that agreement first, for argument's sake, and then there was a decision for whatever reason not to do Gull Island, not to do the other projects, can we say: Well, we only signed this because Gull Island was going to happen? If you're not doing Gull, then this deal is off. Or if we sign it, are we stuck with it?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much for the question.

Mr. Speaker, two components there. If it's okay, I would like to take the opportunity to address one of the preamble components. Same deal, just sort of new pricing because I am seeing some perceptions about that as we're monitoring and receiving feedback from various folks. Then I will certainly get into answering the question on the connection amongst the projects, if that does indeed exist.

The MOU reflects a very different future for the Upper Churchill Power Purchase Agreement than what the current one contemplates. The existing contract is fixed, in fact it declined with regard to price. We currently have a floating price, basically. The price is going to be tied to several markets, as I talked about earlier, of which the markets are forecasted to increase. So that is a very different approach.

In the existing contract, Newfoundland and Labrador Hydro has access to about 10 per cent of the power from the Upper Churchill and Hydro-Québec has access to 90 per cent of the power from the Upper Churchill. By the end of the contract, Newfoundland and Labrador Hydro will have access to 30

per cent of the power from the Upper Churchill, with Hydro-Québec having 70.

In the original contract, there was no reference to fairness of pricing mechanisms. In the new contract, reference to fairness is indeed included and is intended to be reflected throughout the duration of the PPAs with regard to their pricing.

In the existing contract, Quebec essentially, from a governance perspective, has veto power over any decisions that CF(L)Co should make. In the new MOU, we contemplate writing a new shareholders agreement where that veto power would not exist.

With regard to water management on the river, the new contract, in the MOU, it contemplates updating the water management agreement to ensure that the water in that river is going to be used absolutely most efficiently. It already mentioned it earlier, in the existing contract is the Quebec courts and now, in the new MOU it talks about the neutral courts.

So at its most fundamental, I want to be really, really clear that this is not just a pricing change. There is a whole host of things that is materially changing. Starting January 1 of this year, if we can proceed through to definitive agreements and indeed get all that work done, it is a radical change from what the existing contract has.

To then go on the second question, which was a great question, on what happens if the projects that Quebec certainly is interested in – because they do have a significant power need – what happens if they don't proceed, for whatever reason. Does that mean that this contract that I just outlined just then and the changes that we have contemplated, do they disappear? Absolutely they do not. While the MOU contains all of these aspects together, if the projects do not proceed, the new CF PPA is in effect and it does not change.

It was really important to the negotiation team that that was indeed a separate outcome of the MOU. I will say that there is

a component of the project that is also really important to talk about and it's the \$3.5-billion net present value option payment that Hydro-Québec will pay to Newfoundland and Labrador Hydro for its equity components for the various projects, which is actually \$4.8 billion, in nominal dollars, by the time the actual payments come.

But, of that, the first \$1.3 billion will come to the province, I think, over the course of three years and it is non conditional. What that means is that it is intended that we will receive that money and that when the time comes to pay our equity for the projects, we will use the option value. But if Quebec chooses, after five years' time or 10 years' time, so many things have changed, they don't want to do those projects, this jurisdiction keeps that first \$1.3-billion, non-conditional payments.

So hopefully that addressed the question.

SPEAKER: The hon. the Member for Mount Pearl - Southlands.

P. LANE: Thank you for that, and I do apologize, I did know a lot of those things that you did just bring up about the agreement. I was aware of those. Perhaps I phrased it wrong, but I guess I was looking at it from the perspective of, like, it's not a new build or whatever, it's basically just changing an existing contract, but I do appreciate the info. And I am sure the people of Newfoundland and Labrador do.

With that said, the Premier and the government have talked about this 5.9 cents a kilowatt hour. Can you explain how we arrive at that number? Because it is my understanding, through people we've spoken to and so on, is that this is arrived by basically averaging out revenue that would be derived, say, from Gull Island, combining that with what we're selling the power to Quebec for on the Upper Churchill and then averaging them out and coming up with a 5.9 cents. Is that correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker, for that question.

I will likely start, and I expect I'll ask my colleague, but I do want to go to the joint news release with both jurisdictions of Newfoundland and Labrador as well as Quebec. If you could bear with me for a moment.

Yes, so this would have been the news release between Quebec and Newfoundland and Labrador on December 12. This was a joint news release that obviously both parties approved the content. I think it's a really good question because it's such a complicated deal; there are a lot of numbers out there and it can be very confusing.

But the 5.9 cents you will see contained in the joint press release, that is what is the effective price that Hydro-Québec is going to pay CF(L)Co for the power that it will receive over the pending 51 years. It does not take into account – and it's in here – it does not take into account any mixing with Gull Island power or any other developments. It is 5.9 cents solely for the existing generation. Now, again, it is an effective price. This is why I'm going to start, but I do ask my colleague, Mr. Parsons, to jump in as necessary.

It is derived on taking the forecasted \$33.8 billion payments that Hydro-Québec will pay CF(L)Co, and then putting that into today's dollars. Then when you take that, today's dollars, and you change that into a cents per kilowatt hour, it is 5.9 cents. Again, Hydro-Québec have also signed off on that.

There is some confusion in the public that there might be a different number. They are talking about using dividends and ways to mitigate rates, so that's why there are sometimes different numbers. But this joint press release says very clearly that the effective price to be paid starts at 5.9 cents and it escalates. I don't know if it says at that point, Walter, but it escalates at a range of about 2 per cent over time.

It's really, really important because there's a lot of confusion out there and we totally appreciate that a number of very interested and intelligent members of the public are trying to pull together publicly available information and coming up with different numbers. But it is 5.9 cents effective per kilowatt hour.

I don't know, Mr. Parsons, if you would like to add, if that's okay?

SPEAKER: The Vice-President.

W. PARSONS: Sure.

You can see on the website, the ourchapter.ca, we have published annual pricing based on current forecasts. So each year from 2025 to 2075 is there, laid out by year and you can see there is a ramp-in period where the price starts at 1.6 cents in 2025.

SPEAKER: Excuse me.

The time is expired. If you just want to clue up your remarks and we'll move to the next speaker.

W. PARSONS: Sure. So the pricing does climb to 7.8 cents in 2041 and then up to as far as 37 cents by the end of the contract. The six cents is a way of using today's dollars to summarize that series of escalating pricing.

SPEAKER: The next speaker.

The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you for that. I thank the Member for asking the questions that both of us decided that we should ask. I'll do the other side and talk about a few things that were said in the House today.

I heard the Premier say that we all got to put our biases behind us. I would urge the Premier to live up to that commitment himself.

I would say to the Government House Leader, for you to split hairs to talk about Justice LeBlanc's inquiry, to say that this is not a project, therefore, we shouldn't have to send it out to an independent oversight committee. It's tough to try to split hairs to do that.

If you look in any dictionary whatsoever, the definition of a project is: a series of events to bring forth an end goal. The end goal here is to try and make sure the people of Newfoundland and Labrador get the best deal.

So for this government, which I was a part of, which I went through the Muskrat Falls debate and inquiry, to split the hairs and say, well, this is not really a project, and the Premier is saying we all got to be together. The Premier has put his own words, we can't have biases. How can you not be biased when you got the Government House Leader standing in this House to say, well, this is not really a construction project, therefore, we don't have to send it to an independent oversight committee. That's what you said. I got it marked down. I was listening to it. That's what you said. It's wrong.

You can see why people like me, who's been around so long and people back home in the district, are asking questions. They're saying, well, send it to some independent committee, send it and then we all can stand up and vote it. We all would stand up and vote for it if we had something – but to split hairs and say we're not going to send it to an independent oversight committee because it's really not a construction project. My blessed Lord, we're dealing with the future of the Province of Newfoundland and Labrador.

This is no remarks about the witnesses here today. This is just doing due diligence. How many times did the lawyers go get a second opinion from another lawyer? How many times do we do that ourselves? Yet, we can't ask for a second opinion of this because it's not really a construction project – billions and billions of dollars. Well, I will speak about that again later.

I'll ask the CEO: At any time during the negotiations, did you look at any other options or was the direction given by government just to go to Hydro-Québec?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Sorry, Mr. Speaker, could you please have the question repeated?

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: During this whole process, when the government gave you direction, was it to deal just directly with Hydro-Québec or were you given the flexibility to look at other options with the power that we have after 2041 or in between?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

Certainly, after we were provided with a team to be assembled and to commence discussions with Hydro-Québec, we were focused on determining can we come to something that we believe is a good deal and a fair deal for this province with regards to Newfoundland and Labrador in the conversations with Hydro-Québec?

With regards to various options prior to, we certainly were analyzing what is the various advice that we should follow and determine and analyze from what should we indeed do. I think we discussed it earlier, if you look at the 2041 panel, for example, I know we referenced it earlier, if you don't mind I could go back to it again, the panel's work did indicate the three main opportunities that were considered.

So I would say the answer is yes, we did consider, but are not mutually exclusive is: "1. Increased sales inside the province for electrification, as well as new and growing industries. 2. Increased sales to export markets. 3. A new arrangement for sales to Hydro-Québec."

So, absolutely, as we contemplated what are the best possible opportunities for the

province, we always had various options in mind.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you very much.

You said the assessment that you did for the increased sales to other markets, can you release that to this House? Because it would be very important to see if you looked at the New York, the New England States or other areas that you can get sales without going through Hydro-Québec getting their cut from it.

So can you release that, if possible?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

Mr. Speaker, as we discussed earlier, the panel released some information, as there's a website that the folks can reference for what is indeed okay to have released and that's what I've already discussed. But I will reiterate Schedule F in the MOU because that concept of making sure that we get as much value as possible, for example, the opportunity to engage further in the export markets in the northeast of the United States is indeed contemplated and we will gain that value in the pricing mechanism that we negotiated in the MOU.

So all of that history and that potential opportunity is indeed reflected in what we negotiated with regard to the pricing principle and the opportunity to get that benefit for the next 51 years.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: So you did go through Hydro-Québec for this pricing, not on your own through the Northern States or New York, those areas?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

Mr. Speaker, what this pricing schedule is, is the framework for what will result through definitive agreements, exactly how we gain those prices, I will say also without paying for transmission through Quebec. So we will be using this to get those prices that are indeed in that northeast market, through this pricing mechanisms, which is to be formally negotiated through definitive agreements.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Thank you.

I only have a few minutes. I'm going to ask a question that a constituent asked me to ask.

If there is a dispute, where would the dispute be settled, in Quebec, Newfoundland or some other province?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much for the question.

Mr. Speaker, instead of current day disputes with the Upper Churchill being heard in the Quebec courts, disputes and governing law will in fact be in Ontario. That is what is contained in the MOU. We believe that that is a neutral court and some are characterizing it as a fair umpire, so we're pleased that we're moving into a neutral jurisdiction.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Are there any sales going to Ontario through this agreement, for Ontario to be a neutral province to have it settled?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: So the MOU contemplates export market sales in the northeast, and the details of exactly what the jurisdictions are and the nodes that we will use for what those pricing mechanisms of those nodes are going to be is to be negotiated through definitive agreements.

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Another thing I just wanted to mention is: Did Newfoundland and Labrador Hydro put out ads on this project?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Can I just have the question reworded, please?

SPEAKER: The hon. the Member for Humber - Bay of Islands.

E. JOYCE: Did you put out any ads, Newfoundland and Labrador Hydro, about this whole project itself, to the general public, to the media?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

So inferring that it's the ads that we're seeing publicly, those would have been certainly jointly worked on with government, really with the intention to try to help people understand the MOU and to draw people to the website where they can gain knowledge and information. It's a real one-stop shop to try to get that information.

We are going to continue to update that as we monitor and gain feedback on what's not clear. So that website will indeed continue to be updated. The reality is that most people today are getting a lot of their information through various social media sources, so we think it's appropriate for us to try to reach out to as many people as possible publicly through various social media mechanisms.

SPEAKER: You have 15 seconds.

The hon. the Member for Humber - Bay of Islands.

E. JOYCE: I know there is social media, but there's a lot of public media promoting this here, and I thought it would be independent.

I'm going to ask one question. The Premier stated earlier that Stewart McKelvey was involved on a parallel. Will the Premier release the report that Stewart McKelvey did, as negotiations as the Premier said was parallel to oversee this?

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: I can probably answer this one in the interim on behalf of the Premier. Without giving a yes or no answer, that is certainly something we can check into, obviously with the same caveats in terms of confidentiality, commercial advice, things like that.

I get the point of the question, but we can probably circle back on that one and see what is able to be put out there.

SPEAKER: The Member's time has expired.

Next speaker.

The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: Thank you, Speaker.

It's just a great honour to be able to speak to this today, to be here as a part of this. The first thing, before I get into this, is I want to say thank you to our guests. This is not something I've seen a lot of since I've been here, so thank you for taking the time.

I would say a big thank you – as someone who has served as a House Leader, I know how hard this stuff is to put together. So I say to the different House Leaders and people that put this together, thank you, because it was over Christmas we are putting this together, and it's not easy. So I appreciate the effort that goes into this, having sat through meetings like that.

Obviously since December 12, this has been on my mind. I don't have prepared notes; everything I have here right now is based on what I've heard so far today, interspersed with some work that I've done

over Christmas. This has been on my mind, about what I want to say, what I can say, what I should say. The first thing I would say is that I am just happy that I am able to be here to say anything. That is the first thing I am going to say.

It is a privilege for us all because this is not always an opportunity that is granted. As mentioned this morning, we've gone through other projects and things in history and there were not always opportunities for elected Members of the House to speak to important issues. So the fact that we are here today and here for the next number of days, I don't take that for granted, and I appreciate that.

The second part: Much of what I have heard here so far, much of the questions and thoughts and the comments, it is very similar to what I would have probably asked in the past. It is very similar to what I would have said, what I would have wanted to know, even what I would ask now because it is important. I have listened to every Member, every person that has spoken so far and I hear what they're saying.

What I would say – and again, forgive my lack of coherence perhaps or eloquence in here putting this all together. It might be a little all over the place, but hopefully it will all circle back to something that makes sense. This is just one step along what is going to be a longer path. I heard the commentary about this is carved in stone and things like that. I don't think that is the case. Yes, we have an executed MOU, but we do not have definitive agreements.

One thing I will point out – and it is difficult because I have been in this position – it is a balancing act. There are people outside our borders that are watching this, that are listening to this, that are taking this in. The same as I have said on *Open Line* or in interviews, that I'm not going to negotiate in public because that is a terrible move. No one would do that. But it is balanced against the fact that we want to have a right to know. We want to see what is going on.

In this case, we are righting the wrongs of a contract from many, many decades ago. But for most of us, we are still living in the immediate aftermath of the last big hydro project, and we know where that went and I'm going to reference that. So I get that we want to make sure that we don't go down the same path that we have before.

Measured against the fact that when you are dealing with commercial negotiations, it is difficult and, in fact, we don't want a case where we take what I think to be a very strong deal and effectively negate it, ruin it. So I get that; I just put that out there.

One comment I heard – I think it is from the Leader of the NDP. He said a constituent said politicians shouldn't be making these decisions. I have to say that I disagree with that. I mean, I don't know if this is a decision for the judiciary, or the Executive, or is it of the 40 Members that were elected by every single person in this province. Or do we have a situation where we allow unelected people who don't answer to constituents to make these decisions. So I disagree with that.

I think we are the right individuals to discuss this, but we will all take into account what everybody is writing us or talking to us about. You're watching a junior game over Christmas and somebody asks you a question. We've all had that, and that's good. That's what we want, and the good thing is it is being talked about.

Now, just responding to some of the commentary here, one of the things I heard, we talk about the people's House. It was brought up by my colleague, the Opposition House Leader: the people's House. And do you know what? I said that term so many times and I still believe it because it is. That is why we are here – that's why we're here. I can tell you now that if we had a situation where, on December 12, the Premier had not said we are coming back here to this House, the first question I would ask in Opposition and I know my colleagues would ask is: Why aren't we in the House? That's the reality.

So we are here, we're here at the first opportunity, but I would not see this as the be-all and end-all along the way. There has to be more time. There will be more time. There's still a process to follow, which hopefully will take away from some of the concerns that, come Thursday, this is it, then it's carved in stone, away we go.

Going back to the people's House comment – and, again, this is where being one of those three Members that the Member for Mount Pearl - Southlands referred to, myself, him and the Member for Humber - Bay of Islands, there was a period of time where we didn't get this chance. In fact, I was sat there the other night going down the Google rabbit hole of old comments and old debates. In fact, I can remember my counterpart or my predecessor in this role actually said to us when we were in Opposition that there was no need for a dedicated debate in the Legislature. In fact, what galled me even more was we were told: I'm not sure these Opposition parties are going to provide quality debate on anything.

Now, I have to tell you, it ticked me off then and it ticks me off now, and that's one reason I will say to everybody in this House and anybody who's listening: You will not hear a single comment from anybody on this side as to why we are here or that the Opposition deserves the chance to ask these questions, as they should.

Again, some people –

SOME HON. MEMBERS: Hear, hear!

A. PARSONS: Basically, commentary by government of the day was: I thought the House would be of much more value in assessing these issues. So, basically, it was the government of the day that didn't see that – they didn't see that value. Again, the same way that we look to the inquiry, I look to those things – I sat through it – and say these are lessons learned. The first thing you need to do is come in and have a conversation like this, a debate, an opportunity to have a chat.

Again, going through, no special debate on Muskrat Falls. This is back in 2012. In fact, I can remember, I got elected October 11, 2011. The deal was signed the end of November 2010. After that election, the premier of the day didn't open the House. We did not have a fall sitting of the House, even though we had plenty of time because they said: Why? Why do we need to? We just got elected. That's our mandate to do this.

We didn't get the chance to talk about this until the spring of 2012. In fact, I go back and I'm not sure if the comments were made, there was never a Muskrat debate. There was a debate on Bill 60 and 61, enabling legislation for that, and I'll bring that up right here now. "New Muskrat Falls legislation ensures the project will generate cash flow to cover the borrowing costs, remove PUB oversight of rates and enshrine Nalcor as a monopoly for wholesale power." That's what we did and, in fact, they weren't meant to be Muskrat debates and they certainly weren't meant, by the government of the day, to be a filibuster.

That is what the opposition of the day did and we knew we weren't going to change it by sitting there five days in a row, 24 hours a day. In fact I've got it here, it came up in my Christmas memories, 3:37 a.m., December 22, 2012, is when we finished the debate on Bill 60 and 61. I can remember that debate because everyone was saying, you're going to sit through Christmas. You're not going to see your kids this Christmas because you're going to sit here. That's the kind of stuff.

So I point out for anybody that's watching, even to our colleagues in the media gallery, many of them weren't here for this. This is some of the reality and, again, if I say anything wrong, I'm sure my colleagues on the other side will remind me of where I'm wrong, but that's what that was like and I don't want to see that again. I don't feel that way. They don't feel that way.

It was to the point where our leader at the time had to debate the premier on Twitter.

Again, another reason why we should be in here and allowed to ask questions. The premier at the time was in Boston on a trade show and the former leader of the Liberals – and I'm going to say her name, I don't care, Ms. Yvonne Jones, everyone knows Yvonne; she's currently the MP – talked about needing the power for industry in Labrador and how we needed this for the boom. The premier at the time said, wrong again. The Lower Churchill will produce power for Labrador with surplus power – win, win, win.

We never had a chance to debate that. We know the exact opposite is true. There was no power for Labrador. There was no power for mining and it was paid for by Island ratepayers. There was no surplus.

So I will continue on. There were debates here. Two years after the announcement, we're in the House doing a filibuster.

One of the things I want to point out, my opinion is that no matter what you do sometimes as government, in opposition you're going to disagree. Look, I've been there. I've done that. I truly think that if we had a two-week debate, there would be questions for four. If you had an eight-week debate, they would be asking for 16.

Do you know what? The opposition is absolutely allowed to say they want longer. They want more time. I get that and I appreciate that. What I will say, though, again, coming back to the difference, that deal, there was no debate. There was one PMR, two hours in which six Members out of 48 spoke. I can guarantee none of us three had a chance to speak to it; two-hour PMR, symbolic one would say, and we had a filibuster.

But I can tell you, a filibuster does not allow us the opportunity we have here today. First of all, there were no experts on the floor. There were no negotiators or part of the negotiating process; two, you can't tell me that at 4 o'clock in the morning on Thursday night, after four days straight sitting there, that you are the most coherent, you're asking the sensible questions.

I challenge anyone to go back and read the *Hansard*. The Member is laughing over there because it got to the point where you're keeping an issue alive to keep it alive, to raise awareness, to talk about the issues, but it was not what we have here today.

I think the fact that there are multiple days with breaks in between, multiple opportunities to sit and ask questions – maybe it's not enough, that's a perspective, that's a point of view. But I don't think anybody can disagree that it's better than what we had to deal with on that particular issue.

The other things I would point out, too, I know there is a discussion about experts. The fact is right now we have the people in the House that negotiated it, but I do know there are people out there, people who are experts or interested or have subject matter knowledge that are being consulted by all sides. They might be sitting in caucus rooms. In fact, I think the House of Assembly even provided extra assistance financially to help retain there, and that's good. I don't disagree with it. But I can tell you that wasn't something that we were able to do at the time. I can tell you we've learned a lot of lessons from what we went through at that time.

Now, a couple of things here as I go though. I refer to the Leader of the NDP, he mentioned Labrador development, something my colleague and I have talked about numerous times. That's going to be the subject of another conversation here when we get an opportunity because this is a massive opportunity for Labrador, for Labrador development, for mining development, for critical minerals and all these things.

I know my colleague on the other side, the critic for IET, is certainly going to ask some question, I know he's going to want to ask some question about that, too. I think this is a good thing for them. We'll get to that when we get an opportunity.

Just going into some of the other points that were brought here. We talked about the relevance of the debate: Why are we doing this? Well, I would say how can we not do this? Because if we didn't do this, I can guarantee you there would be an uproar about not having this here in the House of Assembly, not having the elected Members of the House have the first right to have an opportunity to debate this and to discuss this. That does not mean, though, it is the finality or the fulfillment of everything that is going to be done. It's just the first step.

Now, my colleague for Mount Pearl - Southlands referenced my stack of books and my executive summary. You can't have an inquiry like that – and, in fact, I might have been the one that ordered the inquiry. It would be completely derelict of us in our duty to not refer to what we've gone through in the past, absolutely.

Again, there are lots of conversations that we have internally as well, lots of these conversations because do you know what? As the Members have said on the other side, and I don't disagree one bit, every single person in this House wants the best for the province and for the future of the province; no one has exclusivity on that. That's not just government's role, that's not just the Opposition, everybody has that same desire and same aspiration, but I do think we have a lot of information to look at.

I do have a summary here and I feel comfortable, especially as we go through the next four days, that the recommendations provided by Commissioner LeBlanc will be seen as being followed and respected. That's what I would say. Now there is nuance on everything, but, again, that's the point of having four days to go over this to make sure we have time to hammer it out and make sure we understand what we're saying.

Some things are not as black and white or as simple as we put it. Some things, including this deal, have a tremendous amount of detail, but let's try our best to continue to parse it out. Again, that's not

going to stop. I can guarantee you when the House of Assembly resumes for its spring session, this will probably be the top subject and it should be. You should be asking questions, but it's not the only method in which for us to get information.

In fact, I can tell you, I've had a number of people come to me over the last three or four weeks asking questions. I credit the folks at Newfoundland and Labrador Hydro for making sure that they respond as quickly and ably as they can. Then, the other thing too is it's one thing to do that – and I've heard some people complaining about webinars and this and that, you can't respond to 540,000 people who don't even choose to write and in some cases people don't write but this is a chance. That's just one part of this.

