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Speaker: Honourable Derek Bennett, MHA

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The House met at 10 a.m.

SPEAKER (Bennett): Order, please!

Admit visitors.

**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: Speaker, I call from the Order Paper, Motion 1.

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

A. PARSONS: Thank you, Speaker.

I'm happy to be here again for day two of this extremely important and, I would say, historic debate. Again, thank you to our colleagues, our friends for joining us here on the floor of the House.

I had an opportunity to speak a few times yesterday, and I wanted to lead off today with something that's extremely exciting to me and I think to the province, and I know it's exciting to my colleague for the District of Labrador West. It's something we've talked about, and in fact I think we've talked about it since the day he came into the House, which is mining; especially mining in Labrador and the need for power to increase that and to basically unleash the potential for additional and better mining in Labrador specifically.

So we all know that mining is a huge contributor to our economy, it's vital for Western Labrador and we know that the iron ore that is in Labrador is world class. It's high purity and, in fact, we were the first jurisdiction to declare it a critical mineral and I would note that that step was followed by Quebec. Then that step was followed federally by the federal government

recognizing the importance of high-purity iron ore to the global economy and to decarbonization.

Now, we know that there is estimated to be a massive increase in demand. We're talking 40 to 50 million tons annually that's going to be required. Many manufacturers are moving toward green steel and, again, what is there in Labrador West positions Newfoundland and Labrador to benefit.

We have a number of operations there, whether it's IOC, Tacora. We have the Kami project led by Champion that is moving forward and we'll get into a little more detail now. In fact, I would point out that they had a massive investment from Nippon Steel just before Christmas; a group that we met with less than a year ago in Japan. And again, I will point out it is very impressive when you walk into a boardroom in Japan with one of the largest steel makers in the world and they slide your critical minerals plan across the desk to you, meaning they were looking at it.

We also have, obviously, Julienne Lake, which I can say is a massive undeveloped ore body with mineral rights that reside with us that we have put out there with an expression of interest. Hopefully within the next month or so, we will be able to write back to interested parties advising them to put forward a bid or, I guess, a letter of interest. Right now, I can tell you we've had a number of calls on that.

The big driving issue with all of this though, and I know the Members asked me a number of questions on this, is in order to do all this we need power. We need power; we need transmission. So the first question I wanted to put to you, because I know it's not just us as a government or as the proponents. We speak to them about what their power needs are. The Premier has met with them at PDAC a number of times. The former minister, the Minister of Finance, knows these quite well. I know they also speak to and a lot of times we refer them

directly to Newfoundland and Labrador Hydro to talk about the specifics when we get into the engineering and the intricacies of the generation and transmission.

So the question I have for our panel is, maybe can you tell us about your conversations that you've had with mining companies or interested applicants and maybe, again, I know this is sort of a broad question and I'll give you lots of room to roam around there. How does new generation, new transmission jive with what the companies are telling you about what their needs are today?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

I will start and if that's okay, I would ask my colleague to join in and add much better detail than I would necessarily have, but I will start, Minister, if that's okay.

First, with regard to the content of the MOU, we have been – certainly Mr. Parsons and I as well as others at Hydro, for several years, if not longer – meeting with many interested proponents, interested in power in Lab West and in Labrador.

So, obviously, by virtue of that access and those conversations, that very much was part of how we approached this MOU in ensuring that part of the goals that we would have achieved through this to gain access to a significant amount of power to meet those requests, both as soon as possible as well as long into the future.

So I would just open it up with that as the context of what we were able to achieve through the totality of this Memorandum of Understanding but I will ask Mr. Parsons, if that's okay, to get into a little more detail on how we have been advancing the conversations in real actionable methods. So this is not just ideas we're pursuing. These companies are working with us and

putting down their money now to pursue various opportunities alongside of us.

So if Mr. Parsons could –

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you very much.

Yes, ever since, I think, CEO Williams took over as CEO at Hydro and she started having these first quarterly and then more frequently CEO to CEO-level meetings with all of the iron ore proponents in Western Labrador to better understand what their power needs were going to be and, you know, clearly, as we talked about yesterday, IOC is already our largest customer, and then of course Tacora in Lab West is also a significant customer, and we know there are significant opportunities with Kami and Julienne Lake, not to mention other non-mining load growth in that region.

That's a part of the reason why we offered those high-level meetings, and that eventually turned into this transmission study that we have commenced with all the proponents in Lab West, to bring more power to them in addition to the two transmission lines that are already there, essentially adding a third line to bring more power. But without having access to additional generation, there's no business case to build that line.

As we talked a bit about yesterday, the 525-megawatt block that we have access to today is nearly fully used up. Load is increasing not only in Labrador West, but across the Western world, and so this additional – not only access to recall from the new projects – but the additional 605-megawatt block that starts in the early years from Churchill Falls is critically important because it is from the plant that is already built. So even if the other projects don't go ahead, this 605-megawatt block, which is more than a doubling of the power that's available becomes available just from

Churchill itself at the CF(L)Co cost, rather than depending on where the new developments might go.

We're quite aware of the importance of power to the industry; iron ore is obviously a critical mineral, but it's not a rare mineral, it's not something like gold or diamonds, you put in a suitcase and carry off and, you know, make billions on. It only works when the infrastructure is in place, and Lab West is such an important part of this province's economy because the resource is there, but the electric power – renewable electric power – is there, and the rail and port infrastructure is connected there as well.