The other part is to do a webinar where we can reach as many people as are interested. That's why there is an ad campaign because you need to put that information out there. In fact, I understand that it gets updated to include more information that gets asked every single day; that's going to continue to get asked.

Now, my colleague for Humber - Bay of Islands mentioned the Voisey's special debate, he was the only one here. I reviewed that over Christmas, too, I got all of his comments on that as well. One thing that I will bring up here is that, you know, like any debate, there was a little bit of politics in that one as well – just a tad. One of the things that the Member brought up at the time was all the people that were supportive. That's a good thing.

I can tell you I know of a number of people that are supportive in this province for this deal as well, but I'm not going to rely just on passing out that right now; that will come forward. There are lots of people that have reached out: Energy NL and econext. That will come. What I'm more concerned about now is that this House and these Members have an opportunity to ask questions or to make points to take their time to use however they want to represent their

constituents to find out if this truly is the deal that we think it is.

One thing I will say to the Member for Mount Pearl - Southlands, he said something about retroactivity to 2015. I think that was a misstatement. I wish it was retroactive to 2015 but, sadly, it's not, unfortunately. I've heard the Leader of the Opposition speak. One comment I would say is that he said we need more time to get this right. I would disagree and say it's more proper for us to say to ensure this is right because I feel that we are in the right place, but again, that's an opportunity to ask questions.

There's a lot that's going to come out here, including people from the outside that are writing: Why didn't you do this? Why didn't you do that? What were the alternatives? Do you know what? That's why we are here. That's why we're here to ask those questions, because in some cases the alternatives aren't as plentiful or as meaningful or as lucrative as other people outside might think. In fact, there are other situations where this deal is not what we think it is.

I do disagree with the Member, the Leader of the Opposition, when he mentioned about the contrast between the budget and this debate; they're two entirely separate things. This is not 12 hours of debate; it's actually 36. The budget is 75, but we can look at a 32-page MOU versus 300-and-something pages of a budget and just the structure. I'm not going to go down that rabbit hole. What I'm saying is I really feel there is a meaningful opportunity for people to contribute or ask questions here again. That's just my opinion on that.

I'm nearing the end of the time that I'm going to use for this session; I certainly don't want to burn through it all right now. What I'll say is this: Again, I've listened to the Members speak. I think everybody is coming at it from the same perspective, which is we do have a negative history in this province of hydroelectric deals and everybody is rightful to be skeptical, to worry, to think is it as good. My God – the one thing I heard over Christmas, people

would say seems too good to be true. That's what I heard.

I can tell you that the last thing I want is my name, like anybody's, on a bad deal. That won't be judged here this week. That won't be judged in the next year. That will be judged by history. But I do feel that I can sleep comfortably right now, based on what I know or what I think I know, that I do feel this is a good move. But, again, that does not mean that you shut off the ears and you shut off the brain and you don't listen to anybody else. That's not how this goes. That's not how it's supposed to go.

Coming back here now – I'm just going through all my different comments here, and I'll get further opportunities to discuss this. Again, I know I'm mainly discussing process now and I open myself to questions, although I do think individuals at the end of the room are probably better suited.

I get what the Opposition are saying and I get what the individual Members are asking for: oversight. Where is that independent oversight? Now, I could ask the question because somebody said, well, we should get this oversight. But the question is – and I ask this – who pays for that? Because you know who's going to have to pay for it. It's government. Therefore, if government is paying for the information, is it still objective, because if not, who pays for that information? I think just because government pays for something does not mean that it cannot be objective.

But I absolutely get the point about the independent oversight, and I feel very comfortable that as we move through this, there's been oversight along the way, whether it's Stewart McKelvey, again, working in a parallel process, whether it's the other advisors, whether it's the J.P. Morgans, you name it.

I do have questions for the Members at the end myself that I'll be asking. Because the one thing I come back to – and this is why I understand what the Member for Mount Pearl - Southlands said; it resonated with me today. Because Mr. Community –

nobody doubts that; he's done a lot over the last few decades but being a part of that deal haunts him. That's his words. Do you know what? I feel that. I understand and I don't want to be a part of a situation – do you think I want to be the former Energy minister who shows up at an inquiry six years later and finds out he was misled, basically wasn't given all the information? So what I can say is this: I get what's being said, I understand it and that's why we have to go through this process.

I guess to question what the Leader of the NDP said, when we talk about what is the meaning, what is the point of this, there's a significant point to this. There is a massive point to this and a meaningfulness to this. Because, again, the alternative, if we didn't do this, what would be the commentary then? Oh, government's hiding everything. Government won't tell us this; government won't tell us that.

We're going to have comments like that along the way because it's the very nature of trying to negotiate a commercial transaction and trying to ensure that we don't go down the paths of old. I get that. But I can tell you as someone who also plans to stay in this province, who has young children, I don't want my name to be on something negative as well, which is why there's a point and there's more than just a symbolism to this. There's a meaning and a need for this today. That's why there's a point to debate.

Again, I come back to Muskrat. Contrary to a House where we were told we weren't qualified and weren't smart enough to be a part of, we shouldn't have to do it, there's no point to doing that – you will not hear that from this government, I can guarantee you. You will hear pointed replies in response to why we did A instead of B, or why we chose this route instead of that. That's fine, but at no point do I not agree that we shouldn't be here. We need to be here, and that's why, again, I'm appreciative of the Members taking the time to put this together, to give us this opportunity, because it is not something that has always happened in the past when we talk about this.

So on that note, I will take my seat – well, I'm in my seat. I will stop talking for now and I look forward to continuing on with this, what I think is a very important debate.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

SPEAKER (Gambin-Walsh): The hon. the Government House Leader.

J. HOGAN: Thank you, Madam Speaker.

I move, seconded by the Premier, that this House do now recess for 15 minutes.

SPEAKER: We are presently recessed for 15 minutes. We come back at 3:18.

Recess

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

Again, I will address my questions to the CEO.

The members of the expert panel have been described by government as possessing – quote – expertise in areas ranging from energy development to environmental stewardship.

Earlier today, we learned that the expert panel completed a report that fed into the negotiations. We were also told that the report is sensitive and cannot be released. Did the members of the expert panel, the team, present to Cabinet the findings of their report?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: If I could just confer for a moment.

Thank you for the question, Madam Speaker.

I don't believe that it is appropriate for me to comment on what is in Cabinet.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, I didn't ask for what was discussed in Cabinet. I simply asked if the expert panel, the team, presented to Cabinet the findings of their report.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: What happens and what is presented is always protected by Cabinet privilege.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

We have been told that it didn't happen – did not happen. So now my question is: Why?

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I am not sure how to answer that because I am not sure who would have told the Member opposite what happened at Cabinet.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Again, Speaker, it wasn't about what happened at Cabinet; it was whether or not they reported to Cabinet. If I was premier, I'd certainly want to hear directly from the expert panel and I would want my Cabinet to hear the same.

So I'll go back now to an earlier question about Mr. Vardy, a former senior public servant. Let me ask my question again: Was Mr. David Vardy on this expert panel?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Madam Speaker.

The members of the 2041 panel, as we would talk about it, or the Churchill River Management Expert Panel, would have included Karl Smith, as chairperson; Rexanne Crawford; Jim Feehan; David Hay; Richard Hendriks; Dr. Linda Inkpen; Heather Jacobs, King's Counsel; Nick Mercer; Jane Rowe; David Vardy; Jennifer Williams; and Peter Woodward.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you.

On January 2, Mr. Vardy called for an independent review. Let me quote Mr. Vardy: "If the government is confident that this is in fact the best possible agreement, and that the timing is right, then they should invite a robust independent review. The government should demonstrate its full confidence that the best outcome has been achieved by embracing an open review, with independent witnesses testifying under oath before the Public Utilities Board, a quasi-judicial tribunal."

Do you agree with Mr. Vardy?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Madam Speaker.

We've discussed this here today that it is government's decision on exactly what kind of third-party review would take place. But I do highlight again that both in the Churchill River Energy Analysis Team that did work with independent separate experts to inform the possibilities, that time then informed the 2041 panel, which provided its advice together and then that fed into the negotiating team.

So all of that together would've had significant external expertise included in the various processes and the various steps.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Mr. Vardy was a member of the expert review panel. Again, those

panels were providing advice into, before the MOU was actually finalized and signed. So that's the question I'm trying to get at.

Mr. Vardy also said: This MOU must be taken out of the political arena and the people of the province must have an opportunity to engage and understand the MOU and whether it meets defined standards or goalposts. The Public Utilities Board, through a reference under the Electrical Power Control Act, may be the best venue to expediate this public understanding, engagement and advice.

Again, I ask, as the CEO of Newfoundland and Labrador Hydro, do you agree with Mr. Vardy.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Madam Speaker.

We've talked about the PUB and certainly we've talked about recommendations from Justice LeBlanc with regards to PUB oversight.

I'll just look at Key Recommendation 2. It talks about: "The Public Utilities Board should review the proposed business, reliability, cost and schedule of any large project that could potentially impact Newfoundland and Labrador electricity ratepayers. Following this review, the Public Utilities Board should report its findings to the government and the public."

The Premier has committed, and I've said to the media as well today, that certainly when rates are involved and the ratepayers of Newfoundland and Labrador with regard to any electricity project on the Island of Newfoundland or in Labrador can and should, and legally should, go to the PUB.

Of course, the Minister of Industry, Energy and Technology spoke earlier this afternoon, not too long ago, about mistakes that were made with regard to the Muskrat Falls Project, specifically spoke about the fact that there was no public debate, no debate in the House of Assembly with

regard to the Muskrat Falls Project. And who knows where we would be today if individuals in the House of Assembly had an opportunity to ask questions about that project.

We certainly have given Members of the House of Assembly an opportunity to ask questions about the MOU over the course of the four days, which will make sure that the answers here and what we learn will guide NL Hydro as it moves forward from the MOU towards negotiations on the definitive agreement. The PUB will be engaged when appropriate, as it should, and will not be excluded, as it has been for the Muskrat Falls Project.

The second point is that the Premier has committed to that independent oversight and advice to Cabinet as we move towards definitive agreements – again, as recommended as a key finding from the misguided project of Muskrat Falls, that key finding from Justice LeBlanc.

We welcome those findings; we reviewed those findings. I think it's pretty clear as we're just about half a day into this four-day debate that the government, the Premier, the minister responsible, all Cabinet and colleagues on this side of the House and NL Hydro have taken the recommendations of Justice LeBlanc very seriously. In fact, I would suggest that they're guiding principles to proceeding with this MOU.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, the MOU is here now, as I said earlier, for us to vote on, on Thursday, I have asked already on a number of occasions whether or not this MOU itself will be subject to an independent review. Mr. Vardy was a member of the expert panel and has suggested that it should have an independent review. The Public Utilities Board is only one mechanism to make that happen.

The principle here is another second set of eyes to actually take that MOU and go through it to make sure it is indeed that best

value and the best deal for Newfoundland and Labrador. I don't understand why the government would refuse to do that. What are they hiding? That seems to be a problem here. We find ourselves in a rush to get this done in four days and we're supposed to sign off. I would think that somebody that wants, like Mr. Vardy and others, who have said we should have an independent review, surely that's not too much to ask.

In the Premier's Economic Recovery Team's report, completed by Moya Greene in 2021, it stated: "Justice LeBlanc recommended independent reviews of any major capital spending and the implementation of well-defined oversight process. **This recommendation is reiterated.**"

I ask: Why is the government ignoring the advice of both Justice LeBlanc and Moya Greene?

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

Again, I would suggest, and actually I heavily argue, that this government and NL Hydro are following, as a guiding principle, the recommendations of Justice LeBlanc. If and when, for example, a project is undertaken to construct, develop a facility at Gull Island or to do upgrades at Churchill Falls or to build a new facility at Churchill Falls 2, there will and should be oversight of those projects.

With regard to the MOU itself, the Premier has committed to independent oversight as we move towards definitive agreements. You can't move forward with those agreements unless you rely on and follow what is in the MOU. While we talk about it being a non-binding document, it certainly has binding principles that need to be taken into account as NL Hydro continues the negotiations or starts and continues the negotiations with Hydro-Québec.

Certainly, as you provide advice to Cabinet about what definitive agreements look like, you have to do an analysis of the MOU, as well, Madam Speaker.

Thank you.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, I would agree with the minister when he says this MOU is the basis of any of those contracts that are going to be signed. That is the basis of which those contracts are going to be signed. This MOU needs that independent review. What is wrong with that advantage being done that this MOU would have that independent commission or review done? I don't understand the reluctance.

I will ask the CEO of Newfoundland Hydro: When you were completing the MOU, why didn't you add a clause in the MOU that approval was subject to an independent expert review?

SPEAKER: The Chief Executive Officer.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

The Chief Executive Officer.

J. WILLIAMS: Thank you, Madam Speaker.

As is understood, the MOU is non-binding, so any choices that government is making to have oversight and review through the pending period of months can, indeed, proceed and would not need any specific clause contained in the MOU.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: My interpretation of the MOU says there are clauses in there that refer to binding. Again, we'll come back to that at a later time and try to understand how something can be binding in the MOU but it's not binding. That's something that, I guess, I'll come back and ask about it, too.

Again, I just don't understand the reluctance to take this MOU which has such a significant impact on the opportunities for the people of Newfoundland and Labrador and allow it to be reviewed. Why? Why is there such a reluctance to do that? Why are we hiding behind clauses or words about whether or not this fits or that fits? Surely, if we have the best interest of the people of Newfoundland and Labrador, we would all want that to happen.

What's the rush? That's what I don't understand: What's the rush? Why not do this? I ask that from anybody who'll answer it.

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: Thank you, Speaker.

I just want to make sure I understand the Leader of the Official Opposition, and I say this with sincerity. So you're saying why the rush in not having this MOU reviewed by independent – are you talking about all together or before we are here today or, like, just the timeline?

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: I would like this MOU to be reviewed by an independent group before we actually turn around and vote on it on Thursday. We're being asked to vote on this MOU on Thursday and what we're asking for is an independent review of this MOU before that vote happens.

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: Okay. I guess the response to that from me, from my opinion, one of the mindsets here was that if this was not brought to the House of Assembly at the earliest opportunity, there would be questions asked to why is this not brought to the people of the province via the people's Assembly, via the MHAs who look at that.

Now, two things: (a) there was no requirement that us being here required – I don't know what kind of independent review, because right now I can guarantee you that this is being independently reviewed by multiple people in the sense that the Opposition is reviewing it, Third Party, independents, non-affiliates, everybody else and these people providing their thought process on this. I know Stewart McKelvey is looking at this, so I guess it's just a fundamental disagreement.

I get what the Member's saying. He's saying we should have independent review, which we can have, but we felt it was important to come here and have the people look at it. Again, as I said before, we're going to have a vote on the resolution, but the fact is that this is a non-binding MOU that still has significant time before we move to definitive agreements.

I look down to the people at the end here; the reality is there is still a lot of ground here. You're saying, yes, we would like to have someone independent look at it before us; in my opinion, I thought it was important that the Members elected by the people of the province have an opportunity to have a look at this and give their perspective, and we are all entitled to go out and get anybody we want to review this, to help guide our questioning and debate of the subject.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: I'm talking about a formal, independent review of an MOU that will set the next 50 to plus-60 years of where we go as a province when it comes to our hydroelectricity. I don't think it's unreasonable to ask that we take the time to slow down, to actually do that, to do an independent review. We can come back to the House of Assembly after that review is done and talk about this again. But there doesn't seem to be a willingness to do that. They're talking about doing it after the fact.

I think it should be done now, and there are a lot of other people out there, just as the minister alluded to, who have the same

opinion. While everybody is making comments on it, I think that needs to be in a formal structure, in a formal way, and done. That's what we've been talking about.

I'm going to move on, as my time is chipping away here. So I want to go back to some of the items around the power. I'll ask, again, the CEO: In a technical briefing on Saturday past that was given to us, Newfoundland and Labrador Hydro described the MOU as creating a take-or-pay arrangement for the new Churchill Falls contract and for the development projects.

Am I correct in understanding that means Hydro-Québec is entitled to all the power and energy from the existing Churchill Falls plant and any of the development projects that may end up being built, other than the limited power and energy NL Hydro will be able to ask for from the proposed new projects and the Churchill Falls plant?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Madam Speaker, for the question.

A little bit of information on what is going to materialize with regard to access to power, both from the existing assets as well as the new developments, should they all proceed.

Right now in Labrador, Newfoundland and Labrador Hydro has access to 525 megawatts from the Upper Churchill plant, which is about 10 per cent of that facility. We will not have access to any more power until the contract ends and, at that point, it still has to be approved by the board of directors of CF(L)Co where the power would go.

With regard to this memorandum of understanding, what this does enable is almost a quadrupling of access to power. So we're going to go from 525 megawatts in Labrador to 1,990 megawatts for use as Newfoundland and Labrador Hydro would see fit with its customers. So it is almost a quadrupling of power. Just for context, the whole province, including the Island, uses about 2,200 megawatts on peak. We're

going to almost double the total provincial allocation for our use for development within the province.

The concept that it is not a material amount or a significant amount of power that would come to use in Labrador, I would not agree that is accurate. This is a significant amount of power that we can gain access to.

Quebec, themselves, when they're finished through the course of the period of developments, as well as through the period of some power coming back to Newfoundland and Labrador Hydro from the Upper Churchill, I think they will increase about 50 per cent, maybe a little bit more than what they currently have. So Newfoundland and Labrador is going to almost quadruple and Quebec will have about a 50 per cent increase. So very, very different.

The amount of power that we would want to hold in reserve for those kinds of opportunities was very much informed by conversations that we've had with many proponents over the years. We do believe that it is prudent to have retained about that amount of power for potential development in Labrador.

SPEAKER: The hon. the Leader of the Official Opposition.

T. WAKEHAM: They're going to give me leave to ask one more question. My question, again, it may be more on the technical side of it, but it is about, in simple language, again, can you tell me what take or pay means.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much, Madam Speaker.

If it is okay, I will ask my colleague, Mr. Parsons, to take that on.

SPEAKER: The Vice-President.

W. PARSONS: So the concept of take or pay in a Power Purchase Agreement means

that there's an obligation on the buyer to purchase the volumes that we do not require for use in Labrador, or to be brought to any part of the province for that matter.

As you can see on the website where we have posted the pricing – which does go quite high as the contract progresses – if, for example, the pricing is at the middle, later stage where it is extremely high pricing, there is no option for the buyer not to take the power. The buyer has an obligation to purchase that power, even if a case evolves where there are other alternatives, where there is cheaper power available, that would still not relieve the obligation of Hydro-Québec to purchase that capacity and energy as outlined in the contract, the energy and capacity that we opted not to, if we don't need to use it for Labrador use.

J. WILLIAMS: Sorry, if I could add (inaudible).

AN HON MEMBER: We can't hear you.

SPEAKER (Bennett): The Chief Executive Officer.

J. WILLIAMS: What it does is it removes the risk that you would have this amount of power stranded with no customer, because that could indeed be the case if you didn't have that scenario planned for and prepared for.

SPEAKER: The hon. Member's speaking time is expired.

The hon. the Minister of Finance and President of Treasury Board.

S. COADY: Thank you very much.

I'm going to begin by thanking the people of the historic District of St. John's West for the opportunity to represent them in the House of Assembly. I am going to speak to them today as we review, examine and question, really, this memorandum of understanding that we have signed with Quebec.

This is an important resolution, and I think it's historic that we have been able to debate this memorandum of understanding, not a project, but a memorandum of understanding here in the House today. It can really forever change the development, trajectory and future of Newfoundland and Labrador. I am humbled to have the opportunity to contribute to the discussion and to express my strong support for this agreement.

I also want to thank and recognize the Indigenous people, for it is because of them that we, today, speak of the mighty Churchill River, or as it is known in Innu-aimun as Mishta-shipu – I'm working on it, Mr. Speaker. We should all be grateful for their stewardship and their partnership.

I also want to recognize and thank the Premier for his leadership, direction, strength and negotiating ability. We would not be in this incredible position today without him.

I thank the negotiating team and the independent experts for their diligence, patience, knowledge and time away from their families. I know they spent a lot of time on the road this year.

I also thank all the Members of this House of Assembly and the interested community for their interest, their time, their scrutiny, their analysis because we all want the same thing. We want the best, most prosperous Newfoundland and Labrador and so the questioning, the review, the scrutiny is welcome.

I grew up like many people in this room and across our province in the shadow of the Churchill Falls contract debate. Often it was a topic of rigorous debate, consternation and analysis. A dozen premiers and governments have tried to make changes and two Supreme Courts have ruled on the matter.

So I begin today on how this evolved and the incredible amount of dedication, oversight, review and reflection that has gone into this memorandum of

understanding. I recall our Premier speaking of his meeting with the Premier of Quebec back in August of 2021. That's almost four years ago. Since that time and following the advice of Justice LeBlanc of the Muskrat Falls inquiry, we've had several expert panels that were engaged, each with qualified experts to provide input, oversight and advice throughout this process.

In accordance with Justice LeBlanc's recommendation, the Churchill River Management Expert Panel was appointed in May of 2022 and was comprised of industry experts as well as appointees from the Innu Nation, Nunatsiavut Government, as well as NunatuKavut Community Council. The panel represented a variety of disciplines, backgrounds, areas of the provinces, as well as political affiliations. Individuals with experience at the utility powerhouse Fortis, for example, based right here with international presence of one of North America's leading companies when it comes to energy delivery; respected environmentalists; and, of course, I must acknowledge a member, answering our questions during this extraordinary sitting of the House, the CEO of Newfoundland and Labrador Hydro.

The panel had a mandate to recommend potential approaches for the government to ensure maximum long-term benefits from the Churchill Falls assets. The 5,428-megawatt generating station and associated transmission facilities in Labrador including future upgrades and expansion of the facility given the expiry of the current contract in 2041. The panel also were to educate the public and government on the current contract's implications for Newfoundland and Labrador.

In addition, the Churchill River Energy Analysis Team completed detailed analysis of hydroelectric opportunities on the Churchill River, analysis of bulk electricity, expanding domestic use and new industrial development as it relates to the Churchill River and its electricity output and analysis that ensures maximum long-term benefits from the assets. This was to strengthen the province's negotiating position.

Highly qualified and respected members of the negotiating committee were then announced in February of 2023. I'm showing the history here, Speaker. In 2023, the negotiating team assembled a variety of independent advisors including J.P. Morgan, a global leader in investment banking and financial transaction processing and asset management; as well as Power Advisory, well-known in the province as a leading North American consulting firm that specializes in electricity sector matters and solutions. They will be before this House of Assembly later this week. I'm very pleased to say that we also had the advice of Stikeman Elliott, for example, legal counsel that was heavily involved in this.

We also went a step further – and I think this is important – and engaged the largest law firm in Atlantic Canada, Stewart McKelvey, completely separate and independent, a parallel, completely separate process and team designed to provide independent review and separate and apart from the review of the negotiating team and their legal advisors. So two separate parallel processes so that we didn't have any bias during the negotiations. Also during this process, I also want to thank members of the Department of Finance who were engaged in this analysis. I want to thank them for their input and advice during this entire process.

The Premier has also indicated today that we will have further oversight and expertise. We are going to continue to rely on the advice from the expert panels in accordance with LeBlanc's recommendations, including an expert panel that will provide third party independent advice to Cabinet as we negotiate the definitive agreements. Of course, we have the oversight of the House of Assembly and, of course, we're going to have, next week, virtual town halls where the entire Province of Newfoundland and Labrador can participate.

The possibility and potential of reaching an MOU has been years in the making. Engagement by leading experts and independent advisors have been years in

development. Nothing has been rushed, everything and everyone has been engaged. It has been methodical, diligent and fully contemplated.