That is what makes iron ore work; I did spend some time as executive director for the iron ore industry when I worked for the province back in 2013-2014, and it's clear that people from around the world are interested in that area because of what is there. We did have a visit even by the chief decarbonization officer from Rio Tinto worldwide who did the crazy flight from Australia to Churchill Falls to come and spend a couple of days with us and see the plant and understand how it can fit into Rio Tinto's global decarbonization efforts.

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

A. PARSONS: Actually, Speaker, I'll defer, I think the CEO had a point.

SPEAKER: The CEO of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

I just wanted to add a little bit additional. I think we talked about it yesterday, it warrants opening of the MOU again. Schedule E is where folks can see the allocation of power over time.

If you look at in 2031 on Schedule E you'll see where the 305 megawatts starts to become available, and then right up to 2035

it's the 605 megawatts that Mr. Parsons mentioned. You contrast that to the 525 that we have now. So, as Mr. Parsons mentioned, it would more than double between now and 10 years time.

I just want to add on, we've been talking about the various projects for power expansion associated with the MOU. But the things that Mr. Parsons just talked about, he referenced the transmission line to Lab West. That is on top of those other projects.

We are going through, basically, engineering for a new line, in addition to the projects that we've already talked about here today in the MOU. We're talking about doing engineering and, well, I'll call it the system impact study, which basically does delve into engineering between Churchill Falls and Lab West. That transmission line, on top of the other ones we've been talking about, is in and of itself another megaproject, because it is well more than \$1 billion.

On top of that then, when those companies have access to power, the investments they will make – and I'm not going to speak for those companies directly – but those are very, very large projects as well. So you're into other megaprojects – private megaprojects really – then at that time.

This really does unlock even more than is already contemplated and not yet financially described, because we're still in the engineering stage and we're still at decision-making stage. And certainly we're still in the MOU review, and therefore eventually, hopefully definitive agreement stage to enable these kinds of investments for development in Labrador.

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

A. PARSONS: Thank you.

I just want to get a little more specific now. Again, sometimes I certainly realize that when I'm talking to constituents where I'm immersed in this all the time – and I can only imagine, I'm at one level, and then when you're dealing with this all the time you guys are right in the weeds of it.

Right now, what is the power – again, we have IOC and we have Tacora, what are they using right now in terms of the power that is there?

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker.

IOC, as I mentioned, is our largest customer. They're using approximately 260 megawatts, which would be supplied from the existing Churchill Falls block and Tacora would be in the range of 55 megawatts.

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

A. PARSONS: Thank you.

Is it correct – and I apologize, Speaker. I know I'm not supposed to look, but I'm all over the place.

SPEAKER: It's okay.

A. PARSONS: Is it correct, though, there are times right now where operators are forced to curtail their operations because of load needs elsewhere?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

Where we are right now with load requests – and, again, I could ask Mr. Parsons to talk about specific curtailments, but we actually have for Labrador a load restriction in place. Through the Public Utilities Board we have asked for, basically, exemptions to the

requirement to provide for power and power expansion in Labrador, which I know is a great source of frustration to the folks that are representing Labrador here today. Because we do not have access to power. For example, I think it's a 200-kilowatt limit. Basically, you can't put a school in place unless we go for specific exemption to the Public Utilities Board for access to power.

The amount of development that could actually occur in Labrador, because of our lack of access to power, until the 2040s, under the existing contract would remain in place while we look for – so not only the industry development, but just a large school or some kind of other kind of development that is above 200 kilowatts. Basically, you can hook up a house, but even that at some point could probably hit a wall of being able to actually have any kind of development in Labrador because we just simply do not have access to the power. Under the existing contract, we would not have access to it until the 2040s.

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

A. PARSONS: Okay, so we know what the current usage is. We know about the disruptions. We know about the wall, as you say. We know what the current situation is in terms of when the next lot comes based on the current scenario, aside from this MOU. I just want to make sure I have a couple things correct here.

If this were to proceed, when it's all said and done, we get 1,990 extra megawatts from this deal. Are my numbers right there?

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

We get an extra about 1,500, because we already have access to 525. When were talking about 2,000, that includes the 525.

We have a quadrupling of power available to us now.

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

A. PARSONS: And can you tell me again – take that number and break it down in terms of what becomes available when, so we know. Because again, that depends, when I look at these operations, for instance, a Kami project is more advanced, obviously, than a Julienne Lake. There's a staggering of when the power needs will come in. I know what Rio Tinto/IOC want to do has different timelines, so what we're getting, we also have to keep in mind about the timelines and demand from the company.

Maybe we'll first start with that extra power that we're talking about, we're contemplating here, timelines and what we're getting.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

I'm just going to open it up, but I am going to defer to Mr. Parsons.

I draw your attention to, again, Schedule E. Basically, I think – Mr. Parsons, if you look at the very bottom, and I'll ask Mr. Parsons to work backwards, but you see that the column under NLH (Existing), that is existing and it is honoured throughout, obviously. So you see the 525 throughout the duration of that period.

Then you go to the next column, which says NLH New Recapture Right and then just scroll to the very bottom first and then Mr. Parsons can take us through the dates, and you'll see 605 megawatts there. Then you go to the Expiring Block, which is the next column, there is another 500 megawatts there that comes to Newfoundland and Labrador Hydro.