I want to now review the essence of the agreement and I'll discuss this in terms of three key elements: first, the Churchill Falls contract; second, the development of new electricity; and finally, the availability of power to this province.

The MOU – the memorandum of understanding – is a firmness of content and provides the structure of an agreement, but it is non-binding. It is clear and robust and should give some comfort that the framework is now set.

So let me talk about the first element. The renegotiated Churchill power agreement provides significant financial benefit through its contract life. The existing contract is replaced 17 years ahead of its expiry in 2041. It has a nominal value of \$180 billion direct to Treasury and to the Government of Newfoundland and Labrador on behalf of the people from 2025 to 2075, so 51 years.

This means an average of a billion dollars a year between 2025 to 2041, direct to Treasury; an average of \$2 billion a year in 2044; and an average of \$4 billion a year in 2056. This continues to escalate.

I will say that we had Orion, Minister Howell's baby here, he'll just be becoming a man during that time and he'll be able to see the benefits of the mighty Churchill River, of course, accruing to Newfoundland and Labrador.

So replacing the contract 17 years early means approximately \$17 billion increase in value to Newfoundland and Labrador between now and 2041 – a significant amount of money and revenues to the province.

In addition, Newfoundland and Labrador Hydro will receive \$3.5 billion in today's dollars for the right to co-develop new projects in Labrador from Hydro-Québec. The first instalment is \$525 million to be

received in the first year of the agreement. The \$3.5 billion is to cover Newfoundland and Labrador's equity investments in the new projects in Labrador.

Unlike the 1969 contract, which had a fixed price that did not grow as electricity prices did, the new agreement contains an escalator mechanism. Prices are not fixed and will continue to rise with market prices over the life of the agreement.

Schedule F of the MOU – the memorandum of understanding – describes the use of various pricing indices to capture changes in market value. I'm going to quote: "The block structure will be designed to provide diversification and ensure the prices paid reflect the fair value of the generation over the entire term of the" Power Purchase Agreement.

Under this new agreement, the effective average price is 5.9 cents per kilowatt hour, which is 30 times higher than the current price. However, rest assured that there will be no change in rates for residential customers in Labrador arising from this agreement.

The second element: New development of sources of clean energy with a total project cost of \$35 billion. This includes the development of Gull Island, the expansion of Churchill Falls, upgrades to existing plants and in-province transmission – four megaprojects that will have basically the same economic and employment effect as two Hebrons, two of the oil and gas fixed platforms, as if they were being developed simultaneously.

Gull Island: This project will result in a new generating station on the Churchill River, capable of producing 2,250 megawatts at an estimated cost of \$24.9 billion, including financing. The target date of commissioning for this project is 2035, and the project will be financed – this is important – 25 per cent equity – I've already spoken about how Newfoundland and Labrador will pay for its equity – and 75 per cent debt supported by the cashflows on a project basis. This project is backed by a 50-year Power

Purchase Agreement covering all costs to develop, construct, operate and maintain the facility, including a return on equity ranging between 8 and 9 per cent set every five years.

Newfoundland and Labrador's equity requirements, as I have said, for this project will be covered by the \$3.5-billion payments from Hydro-Québec; \$1.3 billion of this amount will be received over the next three years and the remainder by 2035, conditional to milestones when equity is required. That's from the MOU itself.

These projects are equity shielded. In other words, if the project, say, is double the cost, the equity still remains the same. Hydro-Québec is the developer of this project and assumes the risk of cost overruns. Should that happen, Québec may have to debt finance; however, the cost is covered by the Power Purchase Agreement. It is a cost-plus Power Purchase Agreement.

The Churchill Falls expansion: This project is at an estimated cost of \$4.6 billion and is to add a second powerhouse and 11 to 13 new generators. This will add an additional 1,100 megawatts at peak output. Hydro-Québec is responsible for this development. It will be financed by 100 per cent debt, with a deemed equity of 25 per cent. Newfoundland and Labrador will receive a return on that equity of approximately 8 to 9 per cent, based on the Government of Canada's 10-year bond, plus 500 basis points. Of course, as with Gull Island, the debt will be covered by a cost-plus Power Purchase Agreement, as negotiated and structured in the MOU.

Churchill Falls upgrades: This is to modernize the existing 60-year plant. This will be debt funded and with each turbine renewed, adds 10 per cent more efficiency for 550 more megawatts when complete. Newfoundland Hydro will have this responsibility and they are well suited and well provisioned for this upgrade. They have already completed some overhauls.

The estimated cost of this project is \$1.9 billion, including financing; cost overruns are

borne by the shareholders of CF(L)Co; power sales from the upgraded units will be backed by cost, plus pricing terms, which is part of the contract for the existing Churchill Falls plant ending in 2025; price projected to increase at 2 per cent annually.

NL Transmission: \$3.6 billion in estimated costs is 100 per cent owned by Newfoundland and Labrador. This will be internal to the province from Gull Island to Churchill Falls and Gull Island to the border of Quebec. You have already heard my colleague, the House Leader, talk about how we will apply the rules and requirements of Justice LeBlanc to these projects, so I won't reiterate that, but I do remind that the House Leader has already spoken about that.

This will be project financed with 75 per cent debt. Newfoundland Hydro has done this type of standard AC transmission project in the past and on time and on budget, if you look at the Bay d'Espoir project. The debt will be paid on a cost of service, plus return; overall construction risks are mitigated by Quebec being responsible for cost overruns on Gull and Churchill Falls expansion and with a cost-plus Power Purchase Agreement.

The third element: Current power available in Labrador is approximately 500 megawatts. Over the course of this agreement, that will quadruple the available capacity to nearly 2,000 megawatts, and this will encourage and allow industrial development as well as domestic growth.

This agreement also improved the Churchills Falls shareholders' agreement and improves on the Churchill River water rights. In section 2.6, it indicated to amend and restate the water management agreement and there are water management principles in Schedule K and section 2.5 states that the shareholders' agreement will also be modernized.

As Minister of Finance for the past four years, I have worked hard to ensure prudent, fiscal governance and responsible debt management, while growing our

economy and helping with the cost of living. All this with a vision towards a stronger, smarter, self-sufficient and sustainable Newfoundland and Labrador.

This agreement will provide more than \$225 billion in total revenue to the Newfoundland and Labrador Treasury from new power contracts and new developments; increased benefits totalling \$17 billion dollars over the next 17 years, starting now – not in 2041 – with an average of about a billion dollars per year; four new projects, expected to generate 3,000 average annual direct jobs during construction; 5,000 peak direct jobs; additional indirect and induced employment from construction projects as well as industrial growth in Labrador made possible by increased access to electricity.

We must also consider the economic benefits our increased electric capacity will bring. The Churchill River capacity will be increased by approximately 3,900 megawatts, providing Newfoundland and Labrador Hydro with access to nearly four times as much electricity for use in Labrador than is available today. This creates unimagined opportunity in mining, construction, and new industries, creating tens of thousands of jobs and billions in economic benefit here at home.

We're course correcting our history while securing a profitable future for generations to come. These are the reasons I think the memorandum of understanding and this new energy partnership should be supported as we move towards more definitive agreements. As I've said, there will be oversight on those definitive agreements and it will be brought back here for more debate and discussion in the House of Assembly.

I have a couple of moments remaining, Speaker, and I'd like to ask a couple of questions, because I am following, I am listening to debate today, and I'm going to ask Ms. Williams, if I may.

You were a member of the expert panel, do you believe that the spirit and intent of the

panel's recommendations are reflected in this memorandum of understanding?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The short answer is yes.

SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

S. COADY: I would like to also ask you, based on – I'm going to refer to Schedule F and the forecasted payments and the review of the pricing mechanism. Can you tell us whether there is ability to price adjust, and what are the mechanisms for escalation and off-ramp, so that we can be clear to the people of the province?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, Schedule F – and I think we can even bleed a little into Schedule G – we are certainly monitoring a lot of the public feedback and we're getting public feedback directly. This is one of the areas that we need to continue to talk about the words that are in these two schedules. These are forecasted payments from Hydro-Québec to CF(L)Co. They are not capped. They are not the only thing that's going to factor into the future. These are forecasted payments. However, that is the number that we are targeting and the mechanisms will be targeted to try to achieve that.

To go a little further, I want to use an example, but I do want to come back and probably get into it in a bit more detail. Somebody would say to me: Well, what about if replacement costs go through the roof? And then, our answer is, well, that would be wonderful. Because that would mean that the component that we've tied the price to will also go up. We're not going to lose out by selecting these metrics here now and if the markets increase significantly for these metrics. We are going to win. If the prices go up for those three metrics, we will get that. This is not a cap with regard to

what's included in the MOU. It is a forecasted payment.

I will want to talk a little about that. You'll see that in Schedule G it is also a forecasted payment.

Oh, I'm over?

SPEAKER: Your time is expired.

J. WILLIAMS: Sorry. Okay.

SPEAKER: Next speaker.

The hon. the Member for Labrador West.

J. BROWN: Thank you, Speaker.

I just have some questions for the negotiating team there.

In the MOU under Schedule E, how was Schedule E developed and what metrics did you use with existing loads to create Schedule E?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you very much, Mr. Speaker.

I will start, but I will ask my colleague to jump in as well.

Schedule E, for anybody who does pay attention to the electricity industry, you will see it's called Overall Allocations of Volumes. In this instance, these are megawatts. They are not megawatt hours. That's also really important, because there are also megawatt hours that are being considered. That is another area where, when we have folks who are really trying to understand this in the public, they're trying to understand what are the megawatt hours that are associated with these files. I just want to draw everyone's attention that these are megawatts and it's really important that we pay attention to that.

What you'll see in that schedule, it shows the evolution of power over time. As

Minister Coady and as, I believe, I mentioned earlier, we will see an almost quadrupling of power available, should we need it into the future. Then Hydro-Québec will get a little more, I think, or around 50 per cent. I don't want to do math on the stand, but it's in that range.

How that was informed would have been, really, over the last number of years, my colleague, Mr. Parsons, and I meet frequently with many customers who are interested in gaining access to power in Labrador. We would have had that history upon which to rely on how much should we reasonably hold in reserve for development in Labrador, while we also look to maximize the guaranteed financial benefit that would come with power sales to Quebec.

I will just pause there and ask if that's okay with Mr. Parsons to jump in, but it's really, for years now, we've been at the boardroom table and visiting other customers, hearing what are your power requirements and we've been balancing holding power in reserve with guaranteeing power sales to a customer within Hydro-Québec.

SPEAKER: The Vice-President of Newfoundland Hydro.

W. PARSONS: Absolutely, I can build a bit on that.

As you may be aware, we have commenced a study of a new transmission line from Churchill Falls to Labrador West because not only are we constrained to Labrador West by lack of access to generation supply from Churchill Falls until 2041, but there's also a fairly significant transmission constraint which is quite well known. There are two high-voltage lines between Churchill Falls and Labrador West today.

As Ms. Williams mentioned, through these regular, CEO-level meetings and technical meetings that we have with the predominantly mining proponents in Labrador West, which have big plans to decarbonize their operations – you know, they're looking to get carbon emissions out of their processes. As much as they are

large electric customers today – and Rio Tinto IOC is our largest customer today with over 260 megawatts – they still have a large fossil fuel component.

So they are embarking on a path to get those fossil fuels out of their process and, as well, a path to expanding, not only expanding the size and the volumes in their production, but to be able to expand the type of products that they offer as the world moves towards greener and greener iron ore and green steel products as the eventual produced product.

We have commenced the study with those proponents, as partners in Labrador West, and that study required a detailed outline of what the load projection will be from each of those mining proponents in Lab West and even potential proponents. Because not only does IOC and Tacora have plans to continue their decarbonization efforts but we also have seen, recently, some good news about the Kami project from Champion, which is hoping to do even more in the region.

So those three, plus others, obviously, have been talking about their plans for quite some time and all parties that are interested in accessing more power in Lab West have given us that data to feed into that study and help us understand what will be the cost and the schedule of that new line.

All that very specific data factored into the negotiation process. As you can see, as a transmission line would be built between Churchill Falls and Labrador West, we will be scaling in an additional 605-megawatt block on top of the 525 megawatts today. Before any Gull Island and before any expansion or before any of the expiring blocks, we would be scaling in very early, as soon as line can be available, this 605-megawatt block, which would really be the cornerstone of what we would expect to be an economic engine for the province in this expanded, decarbonized Labrador West.

SPEAKER: The hon. the Member for Labrador West.

J. BROWN: Thank you, Speaker.

If Quebec has the option to opt out and not do CF2 or the Churchill Falls build, do we still continue on with the schedule into Labrador West? If these options are not carried out by Churchill Falls, do we still get this power, like the 605 megawatts and moving up?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I don't have it at my fingertips; Mr. Parsons might be able to tell me exactly where it is in the MOU, but we do have, I believe, 1,600 megawatts that we will have access to over time, even if some of these projects don't proceed. One of the things that I mentioned earlier is, from the Upper Churchill, we do go to a significant amount of power available if they don't proceed.

I do ask Mr. Parsons to jump in on that after, but if Hydro-Québec chooses not to proceed with, say for example, Gull Island, the exclusivity that we have put into the MOU to try to work with them on this – because they're good at these projects and it makes sense for us to do that. But if they say we're going to pass, the exclusivity ends and we can then start working with a different proponent to execute that project.

Did you want to add anything? No, okay.

SPEAKER: All good?

The hon. the Member for Labrador West.

J. BROWN: So given that these projects in here and CF2 comes online, Gull Island, what is going to be built in to protect the industrial rate in Labrador? Given that is one of the reasons why there's mining in Labrador because of the cheaper cost of power and we are in subarctic, what will be built in to make sure that we actually protect the industrial rate for Labrador customers?

SPEAKER: The Chief Executive Officer of Newfoundland Hydro.

J. WILLIAMS: Commitments around what will the industrial rate be long term, that is, I guess, going to be discussed between Newfoundland and Labrador Hydro and government and, certainly, we will talk with the industrial customers. But I would hope that the industrial customers would see, by Newfoundland and Labrador Hydro negotiating a significant block of power for access in Labrador, as we believe in Labrador from an industrial development perspective. We will again work with government to ensure that the industrial rates are competitive and fair. So that is, I guess, a future discussion to be had.

SPEAKER: The hon. Member for Labrador West.

J. BROWN: Thank you, Speaker.

Given that Labrador City and Wabush are neighbours to Churchill Falls and given that it's an industrial hub for development in Labrador: Will Labrador City and Wabush be invited into the benefits arrangements agreement with the CF2 project as they are going to be socially and economically affected by these projects. Will they be brought in with the benefits talks?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

Thank you for the question. I'll broaden the answer, if that's okay, because I think that there are a couple of aspects here. One is jobs and the other is, I'll call it, benefits, generally. Then to complicate it a little bit further, for Gull Island there is an existing well-published, well-understood benefits package. Then for Churchill Falls 2, there is nothing yet contemplated.

If I could just start really quick with Gull Island because I do believe it has connection to CF2 and there is also probably some public discourse around what is available and what is enforceable with regard to Gull Island. I want to be really clear that there is an existing projects benefits strategy that must be adhered to for the environmental release for Gull Island.

So I have to be incredibly clear about that. The MOU itself, section 2.3(m)(iv), the benefits, basically, they have to have compliance with legal obligations. The environmental release was included in legislation; therefore, it is a legal requirement.

The Gull Island release that sets out the benefits package, which certainly does include –

SPEAKER: Excuse me.

Your time has expired. Do you just want to clue up your comment there?

J. WILLIAMS: Sorry, I'm not usually short for words.

Maybe I can get to it in another question later, it's very clear that there will be significant benefits for residents of Labrador and for businesses within Labrador.

SPEAKER: The next speaker.

The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker, I'm losing my voice already.

I have some questions for Ms. Williams, but first I just wanted to respond to a previous question from the Leader of the Official Opposition with regard to – I think the question was: Was the expert panel report provided to Cabinet?

I'm not trying to be obstructive; I'm trying to be careful in making sure we don't disclose anything that we shouldn't and that I personally shouldn't disclose anything that I shouldn't, but having discussed with the Premier, I can confirm that the chair of that panel did provide that report to Cabinet. So just to make sure that the answer is provided to the Leader of the Official Opposition, when that question was asked previously.

Speaker, I have some questions for Ms. Williams. I think she said earlier she's looking forward to talking about Schedule F.

Schedule F is written in, I would suggest plain English but it's properly not that plain for a lot of people. But in the course of myself asking questions over the last little while, the number 5.9 cents has come up. I believe that would be the price that is being sold to Hydro-Québec from CF(L)Co, but my understanding, of course, is that that's not a set price. The 5.9 cents doesn't really – it's not a number that's in the MOU in and of itself, but I think it's important for the public to understand how those sales work and, I think that can be discussed, probably by you, a little bit more thoroughly about what that price means, how that price is calculated over the course of a number of years and how it rolls out of Schedule F.

SPEAKER: The Chief Executive Officer of NL Hydro.

P. LANE: Point of order, Mr. Speaker.

May I rise on a point of order?

SPEAKER: Sure.

P. LANE: I meant to do it before the minister spoke.

Mr. Speaker, a couple of times, like that time when Ms. Williams was answering a question, and the clock ran out. I'm wondering, like, in terms of an agreement by the House: If we're asking a question and we're in the middle of getting an answer, I don't care if the clock runs out, I'd like to hear the full answer. If we could agree to that.

SPEAKER: All Members good?

SOME HON. MEMBERS: Agreed.

SPEAKER: There's no point of order but I will take that comment under advisement. I think everybody agrees that we'll allow the invited guests to finish their comments.

Thank you.

The Chief Executive Officer for Newfoundland Hydro, for your response to the question.

J. WILLIAMS: Thank you very much, Mr. Speaker.

I'm pretty sure I've got the gist of the question.

The 5.9 cents, I referenced earlier is a number that represents, in today's dollars, a starting point for what this power will now be paid for by Hydro-Québec for the power it's going to take, including its financial commitments. If you think about Hydro-Québec for this moment, they are considering is this a project they want to continue with, with regard to their best alternatives, long term. Newfoundland and Labrador Hydro, we've talked about this earlier today, with the Churchill River Energy Analysis Team we did a lot of analysis. With the 2041 panel we did a lot of analysis.

Then during negotiations with Hydro-Québec we've done a lot of analysis to determine what is a fair price to be paid for this energy, understanding all of its characteristics, as well as its location, the existing partner that we have, the 17 years early, all of those aspects. When we take all of those aspects, and through the negotiating period with Quebec, we believe that on a forecast basis, \$33.8 billion for the electricity that Hydro-Québec will take from the existing plant is a fair price that splits the value between us and Hydro-Québec in a manner that we think is fair.

But then we represent that in today's dollars with the number 5.9 cents. Basically, you take the 5.9 cents, and to get essentially the same number, \$33.8 billion, starting this year at 5.9 cents, you escalate it at 2 per cent a year. All of the revenue over the next 51 years will be a net present value of \$33.8 billion, or \$195 billion. So that's essentially what that 5.9 cents is.

However, I think the second part of the query is it's not set. I will talk a little bit about potential futures and what are the various scenarios that might occur. If you look again, it's the fifth bullet in Schedule F. There are three ways that the pricing will be connected to each kilowatt or various

kilowatt hours that will come out of the plant in Churchill Falls.

I talked a little bit about this earlier, but five years ago, 10 years ago, Quebec would have had an excess of energy, and it would sell that excess of energy – and they had an excess because of the Churchill Falls contract – and they were selling that to make a lot of money in the market. Things have changed radically just in the last few years with regard to the industry. What we mean by that is the whole world – not the whole, but a lot of the western part of the world – is working to decarbonize its economy. What that means then is they want to take things that are often fossil fuel based and move it onto clean electricity sources.

Quebec, in particular, are kind of ahead of the game, even nationally, with some of those electrification efforts. They, I think, are leading the country – between them or BC – in electric vehicle uptake. I believe I read a stat that they're almost 50 per cent of new vehicles or 25 per cent of new vehicles are electric vehicles. That's putting significant strain on their system. So they have to plan for inside their jurisdiction, new clean or continued clean electricity sources. So that's what we know today, just a few years ago.

Some of the questions earlier about these contracts down to the United States, they did that when they thought they had excess power. But that future is totally changed now. They need the power within their own jurisdiction.

So when you look at what we've done here in this memorandum, we have said: Okay, let's think about five or 10 years ago, export markets were the way to make money. We know today what they're going to be doing with regard to the investments that they're going to have to make, the price of electricity is very much going to be about within their jurisdiction, not so much about the export markets. They're going to be spending money inside their province, so those prices are going to go up.

That's just in the last five to 10 years, things have changed so radically. What's going to change in the next 20, 30, 40, 50 years? What we've done here is we've said: Let's not pick anyone of those, let's pick all of them. How we talk about it is basically a mutual fund of options for pricing. What that does is it derisks that we're all not going to choose the wrong thing today and regret it in 20- or 30-years' time. So what this will help us do is to derisk if one of those indices doesn't do well, then we're not going to regret it. But we have to be really thoughtful that it is a portfolio, mutual funds, anybody who thinks about those.

So that's really what we're doing here. We think what this does – and one of the most fundamental things we wanted to do as a negotiating team from the beginning was to engineer out the risks that we had seen in the past. This is a really fundamental aspect of engineering out that risk of the past. I think somebody said it here earlier when somebody picked a rate in the '60s, they didn't think that was the wrong thing, but we're not picking one single rate, we're picking a mutual fund of options here.

The other really important point that we have, and I'm going to say we had Quebec commit to, which is really, really important and I'll draw everyone's attention to this, too, the word "fairness." Fairness contained in this document is something that we wish we would have had before; it might have changed some history.

Fair is noted, I think I read it out earlier in the second last line of the first paragraph. I think fairness is indicated earlier somewhere else, but I just can't put my eyes on it there now. But it is really, really important that Quebec has intended and has entered into this MOU with us to ensure that the pricing remains fair over the term of the PPA. This, to me, is one of the most important things that we've gotten in writing and upon which we're going to now, hopefully, continue negotiations to definitive agreements.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you for that explanation.

Just to provide a little bit of clarity and maybe just in relation to the original 1969 contract where you talked about a fixed price with no other funds in the mutual funds, I guess I can put it that way, we tied ourselves to one stock, essentially.

So in the event, for example, that Hydro-Québec enters into a contract with some external entity for a very high price for electricity, which we don't know, it very well could happen, will NL Hydro see the benefit of those increased sales from Hydro-Québec to another external entity?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much, Speaker.

I'll draw your attention to the phrasing here, which is the third point in that fourth bullet. It says: "... and wholesale electricity market value in northeast export markets."

Now I will say that we do have to work on definitive agreements to put a one-page pricing policy into enforceable, legal – this is non-binding – mechanisms. So there's a ton of work left to do here. But it is absolutely the intention that the value of this energy for these markets that we've talked about, it is intended that we find a way to capture that value in the pricing mechanisms that we see and therefore the price that we will see over the course of the next 51 years.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

Ms. Williams, just to provide some more clarity with regards to NL Hydro versus the Newfoundland and Labrador Treasury – obviously, they're not one and the same. The government is a shareholder in the utility. I've seen some numbers talking about a breakdown of about \$180 billion to Newfoundland and Labrador, the Treasury, I guess, and the dividends that will be received from CF(L)Co, versus preferred

dividends paid only to NL Hydro, and then also about water rentals and royalties which we pay to GNL.

So if you could just take a couple of minutes to discuss those numbers, very large numbers, what it means to NL Hydro versus what it means to the Treasury of GNL.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

I will start on Schedule G and I will get to the answer. So Schedule G says: Annual schedule of forecasted payments from HQ to CF(L)Co for the existing generation only. All of that totalled up is \$195 billion.