Then you go to the second part of the chart, with the green column titles, and you'll see under the blue column – I know if anybody is watching online, they may not have their Schedule E open but it is really helpful for us to reference this. And you scroll – well, you don't even have to scroll to the bottom but let's do that anyway, just for completeness – and you'll see another 360 megawatts. So when you add all of those up, that is what really gets us to where we're getting.

I will ask Mr. Parsons to get into a little more detail on when we get access to that and why we believe that is reflective of the kinds of requests that we have. But I will also add – and I mentioned this yesterday – there is a balance to be struck in the judgment of the negotiating team, who have been meeting with various proponents over the years, of balancing keeping, I'll call it, all the power available and getting no firm value today versus getting a balance of keeping some power – not just some, quadrupling – available to us for what might come.

You could choose to keep everything and get no value now, or you choose a balance on the basis of the kinds of conversations that you've been having with various interested proponents over the years and say, okay, listen, we believe that this is reasonable.

I'll just add this one thing, and I will defer to Mr. Parsons shortly. Just a few years ago – and these numbers, I think, would be on the record with the Public Utilities Board – we had requests for 8,000 megawatts – requests for 8,000 megawatts. However, when you have conversations with a lot of these proponents and you tell them the price of power, they're like, no thanks, and so they walk back away.

However, the folks that are currently still talking to us, they know exactly the kinds of prices that they would have to pay, and they're still talking to us. So the amount of power that we have included in this MOU for

the periods in the coming decades, we believe is a balanced amount of power to hold in reserve for the needs that we believe will be possible.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Yes, I can just add a little bit more on how the next couple of years might roll out in terms of getting ready to supply the new load as it materializes in Labrador West.

This study that we've been talking about, which is being paid for by the mining proponents in Lab West to look at the possibility of adding that third line to supply their decarbonization needs, that study will be completed in the next year, the front-end engineering done, to better understand exactly the design of the line, where the line will go, the voltages, these types of things.

Once that study is complete, then it will be to the industrial customers to make a decision as to whether they want to go ahead. Obviously, all signs are certainly pointing in that direction and they've contributed significantly to the engineering, thus far. We would expect that should they take that decision in the coming year, inside of 2025, then we would begin that process of actually constructing the line.

That's why you'll see there's, essentially, five years before the line gets placed into service, and then there would be a ramp-up of power that you can see here, 305 climbing to 605, and this is really informed by our discussions with the mining proponents.

In this negotiation, obviously recall power for Labrador was one of our key planks. But we didn't come to these numbers haphazardly. We developed this mechanism based on the power needs, which we know quite specifically because of this line study that's being done for Lab West. Then there is some other engineering work done to

figure out what the loads are likely to be in the rest of the Labrador interconnected system.

SPEAKER: The minister's time has expired.

A. PARSONS: If I could have leave for two minutes just to clue up this line of thought.

SPEAKER: Does the Member have leave?

AN HON. MEMBER: Leave.

SPEAKER: Leave.

Put the time on the clock.

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

A. PARSONS: Thank you.

It's not so much for questions but just to clue up what I think has been important here when we talk about this. One thing I think is important for people that are listening, the numbers, the money, the jobs that have all been talked about, none of that includes what we are talking about when it comes to the expansion of mining operations in Labrador, as well as the construction of this particular transmission line. So these numbers we've been talking about are massive, massive numbers. But none of them include what comes from expansions in the current operations, new operations, new construction of a new transmission line.

The timing, I think, works well. When you look at Kami's EA registration, they talk about permitting and then production. Then we talk about what IOC wants to do in terms of Julianne Lake. I think it times well with what we have, but I can tell you – again, I encourage anyone to reach out to these proponents – if we don't find a way to generate the power, the investment goes elsewhere. I have to say that: The investment will go elsewhere and, with that, goes jobs and, with that, goes all the other

royalties, spinoffs, direct, induced, you name it, whatever else – we haven't even talked about data centres yet, which is another thing I've dealt extensively with and I know Hydro has.

So I want to put that out. That's another benefit that's not even included in this that I think needs to be contemplated as we have this debate.

On that note, I'm sure we might come back to this line of thought and these questions later. I appreciate your indulgence in letting me finish off.

Thank you very much.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: Thank you, Mr. Speaker.

What a brilliant display of comms. You would think that the Minister of Industry, Energy and Technology would know the answer to every single one of those questions, having been in that portfolio as long as he has.

I reflected last night back on yesterday. I'll apologize to the House; I used the word "lie," but I didn't specifically say someone was lying, but I will say all of this, to me, is very misleading. From the start with the technical briefing and the misinformation that's in that to the jobs and the amount of jobs that we're going to have – and I will add again, there are no jobs unless Quebec says there are jobs – to control, we're going to give up control of the Churchill River for another 51 years to the same province that just had control for the last 56 years. And so we're clear, to everything that the CEO and the minister just said, they are the reason that Labrador West has not moved ahead – they are the reason. It's not because there hasn't been a demand for power in Labrador West for a long time – and so people understand, I am from Labrador West; I understand this very clearly.

Quebec has handcuffed Labrador West, not Newfoundland Hydro, but I will say there's a plan with these upgrades, to upgrade 11 turbines. Why haven't we done it sooner if we've known how handcuffed Labrador West is? Why have we not done it sooner? Why does it hinge on this deal? I don't understand that.

Timelines: Yesterday, we listened and somebody said the timeline for this deal is now. If we don't do it now, we don't get it; we lost bargaining control. I don't buy that – misleading. Urgency: Same line of questioning.

Quebec: Make no mistake about it, Quebec has control over this deal. It doesn't matter, yesterday, the minister took some time to try and correct me – and so the general public is aware, I sat on the board of directors for Hebron. I sat on the board that negotiated the contract. I was part of the benefits agreement. So if anyone wants to question my knowledge on how that stuff works, I'm open for questions any time whatsoever.

But I will tell you this, it doesn't matter what the benefits agreement says, if Quebec says they're not doing it. What that means is there are zero jobs, not for any of the Innu or Inuit, not for any of the Labradorians, not for any of the Newfoundlanders and certainly not for anyone else – zero. Quebec controls it lock, stock and barrel.

The LeBlanc inquiry: We listened to the minister yesterday talk about the LeBlanc inquiry – and so we're clear on this – the same minister who sat on that inquiry, stood up and dismissed the first six recommendations and went to recommendation 7, and that's the only one they quoted. The government stands over there and they say: We are following LeBlanc's recommendations – absolutely false.

Key Recommendations 1: "The Government of Newfoundland and Labrador should never undertake, on its own or through one

of its Crown corporations or agencies, the planning” – not construction – “approval or construction” – not and construction – “of any large project (meaning a project with a budget of \$50 million or more) without”

I’ll carry on, but I’ll add something else, I’d be curious to know how much this process has cost to date. I’m willing to bet we’re close to the \$50-million mark already.

Paragraph “a. Engaging independent external experts to provide robust review, assessment and analysis of the project.” Not done – not done, regardless of what the Premier is saying, the committees that were appointed prior have nothing to do with this. “b. Providing well-defined oversight after consideration of oversight processes instituted in other jurisdictions.”

Government has misled the public with this deal from day one and the only way for anyone in this province to understand what is going on is for there to be an independent review prior to any vote happening in this House of Assembly. That’s it. That’s all. There’s no question. We messed up too bad before – twice – twice.

If you think about what has happened to this province, where we are as a result of that and if people are willing to move forward based on hope and what-ifs and it’s up to Quebec; I’m sorry, I’m not there and this MOU doesn’t put me anywhere near there.

The people of Labrador West: I can tell you, I talk to people up there all the time and I listened to the MHA for Labrador West on the radio the other morning. There is no power for Labrador West right away. It’s 10 years out. This government would have people believe that Labrador West is going to get power right away.

We just listened: In 2025, when we start to construct power lines, maybe, if EA assessments and engineering and everything is done, a five-year window to 2031, 2031 to 2035 a ramp-up. The contract

expires in 2041, six years later. What’s the big rush?

So IOC and all of them, I’m sure they’re aware of the timelines and I have zero doubt that Newfoundland Hydro has done their homework – I have zero doubt. As a matter of fact, I put full faith in these people, 100 per cent, but I will tell you this MOU does not explain to the people of Newfoundland and Labrador clearly enough what it is we’re getting into.

What it does explain to me is that we don’t control the jobs, Quebec does. We don’t control the river, Quebec does. We don’t control our future of that project up there not one little bit, with the exception of the Churchill Falls contract that we have right now and making it a little tiny bit better.

It’s better, make no mistake about it, I have no problem saying that, but we lose control of our resources for the next, not 51 years, 51 years for Churchill Falls, if – big if – Gull Island goes ahead it could be, because that could be as far out as 85 years. If you take the 20 and take 15 years for constructability – and don’t take my word for it, the vice-president of Newfoundland Hydro said yesterday: Construction on a major project cannot happen on a 10-year window. Yet in our technical briefing and everywhere else, we’re led to believe that by 2035, Gull Island will be commissioned – absolutely impossible.

I don’t care if it’s Quebec or the Germans or who comes over and builds it, at the end of the day, unless there’s more work done than they’re telling us, unless there’s substantive engineering done and we’re ready to move forward right away and Quebec agrees to move forward right away, it can’t happen and we all know that. There are too many what ifs – there are too many what ifs. This government has proved it.

The day of the announcement, all these commercials come on; the Official Opposition, the Third Party, the

independents had no idea this announcement was even coming. Not only that, we were not invited. At 9 that morning, this government did technical briefings for every single individual in Newfoundland that wanted one, pretty much. People were calling me telling me about it. Do you know who they didn't do it for? They didn't do it for the Opposition and they're going to stand there and tell us this isn't about politics or elections.

If this was not about politics or elections, we would have been in a technical briefing the day of or the day before. We would have been invited to the announcement. We would have been there. There would have been an invitation, it would have been clear and we would have debated this before this MOU was signed. Instead, they signed the MOU, then they say we're going to come in here and negotiate. They say it's non-binding but there are parts that are binding, we know that. We've read it. They admitted to it yesterday, so here we are.

We are in a place right now where we're being asked to sign off on an MOU to give people power to move forward and they have done nothing to assure us that this is the best deal. It's a better deal, but we don't know that it's the best deal.

What we do know is Quebec controls the jobs, we know that Quebec controls the river, Quebec controls the power and, in turn, Quebec control the future. If they decide to do none of this, we are left with this one section in Schedule E where we have the ability to sell power to Labrador West and expand our mines; something I would argue we should have the ability to do anyhow, because if the upgraded 11 turbines is the answer to that, we should have done that a long time ago because there has been a demand for a long time.