So what happens then is Hydro-Québec will pay for the energy it takes, \$195 billion, over the next 51 years. Also, Newfoundland and Labrador Hydro will pay CF(L)Co for the energy it will also use from Churchill Falls. As we said earlier, that amount is going to go up over time. We are actually going to use more and more from the existing generation. So all of that together becomes the revenue stream for CF(L)Co.

What CF(L)Co does then is it pays its operating costs. It pays its people, pays its system equipment and maintenance. It's going to continue to do capital upgrades, all of those things. So all of those costs get taken off, just like any normal business would. Part of those operating costs are water rentals and royalties. So before anybody takes their dividends – and this is normal across the country – any hydroelectric utility has to pay for the use of the water. So CF(L)Co will take from its operating costs and they will pay direct to the Treasury of the Government of Newfoundland and Labrador for use of the water.

After you pay all your operating costs, you've got your revenue stream, what's left is going to be essentially a profit to be divvied up between Hydro-Québec and Newfoundland and Labrador Hydro. So that's where the \$180 billion comes in.

The \$180 billion is going to be Newfoundland and Labrador Hydro's and, therefore, government's dividends, arising from – actually, I mixed in the water rentals here that comes in, and I'll say them in case anyone wants to make a note of them, and this will also be on the website ourchapter.ca, so folks can query this themselves. There's \$179.2 billion over the next 51 years, of which \$131.8 billion is common dividends because of our, let's call it, two-thirds ownership of Churchill Falls. There are preferred dividends, which is \$35.6 billion – I'm getting a little specific but we'll post this – that is paid only to Newfoundland and Labrador Hydro. The water rentals and royalties that would go to government would be almost \$12 billion.

So all of those three numbers together is what adds up to \$180 billion over the 51 years. I'm going to repeat: That is after CF(L)Co operating costs are paid and after also Hydro-Québec gets paid its dividends. Because that is some of the confusion that seems to be out in the public, is that folks are saying: Well, no, no, you're not going to \$180 billion because Hydro-Québec gets a third of that. Absolutely not, that is after Hydro-Québec gets its dividends.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

To clarify why I asked that question, and Ms. Williams just hit on it, is there seems to be some confusion in the public. Of course, this is why we're here, to answer these questions and to clarify any confusion in the public with regard to how much of that approximately \$200 billion would go to the Treasury of the Government of Newfoundland and Labrador.

Thank you for the opportunity to ask the question and thank you for your answer to provide that clarity.

I guess this is a bit of a two-part question really, or two aspects of this question, when we talk about waiting until 2041, I wonder if you could speak to what you see as the

perceived potential or maybe known risks that existed if we waited until 2041. Maybe perhaps keeping in mind that question with regard to Hydro-Québec's one-third ownership in CF(L)Co in any event, which is not going to change whether there's a deal today or whether to wait until 2041.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

A little bit further to what I was talking about earlier, Hydro-Québec has a significant need for keeping its existing power commitments, as well as for expanding its power commitments. When I talked earlier about the size of our system, our provincial system is 2.2 gigawatts; Quebec's is 40.

For them to do an electrification program – so take a bunch of cars and make them electric cars, to take industrial processes, make them industrial processes, they need to about double their system. But doubling electricity assets, as we saw here with the Muskrat Falls Project, it does not happen in a couple of years. They need to plan for that now.

So they need to know can they or can they not rely on both the existing facility, as well as can or can they not rely on getting access to other development projects in the province. Because it will take 10 to 15 years to get those done, and that's exactly where we are right now. We are 10 to 15 years away from this moment when 2041 will come.

The window of opportunity for this discussion – so waiting until 2041, if we wait five, six, seven years or two or three years, Hydro-Québec is likely going to be out finding other plants. They've published their plans. It's not like they think this is the one thing that we want and then we'll wait it out ourselves and kind of come back and get it. They are planning on spending between \$12 billion and \$16 billion a year. Of course, they want to do this project. They have said, quite clearly, this is the best project for them to do.

However, they have a lot of money allocated and they have other projects that they have made very public on what they can and, indeed, are planning on spending on. They're planning on spending up to, I think, it is \$150 billion over the next 10 years – huge money.

So if they can't get an answer from us, on what they want to do, they will start doing something else. If they start doing something else, the value of this moment may not be what we think it should be. Us waiting for a very long time may not be the right thing to do.

The other component is in 2041, CF(L)Co – the owners are two-thirds Newfoundland and Labrador Hydro, which is obviously the people of the province, and one-third Quebec. That doesn't change. They have always owned that much and they will continue to own that much. They will always have a role to play in how allocation of power will get allocated in the future. So it's a really, really important point as well.

There's also the opportunity that we're pursuing here now that we believe is contained in the MOU – the math proves that it's contained in the MOU – is the opportunity to have access to, over the next 17 years, \$17 billion that we would not have access to if we stayed the course.

Right now, the amount of money that goes to provincial Treasury from those exact same things – I mean, when I talked earlier about the revenue stream and the operating costs and water rentals and royalties, all of those three things now, to the province, anywhere from \$10 million to \$20 million.

So that's what the benefit to the province is. If we stick with this contract for the next 17 years, we will get \$340 million on a nominal basis, maximum, or \$17 billion.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: I can just summarize what you said and you tell me if it's correct.

If NL Hydro were to wait until, say, 2041 or certainly from a date later than today, it is safe to say that Hydro-Québec has to make a decision about where they will get power, because they do need the power – and you said that was public record, and they're very clear about that. Then if we wait and if Hydro-Québec obtains other power, then the value of our assets will most certainly decrease and, I would argue, significantly decrease.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, I would agree with that. I would also add when I was talking about them taking on further – well, they are taking on projects in their own province anyway, but if they need to do more in their province because they can't do projects in our province, they are quite happy to do that, too. Because, in the same way that we will get provincial benefit with jobs, GDP growth, all those things, we will be handing that over to Quebec. So we they'll say, okay, I can't get it done over here. I am going to take my money and I'm going back into my own province and I will get that uplift of further GDP growth and knock-on effect associated with doing the projects in their province instead.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Speaker, as I have said, if we waited until 2041, I made the suggestion, and confirmed by Mr. Williams, that the value of our resource then would be decreased. I heard across the way: Well, just sell it somewhere else.

So maybe Ms. Williams could – I don't know if she has a rough estimate or maybe she has a specific estimate about the cost of selling it somewhere else would certainly have to have a 5,400-megawatt transmission line from Labrador to the Island of Newfoundland and then onward to somewhere else. It sounds familiar. It sounds like it hadn't worked in the past. It was very expensive and not even close to what the initial cost estimate was, but

maybe you could just give a second answer on that suggestion.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Three comments – actually, I'll write them down before I forget them.

The way to sell it to someone else would be two ways. One, obviously, is not through Quebec and one could be certainly through Quebec. So let's talk about the one that is not through Quebec.

We can use the Labrador-Island Link as a proxy. The Labrador-Island Link basically cost about \$6 billion, and really built over the previous decade. So if we were going to build it over another decade to come, the \$6 billion would be something else. But just for the sake of argument, let's use \$6 billion as the proxy. The Labrador-Island Link on peak is a 900-megawatt line, so you'd have to basically build something – and again, is that a true math? Let's just go with it for the sake of understanding.

The Churchill Falls plant is five times the size of what the Labrador-Island Link can carry. Five times \$6 billion is \$30 billion. That just gets it to the Island. That just drops it at Soldiers Pond. So you'd have to go further to wherever your customer might be. The customer would have to say, okay, I'm going to have to pay for the transmission and I'm going to have to pay for the power, so that's those two components. That's if you did that, and I'm being just really simplistic with that.

The alternative then is to go through Quebec. The existing lines in Quebec obviously are currently sized to have the Churchill Falls power flowing on them. We'd have to work with Quebec to gain access to those transmission lines. So I just will let the folks think that through, of how that would go in this moment.

But I do want to say this concept of, well, let's get the market prices – and this is where I'll bring you back to Schedule F.

Going back to Schedule F, we see the wholesale electricity market value in the northeast export markets. We are getting a piece of that action without the transmission fees.

So this is a lessons-learned MOU and we are working to make sure that we avail of those opportunities, we get a piece of that market price contained within the price that we have set and the principles that we will work on with Hydro-Québec as we go through definitive agreements.

SPEAKER: Thank you.

Next speaker.

The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you, Speaker.

First of all, I would like to say that it is a privilege and it is humbling to be able to speak on this historic, extraordinary sitting of the House of Assembly today. In particular, it's very humbling because of the significance and the impact that this MOU will have on the future of Newfoundland and Labrador.

Now, we've heard repeatedly today, so far, from hon. Members of the House of Assembly, from the Third Party Leader, independent Members and our own leader as well, urging this government to provide an opportunity for independent experts and review of this memorandum of understanding. But this has not happened and this is critical. It needs to happen, for several reasons, and I'm going to state why.

Number one, we're hearing the concerns and the questions and the uneasiness about this agreement and the confusion. We're hearing it from external industry experts in the media and who we have also consulted independently. We need the opportunity to properly analyze this agreement and we have not been provided with a rational justification for denying this simple, really, and important and legitimate request.

But there is another important reason. We have heard from constituents, concerns from the people throughout the province, about their uneasiness, about their doubt, about this agreement and there have been many issues that have been cited.

So we need to see a freely independent, objective expert analysis of this MOU because we know that it is the basis of this contract.

Why do we need to have an independent review? Is it just for the sake of having an independent panel reviewing? It is because of the things that we have uncovered to date in the short 25 days that we've had to try to analyze and assess this important document?

So I'm going to start now, first of all, with questions regarding the independence piece. I'm going to direct this question to the CEO of Newfoundland and Labrador Hydro.

Speaker, I would ask her: What is her understanding of what independence means in terms of her role as the CEO of NL Hydro?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker, for the question.

As it relates to the MOU and as it relates to the role, I'll start with this most fundamental. I'm a professional engineer and basically there is a code of ethics that I have to adhere to, as would Mr. Parson's and other members on our team. I was on the board of directors of PEGNL and, at a fairly young age, it was one of the best things that I think that I have done from a professional perspective ever because it really, truly helped me understand what an engineer is supposed to do and what an engineer is legally required to do with regards to the fulfilment of its duties: what I should do, what I cannot do, all those sorts of things.

Every year, we have to declare who we are. Anybody else can complain about me and

my professionalism and those sorts of things, so I take being a professional engineer very seriously because I've been on the board. I'm on a review board for other engineers. I was on the complaints authorization committee. So I had to judge other engineers. I know exactly what is entailed in ensuring that I am professional in how I conduct myself at all times, which means that I cannot be influenced to do something that, in my professional judgment, I should not do.

Whether that's a perfect answer for independence that absolutely guides me, frequently and all the time, in how I would address all of my job, but, certainly, in this memorandum of understanding. So I would suggest that, for me, that's who I am. I know that and, hopefully, the team would feel very similarly.

Obviously, you have inputs into the decisions that you make, but you have to be independent in your thinking in what you're actually going to endorse.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you very much.

I'd like to explore some of the specific issues with respect to the transmission across Quebec. I direct this to the CEO of Newfoundland and Labrador Hydro.

Can you, please, confirm that I am correct in understanding that the MOU does not provide any means for Newfoundland and Labrador Hydro to transmit electricity through Quebec? Now I know you just previously discussed that in general. I'd like you to be able to just answer the question, preferably whether I am correct in that understanding, yes or no.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much.

I will start, and I will ask my colleague to correct me if I'm wrong. Newfoundland and

Labrador Hydro currently has access to 265 megawatts of transmission access into Quebec that we pay for and that we utilize for getting power to market. That is not exactly contemplated what we're going to do with that at this moment, but beyond that we have not secured anything additional to get to market.

I know you're asking for a bit of a yes or no there, but I felt compelled to indicate that Schedule F permits us to get attached to the market prices without having to pay the transmission fee. So I actually think that's a positive as opposed to just gaining access over the transmission line.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: It is well-known that Newfoundland and Labrador Hydro have always had great difficulty in getting transmission capacity through the Province of Quebec. So please confirm that the MOU does absolutely nothing to finally given NL Hydro access to sufficient transmission capacity through Quebec.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

I think I will ask my colleague to jump in as well, but I do need to reconfirm, the MOU and the negotiating team believe that we have gained access to market pricing, which would be the reason you would want transmission access with Schedule F.

But I will ask my colleague, if that's okay, just to add to that answer.

SPEAKER: The Vice-President.

W. PARSONS: Yes, if I could add to that, and I do have accountability for energy marketing at Newfoundland and Labrador Hydro where we use that transmission booking to sell power into New York and New England and have done so since 2009.

The electricity markets are starting to see a fundamental change in the last handful of

years in that it is no longer the case that we are expecting to see significant and sustained increase in electricity pricing in neighbouring markets. You're starting to see, as Ms. Williams explained earlier, the significant amount of electrification that we're seeing across the Western world means that most jurisdictions are finding themselves reaching deep to try and build additional generation in their own jurisdictions.

We're seeing wind generation, for example, being one of the go-to new sources of supply. Of course, wind is generally the lower cost option and it's a good option for many jurisdictions, but it is very variable. So there are times when electricity is trading between jurisdictions when it's really a matter of off-loading excess wind or the neighbouring jurisdiction is selling wind when it has it and the neighbouring jurisdiction does not.

So the electricity markets are starting to move from reflecting the full firmness and the full value of the power, as they maybe once did, to now the prices are reflecting, sort of, a big exchange of these intermittent sources.

So I would want to point out that the premium pricing available for Churchill Falls and for other firm hydrogeneration is not necessarily as it once was in these US Northeast markets, in that after these changes that we are starting to see, it is this replacement value that is really the premium pricing. We're looking at what can these products supply when they are being used as a firm source of generation to help Quebec or other jurisdictions to decarbonize, which is very different than the electricity markets in the US Northeast. Hence the need to have not only a diversified pricing-block mechanism, but also a significant portion tied to replacement power, which is the premium today.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: I just wanted to state that we are limited in the time that

we have, and this is very technical and I understand that, but for the benefit of the people that are watching and the public, I'd ask that you try to narrow it down to more layperson's terms, because this is, obviously, very, very technical.

So let's just go to another provision, or another concern with respect to the MOU. Could you please confirm that the MOU is intended – and I'll ask this of the CEO of Newfoundland and Labrador Hydro – is intended to result in definitive agreements which will prevent Newfoundland and Labrador Hydro from competing against Hydro-Québec in Hydro-Québec's export markets. So I'm talking about competition specifically, if you could focus your response on that particular theme.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, thank you, Mr. Speaker, for the question.

I do not confirm that the MOU is intended to prevent competition. The MOU is intended to allow NL Hydro to derisk picking the wrong metric to value the electricity from the Upper Churchill and is intended to tie it to as many indices as possible so that we do, for the duration of the contracts, get the fair value of the electricity.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: So I understand you dispute the point of intention; I would suggest, and we'll get to this at a later time to explore it further, but the result in the MOU is that it will essentially prevent Newfoundland and Labrador Hydro from competing, but we will explore that again later.

I want to move on now to the exclusivity agreement. Can you – CEO of Newfoundland and Labrador Hydro – please confirm that when the exclusivity agreement is signed, that will mean it will be 2045 – the year 2045 – before NL Hydro or CF(L)Co can talk to anyone else about developing Gull Island or expanding the Churchill Falls

plant. So we're talking about this specific issue of whether there is this, in essence, gag order with respect to speaking to anyone else about developing these developments.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question, Mr. Speaker.

So the exclusivity provision, with regard to the new developments, is intended to ensure that both parties are doing our best to develop these projects that benefit both of our jurisdictions. However, the exclusivity provision does not stop us from talking to anybody else if Hydro-Québec chooses not to proceed. So if after 10 years' time, five years' time, Quebec again says we love nuclear, we're going to build nuclear, we're not going to do Gull Island, exclusivity ceases. So exclusivity would not continue for that period, and so what happens during that period then of exclusivity is that we are both working really hard to get the projects done. Again, it's because we want them done and it's because Quebec wants them done and they really, really need them done.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: So your intent is to use your best efforts, but there has to be mutual agreement between both you and Hydro-Québec is what you're saying, correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, what I am saying is that if Quebec, for example, doesn't use its best efforts and chooses not to proceed, then the exclusivity ends.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Speaker, the MOU makes it clear that Hydro-Québec will sometime during the next 20 years decide on its own whether Gull Island will go

ahead. If Hydro-Québec does finally decide to build Gull Island, then Newfoundland and Labrador Hydro will be their partner.

Before signing this important MOU, why didn't NL Hydro discuss Gull Island with other potential partners in view of this, what I'm stating here?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: This whole MOU is about the total value of the river, and it was important to us to gain that best value through all of the mechanisms possible, both existing generation as well as undeveloped solutions.

If you think about if you were Hydro-Québec, they obviously have a contract for essentially free power for 17 years and then they were also looking for additional power. So through the course of getting the best value through the whole MOU, we thought it was appropriate to entertain conversations around the whole value of, again back to the very basics, both the developed and the undeveloped assets on this river with Hydro-Québec, a partner who is right next door.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you.

I find it interesting, and you state that you're looking for the best value and the total value of the river, and that river is one of our most important resources that we have in our province. I look to, for the next 20 years for example, Hydro-Québec will control whether or not Gull Island and the CF Expansion get built.

So am I correct in understanding that during these 20 years, the MOU's definitive agreements will put no restrictions on Hydro-Québec's ability to develop their own energy projects in their own province and to use those projects for export?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I will start and I do ask Mr. Parsons to jump in as well. The MOU does not put restrictions on what Hydro-Québec has to do within its own province. It has to do this and so much more.

As I mentioned earlier, Hydro-Québec need to about double its size of its electricity system and if we use energy just as an example, the amount of energy from Gull Island is about 12 terawatt hours. They need to, over the next 10 years, come up with 60 more terawatt hours.

So the MOU, in my view, could not contemplate us preventing them from doing other projects. They need a dozen projects. It wouldn't make sense or be necessary for us to put something in a MOU that would prevent them from doing projects. They need a whole host of projects to be done.

I'll ask Mr. Parsons, if it's okay, to jump in.

SPEAKER: The Vice-President of NL Hydro.

W. PARSONS: The only thing I would add there is just that Hydro-Québec is in a unique position with such a large system and large historical hydroelectric assets at low cost that they are able to take a project, like Gull Island – which even though it is one of the most attractive projects in North America, there is no modern-day, large generation project that we would consider to be cheap power. The days of cheap, new electricity generation are over. It will still be expensive power for the ratepayers of Quebec when compared to the other assets in their system mix.

They're in a unique position to be able to provide that backstop, make the commitment to take the cost overruns on and contribute \$3.5 billion to a fund that we will use to fund our equity. Because it is a good source of power; it is a fantastic fit for Hydro-Québec, but they're able to use that existing power that they have to blend that higher cost down.

That's what differentiates them from other potential buyers that would show up and, essentially, pay for all of Gull Island and not have anything else to blend it with. They're in a unique position to be a partner on this project with us.

SPEAKER: Thank you.

The time for questions has expired.

The hon. the Deputy Government House Leader.

L. DEMPSTER: Speaker, I move, seconded by the Premier, that this House do now stand in recess until 6 p.m.

SPEAKER: This House do stand in recess until 6 p.m. this evening.

Recess

The House resumed at 6 p.m.

SPEAKER (Bennett): Order, please!

Admit visitors.

The hon. the Minister of Tourism, Culture, Arts and Recreation.

S. CROCKER: Thank you very much, Speaker,

It's certainly an honour this evening to take an opportunity to discuss the MOU, which will have such a generational impact on the people of our province as we move forward.

First, I'd like to start by thanking the negotiating team, everybody that's been involved and supported these efforts over the last four years. I can imagine it certainly wasn't an easy endeavour, but one I think that's very rewarding for the people of the province.

So, briefly, before I get into some questions this evening, I do have a few points I'd like to make in just listening to the debate here over the last number of hours and when we reflect on the fact that this agreement will unlock \$225 billion-plus in direct revenue for

our province and the effect that will have on future generations.

The Government House Leader this morning, when he started off this debate, talked about how many times in his lifetime – he's reflected how old he will be in 2041. Yes, he did quip that he will be younger than me in 2041 for sure. But the reality is I think many of us have done that and reflect on the age of our children and where our children would be in 2041, or our grandchildren, and what that could do for this province at that point in time.

I believe the fact that we're able, as a province, to arrive at this agreement 17 years before 2041, at a value of \$17 billion in extra revenue for this province – and if you think 17 years from now, tremendous uncertainty in a market, working with another jurisdiction on how we actually develop that power, or if that power doesn't become a stranded asset. There are so many things that can change in 17 years. The additional \$17 billion for our province today, going into the future, is so very important.

It's not only about direct revenue going forward; there is so much more. While negotiating, both parties get benefits from any deal and value created for both sides. So I do have some questions. My questions this evening are going to be related to benefits for Newfoundland and Labrador versus some of them being accrued by Quebec.

I think I'll lead off by just simply going back and asking the CEO, through you, Mr. Speaker – it's important and it's our job to ensure maximum benefits from our resources for all this province. Can you explain to us how the MOU or the EA outlines the number of jobs that will be created and how these jobs are guaranteed for Newfoundlanders and Labradorians?

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker, and thank you for the question.

I know we started to talk about this earlier, so I'm quite happy to pick it back up and have a more fulsome discussion, because I do think there is maybe some lack of clarity in the public on what is indeed in place for at least Gull Island and what would be possible for the other projects that are being contemplated with the MOU.

I would like to start with Gull Island. Gull Island received its environmental release in legislation in 2012 and the order is *Lower Churchill Hydroelectric Generation Project Undertaking Order*. Contained in that, then, is the requirements – section (m), in particular – to ensure a full and fair benefits policy was to be created. That benefits policy is called the *Lower Churchill Construction Projects Benefits Strategy*.

The reason why I want to say that that is applicable – so it's all well laid out and I'm going to get into it a little more – it is applicable because in the MOU, clause 2.3(m)(iv), it requires that the benefits of these projects comply with legal obligations. For those reasons I just mentioned, that environmental release, and therefore, then, the Benefits Strategy, is a legal requirement that will have to be adhered to for Gull Island.

When it comes to what that practically looks like first with regard to jobs, it's well laid out. And if you read it in conjunction with also the existing impact and benefits agreement, basically there's a hierarchy of hiring that would have to occur. Every one of these folks certainly, obviously, has to be qualified, but the first protocol with regard to hiring is to members of Innu Nation. After that, it is residents of Labrador. After that, it is qualified Newfoundland and Labrador residents, and after that, then, it goes to qualified folks from Canada.

I want to, I guess, talk about what does that mean in practicality. We have the Muskrat Falls Project upon which can look and say, well, what does that actually mean when you actually execute a project? And this is easy to query. The updated reports would get published for what the hiring-out impacts were with regard to benefits in Muskrat.

There were 48 million hours worked. Eighty-five per cent of the hours worked were by residents of Newfoundland and Labrador. The existing EA for the Muskrat Falls Project had, in effect, the ability to have 85 per cent of the hours worked by people from Newfoundland and Labrador.

Of the total, again, hours worked, 21 per cent were from Labrador. And of the hours worked, 8 per cent were by the Labrador Indigenous peoples.

So the existing EA process and the steps in the protocol that are a legal requirement – that the MOU requires – certainly is the case for Gull Island.

I want to talk about that. Then the next piece I'd like to speak about is the other projects that do not have an environmental release. That would be CF2. We do not need one for the upgrades because it's basically just changing out the existing equipment. But the transmission that would be required to enable all of the various generation projects. So both CF2 and the transmission line would require environmental assessment.

The MOU, again, still requires that the parties, whether the project manager be Newfoundland and Labrador Hydro, or the parties be Hydro-Québec, have to comply with legal obligations.

From an environmental assessment perspective, that will be something that officials from government will have to go through its normal processes that it goes through, and it would then provide for some kind of environmental release, which you would typically see includes a benefits policy. It is not abnormal that you would see, again, the ones that we have seen here in this province, which is routine, to have benefits policies laid out and requirements, and you would see that across the country as well.

So it is reasonable to expect that CF2 and a transmission environmental release would require something similar, akin to what we would see for Gull Island.

SPEAKER: The hon. the Minister of Tourism, Culture, Arts and Recreation.

S. CROCKER: Thank you.

The MOU outlines not only a new competitive pricing model for the Churchill Falls plant, but also how we benefit from expansions from the Churchill River, including Gull Island.

Can you outline the ownership structure for each of these projects, and how the province is benefitting, including the ownership structure for each?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much.

I might be heading into a coughing fit, so I will ask my colleague to help me out if that's okay, Mr. Speaker, but I will certainly start, and we'll defer to him to help me out as required.

So I will walk through the four projects. We've got CF2 and the CF upgrades, and we'll lump those two together because how they will be executed and owned is under the existing ownership structure, which essentially is one-third Hydro-Québec, two-thirds Newfoundland and Labrador. The ownership structure for Gull Island is 60 per cent majority owned by Newfoundland and Labrador and 40 per cent by Hydro-Québec, and the transmission associated with getting this power from the generating stations to its customer, primarily in Quebec, is 100 per cent owned by Newfoundland and Labrador.

Now I would like to compare Gull Island and the transmission to the existing Churchill Falls plant, generally. So the existing Churchill Falls plant, generally, contains – and contains within it – the transmission required to get to the border. So instead of it being a separate project of a transmission line and a generating plant, CF(L)Co owns both, and the ownership structure of that as we know is two-thirds/one-third, Newfoundland and Labrador and Quebec.

When you take Gull Island at 60-40 ownership and the transmission at 100 per cent owned by Newfoundland and Labrador and you compare that as well to the Upper Churchill, you put those two items together, the actual ownership split is about 65-35 as well, so about two-thirds/one-third.

So it is not that different and it's actually almost the same as what the Upper Churchill ownership structure is.

SPEAKER: The hon. the Minister of Tourism, Culture, Arts and Recreation.

S. CROCKER: Thank you, Speaker.

Would it be fair to say that waiting until 2041 brings additional risk of stranding the asset?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question, Mr. Speaker.

Yes, I would suggest that it is possible that that could indeed be the case. Obviously, it's a very valuable asset and I believe that Quebec will regard it as a very valuable asset into the future. It is likely they will want to avail of it. If we waited until 2041, the question becomes what is the value that we can ascribe to that today versus into the future.

What the MOU has done is it allowed us to know the value today and put a pricing mechanism in place that would allow us to evolve the value over time, if the value continues to increase. That is certainty that we can count on now versus waiting 17 years and not having any idea about what that value is going to be in the future.

There is a risk that Quebec would find other solutions and that this source of supply would not have the same kind of value that it does today. Simply because we do not know what is going to happen to these resources into the future.

SPEAKER: The hon. the Minister of Tourism, Culture, Arts and Recreation.

S. CROCKER: Thank you, Speaker.

There's currently some confusion, I feel, on some of the elements of the MOU being legally binding and what areas are still being negotiated.

Can you clarify this for the House?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I'm just going to take a little short break and have a cough drop, if you don't mind. Is it okay if my colleague answers?

SPEAKER: The Vice-President.

W. PARSONS: In the section on exclusivity, there is a reference to a couple of subsections of the MOU. So under Article 5, Miscellaneous, 5.1, Non-Binding and Binding Provisions. It's outlined that while the vast majority of the MOU is a non-binding agreement and outlines essentially the high-level principles that we would follow in our pursuit of the binding agreements with a target date of April 2024, there are specific sections – and this is quite normal in a negotiation of typical MOUs for big projects like this. There are a couple of sections related to, for example, using best efforts to pursue the definitive agreements during the period leading up to April of 2026.

So there is a commitment to work with Hydro-Québec to see if we can convert this into agreements. Obviously, that doesn't mean that there's a requirement to sign definitive agreements, but it's a requirement to focus on and attempt to get those agreements completed and that attempt is binding. Then that would terminate in early 2026, as per the agreement.

SPEAKER: The hon. the Minister of Tourism, Culture, Arts and Recreation.

S. CROCKER: Thank you, Speaker.

The MOU clearly ensures that the price of power will escalate as of January 1 and

continue into the future, replacing the 1969 contract.

Can you please explain the mechanisms which provide for the price escalation, as per outlined in Schedule F?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Sure.

I'll turn to Schedule F and, again, its companion is Schedule G. When we talk about – oh, sorry. Thank you, Mr. Speaker.

When we talk about escalation, it is expected – well, I guess, two things. If you read Schedule G, you will see that every year that goes by, the total financial payments from Hydro-Québec to CF(L)Co increase, and that is notable for a couple of reasons. Obviously, the numbers just go up, so obviously that is an increasing amount of money; but the other important point is that the take from Churchill Falls's existing plant, in fact, decreases with Hydro-Québec, so the unit price will increase over time as well.

Mr. Parsons referenced this earlier in the ourchapter.ca website. If you scroll through the website, you'll see a sort of red block and it lists out the actual forecasted price per kilowatt hour. You can see there that it goes from 1.63, I think it might be, in year one, up to in excess of 37 cents a kilowatt hour in 2075. Again, we calculate that using Schedule G as well as the volumes of energy that is expected to be delivered to Hydro-Québec according to the MOU.

I will also make a note that the price you see there is really just for the generation supply. So when customers are thinking about these numbers themselves, they wonder: How does that compare to the bill that I might have here?

The bill that people get themselves for paying their electricity really has three components of what the cost is: one would be the generation cost, which is what we're talking about here today; another cost is the transmission cost, which would be on top of what we're talking about today; and another

would be the distribution cost, which would also be on top of that.

So if you think about into the future when you have a price that's, say, 25 cents a kilowatt hour, the actual price that folks then would have to pay or Hydro-Québec would then push through the rest of its system, they have to add on a transmission cost and add on a distribution cost on top of that.

A 37-cent price in 2075 is not going to be the only price that the customer in Quebec pays. They will pay, on top of it, distribution and transmission costs as well.

SPEAKER: The hon. the Minister of Tourism, Culture, Arts and Recreation.

S. CROCKER: Thank you, Speaker.

One final question: How are we protected against cost and financial overruns?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Again, I think I will start and happy to have my colleague jump in, if that was appropriate and if he thinks I need to.

I think it's really important to understand, when we talk about a cost plus PPA, Power Purchase Agreement. So I will use Gull Island as an example. You would see, in the press release, that Quebec would have quoted 11 cents a kilowatt hour for the price that they expect it will be for Gull Island. Again, for the generation cost only. If that happens to be double the cost, the question certainly is in the public, well, what does that mean to people in this province?

So when we're talking about the PPA or the Power Purchase Agreement for Gull Island, basically, is the customers of Gull Island, which is primarily Quebec, they would have to pay the full cost. If the cost happened to double, goes from 11 cents to 22 cents, then the whole cost of whatever that project is, including all the operating costs to run the plant and including our financial return, the 8 to 9 per cent on our equity that we've

talked about before, all of those costs have to get put into this cents per kilowatt hour that Quebec will pay for all the power that it will receive from Gull Island.

As those operating costs go up over time – again, as we talked a little bit about earlier – as the cost to fix a transformer goes up, as the cost to pay a system operator or a power line technician, as those costs go up, so will the actual price per kilowatt hour. So it's a flow-through, which is not the case with the existing Churchill Falls Power Purchase Agreement. It is a fixed price, and that is why the benefit that comes back to this province, after we pay our operating costs and after the revenue comes in, that's why it's less than \$20 million a year that comes here because the price for that never escalated to allow for the operating costs to go up over time.

SPEAKER: Any further questions?

Next speaker.

The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you, Speaker.

I'd like to return to a topic that I had been exploring earlier with respect to the exclusivity agreement and just to get further clarification on this agreement because, for the average lay person, and I've struggled with it myself to try to understand it, the implications of this particular provision in the MOU. Basically, when we look at this exclusivity agreement, we've been told that essentially the MOU refers to and it appears in the MOU that April 30, 2026, is a significant date and I want to understand the significance of that particular date.

Am I correct to understand – and I ask this question of the CEO of Newfoundland and Labrador Hydro: What is the significance of this date of April 30, 2026? Could you just clarify that in simple terms for us, please?

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

The April 30, 2026, date – and again, I'm going to make sure that my colleague keeps me in check here – is the expected time frame to get all of the definitive agreements signed and so that would carry through to this period.

I can't recall if we talked about this earlier or not, but it's the exclusivity of Newfoundland and Labrador Hydro talking to somebody else tomorrow – so, for example, we are at this point in time with Hydro-Québec after having spent almost two years negotiating with them on what would be the best approach to maximize the value of this river, and we have said we will take our best efforts together to get to definitive agreements and execute on the new projects, the new PPA.

So what we're talking about here with regard to also exclusivity during this period is we won't be out looking to try to find another partner for Gull Island while we are working on – again, through elsewhere in the contract, it is says our best efforts to try to get this together. We're just binding ourselves to them during this period while we are trying to get the binding agreements done.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you. That does clarify this.

So that means essentially, correct me if I'm wrong, for the next 16 months the company you lead, Newfoundland and Labrador Hydro, cannot talk to anyone else, any other potential customers about anything that is in the MOU. In effect, you're silenced for the next 16 months. Is that a correct conclusion to make?

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker.

I want to be really clear of how I respond to that. The intention is that we use – both of us have signed this agreement and both of us, therefore, have intended to have this long-term relationship together. So we want to be working on the definitive agreements, not shopping elsewhere.

So that's what this is intended to do is for both of us, with our best efforts – there's a lot of work left to do, a lot of things left to negotiate and to finalize. There's a listing of 10 definitive agreements that we have to work on together. We've committed to each other that we will work on getting definitive agreements together, not out shopping with somebody else.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: I would think the answer to my question is, though, in effect, both parties have agreed and you have agreed not to discuss this with anyone else – that's correct?

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, we have agreed that we are only talking to each other about the opportunities that are contained in here.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you.

So in exchange for agreeing not to talk to anyone else for the next 16 months, did Hydro-Québec give Newfoundland and Labrador Hydro anything in return for that concession, to essentially be silenced?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

We are five or six days into a new power price. I would suggest that 17 years early of a contract is something that they have provided to us for that so that, on a retroactivity basis, if we can get to definitive agreements, then we will indeed have the benefit of retroactivity to prices that started on January 1 of this year for the CF PPA.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: So just continuing on with the exclusivity agreement and, just to be clear, because this can run for as long as 15 years after the end of 2029 – is that correct for me to say that? From my understanding, Hydro-Québec can wait until the end of that 15 years to make up its mind about whether to go ahead with Gull Island.

So the question I have is: Can Newfoundland and Labrador Hydro talk to anyone else about Gull Island while Hydro-Québec are making up its mind?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

The questions, I guess, to this point have been very much about some of the CF PPA issues and the MOU generally. Then, I think the line of questioning now is about the new developments, which has a specific scope as opposed to the whole MOU generally, and beyond then and after definitive agreements.

So if we don't get definitive agreements, then that's it, we move on to what we think is another alternative for us as a province. But if we get to definitive agreements, these are large complex projects and we have agreed with Quebec that we would both make best efforts to get these projects concluded.

If Quebec chooses, as they are going to try to get these projects concluded, they might say after four or five years, you know what, we're not going to do this. Then, at that

time, if they say that, exclusivity ends. Exclusivity does not continue for the duration that is contemplated in here. The exclusivity that is contemplated in here, with regard to the new developments, is very much about both of us, together, working really hard to get these projects indeed constructed in Labrador.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Now I'd like to explore an area with respect to the actual length of this contract. It has been touted that it is a 50-year – we've heard that a lot – contract, 51-year contract.

I want to understand, if at some point during the next 20 years Hydro-Québec decides to go ahead – and that's a big if in my view, that's a big if – with Gull Island, how long can Hydro-Québec postpone actually beginning to build Gull Island?

Further to that point, is there anything in the MOU that requires Hydro-Québec to finish building Gull Island by a particular specific date or deadline?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

I think there were definitely two questions there. I might have to ask you, if you wouldn't mind repeating the first one, but I can start with the second one.

The second one: There is no MOU clause that requires Quebec to start by a certain date. Again, the exclusivity period is essentially what that is. However, Quebec not proceeding with, again, its best efforts, just like us – like we have obligations to do everything we can to support these projects. If Quebec itself decides and is not proceeding, then that essentially amounts to defaulting on its exclusivity provisions.

I will just make one quick comment, and I do think that I'm not addressing probably what the first one was. And I am not the CEO of Hydro-Québec and that CEO is going to

change several times between now, I'm sure, and the next 10-15 years. But further to what Quebec had published and their public commitment, as I had mentioned earlier, they need to almost double their system. They have come to this province and have accepted the opening of an incredibly lucrative contract to start paying a much higher price today and basically give up 17 years of free power.

Again, I don't want to speak for them and their impetus of why they chose to do that, but I cannot envision a world where Gull Island is not very much top of mind for them. So I don't agree that if suddenly – there was a big "if" there – they're going to do Gull Island. They very much want to do Gull Island. So much so that they're willing to pay our equity requirement associated with that. That was their way to get access to that facility. They want to be the project manager. They know that they're good at that and they can do a good job.

So I don't agree that it's a big "if" if they want Gull Island done. It has an existing impacts and benefits agreement. It has an existing environmental release. It is very ready to move ahead. We're ready to move into engineering studies with Hydro-Québec if we can get through definitive agreements. It's a great project for Hydro-Québec, it is a great project for our jurisdiction to get executed.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: And it is, I note that you say it is a particularly lucrative contract for Quebec. And they have a need to almost double their electricity. That is what you said. Correct? Okay.

Just going to another area, I would like to examine the references in the MOU regarding the new shareholders' agreement for CF(L)Co. The existing shareholders' agreement has been described as giving Hydro-Québec equal voice with Newfoundland and Labrador Hydro in CF(L)Co's affairs, even though

Newfoundland and Labrador Hydro are the majority shareholder in CF(L)Co.

So I will just restate that: The current shareholders' agreement has been described as giving Hydro-Québec equal voice with Newfoundland and Labrador Hydro in CF(L)Co's affairs, even though – and as you know, as the CEO of NL Hydro, you are the majority shareholder in CF(L)Co. So the question I ask is will the new shareholders' agreement for CF(L)Co restore that majority shareholder control back to Newfoundland and Labrador Hydro?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

I will get to that, but I want to be really clear that I nodded earlier in response to the question about do you agree about the lucrative contract. When I said it was a lucrative contract, the existing contract is incredibly lucrative for Quebec. They essentially have free power. It is incredibly lucrative. So when I said that, that was referencing that. I want to be really, ultra, clear about that.

Section 2.5 of the MOU on page 10 talks about the parties' intention with regard to the shareholders' agreement. Part (a) says: "The Parties agree to use their respective best efforts to amend and restate the shareholders' agreement governing CF(L)Co to, among other things, modernize such agreement and reflect appropriate corporate governance for a facility of the size and nature of CF with shareholders of differing equity interest, roles, responsibilities"

What that means is that we intend – and Quebec have agreed – to modernize the shareholders' agreement to ensure that it is not the current methodology in the current execution, but I will note that obviously as a one-third owner, they are a big minority owner. So we have to be really clear – and that will continue, this is what we have discussed before, post 2041.

But this here was really important to us a negotiating team – this was one the really important things. We said we have got to get a modernized shareholders' agreement, and that is indeed the commitment that is contained here.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: So, again, just with respect of answering the question: Will the new shareholders' agreement for CF(L)Co restore majority shareholder control? That's my question, yes or no.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: My answer is that it is exactly what it says here, that the corporate governance will reflect the appropriate corporate governance for the ownership structure that is in place now and into 2041 and beyond.

I'm afraid that saying yes one way or another, we would get into definitions of what that exactly looks like, but this is what the intention is here. It will be the appropriate corporate governance for this kind of facility with the majority ownership that we have.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Maybe I'll ask it another way. Will the new CF(L)Co shareholders agreement lessen Hydro-Québec's influence over how CF(L)Co is managed?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you.

Under the 1969 contract, it is clear that Hydro-Québec has day-to-day control over how much electricity the Churchill Falls

plant produces. Does this MOU intend to change that?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, in particular, certainly the board of directors and the governance that we just talked about will have an evolution to how the plant is run. Then if you look at also Section 2.6 and Schedule K, I think it is, that talks about water management principles. So this also was very important and I don't know if that is as understood by the broader public. But I do want the public to know that Section 2.6, as well as Schedule K, was also really important for control of that river as it should reside within our province.

Basically, we want to make sure that how all of the facilities, both current and future, on that river are able to be interacting with each other in a way that is normal for any river all over the world that has multiple plants on them, multiple owners on them, it is normal for the river and the optimization of the river to really dictate how the various commitments to each of the plant owners and the plant contracts, I guess, are honoured.

So this was also a really important aspect that we wanted to ensure that for the next 50 years, we did indeed have this put into the contract.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you.

I see my time is running out but I would ask this other question and it may seem self-evident, but will you please confirm that if Hydro-Québec decides not to go ahead with the Churchill Falls expansion or Gull Island, that there will be no jobs created in relation to building those projects.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I'm sorry, Speaker, I'm not sure I understand the question.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: To me it seems evident that if Hydro-Québec decides not to go ahead with either of the projects of Churchill Falls expansion or Gull Island, that there will be no jobs. If there are no projects, there will be no jobs created in relation to building those projects. Is that correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the restate, I understand the question now.

As we talked earlier about the exclusivity provision, if Hydro-Québec chooses not to proceed with the projects as intended here by both of us here, we have the absolute ability then to pursue these projects and monetize those undeveloped assets with other parties. So I would suggest that there would indeed be jobs associated with pursuing that with other parties.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Have there been other parties that you pursued with respect to these projects?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: When we started our period of negotiations with Hydro-Québec, we have worked with Hydro-Québec to see if we could find a fair deal for the whole river in the last couple of years.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: I have one area that I'd like to explore; it goes to the definitive agreements and it's Schedule J, the six exemptions. Basically, with respect to these definitive agreements described in the MOU, Hydro-Québec can rely on any one of six exemptions – six exemptions – in Schedule J. What I would describe them as is six off-ramps. In other words, giving them

the opportunity or the option to avoid doing the Churchill Falls expansion or building Gull Island.

So can you please confirm that when the definitive agreements described in the MOU are signed, that my understanding is correct, that Hydro-Québec has those six exemptions or off-ramps to basically back out or get out of the Churchill Falls expansion or building Gull Island. Is that a correct interpretation?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: I'm just going to take a moment to confer.

Thank you for the question, Mr. Speaker.

So Schedule J isn't really related to exemptions for Hydro-Québec to remove itself from decision-making around proceeding with the projects.

Again, I'll start and certainly Mr. Parsons can correct me or add, if necessary, the listing of these – this might take a little bit of time to get into it. The major projects that we're contemplating, the four major projects of which one is the transmission – and it goes a little bit, I think, to the conversation earlier around: Does Quebec really want these things done? The answer is: Absolutely, yes. So in our discussions with Hydro-Québec, we wanted to, both of us, find ways to demonstrate how are we really incented to work on these things together.

Newfoundland and Labrador has to actively – as is contemplated through the MOU – work on all the things that we need to do to affect our role in getting these projects done. If we don't, if we drag our heels, if we say we're not going to work on that, we're going to slow walk everything, there would be adjustments to the volumes that we would receive. It is an incentive for us to make sure that we are doing everything that we can to get these projects completed in conjunction with Hydro-Québec. But what Schedule J does is those adjustments to our

volumes would not occur under these conditions.

I will give you an example. If you look at the third item there in the list. It says: "HQ decides not to proceed with the CF Expansion Project and/or the Gull Island Project due to the inability to construct the requisite transmission line in Québec."

So, basically, if Quebec tries really hard to get its environmental assessment or it tries to work with various other interested parties and they cannot get a transmission line build that would take the power from Labrador into Quebec, they can't get it done and they say: All right, we cannot do these projects. The volumes that we are entitled to in Newfoundland and Labrador will not be impacted. So these are the conditions under which our volumes would not be impacted.

So it's not really reasons why they wouldn't proceed.

SPEAKER: The Member's time has expired.

The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I am not intending to take the full 20 minutes here but it's just a good opportunity to follow up on some questions from the Member for Harbour Main where she was asking and the CEO from NL Hydro was talking about what happens if Hydro-Québec decides not to proceed with Gull Island or, in any event, if Gull Island doesn't get built. Which are good questions, but it leads me to some request for clarification on this with regard to the MOU in the event that does happen and Gull Island does not proceed under the terms of the MOU.

I'm wondering if Ms. Williams could talk about the \$3.5 billion – I think I have my numbers right – that is being provided by Hydro-Québec. My understanding is a portion of that – I think it would be \$1.3 billion – would remain with NL Hydro in the event that it's not constructed. The funds would be transferred; the project wouldn't

go ahead, but the funds would remain with NL Hydro.

Thank you.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Yes, thank you, Mr. Speaker.

One of the things that we negotiated with Hydro-Québec was we shared the value of the Gull Island and the CF2, that is an incredibly valuable resource, and we negotiated this option payment, which is \$3.5 billion at net present value, but actually \$4.8 billion, which is what they will actually be paying to our province. And that is really a significant value that reflects how much this means to this moment for both Quebec as well as us.

We are going to use that to, at no cost to us, fund our equity and get 60 per cent ownership in this asset. We're going to monetize a project that is not currently under construction. So that project is going to now proceed. Of that \$4.8 billion over the first three years of effective period of the new deal— which would be 2025, 2026 and 2027, after definitive agreements are signed — those three years, there would be three payments coming to Newfoundland and Labrador that will total just about \$1.3 billion. That \$1.3 billion is here for this province.

Now, obviously as we work toward in getting the projects actually moving and constructed, we intend to use that to fund our equity, which would be up to \$3.5 billion — again, NPV — or up to \$4.8 billion in nominal dollars, to fund our equity component for the 60 per cent ownership of Gull Island and the two-thirds ownership of CF2.

The first \$1.3 billion is ours to keep if the projects do not go ahead. That, again, is really if for some reason Quebec doesn't proceed with us, that money stays with our province; it does not have to go back to Quebec.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Speaker, just to be clear, that \$1.3 billion will stay with us, with this province, if Gull Island doesn't go ahead, that specific project, and that is part of an option payment. So that is not \$1.3 billion for power; that is not \$1.3 billion for PPA for any project or Churchill Falls 1, Churchill Falls 2, any upgrades. That's \$1.3 billion, potentially, transferred to this province for a project that doesn't happen.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

Yes, that is correct. That money comes and stays no matter what, whether the project proceeds or the project does not proceed.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

I know it's been said that if we waited until 2041, the risk of stranding an asset would increase.

I'm just curious: Was there a risk analysis completed regarding the likelihood of that happening or is it just a best guess?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you very much, Speaker.

If I could ask my colleague to jump in on that one.

SPEAKER: The Vice-President.

W. PARSONS: Thank you, Speaker.

In preparing for any negotiation, it would be best practice to not only spend time doing significant research on your own alternatives to an agreement — so what happens if we don't have this agreement — but it's equally as important to invest and

research your counterparty's position in the absence of an agreement. So we spent considerable resources to understand both what the 17 years to come would look like for Newfoundland and Labrador Hydro and then what the post-contract period would look like, as well as trying to understand in great detail Hydro-Québec's alternatives. So we did have a good understanding of where they would go.