I'm going to ask the CEO of Newfoundland Hydro a few questions. If anyone is wondering why I get so heated about this, it's because Labrador is my home and

Newfoundland is my home. I care about this. It's because I have two small children and their future matters to me and it should matter to everyone in this House. I don't think this MOU gives us a clear picture of where we're going.

If anyone in here has something different to say about that, then they should just allow an independent panel to review this because the independent panel will probably put people's minds at rest. Instead, we're left with all these misgivings and falsehoods and the government continues to put them out there.

Again, I'll defer to what the minister said yesterday. After I questioned the 13 million person-hours, he came in and he talked about the benefits agreement and he landed back on: there are jobs. The answer was yes, but in reality, the answer is no. Quebec decides if there are jobs. We can write 15 benefits agreements; we can write as many benefits agreements as we want, if Quebec says they're not going ahead, they're not going ahead. It's really that simple. That's what it boils down to and that's what we are giving away – end of story.

If Hydro-Québec undertakes engineering and analysis on Gull Island and then they decide not to build, will all of their information then become the property of Newfoundland Hydro?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

The engineering work product that Quebec would undertake to examine the viability and, I guess, the final details for Gull Island would remain with Hydro-Québec. However, as we discussed yesterday, if they choose not to proceed, exclusivity ends and then we can pursue that project with somebody else and monetize it with somebody else.

So I need to be really clear that that is the case. I would like to add, as well, about the jobs. Again if they don't proceed with those projects, you look at Schedule E and you read it in context of the whole MOU, we still get access to power for Lab West. What that would then mean, as we discussed earlier with Minister Parsons, is that there are jobs for the transmission line to Lab West and there are jobs with the increased access to power that the mining companies would then have.

I don't agree that there wouldn't be any jobs associated with if Quebec chooses to proceed or not proceed with those projects, for the reasons that I've just outlined. Again, we can do it with somebody else and that we gain access to power anyway and that would then be a new transmission line to Lab West which, as Mr. Parsons also outlined, we are still working on. We are in active system impact studies and, when Mr. Parsons mentioned earlier, they have contributed to the engineering. Not only are they contributing to it by giving us their information so that we can do a detailed engineering assessment of what that would look like, they're also financially paying for these studies, and that is not insubstantial.

This reality of getting access to power and then proceeding to Lab West with that power will indeed result in important development that we would not be able to undertake otherwise between now and after 2041.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: How many tens of thousands of jobs will come as a result of building a transmission line a couple of hundred kilometres from Churchill Falls to Labrador West? How many tens of thousands of jobs?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

The tens of thousands of jobs, as we discussed yesterday, was quoted to include the fulsomeness of the MOU, as well as the indirect and induced benefits associated with some of the ones as we've just discussed just then. So that, in the context of the whole MOU, is what we are working to help all of the public understand, and that was what would be quoted publicly.

It is not just in the scenario that you just mentioned where it's just if they don't proceed with those projects. But again, if those projects don't proceed with regard to Hydro-Québec's interest and they choose not to do it, then the exclusivity ends and then we can pursue those projects with other proponents.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: Quebec has exclusivity over the Gull Island project for 20 years – yes or no?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

They only have exclusivity for that period as long as they are actively pursuing and getting that project completed. If Quebec chooses not to proceed with those projects, exclusivity ceases.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: Who polices that?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you for the question.

I believe we might have discussed this a little bit yesterday, but it does warrant discussing again. The definitive agreements will lay out exactly how the joint

development agreements will work and the various milestones, the various efforts that we both have to undertake, but us as well as Quebec and Hydro-Québec. So then it would be a normal commercial dispute if we thought that they were not pursuing this and then we would say this is not working, but that is the case with any proponent.

For example, if we were to do a project with IOC, if we were to do a project with Vale, it is normal to have their legal contracts that say where you are not obliging by the obligations that you've agreed to, then you would have a normal dispute resolution mechanisms included. Anybody with any background in that would understand, any kind of lawyers, that it is normal for us to have that scenario.

So we will have it all laid out in definitive agreements, what our obligations are, and we'll be able to check each other throughout the period that we're trying to get these projects done.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: What is your faith that the province that has kept us held up for 56 years can't keep us held up for the next 20 on a project that they can say that they're exploring?

SPEAKER: The Chief Executive Officer.

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

Hydro-Québec are getting access to new power in this MOU. They are giving up free power for 17 years to gain access to more power. So I don't believe, at all – and I don't know if that's a strong enough word. I am confident that Hydro-Québec want this project really badly. If you would refer to Premier Legault's statements – like, right from the beginning, this is something that he wanted to have as part of his outcomes. He needs access to power.

The idea that Hydro-Québec are just going to try to not pursue this project in a way to, I don't know, get one over on us, I don't understand that that would be a valid position that they would take. They need power really badly, as we've discussed yesterday. They need to, essentially, double their system. It would not make sense for Hydro-Québec to not want to pursue this project with everything possible in their jurisdiction.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: Your own words yesterday, you said that this power represents one-fifth of Quebec's needs. They need to double their energy consumption. So they're going to be looking, certainly, at four other major sources to gain what they need and there's a possibility that they may find more than they need. So I guess there's a simple question. It's clear that Quebec controls all of this. They're not actually giving us power for free. I'll remind you that it's our river. We are 70 per cent owners in CF(L)Co, as of right now – 65. So they may be looking to change the contract, but it's still our power.