Obviously, it seems like 17 years is a long time to the general public, but in the utility-planning world, 17 years is now. It takes a very long time to get large hydroelectric plants or, competitively, to get large nuclear plants online. Coming from a decision to first power would eat up every bit of 17 years, so the time for the decision-making of Hydro-Québec, like it would be for us, trying to figure out what 2041 looks like is today. So that was well understood by our negotiating team.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

I just want to go to the exclusivity clause and, I guess, what if it takes 15 years for Hydro-Québec to come to a decision.

Now, I know we've said they've got to make respective best efforts, but how will we determine if indeed Hydro-Québec is making respective best efforts? It's one thing to say that, another thing to prove it, I guess. So there could be many reasons that could come up that could sound plausible.

There's a reason I'm asking this, but I'm just curious as to what then? Like come on guys, you're dragging your feet. You're not really trying. Yes, we are.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Not to be difficult but is the question, what does that look like or ...?

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: It's easy to say respective best efforts but how do we know that the other – we might know how we're making respective best efforts, Speaker, but how would we know that Hydro-Québec is making respective best efforts to develop these multi-million, multi-billion-dollar projects?

SPEAKER: The Chief Executive Officer

J. WILLIAMS: I guess step one is during the definitive agreements, and if you go to the list of those, which is on page 11, clause 2.8, all of those there together are going to lay out: What does our relationship look like together with regard to getting these projects done? If you, for example, look at part (f): "Joint Development Agreements providing for the development, execution and/or construction as well as the operation of the Development Projects."

There's going to be a lot of effort in there that's going to tell us, before we sign these definitive agreements, what does that period of time look like for getting these projects done, sanctioned, moving, executed? So I would suggest again that part (f), for that definitive agreement that's listed there, that is going to detail a lot of what that is going to look like for us together, and because we are so connected with Hydro-Québec on all of these projects and they are – if you think about the processes, they are making these commitments publicly themselves in Quebec. So they're going to be held to account in Quebec. Where are you delivering this? You've made this commitment. You've committed the \$1.3 billion to Newfoundland and Labrador, that is non-conditional. I mean, they're certainly not going to give that money away for nothing.

So I think our ability to test their best efforts. First, it will be laid out better through definitive agreements, through that agreement that we would see there, then just through our continued very close relationship on getting these projects executed in the coming very early years following definitive agreement signing.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: I guess we could have a change in government in Quebec itself. But I'm just curious, okay, Newfoundland Hydro says you're dragging your feet here, you're going to strand this asset. I would say Hydro-Québec says no. I guess would it be, then, the legal challenge, as such, under the agreement in Ontario?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, I mean certainly that's a hypothetical and we want to start with we're going to work – both of us – really hard to get this done. But any part of our agreement, whether it's that or any part of the MOU that makes its way to a much more detailed fashion in the definitive agreements, any of it that we feel that they were not living up to their end of the bargain or whatever is in the contracts, obviously would be then open for taking to some kind of legal challenge.

Hopefully, we can work it out between us. It's normal for these big commercial parties to have disagreements. But we now have a neutral jurisdiction to go to, which, again, some folks are calling that is really a fair umpire. I really like that characterization. So it wouldn't just be this component, it would be really any component of our new partnership together that could be up for a legal challenge.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: I guess this is where my concern would come from. It's easy enough, we've been down the route of legal challenges before and they chew up time. Even if we're in the right, clearly it can chew up time and further delay the option of developing Gull Island. Therefore, it negatively impacts us, but Quebec has other options, I guess. That's what I'm looking at.

So maybe there is an opportunity to drag this pass to five, 10 years or whatever, to the point where, really, we've lost the

opportunity. That's the concern, where that comes from. It's about protecting our assets and Quebec protecting its assets. If it changes, that could present a bigger problem.

I want to go back, then, to the – because by that time maybe it's too late to even consider other options or pursue other parties. So before going with Quebec then, I'm trying to clarify, did Newfoundland Hydro have a list of people or organizations or partners it could use to develop this or was Hydro-Québec always really the only choice?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

It's almost like some of the mining opportunities, you do have people kicking the tires sometimes, but I'll pick up on something that Mr. Parsons was talking about earlier and I'll use my analogy. There are two ways that the power could get used: certainly, Quebec is one option; another option obviously would be to have somebody come and make widgets in a new factory next to Churchill Falls or to strike a new transmission line somewhere else. We talked about the financial exposure of that earlier.

When you think about, again, a widget factory, then another alternative customer would have to build Gull Island wholly and fully at a cost of anywhere from \$20 billion without financing and up to \$25 billion with financing before there is even a widget factory in place.

So when the opportunity came for us to discuss with Quebec, what should we do here? It was appropriate for us to consider Gull Island as they are a good party. We're 170 kilometres from the border, I think the length of the transmission line is. MHA Brown would know as well. So the customer is right there next to us. Hydro-Québec has always been an appropriate consideration from a partner perspective.

I think you were mentioning earlier, you were thinking of sort of the legal challenges and those sorts of things. As you said, nothing is without risk. Any partner, even if you had somebody who was willing to do a widget factory on site, the questions could be asked of that widget factory's folks. What if they default on their interest? They say: Well, we're going to come build the widget factory but you build the plant first. But then they pull up stakes after five years. No, actually, we're not going to build that widget factory anymore because the costs are getting too much.

Any partner, we have to be ready for any kind of legal challenge. That's why we have really great legal counsel that operates in Quebec and have represented us before against Hydro-Québec. So that's why, in the definitive agreements, we really want to make sure we do a really, really good and thorough job on doing the definitive agreements that protects as many eventual possibilities as is possible.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: It was said earlier that if we had waited until 2041, we would risk stranding the asset. I agree with that. Really, the option here is either, if we don't go with Quebec, try to get transmission wheeling rights and so on and so forth or build our own line somewhere else – prohibitively expensive.

I guess the concern here would be that it's easy enough to chew up the time through legal challenges and Quebec can strand the asset as well, if they wanted to, if they're going to play that kind of a deal. So that's a concern – and you're right, there's no way of 100 per cent future-proofing there, but that's just a concern. That's where my concern with that comes from.

With regard to the use of fairness in Schedule F – and it's sort of like respective best efforts. It talks about fair value, relevant and fair over the entire term. So what's fair to one may not be fair to another. I guess I'm just trying to figure out has that been

adjudicated, in some way, as to what fair is. I would assume then, if Newfoundland and Labrador Hydro accuse Hydro-Québec of unfairness, there's got to be some way of adjudicating that.

I'm just wondering here, is there going to be any clarity or definition of what fairness means in the terms of this contract? Because I would argue, as far as Quebec over the last few years is concerned, the contract is a contract and it's fair. You signed it; that's it. On the Newfoundland side, we argued, clearly, it was never fair.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

Number one is having fairness in here did not exist in the old one. So, number one, that's really important. We have the commitment there that it is intended for it to be fair over the entire term. That sets the expectation, when we work now on the definitive agreements, on how do we, as much as is possible, future-proof with these principles what any kind of future could look like over the next 51 years.

So, again, it sets the framework and the expectation for both parties that this is what we are working to intend to achieve is that the historical unfairness is not going to be the norm going forward. How we set these blocks up will actually remain fair and, as I gave the example, the replacement costs. Today, it looks like the replacement cost is probably going to be the biggest driver of the price into the future.

If that number goes up, then we're not stuck to a prescribed replacement cost; whatever the replacement cost becomes, it will be reflected in the price. That's what we would then define as fair, going forward, is to make sure that we're not stuck with one metric only or only index only or one price only. It will change over time.

That's another reason why the forecast is in here. This is not a cap; this is not fixed. So it is intended with the fairness and the

forecast that this is how this should evolve to be fair over time.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: So, in other words, the use of fair here is going to be used in reaching those definitive agreements. In that, then, once it's nailed down, it will be specified exactly what is meant by fair. Would that be a fair way of saying it?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I think I've only really focused today – well, I shouldn't say only. I mostly focused today on that bullet four of the five. All of these parameters are going to feed into the development of the pricing protocols or the pricing mechanisms to ensure that it is fair over time.

This is going to be a significant component of the negotiation. It is going to take a lot of time. It's going to be very complicated, but all of these things together – you can see there are blocks with a range of different quantities on pricing duration. So the 1,000 megawatts for this 25 years, this is going to use this pricing block. In five years' time, that 1,000 megawatts are going to be tied to this pricing block. Then this price of energy – it's going to have all of those things, so it's going to take a lot of negotiation back and forth to ensure that the principles that are in here are indeed achieved.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

So a good way of saying it then is that these principles are the concrete examples of the fairness?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, I would agree.

SPEAKER: The hon. the Leader of the Third Party.

J. DINN: Thank you.

With regard to the workforce – and we've heard the number of hours, that it's 13 million person-hours of construction jobs and so on and so forth. I don't know if this is one for you, Speaker – one for the CEO. The preparation for the workforce we're going to need in terms of training – we've heard quite clearly from my colleague from Lab West of the shortage of housing. I'm just wondering, right here, have we started towards preparing for that workforce, the training we need, the living accommodations, the housing?

One of the concerns is that it not become a fly-in, fly-out approach. But I'm just wondering here, what are the plans as we move forward with this now in terms of addressing those needs? Because we can't wait until we start building, oh, we better – so I'm just curious with regard to the workforce requirements, what are the plans, education and otherwise, that we're going to have here?

SPEAKER: The hon. the Premier.

A. FUREY: Thank you, Mr. Speaker.

That's probably an appropriate government policy question and it's a good question and it's also a good problem to have. That we have an incredibly talented workforce here in Newfoundland and Labrador and one that needs to continue to grow to support the future generations of work.

I just want to pick up on something that your colleague from Lab West said earlier with respect to how the benefits are looked at from the communities in Labrador. I think – and I don't want to put words or thoughts in, but what I interpreted that to mean was not just the economic benefits, but the social consequences of projects in communities in Labrador.

I can assure you that, with my colleagues from Labrador, it's something that we're cognizant of here in the House. Not just the direct economic and induced benefits to communities, but the social consequences

that come with developments and growth of this potential pace for communities.

Certainly, there have been lessons learned in Goose Bay, for example, in particular, with Muskrat Falls. We'll continue to ensure that the labour force continues to grow to meet the demands. There is always going to be a demand for skilled labour here in the province, and we're very lucky to have such an incredible workforce.

But you're right, we do need to continue to grow it, to continue to build on it. To meet not just the demands of these projects, should we proceed to definitive agreements, but the incredible projects that are happening throughout the province in addition to these. Whether that's new mining developments in Labrador because of new power, whether that's potential wind projects, whether that's the aggressive civil infrastructure projects that we need to appropriately do to modernize and meet the demands of a modern Newfoundland and Labrador: hospitals, twinning highways, roads, et cetera, here in Newfoundland and Labrador.

All of that will require more demand for skilled labour. It is why we've gone to Fort Mac to advertise that there are opportunities home and those opportunities are growing. It is why we have continued to grow the skilled labour training force in conjunction with people like Trades NL and others to ensure that we are mapping out for the future.

But you're absolutely right, if we decide to go ahead with this MOU toward definitive agreements, we need to make sure that we're offering these positions, offering this opportunity in a cohesive way to young people in the province, expats in the country who realize that there are now new generational jobs available to them, long-term, sustainable job because of projects like these.

SPEAKER: The time has expired.

The hon. the Member for Lake Melville.

P. TRIMPER: Thank you, Speaker.

As I think most of my colleagues have said, it is indeed an honour to just be here speaking at this most historic time in the history of our province and our time in this place. I'm thinking back to myself, before I even got into this political adventure, I spent 11 years or so working on two phases of the Lower Churchill development, the environmental assessment. Now, for the last few years, I have been very preoccupied with waiting, hoping, to see if it was possible that we could actually move 17 years forward in the future, to the time is now and that we can actually see an opportunity to take great advantage of Mishta-shipu. So it is great to be here on this floor.

It is a new era of opportunity for all of us. I have to turn and, first of all, thank my colleagues, especially from Newfoundland and Labrador Hydro, we've had quite a year in Lake Melville. I am speaking directly about the evacuation of the forest fire. We had two serious incidents back in June and it was an amazing collaboration. Just the professionalism of this organization is second to none. As I became increasingly aware of who was involved, such as the three that are in front of us and many others, I became increasingly more confident that a good deal was going to be done here.

The MOU that our government achieved with the Province of Quebec is truly momentous. It brings an abrupt long awaited and very welcome end to the original Churchill Falls contract that has dogged Newfoundland and Labrador for far too long. It marks the start of a new chapter for our province.

Under the terms of the new Power Purchase Agreement with Hydro-Québec, a substantial amount of additional revenue will be realized annually for our province from the sale of Churchill Falls electricity and at last an equitable deal and a fair share of the financial benefits.

We did a little bit of a tour on Friday the 13th, after the announcement here. We went to Labrador, myself, the Premier, the Minister for Labrador Affairs, the vice-president and CEO, and it was an amazingly emotional day in Labrador. People literally had tears in their eyes here and I saw the same tears in Churchill Falls and Happy Valley-Goose Bay. It really is quite something.

As we've said here today – I'm repeating a little bit, but I think when you have something this significant for all of us, it's important to repeat it – with this renegotiation, the amount of revenue Newfoundland and Labrador would have received on the old contract from now until 2041 absolutely pales in comparison. It's not even close. It's about a billion dollars a year on average for the next 17 years. It is truly night and day as a comparison.

As tremendous and transformative for our province as this new deal is on its own, as the fortunate position I find myself in as the MHA for Lake Melville, which is where I have lived and worked most of my life, I can feel a heady responsibility. I can tell you the constituents – my friends, family, neighbours – around me, we also feel that heady responsibility.

As I said, when we travelled to Happy Valley-Goose Bay and to Churchill Falls, we didn't have a lot of time in both locations, but we shared with them several details of which the Premier has shared here today. The Minister of IET and others have talked about, we really need to pay close attention to Labrador in general and more specifically Lake Melville.

One key thing that I'm hearing from a lot of constituents is, with the excitement and the hope that we get this right, that we do, in fact, get this right and that we need to go forward with a wisdom. I wrote down a quote that the Premier used this morning. He had a couple of good lines in those remarks and one that I liked a lot was that he said: The mistakes are behind us, but they're informing the path forward. I thought that is exactly what we're talking about,

whether it be the LeBlanc report, recommendations from the environmental assessment panel, other projects that have gone awry or could always need improvement, that's what I see at this table.

Again, I talk about my own confidence, and when people have been asking me why do you feel so good about, it's because I knew who was at the table. One of my favourite photos, frankly, was of your team and the broader team that you're representing, because I know there was much more than just the three here, and to see them all very much with a big grin and feeling very good about, I'm sure, many days and nights and sacrifices to get it right for all of us.

As I said, Lake Melville will host all of the developments proposed in this MOU. I represent a district that's 100,000 square kilometers in size and in the far northwest corner or the headwaters of Mishta-shipu, of the Churchill River, is the Smallwood Reservoir. That flows some 330 kilometers all the way down to a water body called Lake Melville, which is over there in that painting, by the way. So we need to be prepared; we need to get it right for the benefit of the entire province.

What I wanted to speak a little bit about this morning, this afternoon, this evening – oh my goodness that day has just flown by – is frankly what I feel are some of the things we need to consider to get ready.

Let's just talk about these projects. We have the existing generation at Churchill Falls and getting that redressed, properly addressed. The upgrades to the penstocks. I can remember just thinking over the last several months, thinking about the various projects and components and what options would be available and I often talked about Churchill Falls 2 or the powerhouse, but to see it all coming together and the different combinations and when you put it all on the table, it truly is a buffet, by the way, for both provinces.

As a new powerhouse, the Gull Island project which is one I must say to this House I know technically inside and out

from a terrestrial environment perspective. I'm looking forward to watching it unfold as it's been very well designed and very well scrutinized going forward. Of course, the associated transmission line infrastructure, that will be a new component for that Gull Island project. However, it's relatively straightforward construction so I'm sure the permits will be properly sought after, completed appropriately and approved.

I have always spoken about the importance of the district I represent. I feel that its importance is now, at a greatly magnified basis. So much of the future of this province will rely on Lake Melville being ready.

One of the very first commitments that I heard out of the gate and we talked about it, myself and the Minister of Labrador Affairs were there on that Friday the 13th, was that this government will ensure that power rates for households on the Labrador interconnected system will not change as a result of proceeding with this MOU. An incredibly huge statement, one that the folks were worried about. It doesn't come without cost, but it does come with commitment and I'm very proud to stand here and talk about that.

In addition, government will work closely with the District of Lake Melville, and throughout Labrador in particular, to prepare for the increased activity and impacts of these projects. The Premier was just referencing just before me, along with the Member for Labrador West and the Leader of the Third Party, the concern around getting it right and making sure that such economic activity, which is going to come with a boom-bust feel, is actually delivered in a way that doesn't overload or overwhelm those adjacent communities.

I live in that adjacent community and I can tell you it was indeed a challenge and we are still feeling the effects of missteps – and that is definitely and understatement – that occurred with Muskrat Falls. So I look forward to seeing it getting right.

One of the first items that I've been pushing forward – and I must say, the Minister of

Labrador Affairs, that Secretariat will be key, along with other technicalities that will exist in other departments such as Municipal and Provincial Affairs, and it's the whole community planning. We need to really understand where is it now that we have shortcomings, where do we need to put investment for everything from an assessment of infrastructure, housing for workers, housing for the seniors, the low income.

I have to quote a gentleman, a friend of mine, he died many years ago, but a very famous Innu leader, Ben Michel. I remember it was back in 2006 or so, he talked about whether the percentage ownership – which I'm very pleased to see has been delivered for the Innu of Labrador. At that time, he thought about that percentage that was talked about then and would that be sufficient to address what they were giving up in terms of traditional lands, Mishta-shipu and Nitassinan, that they had occupied for centuries and centuries. Would that be enough?

I talked about all the other things, in addition to that revenue that's coming, everything else that would be there. He was always saying, despite everything that was golden and glowing out there, we have to make sure that we look after the people that get left behind. He said nobody can be left behind.

As much as we think about the workers that need to come and be housed and accommodated and supported and so on, we also need to think about seniors, we also need to think about low income, shelters, mental health and addictions, treatment, recovery systems – these are all going to be important. Social services such as health care, recreational facilities, workforce, our training, education facilities, the Labrador campus for Memorial University, the College of the North Atlantic, the Labrador Aboriginal Training Partnership, Trades NL – all these organizations are there and they are in place, but they are going to need to be supported for the tremendous opportunity that we need to provide for this generation and generations to come.

We also are going to need to coordinate closely with municipal and Indigenous leadership, and that's all the communities in Lake Melville but also throughout Labrador, Labrador businesses and the Labrador North Chamber of Commerce and the supplier sector, community organizations and, of course, working with those residents.

That next step is going to need to be – and I will certainly be doing what I can and I look forward to working with my Labrador colleagues. I want to just pause and go back to an opening thought because I did want to also thank Newfoundland and Labrador Hydro because, given the dominance and the importance of hydroelectricity and what's going on in Labrador and the challenges of everyone on the grid and, of course, those off the grid, we do enjoy regular meetings with the CEO and her team. We've had several – some of us together, one on one – but NL Hydro has been very open to hearing our concerns and talking. So this isn't my first time in front of these folks. It's been, actually, several years and I thank them very much for that, but we're going to need to look at investments in Labrador – and, again, I will talk about Lake Melville – in order to get ready.

An additional effort that I see being needed, and I've spoken to the Minister of Labrador Affairs, is going to be to establish a government presence to provide information and guidance for individuals, businesses and other organizations based in Labrador to ensure that those intended in the priorities outlined are able to avail of those opportunities. We need to watch out for issues of – I won't go into explaining all of them. I'm just going to list some of them. These are some of the problems that have occurred in the past with Muskrat Falls: arrangements such as exclusivity around contract bidding that might exclude local or adjacent priority businesses; contract bundling; strong controls over potential issues with union seniority; and the so-called name hiring practices. These were all a great challenge for all of the MHAs in Labrador as we watched folks, frankly, with lower skill sets being flown in from afar

while people in Labrador were left out. It was an incredibly difficult time when we assumed government in 2015 and had to try to get in to fix so many of these issues.

I did want to start with a question to our guests and the experts that are in the room. You've talked in some detail about power, when it's going to be coming on and so on, but I wanted to go back to some of those meetings that we had in terms of some of the other opportunities, when power would be coming on for the projects and whether – my colleagues from Lab West, Torngat Mountains and Cartwright - L'Anse au Clair, we've talked about various projects. At the time, of course, before this announcement, we didn't have the power available; now we're going to. I just wondered how you might respond to that. Of course, a lot of it may be somewhat confidential, but if you could just speak to power coming online and how you might envisage alerting businesses, others, to get ready. There is a nice little bit of a schedule there, but I just wonder if you could provide some detail on that.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: If it's okay, I'd ask my colleague to take that question.

SPEAKER: Yes.

The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker,

I'll take you to Schedule E in the MOU to provide an overview of the new sources of power that will be coming both from the existing facility at Churchill Falls as well as from the upgrades of the units, from the second powerhouse at Churchill Falls and of course access to power from Gull Island.

So you will note that there are four or five years at the beginning before power appears in the block that scales up to 605 additional megawatts. So that is time that is allocated to construct transmission. As

we've talked about, we need, in order to supply a customer – it may be obvious to many, but just to restate – you need transmission, obviously from the generating source to the industrial facility, or to any facility, but you also need the generating source.

While we do have a 525-megawatt block available from Churchill Falls today, it's almost entirely consumed by the existing load in Labrador. There are so few megawatts left from that existing block, that there's not enough power to justify any new transmission build out of the current recall block. Now that we've got an additional 605 stacked on top of the 525, plus access to all the additional plants, that is the catalyst – that's the generation piece taken care of – that is the catalyst for the transmission build.

And as I talked about a bit earlier, we've already begun that study at least to Labrador West with mining proponents that are paying their proportional share of that study and are interested in paying their proportional share of the new transmission build to allow their businesses to decarbonize. But this also applies to any other region in Labrador where the transmission can be justified.

So if there are significant expansions in Lake Melville, for example, and they justify the construction of new transmission, now there is adequate generation, a quadrupling, by the end of the contract, of generation available for Labrador. Available for the whole province, but obviously the vast majority will be for Labrador, because of the nature of our grid. So with that generation portion taken care of, it makes the transmission much more viable and obviously worth investing in and worth studying.

SPEAKER: The hon. the Member for Lake Melville.

P. TRIMPER: Thank you, Speaker, and I'm watching the time.

What I'm going to do, I'm going to read sort of a concluding quote, and then I'm going to go back to you with another question and then I'll let you run out the clock.

A very important statement from the Labrador North Chamber of Commerce, from the CEO Julianne Griffin. It says the following: “This is a great deal for the province, one that will further strengthen Labrador’s position as an economic, green and sustainable powerhouse for the country’ ‘This deal will not only increase Labrador’s power capacity, but ensure significant economic benefits to businesses and Labradorians, if developed in alignment and partnership with our region. Labrador is in a strong position to build a skilled workforce, avail of thousands of direct jobs, and ensure a stable power supply for further industrial and business development. This work begins immediately.”

I would like to ask one more question just in the interest of time and I'll let it run out. Could NL Hydro speak about procurement and tendering opportunities for Labrador-based businesses – and particularly in light of the fact that Hydro-Québec is going to be overseeing these projects, as you've been saying, and I'll paraphrase, we're going to be playing by the rules of the environmental assessment and the referenced document that you said at the start of your remarks to the CEO.