We signed a bad agreement. What we're trying to do here is not to sign another bad agreement. So we have one-fifth of the power we're going to supply them. They're going to be looking elsewhere to get the remainder of the power. I guess the biggest question is – and it's a simple yes or no – are you willing to put all your apples in one basket and say you trust Quebec?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: There was a fair bit in the preamble there that I would like to take on, but I'm not recalling all of it there now.

With regard to how we are working with Hydro-Québec going forward, they are a one-third owner of CF(L)Co now, and that will continue past 2041. So that is a fact, an undisputable fact; it is not going to change.

We have an existing partner, and that is not going to change. We have to find a way to see can we make this relationship work long term, and that is what we have done with this memorandum of understanding.

The clauses and the language that we have included in the MOU set the framework for a much stronger and much fairer relationship for the decades to come. We will take the framework and turn it into stronger language than we've ever had before, for the relationship going forward.

I don't consider that as putting all your apples or eggs in one basket; that is using the lessons learned of the past – and I said yesterday this is a lessons-learned MOU – both from the Muskrat Falls Project as well as from the existing contract, we have engineered out many of the previous issues of the previous contract, into this new contract, both for the PPA as well as for the new developments, and we will be then taking the framework, if we get authority to do so, and turning it into definitive agreements that will be on a much better legal footing than it currently exists, as well as what would otherwise exist.

SPEAKER: The hon. the Member for Terra Nova.

L. PARROTT: The number being floated around is \$17 billion, so the reality of it is our future is being sold for 65 per cent of \$17 billion.

A simple question here – yes or no – if we sign this agreement, go through the definitive agreement process, everything works out, Quebec decides not to move forward with CF2, Quebec decides not to move forward with Gull Island, all the expectations of jobs and everything associated with it are gone, is this still a good deal? Yes or no.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The \$227-billion projected benefit direct to Treasury, that is not something that then needs to take one-third off and go to Quebec. So I have to be ultra-clear about that because that is some misconception and confusion that's being circulated publicly.

The \$227 billion is direct to Treasury for the whole MOU and it does not include the other benefits that we've talked about here earlier, the knock-on domino benefits. However, of the \$227 billion, \$180 billion is associated with the CF PPA and the remainder, doing the math for me, I believe is \$47 billion, is associated with the new developments. I think that works out to 20 per cent, along those lines, so I would absolutely categorize this as a good deal.

Then, again, if Quebec chooses not to proceed with those two projects, as you just mentioned, the exclusivity ends and we can monetize that and work with other proponents to do it. I will say as well, the water management agreement that we have included in here in Schedule K, I want to say it is, that talks about – that's the difference as well, going forward, is "Production from any non-emitting plant that is on the NL system (existing and future) and a party to an arrangement with CF(L)Co for capacity and energy ... may be used to meet CF(L)Co's contractual obligations to HQ."

So, from a water-management perspective, this framework here allows us to work with other parties if Quebec does indeed choose to not proceed with those projects. It's a really important aspect of this project. I go back to, of the \$227 billion, 80 per cent of the value for the next 50 years is allocated to the CF PPA and 20 per cent is allocated to new developments.

What I will also say is, if those projects do get done, what we will have at the end of that period – and it is normal to have these assets paid off over a very long time. They're incredibly expensive and that is

normal utility practice, to pay them off over a long time, to have a revenue stream over a long time. They cannot be financially paid for. Financial people will not lend you the money for a 20-year, \$25-billion project.

After we get these projects paid for, so in the 2080s, absolutely, you will have CF(L)Co, an incredibly valuable project, and you will have the new projects, also incredibly valuable. They will then be valued at the time. They will be built. We will have monetized these assets, which are currently sitting unmonetized in Labrador.

SPEAKER: The Member's time has expired.

The hon. the Minister of Immigration, Population Growth and Skills.

S. STOODLEY: Thank you, Speaker.

First, I want to say thank you so much to the negotiating team and the panel for being here today, your expertise and insight – and I hope she doesn't mind; even my mom was texting me this morning saying how fantastic and amazing you've been, and insightful to anyone watching. So thank you so much – and hi, Mom and hi, Central; I know you're watching, and all the constituents in the economic powerhouse District of Mount Scio.

I'd like to give a few comments, and then I have some questions. Firstly, I just want to recognize how big of a privilege it is to be here as an elected Member at this time debating this memorandum of understanding. My first election, I spoke to a group of my supporters and I remember at that point saying to them, we only have five elections before 2041. I didn't really know anything about Churchill Falls and 2041 at that time. Never, in a million years, did I think that I'd have the opportunity of being here.

I take that responsibility very seriously. Supporting this memorandum of

understanding, as far as me as a Member, I consider this to be the single, most important decision that we, as a government, are making so far during my time elected. I just want to say to my constituents and the public that I do take that responsibility extremely seriously.

I'm not a lawyer; I'm not an engineer. But I guess, for a relatively layperson, I've done as much personal research as is physically, absolutely possible. I've spent nights in the library curled up in the basement, reading. I've read everything that is available to read on this, and I am a hundred per cent confident and honoured to support this memorandum of understanding. I believe that this is a fantastic opportunity for the next generation of Newfoundlanders and Labradorians.

SOME HON. MEMBERS: Hear, hear!

S. STOODLEY: Speaker, I guess first, when I learned about the detail of this memorandum of understanding, I went home and it's like a big relief – a sense of relief that you feel. I didn't even know that I was worked up or upset about something. Then it's like, we're going to be okay. Newfoundland and Labrador is going to be okay.