But I just wonder if you could talk about that in terms of ensuring that those local-based companies sitting in Labrador are not overlooked if they are forced to get into an exclusive arrangement with a particular bidder on a particular contract? You know, we have substantial capacity in Labrador and there's no reason why any one of those companies should be overlooked, particularly if they've been waiting – let's face it – for generations to see this opportunity upon us.

With that, I'll thank you very much. I'll let them respond.

Thank you, Mr. Speaker.

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

I actually had a couple of notes and I'm just trying to find it there now, but I don't see it. I would like to use, again, Muskrat Falls as a proxy and then I will jump into a little more specificity if that's okay – maybe while I look for my notes as well. This is more about the whole province first but then I'll get into Labrador.

The Muskrat Falls Project had \$3.6 billion of business that went to Newfoundland and Labrador companies, so that is a very significant book of business for the \$13.5-billion project. We won't talk about the actual total cost, but I'm just saying that's 10 per cent. The amount of construction that is about to be undertaken in the province for the coming years that we've talked about, anywhere from \$33 billion to \$35 billion under the current estimates over the next 10-ish years, that is a significant endeavour for a fairly small province but with very skilled people to partake and skilled business.

As it relates to the Benefits Policy that I referenced earlier, there is language again that does dictate some procurement requirements; I just don't have it in front of me. Similar to when I talked about the job requirements earlier of how they existed for Gull Island and how the environmental release requires the Benefits Policy of which procurement is a component, that would certainly apply for Gull and it would be reasonable to expect, for the projects that do not have an environmental release, a similar policy would indeed be required through the environmental release process.

But I will add an additional statement that over the course of interacting then with Hydro-Québec as project managers for two of the projects, where Hydro will be the project manager for two as well, we will be working with Hydro-Québec on influencing as much as is possible those kinds of issues that you're talking about. Hopefully, Quebec would recognize the benefit of working in a

community that feels valued and is seeing value for themselves.

There is a lot of benefit to go around with the amounts of expenditures that are about to happen, and I do believe the Hydro-Québec will indeed see that value.

Is there anything else that you would want to add? No, okay.

SPEAKER: The time has expired.

The hon. the Deputy Government House Leader.

L. DEMPSTER: Speaker, I moved, seconded by the Premier, that this House do now take a 15-minute recess.

SPEAKER: This House do stand in recess until 7:45 p.m.

Recess

SPEAKER: Order, please!

The hon. the Member for Torngat Mountains.

L. EVANS: Thank you, Speaker.

I just want to say it's an honour and a privilege to be able to speak in the House of Assembly on this very important MOU. It's on the hydro development projects in Labrador. As MHA for Labrador, I think it is very, very important for us to all be cognizant of special issues and impacts to the people in Labrador.

I also want to thank the witnesses for coming. Our questions to you is not a reflection, really, on anything other than the fact that we want answers to be able to bring back to the people. Having it televised here in the House of Assembly, it's so important that the people be able to see the questions we're asking on this MOU so that everybody can have answers.

I just want to say, we talk about the bad deal, the bad deal. We talk about Joey's deal. We talk about the Upper Churchill and

how we were robbed by Quebec, but, in actual fact, one thing that was brought to my attention was that when the deal was debated, when the deal was discussed in the House of Assembly, back in the day, every MHA, I was told, voted in favour of that deal.

Here we are in the House of Assembly trying to get answers on this MOU that's going to change the whole, basically, landscape of the Upper Churchill, Gull Island and any work that goes on, we're going to be impacted by that.

So we on this side can't just vote because we feel pressure from our constituents for jobs. We can't just vote on this MOU because the predicted forecast of 6 cents per kilowatt hour is better than 0.2. We can't just do that. Our leader spoke on it, the Member for Harbour Main spoke on it and other people here in the House of Assembly spoke on it, it's so important to make sure that we don't live with regrets. There's not a single MHA here that wants to be mentioned in the future that we sold out; that we supported this bad deal. If we're going to vote in favour of it, we want to make sure it's a good deal for all of Newfoundland and Labrador.

Speaker, one of the things that I want to talk about is Labrador right now, the long-term impacts on Labrador. The Churchill Falls MOU will significantly affect Labrador and its residents. A lot of times we forget about that when we're looking at the province in this deal. So it's critical that the deal reflects the best interest of the people in the region. That's so, so important.

What do I mean when I talk about ensuring the best deal for Labrador and why is that important? Because Labrador's a part of the province, so why is that important?

We must ensure that the MOU provides the maximum value for Labradorians now and into the distant future. It includes addressing the concerns of communities that feel that they've been historically marginalized in resource agreements.

How many times do we hear Labrador has never gotten its fair share? That's the sentiment in Labrador. So we have to make sure that this MOU does not continue that sense of being marginalized and being cheated about what we're entitled to as a part of this province. That's so very, very important.

It has not really been talked about a lot, but really when you look at the hydro development, Upper Churchill, Muskrat Falls, and now these developments, what we look at is Labradorians are shouldering the burden of the environmental impacts of damming the river. As the dams increase and the flooding increases, the impacts to the region increase. That's so important. We have to acknowledge that and we have to make sure that the MOU deals adequately with Labrador's concerns. I'm getting a lot of people messaging me about the concerns.

Also, it's not just the environmental impacts of methylmercury accumulation and all the other environmental impacts. I remember during the Muskrat Falls environmental assessment, because I was there, leaders, women's groups, advocates, Indigenous groups came and spoke about their concerns. They voiced their concerns about the big projects bringing problems. They were speaking from lessons learned from other projects – lessons learned. They wanted to make sure during the Muskrat Falls environmental assessment that their concerns were addressed because we just didn't want to have it happen again.

What did they talk about? They talked about addictions, social issues, housing issues, homelessness. Speaker, unfortunately, sadly, that all happened and we're living with that, even though it was voiced during the environmental assessment. So we have to make sure the local areas, the people are protected from going through this and having this compounded, because we're still living with – the Member for Lake Melville talked about: we're living with a lot of these issues. So we have to make sure that this is addressed. It's got to be so important.

What about a thorough environmental assessment? What about trust? Labradorians require assurance that the environmental assessment process will be respected and the commitments made to mitigate methylmercury in Lake Melville will be honoured, especially given the past failures.

I was here in the House of Assembly when, basically, over on that side, government told us: Oh, no, sorry, we didn't get the permit. The permit wasn't secured, the bio remediation, the mitigation, the mitigation of methylmercury contamination for the flooding in the impoundments was not going to be done as promised.

So what does that do? That creates distrust. So when we talk about this MOU, we've got to make sure that it's right. But, also, it basically instills some confidence that the people in the region, the environment, the lifestyle, the culture is going to be respected.

I've got to tell you, Speaker, after attending the environmental assessment process for Muskrat Falls, I was manager of environmental affairs for Aurora Energy, a potential uranium mine. I was the manager. I went to my boss who was the vice-president and I said to him: I no longer can tell the people in my region in Northern Labrador, that's going to be potentially impacted by this future mine, that I have confidence in the environmental assessment process. Because we would say: Oh, don't worry about that issue. That will be addressed in the environmental assessment process.

Now when we're talking about the MOU, we're not talking about that. But it's so important for us to ask questions because of past failures. Speaker, I can't instill that enough.

I'm very, very fortunate that our leader has lived and worked in Labrador, has connections to Labrador; that our critic for this portfolio lived, was born and raised in Labrador and has connections, has families, they have vested interest. I'm very lucky

that I have relationships with my caucus, especially the Minister of Justice.

I spoke on that today to my people in Northern Labrador because, at the end of the day, we need people who are in positions of power and makes decisions, they have to care about us because, if not, we're going to see a repeat.

I remember reading the words Joey spoke when he talked about Indigenous people, and I'm paraphrasing, he said: There are no real Indigenous people. There may be one or two Indians out in the woods. We see the consequences. We see how the Innu felt betrayed. But it wasn't just the Innu that were betrayed by that agreement, and it's so important.

So there are several things: independent review and accountability. We talk about independent review here because, at the end of the day, there's a lot of pressure on us to make sure that this deal is right, because it extends the deal into the future generations. We live with the Upper Churchill Falls failures, to really be able to look at the increasing cost of electricity and the value of it.

When Brian Peckford – I don't know if I can use his name – when the premier of the day said: They sold the shop. I remember that. I remember: They sold the shop. They sold the shop on so many things, not just on the Upper Churchill deal.

At the end of the day, that was done with the support of the MHAs. I don't want them to look back in the future and say: Well, she was a part of it. She was a part of the failure to be able to make sure that this was a good deal. Because it's so important.

Talking about that importance: critical transmission rights. The long-lasting issue of transmission rights through Quebec must be resolved. We are actually in a position of power, as the deal is ending, the end date is approaching, and Quebec needs all that energy. They do, we know.

But at the end of the day, we can't let Quebec continue to be the bully in the room. We can't say: Oh my goodness, they might go somewhere else. If they go somewhere else, the hydroelectricity, the dams, the power is still there. And who owns it? It's supposed to be ours, the Province of Newfoundland and Labrador, the people. We look at the billions of dollars that we never had growing up, our parents and our grandparents and our children and our grandchildren. Right now, some of us who've lived through this have grandchildren. It's so important, Speaker.

How much time were we given when this was announced? Everyone was shocked because we knew there had been some talk, but we were shocked: three weeks. I want the people in my district to know we had three weeks over Christmas, and people know I was sick for about nine of those days. The people that had to work to try to get the information, get the material so that we could ask questions of our technical advisors, that we had to fight to get. The people of Labrador need to know that.

Questions on sustainability: look at Gull Island. Is Gull Island on a different river than Upper Churchill and Muskrat? No, it's not. So when we look at it, there are significant concerns about the environmental stability of large hydro projects on the Churchill River.

Also, one thing we need to be looking at is, there needs to be a need to explore alternate, renewable energy sources that may also be able to serve Labrador's needs. That's important. We have to talk about that, too. We have to make sure those things are included, that they're addressed. There has to be a commitment to make sure it's addressed.

A big thing for Labrador – and every MHA that represents Labrador knows this – is job creation and local benefits. The MOU must guarantee equitable job opportunities for all communities in Labrador, not just a select few. Previous agreements have often excluded broader community benefits. That needs to change. We look to Muskrat Falls,

the construction and maintenance impacts and benefit was limited to the Innu only.

Now I'm not saying the Innu wasn't entitled to it, because we know how they were treated. I remember when we were building Muskrat Falls, I remember listening to a presentation where the words of Elizabeth Penashue were there and she spoke. Her words spoke about when she was growing up as a child and they always went in the country, inland into the country. One of the things that used to guide them was the spray from Churchill Falls, the big spray you could see it for miles and miles. They were walking in the country and the spray wasn't there. The landmark was gone.

They weren't consulted and they suffered a lot because the land was taken from them, their hunting grounds, their trapping grounds. It wasn't just the Innu that was robbed, there was other Indigenous people as well that lost access to the resources. So we have to make sure, with this MOU, that Labrador concerns are addressed.

Another thing is addressing community capacity issues. We heard the MHA for Lab West; we heard the people here talk about capacity. I was on the radio this morning when it was brought up and I have to say it's absolutely ridiculous that the hydro projects, the dams on the rivers of Labrador and Churchill Falls that generates electricity and Muskrat Falls electricity, Lab West can't build anymore resources because of the lack of capacity. Their mines can't expand. The businesses can't expand and the crunch is coming.

But we can't use that pressure to sell out on an MOU. We've got to make sure that this is a good deal. We can't give in to pressure, and we can't be bullied. We cannot be bullied. That's so important.

One of the things that we're going to do – because we have three days remaining. Today was the first day. We have three days to ask the intelligent questions and then be able to ask more questions on top of those questions to make sure everybody

understands what this deal is about. That's so, so important. It has to be done.

So looking at this, I talk about the fair share for Labrador, but another thing, too, is it's essential that Labrador receives its fair share from this agreement. The historical context of the previous deal has left many Labradorians feeling colonized by the provincial government. This MOU cannot perpetrate that sentiment, so we've got to make sure.

But I'm going to say something now: It's not all about Labrador. It was never about Labrador. But right now, even my comments are not just about Labrador because I'll tell you, if it's a good deal for Labrador, it's a good deal for the province. The two have to go together.

SOME HON. MEMBERS: Hear, hear!

L. EVANS: So it's very, very important.

The Member for Cartwright - L'Anse au Clair agrees with me, and I'm sure every MHA here agrees with me. So it's important to make sure of that.

Now, transparency in decision-making – the Premier must be forthcoming about the decision-making process that led to the MOU. If the government believes in its merits, it should also actively involve Labradorians in the discussions and ensure their voices are heard. Have the voices of Labrador been involved in negotiating the MOU?

There are concerns from Rigolet. Basically, with the methylmercury that's being generated, that's going into the food chains, people in Rigolet who hunt and fish who are going to be impacted, they have their concerns. Basically, they were surprised by this agreement. Nunatsiavut Government who fought so hard to make sure that the mitigation was going to be done, to the point of protesting – were they involved in this negotiation for the MOU? And I'm asking questions I know the answer to, but I'm going to ask tomorrow to make sure it gets on the record.

Focus on long-term development: Any benefits from the MOU should prioritize sustainable development for Labrador, including considerations for future mining initiatives and infrastructure and services of local communities. So, Speaker, I can't stress enough. It's very, very important to set the tone, but to reassure people in Labrador that we have your back on this one. We're going to make sure that this MOU is good for the entire province.

I have a topic here: avoiding past mistakes. We must ensure that the mistakes of the past are not repeated. This includes the careful examination of the terms of the MOU to prevent other disadvantages, especially with this long contract, the extension of Upper Churchill. We're looking at what? They say 51 years, but in actual fact we know it's much longer than that. So it has to serve the people's interests.

Addressing legal liabilities: I want to get it on the record, the refusal of Nunatsiavut to accept compensation raises many questions about the legal liabilities for future contamination. It's critical to clarify what this means for the rights and compensation of local communities.

Another thing too are the communities, the community of North West River, community of Mud Lake, Happy Valley-Goose Bay, people of Rigolet, they're all in the area that's going to be impacted. The food chain is going to be impacted. The water temperatures are going to be impacted. That's going to affect ice formations. The water levels are going to be impacted. That's going to impact where you can go in boat, where you can hunt and where you can fish, when you can go off on Ski-Doo hunting and fishing. Our lifestyle is very, very important. So we have to make sure that past mistakes are not repeated, Speaker.

My time is winding down, but I will have future questions.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: Thank you, Mr. Speaker.

Mr. Speaker, it's always a pleasure to talk in the House of Assembly and this certainly is a very important deal to everyone in this House, and it's a great opportunity for us all to come together and debate.

I listened attentively all day from 10 on this morning, from the Premier's speech on to our own leaders and questions. The one thing that's become clear to me is that outside of the Churchill Falls agreement for the increase in sales and power, we are giving up control over the Churchill River and we're giving up control of future jobs to Quebec. The same province that has controlled Churchill Falls for 56 years – we are now not saying that we want the best deal; we're saying we want a better deal.

Now, we have no certainty that this is the best deal. The reality of this is we listened to the CEO of Newfoundland Hydro today utilize words like hope and intent with regard to negotiating with Quebec. I can tell you, for 56 years, we've challenged them in court at every opportunity in order to get a better deal – forget about the best deal – and we've gotten nowhere. And now, all of a sudden, we're left to say we're going trust them that they're going to negotiate in good faith based on certain words.

I think it's absolutely absurd, and that's the reason why we need an independent review. At the end of the day, I grew up in Labrador West, I have felt this and I have seen it. I just visited Labrador West last winter and I looked at Wabush mines and IOC and I've seen Fermont, which is expanding and they've built camps and they're moving forward at the speed of light, and Labrador West is suspended in time, the same away they have been since 1969, or actually since TwinCo.

How we can sit here and the Premier can put out ads and talk about all of the jobs – not hours, tens of thousands of jobs is the words. Tens of thousands of jobs, but guess

what? Not one individual in this room has got any say over one of those jobs – not one hour. If Quebec decides not to do Gull Island or Quebec decides not to do the Churchill Falls Expansion, there are no jobs.

I'm going to ask some questions, but I want to go into the whole idea of Gull Island and Quebec having the ability to say no. We talked about a 20-year agreement earlier. So it's 20 years from right now but as was indicated earlier, it goes to 2029. In 2029, there's a 15-year agreement that kicks in. In 2029, Quebec has 15 years to decide if they want to build it.

We listened to the vice-president of Hydro earlier today say that 17 years is an unreal time frame, from start to finish, for a major hydroelectric project. Seventeen years is an unrealistic time frame in order to do it. Yet, in their own document, they say it's going to be done in 10 years: 2035. So I don't know if 17 years is right or 10 is right, but the whole idea that one of these is right and one of these is wrong is pretty confusing to me.

But in 2029, if they decide not to go and they drag it out for 15 years, in the 14th year they say, we're going to build it and it takes them 17 years to do it – it's pretty simple math if you think about it. So now we're 34 or 35 years into a contract where the Churchill contract is going to be coming up and we're left to renegotiate the Churchill contract while the Gull contract is just starting. Now you tell me how that gives us a leg up on Quebec when we've got two contracts that are spread apart 35 years. And it's not being said publicly, for the record, when this announcement was made, that this is two separate contracts. Make no mistake about it, it is.

The best-case scenario, if you believe the slide document, commissioning will happen within 10 years. We all know by the admission earlier of the vice-president of Newfoundland and Labrador Hydro that 10 years is an unrealistic number. It can't happen in 10 years. So it's going to be longer than that and that 50-year project contract for Gull Island doesn't start until after commissioning. So now we've got two

separate contracts that expire at two separate times and we're going to come to a point in our near future where we're left to negotiate and they're going to be spread apart.

I want to talk about jobs, so I've got some questions. The first question is related to the Churchill Falls Expansion. I'm reading, for the chief executive officer of Newfoundland Hydro, Article 2.3(m) and 2.3(g) of the MOU, it becomes clear that Hydro-Québec will lead the Churchill Falls Expansion. Many people are concerned that these jobs are going to go to Quebec. Now, I heard her say earlier that she would hope that Quebec would look at the existing agreement in the EA for Gull and that would be the framework but why isn't there some type of framework in the MOU?

SPEAKER: The Chief Executive Officer for NL Hydro.

J. WILLIAMS: Thank you, Mr. Speaker

If I said I hope that they will negotiate in good faith, that's not the intention. We both have committed to each other that we will negotiate in good faith.

When it comes to the environmental assessment process and then the outcomes associated with that for CF2, I referenced this earlier, it is reasonable to expect that the benefits policy would not be materially different than the existing one for Gull Island, which lays out very clearly the legal requirements to enact the existing benefits policy.

So when I talk about where those jobs are and how that would work with regard to CF2, it's just that the work for CF2 has not been done. It will be up to the government officials – not the government elected officials – in the Environmental Assessment Division to work with Hydro-Québec and Newfoundland and Labrador Hydro to get the appropriate approvals done, which would include the environmental assessment process.

Also, we have started conversations with Innu Nation on an IBA for CF2 as well. All of these things together are part of what would be required to get us ready for a sanction of a CF2.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: Has the environmental assessment process started and when do you expect it to finish?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

No, the environmental assessment process has not started because, I guess, we're hopefully at the beginning of a definitive agreement stage. So we would be talking with Hydro-Québec about when we would start that process through definitive agreements and we've just signed the MOU.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: The benefits agreements with local Indigenous groups, have they been negotiated yet for the CF Expansion?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

No, with regard to an IBA process and negotiations, we've just started discussions with Innu Nation around an impact and benefits agreement that could materialize for Churchill Falls Expansion.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: Is there a projection in jobs for CF Expansion in terms of both construction and operations?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

I don't have the specific breakdown by project of the kinds of jobs that we would expect for one project in particular. We can certainly commit to getting that.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: I'll ask the same question I asked a few minutes ago, the MOU doesn't include provisions which outline who will get priority for CF Expansion specifically. Why was that not included in the MOU and where is it included?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: So with regard to Churchill Falls 2, again this is a project that is being contemplated as part of definitive agreements and we have to work through definitive agreements and then we would go through the environmental assessment process. So it's not either proponents' decision, it is the government officials – again not the elected officials, but government officials, people who would work in the Environmental Assessment Division – that would decide what actually gets contained in a benefits policy. So that is not up to Hydro-Québec or Newfoundland and Labrador Hydro to dictate what an environmental release would contain. That would certainly be the officials in the department who would decide what would be required in that instance.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: It's unfortunate that the commercials are very definitive about all the jobs that are going to be created but we don't have a clue when it's going to start.

Churchill Falls is not just an operating plant, it's also a town and obviously the infrastructure is old. Is there any thought of new buildings being built as part of the expansion?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The existing town, for anyone who has visited, is an incredible place. People who have lived there and grown up there, there's multiple generations that are there so it certainly is a wonderful place to be. I can tell you that the people that I have heard from, they're very excited. Certainly, I think, MHA Trimper talked earlier about what happened the summer. It was so wonderful to see a very different light shone on that community, more than just this is a bad contract.

What I'm hearing from those folks with the opportunity, is to further shine a light on what an incredible place it is. I think, what this opportunity does is that the existing infrastructure cannot sustain the kinds of growth that would be occurring under these two projects, really, you've got CF2 expansion, which is 1,100 megawatts, a second major powerhouse. You've got 11 units that have to get upgraded over the next – or not the next – over an 11-year period. So certainly, the amount of investment that would have to occur, would warrant upgrades and additional infrastructure in the town itself and make the town an even better place for people to grow and raise a family.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: I just want to pivot quickly, based on what you just said, the 11 units. It's bothersome to me that these 11 units now all of a sudden need to be upgraded when I would have thought it should have been done as regular maintenance. So why is this included as part of the MOU and why have they all got to be done at the same time?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

If it's okay, I can have my colleague take that question.

SPEAKER: The Vice-President.

W. PARSONS: Yeah, we do have a regular maintenance program in Churchill Falls.

Obviously outside the winter season, we typically invest about \$80 million or \$90 million a year into the plant and the town and all the associated facilities. That's been that way now for many years.

Many components of those generators have already been replaced, all the large underground transformers have been replaced, a significant portion of the switchyard has been replaced. However, the original generators and turbines themselves have a life of approximately, let's say 60 years, depending on condition assessment. So they are still in their, sort of, first life.

So even though many, many components have been replaced, the generator has not, and some of the turbines have but some have not. So this would be outside of a small maintenance but rather it would be towards the end of life of the generator, which is the big electrical component that has that 60 year life.

SPEAKER: The Member for Terra Nova.

L. PARROTT: In the slide deck that was presented to members of the public and certainly Members of the House of Assembly, the Gull Island slide, at 2,250 megawatts, specifically references the Gull Island hydroelectric development: 13 million person-hours construction jobs as per the EA.

Can you explain to me what 13 million person-hours of jobs means?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, thank you, Mr. Speaker.

So that is a direct lift from the benefits strategy that is published for the construction and assembly component, if I recall correctly, of the policy that had to be put in place. Again, the one that would have to be honoured because it's a legal requirement, essentially. But there are other requirements in the benefits policy that dictate other kinds of work.

So, again, I don't have it in front of me but I'm recalling that there's, for example, project management that has to go on in the province. There has to be a project management office set up in the province for the project.

So the 13 million hours was representative of the estimate at the time. So it's probably a 10- or a 12-year-old estimate of the assembly and construction hours that would be required for Gull Island. Certainly the actual assembly and construction hours will evolve as we do the actual engineering associated with this. Again, that was one component of the kinds of labour that will be required for the project.