Then when I think about when my little guy – he's four – gets to college or university, if he chooses to do something like that, the revenues that we're talking about coming out of this memorandum of understanding, that is what is going to support him going into trades or going to college or university. The revenues from this are going to be a significant portion of our Treasury, Speaker. This is what is going to support some of the Members here in the old-age homes.

So this is an incredible, long-term opportunity that I think – and the constituents that I've spoken with – this gives us all a bit of breathing room and to say things are going to be okay. I guess I just wanted to start with that.

I know we've talked a lot about independent oversight. First, we had the expert panel and they were independent. We've had J.P. Morgan provide expert advice. We've had Power Advisory, and we're going to hear from both those stakeholders tomorrow and on Thursday. The government has had Stewart McKelvey provide expert, I guess, challenge to the government in terms of a separate process. I know the Premier spoke about that yesterday.

I just want to remind everyone that this is a memorandum of understanding. This is the initial stage. This is the most appropriate and earliest opportunity to bring this incredible opportunity to the House of Assembly and to this province to talk about this in depth.

SOME HON. MEMBERS: Hear, hear!

S. STOODLEY: This is the memorandum of understanding stage. We are bringing this forward to the public to debate, to hear what people think, to understand the nuances, to make sure that the public understands what we are signing. After this, as we've heard, between now and April 2026, these experts and their teams will be – as the Premier mentioned, if this passes and if the public wants us to proceed with this memorandum of understanding, then they work towards definitive agreements. That's when Hydro and the government would be signing all the – I think it's at least 10 contracts that we would need with Hydro-Québec and Newfoundland and Labrador Hydro to proceed to the next stages.

We are just talking about a memorandum of understanding and, over the next year or year and a half, that's when all the legal contracts would be further negotiated. I know our Premier has already also committed that those definitive agreements will also come back to this House of Assembly. So we are going to be back in this House of Assembly on numerous occasions between now and any of these

definitive agreements being signed, debating this on numerous occasions. I just wanted to say, for anyone listening and watching, this is the first stage of this amazing, incredible opportunity. This is also, I think, providing an amazing opportunity for people to learn from the experts.

As Minister of Immigration, Population Growth and Skills, I think we, as a government, and my department, along with the Department of Education, have an incredible amount of work to do in terms of the apprentices and the trades and the skills and getting the province and the next generation of workers ready for these incredible opportunities.

From a trades perspective, the apprentices, but also, I think there are so many more areas that people wouldn't think about, like project managers, accountants. I did a business degree; we are going to need so many more accountants. All these companies are going to need so many more accountants.

From a technology perspective, you think about artificial intelligence; people are using ChatGPT and all these other companies. I can't even fathom what artificial intelligence in construction looks like in 10 years' time. I think there are so many incredible opportunities for a range of sectors and a range of skill sets in this province, that this memorandum of understanding unlocks now for those who are 10, 15, 17 years old right now – and I'm so excited for them in terms of what their future is going to look like. I just want to say, yes, it's significantly about trades, significantly about that type of labour force, but it's also all the spinoffs, all the other supporting industries.

I heard the Federation of Labour on the radio this morning really anxious and wanting us to move fast. As a government, we are going to be working with all those stakeholders to make sure that we do whatever we can and more to be ready,

have our next generation of the workforce ready for these incredible opportunities. Thank you for that.

I do have some questions for our expert team, so I'll just dive in. Some of these I think we've heard touched on a little bit and some of these I've heard from constituents, but I just want to hear it from the experts themselves.

I guess the first one I'll start with: I know part of this agreement is Hydro-Québec would lead the Gull Island development and then the financing and all that for Gull Island. I've been asked why wouldn't Newfoundland and Labrador Hydro do that? Why wouldn't we do that ourselves? Why wouldn't Hydro do that?

I'm wondering if you could touch on why that – I'm convinced it's a good idea, our plan, but I'm just wondering if you could, as an expert, elaborate for anyone watching in the public in terms of why is it a good idea for Hydro-Québec to lead that initiative?

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

It's a great question. At its most fundamental, while we have these incredible hydroelectric resources here in this province, the quantity of resources that we have and of our recent history, the reality is that Quebec have done a lot more of this with great success for many decades.

I referenced for another purpose yesterday the size of their system versus the size of our system. Now, domestically we're only say a little more than two gigawatts, their system is 40 gigawatts. But if you add on Churchill Falls and – we're closer to say seven gigawatts. If you think about their system is primarily hydroelectric; of that 40 gigawatts, that is primarily hydroelectric power. That is primarily projects that they have built, constructed over the years. They

are a very large organization, I think, it's 25,000 plus, I believe the actual number is. Now they obviously have distribution folks and that as well, but their ability and history, I think, for the benefit of both of us, both Hydro-Québec as well as Newfoundland and Labrador Hydro and Newfoundland and Labrador, we would benefit from their history and their success in taking on the lead of this really, really very big project.

They've just recently executed and concluded other projects to success and we think that we both would benefit by them playing the lead in this one.

SPEAKER: The hon. the Minister of Immigration, Population Growth and Skills.