So without grabbing my calculator on my phone, we just divide through, I guess, the 13 million person-hours by probably 2,080 hours a year per person and we can work that back through. But that, again, is one component of the labour that will be required for Gull Island.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: The answer to your math question is 6,250 people for one year, when we're saying tens of thousands of jobs over multiple years. So the answer to 13 million divided by 2,080 is 6,250, one year. Someone is not telling us the truth and to follow onto that, from an engineering standpoint, the commitment is four million person-hours; from a transmission line standpoint, it's 2.5 million hours.

If you look at what happened at Muskrat Falls, we're looking at around 45 million person-hours and Gull is estimated to be about twice the size of that. So if we were to say 90 million or 95 million and the EA actually says a minimum of 13 million man-hours, how are we putting out all these commercials saying that there are tens of thousands of jobs?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, I think that's why, with my comments, I agree that these are old

estimates that were contained in the environmental release based on the information at the time. I would suggest to you, it is 10 or 12 years old and we are much better informed about what an execution of a project in Labrador indeed will look like.

I believe – hopefully, Walter will correct me if I'm wrong – on peak at Muskrat Falls in the camp, it was 3,000 people, something along those lines. So the actual labour requirements are going to be understood after we can get through definitive agreements and begin the actual engineering and the construction planning associated with it.

Plus, I believe the estimate for the tens of thousands of jobs includes induced and indirect job spinoff that would result from the construction of the projects, as well as access to power that we don't currently have and wouldn't have for the next 17 years.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: So our ads are saying that there are tens of thousands of jobs and our slide deck is saying that there are 13 million man-hours and you're telling us that the information that was utilized to negotiate the MOU with Quebec, who is responsible for deciding whether or not these jobs go forward, is based on information that was 10 or 12 years old.

How much of the other information that was utilized to negotiate this MOU is 10 or 12 years old?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: If I could ask you to repeat your question because I think there were several things in there I would have liked the opportunity to respond to. Would you mind, Mr. Speaker?

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: My point is that our ads are saying there are tens of thousands of jobs, and I understand all the indirect and all of that side, but the 13 million person-hours is incredibly off base and, to your own admission, you said those numbers are 10 to 12 years old

We're negotiating with Quebec an MOU with information that's 10 to 12 years old, according to what you just said and we're expecting them to be responsible for the jobs and the commencement of Gull Island, if it's to be built, based on information that was given to them by us that's 10 to 12 years old.

What other information are we depending on them to make a decision with or that we negotiated with that's 10 to 12 years old?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The information that we used to feed into the negotiation of the MOU is very current analysis on alternatives that Quebec would have and alternatives that we would have. So the primary information for the MOU negotiations would be very up to date and very reflective of the electricity industry and the utility industry as we see it and as would have been input with us with regard to our consultants as well as our team.

The information around the EA release, that is the information that is published. That is the information that stands. That piece of information about the 13 million person-hours – I'll just sort of step aside because one of the things that's popping into my head is, I'm very used to the Public Utilities Board's regulatory format where you use documented public evidence, so that is the information that we had documented and public and available to us to communicate the potential opportunity that we see with regard to jobs.

Through the definitive agreement stage, but then even more so through the engineering and construction assessment stage and, therefore, our readiness as a province with

regard to jobs, that is to come. I'm confident that Quebec themselves also would have read the benefits policy and would know that also was a 10-to-12-year-old document, but that the primary point about that document is that it lays out the legal requirement for the hiring protocol.

It doesn't lay out the legal requirement for the hours. It's not capped hours, so I'm comfortable that the hiring protocol is what will have to be honoured by Quebec.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: The EA actually says a minimum of 13 million hours. It's clearly written in the EA and it's clearly written in the EA from an engineering standpoint as four million person-hours.

So if Quebec is reading that and they think it's a 100 million person-hour project and they know that they only have to hire Newfoundlanders and Labradorians to complete 13 million man-hours, I would argue that there's a huge difference between 13 million and 87 million that they're going to be able to hire people from.

That is one of the biggest fears that I'm hearing from people here is: What guarantees are there that Newfoundlanders and Labradorians will get priority in this? And the EA clearly says a minimum of 13 million hours.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I think we're saying the same thing, that this is the minimum hours and the hiring protocol legally very clearly lays out who qualified needs to be hired first. So it is not going to be a math exercise to decide who gets hired. If you are qualified, you have to follow the legal requirements associated with the hiring protocol and that's who needs to be hired.

I don't know how I can make it any more clear. If I think about Muskrat Falls, I know

that was a project done here, we were very successful in 85 per cent of the hours being worked by people from Newfoundland and Labrador. So a smaller portion, the 15 per cent only, is what went to residents not from Newfoundland and Labrador.

There are a lot of qualified people in this province, both here today, as well as those would like to come home to work. I'm really looking forward to the opportunity to ensure that we have as many qualified people as possible to satisfy that hiring protocol.

SPEAKER: Your time is expired.

The hon. the Member for Mount Pearl - Southlands.

P. LANE: Thank you, Speaker.

I want to go to Schedule G, I know you've talked about it before. I'm just trying to clarify it for my own mind.

So maybe we can just pick a random date. I'm just going to pick 2027 because \$600 million is a nice round number, okay.

Explain to me that \$600 million in the sense that, I know it says here it's payments by Hydro-Québec to CF(L)Co. So if the \$600 million goes to CF(L)Co and Quebec owns a third of CF(L)Co, does that mean that \$600, one third of that is Quebec's money, not Newfoundland and Labrador's money? Would that be correct or not?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Okay, this is a great sort of method I think to kind of go through without grabbing my calculator, if you can sort of bear with me, and a bit to the conversation that we had earlier.

So for the whole of CF(L)Co, we have to consider all of its revenue streams. This is going to be one of its revenue streams. This is the revenue stream only from Hydro-Québec to CF(L)Co. Newfoundland and Labrador Hydro is also going to be a

separate and additional revenue stream to CF(L)Co. We're going to have both of those revenue streams together. I don't have the number off the top of my head for what Hydro's revenue stream for its customers, its 525 megawatts. That would be additive to this number here.

We'll take all of the revenue then associated with both of those revenue streams and we'll say, okay, that's the revenue for the output of the plant in that year. So we don't give any money back to Hydro or Hydro-Québec yet. Then we will take the operating costs off what that revenue stream is. Let's call it \$800 million. So we'll have \$800 million that will go to CF(L)Co in that year. Let's take \$60 million or \$70 million off for operating costs. Then, that remainder would be the profit, essentially. Then, you'd take that remainder and that's when you divide who gets what.

Then, the other component, is back under that operating costs, that's where a component of that goes directly to provincial government coffers through the water rentals and royalties before any dividends get split out.

SPEAKER: The Member for Mount Pearl - Southlands.

P. LANE: Again, what I want to do, what I'm trying to accomplish here is to look at that number of \$600 million because, I will say, there's a perception, perhaps because of the ads and what some people think – what I thought at first when I heard the ads and everything is we heard \$1 billion a year. Of course, you never really heard the “on average.” You did after, but at the time, \$1 billion a year.

So everyone's saying, my God, we're flush with money. That means that the Finance Minister in next year's budget got an extra \$1 billion to spend on roads and everything else. I'm telling you, a lot of people, that's what they think. That's what I thought when I first heard it. So, of course, we're learning if you look at these numbers – Mr. Speaker, by the way, I'd like to have a 20-minute block, not a 10, if that's okay. I'm entitled to

a 20, if I wanted a 20. We'll leave the 10 and if I run out of time, I'll take the other 10, how's that?

But we don't cross over into the billion-dollar category until 2034. Well, actually, no, that's not true, 2032. Prior to that, it's not even \$1 billion. But we're starting off with \$475 million, \$525 million and then \$600 million. So what I'm trying to ascertain, when I see \$600 million, all I'm really interested in knowing is what would that \$600 million mean to the Minister of Finance – in 2027, it's showing \$600 million here. In 2027, how much new money in dividends – and I know that you're going to have to, kind of, guess a little bit about – you'll do your little calculation about how much NL Hydro pays into it and all these other things you said. But show me the money.

Bottom line is, in 2027, it says \$600 million. How much additional money will the Minister of Finance receive to spend on program services, pay down debt or whatever else they decide to do, after you take out all those expenses?

I would also add into that question: If we've got to build a transmission line, as one of these four projects, is that going to come out of this money? So, in theory, we would get zero money here because you're going to spend it all on upgrades, so there'll be nothing for the next 10 years. Because right now people are thinking a billion dollars a year into the coffers to spend on doctors, roads and so on.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: There were several questions in there.

P. LANE: (Inaudible.)

J. WILLIAMS: No, I think I have it, but if you'll bear with me, I think that there's a bit of a longer form answer, if that's okay.

I'll start with probably the end question first and just, kind of, get that out of the way. It's the transmission question. The transmission is totally separate from anything you see

here. We do not need any money from the existing CF PPA to pay for the transmission line construction. I just want to, kind of, park that and we'll come back to that. So they do not need each other.

Obviously, this is for the existing generation; the transmission line is for the new generation projects. But we don't need any money from this to pay for the transmission. Partly it's because it is being paid for, our equity portion. So our money we have to come up with is part of the funding of the \$3.5-billion net present value – \$4.8 billion nominal – of the equity money that Quebec is going to give us.

So that's the transmission question. I want to talk about how much money would flow to provincial government for schools, housing, roads, hospitals, those sorts of things.

P. LANE: Paying down debt.

J. WILLIAMS: Yeah, paying down debt, exactly; Future Fund.

There are two pieces of information and that is also contained on the ourchapter website. There are two ways this is being referenced and both are accurate.

I'll start with the \$17 billion. The reason why we're talking about the \$17 billion is because that is what would happen but for – that's the increase in revenue we will see, but for this new contract. If we were not going to do a new contract today – I mentioned the number earlier – the amount of money that goes to provincial coffers for the Department of Finance now to have access to is less than \$20 million a year. That's a good year. There are years it's much lower; it's in the low teens.

So the increment is between now and 2041, that's 17 years that we are getting rid of the old one, replacing it with a new contract. That's why we have been talking about, for 17 years, this is the difference that this province would see.

Over the course of that 17 years you take, as you've mentioned, the 17 years of

payments that you see here to CF(L)Co, all of those dollars, and you take the 17 years that Hydro will also have to pay, take off our operating costs and then, all of that together, is a net increase of \$17 billion to provincial coffers to spend exactly as this government sees fit over that 17-year period. It starts with the lower number and ends up with a much higher number. I think, in 2041, it's a \$1.8-billion total direct to Treasury, which includes the water rentals and royalties and the dividends after Quebec has also received its dividends.

So the \$17 billion is the increase that we're going to see, compared to what we would see in this instance with the change in contract. That's one way that this is being talked about, which is accurate. The other way that it's being talked about, which is accurate, and it's what money is going to flow into this province as a result of the whole MOU. So that first part is just the Upper Churchill new PPA. So that is accurate; \$17 billion, on average of \$1 billion a year.

The other way that it's accurate, which we need to be talking about the MOU in its entirety, and that's when we talk about it's the PPA, which, in the early years, it's not a billion yet to get the benefit of the Treasury. But when you add in the components of the new developments and what that means to the provincial government, you add those together and it approaches \$1 billion a year.

What that means is there are two components in year one, in year two, in year three, where Hydro-Québec will be paying our province its equity payments, the \$1.3 billion that we talked about earlier. So when you take those equity payments, which is \$4.8 billion over the next 10 years, and you add that to the revenue to provincial coffers, that's going to come from the new CF PPA, both of those together start at close to \$1 billion a year. That's why it's also accurate to say that we're going to get that. But again, that money is intended to be used for our investment in the projects, but both are accurate to say.

So there's \$17 billion for 17 years is what will happen because of the new contract compared to no contract. Then when you take the early years of dividends from CF and you add on the option payments, that's when you get close to \$1 billion a year.

SPEAKER: The Member's time has expired.

You will have to have leave in order to continue with your questions.

AN HON. MEMBER: Leave.

SPEAKER: Leave is granted.

P. LANE: Thank you.

I appreciate what you're saying, but again, what you're telling me is if I added up from 2025 to 2041, which I haven't done, that will add up to \$17 billion if I added it – it's not, is it?

AN HON. MEMBER: It is \$19.475 billion.

P. LANE: Okay, there you go, \$19.475 billion.

At the end of the day, though, I understand you're saying it's \$17 billion, but is that \$17 billion worth of cash going to the provincial government? I don't mean to be invested in repairs at Hydro and maintenance and Quebec has to have a share, Hydro has to have a share.

What I'm trying to get my head around is, is that indeed going to be – so when I look at a number, for example, in 2038, for argument's sake, \$1.74 billion, am I accurate in saying that in the year 2038, whoever the Minister of Finance is at that point in time is going to have the pleasure of looking at the revenue lines in the provincial budget and saying, my God, we have an extra \$1.74 billion to spend on whatever? No, we're not.

So that's why I asked about the nice round number of \$600 million. So in 2027, if I look at that, it says \$600 million, it could give the appearance that there's \$600 million to

spend on whatever the government decides, paying down debt, whatever. That's not the case.

I'm asking you if you can tell me in real dollars what \$600 million really means. Does \$600 million mean \$400 million? Does it mean \$100 million? I'm not asking you to give the exact number, but in rough numbers what does \$600 million mean in 2027?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you for the question, Speaker.

The reason why I'm saying no, that is not what – if we use the year, say, 2038, the \$1.7 billion, because these are the payments from Hydro-Québec to CF(L)Co, this table is not payments to provincial Treasury. So that's why I can be so clear in saying that is not going direct to provincial Treasury.

But I think we have some information that is on the website or will be going on the website that shows the total value that will go to provincial Treasury. I think it might be helpful for us to supplement the website with probably the next 17 years, what that looks like, and probably for the next period of time.

Again, I regret probably trying to do math on the stand again as they say. They tell you never to do that when you're in a regulatory forum. But it's probably \$400 million to \$500 million, in that range, is what will be available in that year for the provincial government to spend. Then when you think about, if you go through that next 17 years, and I think you picked 2038 so \$1.7 billion, that's payments from Hydro-Québec to CF(L)Co. Newfoundland and Labrador Hydro will be paying also to CF(L)Co. We will take the operating costs off, and I'm going to guess that's probably \$1.5 billion in 2038. Again, I'm guessing, so I do stand to be corrected.

So it's over that 17 years, that's what will absolutely be available to the government at that time to decide to pay down debt, invest in the province, those sorts of things.

SPEAKER: The hon. the Member for Mount Pearl - Southlands.

P. LANE: So is it fair to say then, as I and anybody else who wants to look at these numbers, that maybe if you were to take about two-thirds of what's showing in this chart, that would give you a rough idea of how much actual real cash is going to the province once all these other expenses – is it about two-thirds?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

Speaker, I would have to get somebody to add it up for me, but the actual number for that 17 years is, I think, \$16.8 billion. So it's essentially \$17 billion is what's going. I'd have to add up what those 17 years are and then tell you if two-thirds is correct. But I don't think two-thirds is correct.

SPEAKER: The hon. the Minister of Finance and President of Treasury Board.

S. COADY: Just so that we can add to this and perhaps the CEO could expand on this, because I get your point and it was similar to a point that I was making, but I don't think you've spoken about royalties, water rentals, et cetera. So could you just maybe expand on that a little bit to give the Member, that there are additional other revenues that may not be as part of the PPA?

AN HON. MEMBER: Water royalties is not new money.

S. COADY: I didn't ask you, I asked the CEO.

SPEAKER: The hon. the Member for Mount Pearl - Southlands.

P. LANE: I thank the minister. In the interests of time, I just have a couple of other things I just want to ask about.

In terms of the projects that will be done, the construction projects, the three or four of them, would it be the intent that these would be sort of spread out? Because I'm just wondering if you did them all at the one time, then, theoretically, we wouldn't have enough workers to do it; hence, there would be more workers coming from other parts of Canada –

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

P. LANE: – other parts of the world.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

It's hard to hear the question.

P. LANE: Thank you, Mr. Speaker.

Again, what I'm asking is, in terms of these projects, will they be spread out in order to maximize benefits to Newfoundlanders and Labradorians? Because if you were to try to do them all at the one time, obviously, we wouldn't have a workforce that would necessarily be able to do it; hence, you'd have to get people from outside to do the work – less employment for us.

We'd be better off having projects spread out so that I'm an employee, I work up at Gull Island. When I'm finished that one and I'm laid off, now I can go over to work on Churchill Falls 2. When I'm finished that, I can go work on transmission or whatever, if I'm qualified. Now I've got 10 years worth of work, as opposed to three or four years of work or whatever.

So is that kind of being spread out that way or ...?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

Great question, and I was interviewed a little while ago about this. I do think that's both an opportunity and a risk for us, is our being ready, as much as is possible, to avail of those opportunities. So I do think it's incumbent on all of us to plan for that and do everything we can to have as many people as ready as possible. So I just feel compelled to make that statement here now.

I'll probably park the transmission. The transmission cannot be really divorced from the generation projects, because we need the transmission to move the electrons. So that has to happen and that will have to be prioritized and timed according to when the generation is going to come on line.

With regards to Gull Island and then CF2: Gull Island is – everyone would know this – more ready than CF2 is. It's a much bigger project. It's twice the size, on a megawatt basis. But it has its environmental release, it has an impact and benefits agreement in place. So it is more ready. But it is the intention to try to get both projects done. That is what's laid out here.

However, again from a staging perspective, that will certainly be informed by the readiness of each project. There is an urgency to try to get these projects underway and constructed, because we do need more power both in our province, as well as in Quebec.

So the staging on the labour force will have to, as much as is possible, be ready for the opportunities that are presenting. I think that's what we can really work on together.

SPEAKER: The hon. the Member for Mount Pearl - Southlands.

P. LANE: So when do you foresee – I know it's got to be negotiated and so on. I heard somebody mention five years or longer to try to negotiate even a contract, not so much a contract, but I guess to do all the groundwork for a project to go. So assuming everything went smooth and you had your

agreements by May of next year, is the goal and so on, when do you think would be the earliest date that people might expect to be actually in Labrador now, employed, doing construction work? Is it five years from now, 10 – I know anything can happen, but best-case scenario when would you see people actually on the ground, camps are opened up or houses are built and Labrador's booming and everybody's working and the board of trade are happy, the unions are happy, all that good stuff – when does that start, do you think?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Happy to have my colleague add to this as well or correct me. But to use your words "best-case scenario," I do think we could be in pretty good step with a fair bit of work in five years' time. I would think, in several years' time, you could see test pits and, I'll call it, exploratory geotech work. Certainly engineering and environmental assessments, I'll call it sort of the support works. Because that's incredibly important labour and skilled labour as well.

I would say the office-based work, that could start as soon as 2026, if we can get through these definitive agreements and really be quite significant to get all of this work done. Then when you think about what typically happens after that, then you start sending, again, geotech and environmental assessment teams and materials.

Then when it comes to true, actual construction, certainly for Gull Island, there is a target date of starting 2029. I'm pretty sure the date is in here. So if you're going to really, kind of, start in earnest at that point in time, five years, in 2030 you could see significant activity in Labrador associated with these projects.

SPEAKER: The Member's time is expired.

The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: Thank you, Speaker.

I guess I'll take a little bit of time before the conclusion of this evening's session. I was going to – and I'll get back to this tomorrow – begin and talk about mining and the mining impacts in power and all that, and we will get a chance over the next few days to get there. But I want to follow up on the Member for Terra Nova's questions, because I think we need to drill down a little bit into that, in terms of hours and jobs.

Again, I think the Member said 45. Was it 45 or 49 – so it was 48. Now, hopefully we're not going to end up in a situation like that where there was a half-built dome and things like that. I mean, we don't want to get into that. I think it's important, though, to talk about the qualifications in the EA release. Can you maybe talk about that a bit further? Because I understand the point the Member is trying to make, which is I guess two-fold, about the numbers are off, whatever. Okay, that's one thing, because you mentioned the timeline.

But the second part, though, is that after the 13, do we lose where we fit into this? After the 13, are we not in a queue? I just want to bring that up in terms of the EA release and the qualifications.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

As the previous Member had also said, this is a minimum. This is not a cap. This is not a quota that once you got 13, you're done and you can move on to people that you would prefer to hire.

The EA release requires the hiring protocol. As long as we have qualified people in this province to fulfill the jobs that is who – and I will say first, as long as there are qualified Innu Nation members, that is who gets to fill the job first. Then if you have qualified folks from Labrador, they fill the jobs. Then if you have qualified folks from Newfoundland and Labrador, they then fill the jobs. Then the last hiring protocol or the last hiring priority would be people from Canada who are qualified.

That's why I do speak about the opportunity is available to us, as a province, to ready ourselves as much as possible, to have as many qualified people right now available to us to be able to get the maximum possible benefit. Obviously, these are technical positions in some instances. When you have industrial electricians or power line technicians, there are certain safety protocols. So that's why they say they have to be qualified but there'll be other jobs that the qualifications are not as stringent. But it's really important that we attack this as soon as possible with regard to our readiness.

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: So if it is more than the minimum, if it doubles, Newfoundlanders and Labradorians going through in that preference, Innu, Labrador, Newfoundland, Canadian, that still stays?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

That protocol still stays.

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: So just say, because of that, generally if there are more hours it leads to overruns – that's because of overruns we'll say. Those overruns are on Quebec.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

Yes, so using the press release and the number that Quebec is quoting for the price per kilowatt hour of the construction cost of Gull Island, for example, is 11 cents a kilowatt hour. If, for whatever reason, the costs of that project go up, if it's more hours required, if supply of generators goes through the roof, supply of transformers goes through the roof, then the total cost just gets rolled into the Power Purchase

Agreement that Hydro-Québec has to pay to the Gull Island joint venture.

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: But we still get the jobs?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, we still get the jobs.

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: Oh, okay.

So again, just to make sure we're – and this is a good way to clue up, too, actually. I just want to make sure we fully understand here, because it's an important question, how the EA release works in terms of the award of jobs. I think that's important for us to get out there, because we're talking about jobs as one of the big components of this.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Sorry, could you repeat the question?

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: So I just want to make sure, when we talk about the EA release, and how that works in terms of the awarding of jobs going by that protocol you just outlined, I want to make sure that is crystal clear to people that might be following this, because that has – and I agree – been a massive part of this campaign, is talking about the massive opportunity of employment for Newfoundlanders and Labradorians, for Indigenous leaders, for Canadians. So I just want to make sure where we are on that.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

So clause 2.3(m) – and I want to flip to the MOU, if you don't mind – it's really the final line there: The parties agree, with respect to

procurement – which includes labour – that the suppliers shall be selected on the basis of all these things, and the very last line says “compliance with legal obligations.”

That's the really important clause that we all must refer back to. The legal obligation is in the environmental release, which was in legislation within this jurisdiction, and the environmental release required a benefit strategy to be drafted. The benefit strategy is done and published and available for the public to review, and it's within that, that has to be read in conjunction with the impact and benefits agreement, that lists the hiring protocol. That is the compliance with legal obligations.

SPEAKER: The hon. the Minister of Industry, Energy and Technology.

A. PARSONS: On that note, I'll take my leave now and just say thank you for tonight. I can't wait for tomorrow to talk about the mining aspects of this. I know my colleague from Lab West can't wait for me to talk about that either, but I want to thank you guys again for your time here; it's been a long day.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I move, seconded by the Minister for IET, that this House do now adjourn until tomorrow at 10 a.m.

SPEAKER: Is it the pleasure of the House to adopt the motion?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

SPEAKER: All those against, 'nay.'

The motion is carried.

This House do stand adjourned until 10 a.m. tomorrow.

On motion, the House at its rising adjourned until tomorrow, Tuesday, at 10 a.m.