S. STOODLEY: Thank you very much.

I know it's come up already this morning, but I'm wondering if you can clarify, so the turbines currently at Churchill Falls, why hasn't Newfoundland Hydro, I guess, done upgrades to the turbines and now are planned in a contract? Wondering if you could touch on that please.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Mr. Parsons touched on it a little bit, I think, yesterday. I can't remember if I'm getting yesterday and today mixed up. But of the 11 turbines, you invest in your assets when it's financially prudent to do so and not before. We've just recently, I guess, a couple of reasons we've just over the last number of years been working with the proponents – I keep looking at MHA Brown but I'm just thinking about Lab West in particular – but we worked with those proponents to really understand what are the power requirements.

That would be, I'll call it, question one and when you understand their power requirements, the process is iterative. So you'll have a proponent come and say, hey,

we'd like this access to power and you have very early conversations about, okay, well we might be able to get some power for you, what are you willing to pay? I'm going to call it at a very high level. Someone will say well we'd like that for half a cent a kilowatt hour, one cent a kilowatt hour. You'd then weed out some of those folks.

The folks that stick back around, you start pursuing with them, okay what do you really want access to? Then you have to talk with them about the access to power is several hundred kilometers away, we need to build a transmission line. Are you willing to pay for that transmission line? So those conversations have to go.

You end up narrowing down what are the real requests. Then you say, okay, how are we going to get access to that power? For us to have invested and replaced turbines before we knew we had an actual customer, that is not financially prudent to do so.

But I will pick up on something that Mr. Parsons talked about – again, I think it was yesterday – for the 11 turbines, every asset in a hydroelectric plant has a defined or an expected life. Industry is certainly evolving better, too. Instead of time-based replacement, condition-based replacement, because that is a better financial decision. For the assets that we would need to change out at Churchill Falls to get more power out of, they have actually a fairly long life. I think Mr. Parsons mentioned yesterday the assets are generally probably about 60 years old before you would start replacing them.

It's important to know that we wouldn't just replace them without them, for one reason, not being in the condition to replace, or if a customer wanted access to that power, they would also have to understand what their financial commitment is. We would have to understand that, and we've been working on that for years. It's all of those combination of reasons of why we have not yet done it.

I will say another, third item, is for any project that is above, I think it's \$1 million, we have to go to the CF(L)Co board for approval. So depending on the justification for the projects that we have with CF(L)Co under the old shareholders agreement or the current shareholders agreement, which is committed to be modernized, Hydro-Québec, if they chose during this period while they have the existing shareholders agreement, they could actually essentially veto some of those decisions if we brought those forward. So there's a whole host of reasons of why we would not have done that to date, as I've just described.

SPEAKER: The Minister of Immigration, Population Growth and Skills.

S. STOODLEY: Thank you very much. That's extremely helpful.

One of the things that I've heard from people, I guess people worried about what happens in the future, how do we maintain power in our – not electricity power, but relationship power – with Hydro-Québec as the four or five or 10 contracts progress in length over the long term. I'm wondering if you can talk about any off-ramps and how – as much as you can, considering all the definitive agreements are still being negotiated – how do we ensure that Newfoundland and Labrador is able to react or pivot in the future or have off-ramps or maintain relationship power with Hydro-Québec?

Thank you.

SPEAKER: The Chief Executive Officer.

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

I will start and certainly if there's something important that I forget, I would ask Mr. Parsons to let me know that he would like to jump in.

I guess there are several ways that I would like to expand on that. I picked up, in particular, on the word “off-ramps,” and I want to jump to that because we haven’t really talked about that very much here. Again, I could go back to Schedule E in the MOU. If you look at years 2051 and years 2061 – because one of the questions that we talked about at length yesterday, but I do think it warrants repeating as much as possible, is what is the risk of getting the value of the electricity for the CF PPA.

We have put into this MOU the opportunity to connect to several markets. I’ll call them markets. One is the wholesale rate in Quebec; the northeast markets; as well as the replacement cost in Quebec. So that, for the duration of the PPA, allows us to capture that value as that grows and for what we can’t understand now.

What is also in Schedule E is a 250-megawatt block that in the early years, in the first 10 years beyond what Quebec currently has access to, 250 megawatts will expire. So Quebec no longer has access to that 250 megawatts. That will revert to Newfoundland and Labrador Hydro and, at that time, we will determine what is the value of that electricity at that time.

We can choose to use it for our own benefits in Labrador or we can choose, if those opportunities for customers in Labrador doesn’t materialize, we’re not stuck with it, then we can choose to sell it back to Quebec. So that is one of the ways that we can ensure that we are not held to, again, the current allocation of power to Quebec. That is an off-ramp.

The same thing happens 10 years after that. Another 250 megawatts will come back to Newfoundland and Labrador Hydro, and we will, at that time, determine do we want to use that for access to power, or do we want to resell that back to Quebec for the value of the electricity that we can’t envision today.

So those are some of the off-ramps that it’s different in this contract. That is not at all the case – we didn’t have expiring blocks in the old contract. We had no way – so that’s going to happen, say, 2051. We will know we’ve got that 250 megawatts coming totally to us. We can sign a contract with a customer. Let’s say there’s a customer somewhere else in Labrador who wants to build and we say, that’s great, I see that 250 megawatts coming and I would like to sign up for that 250 megawatts; we can start talking about what would that look like to them because we know that is coming and expiring, even though the rest of the contract continues. The rest of the PPA will continue; we know we’ve got access to that.

That’s a really important aspect that we haven’t really talked about very much yet, is those expiring blocks really do allow us to capture the value, at that time, that we cannot envision today.

SPEAKER: The hon. the Minister of Immigration, Population Growth and Skills.

S. STOODLEY: Thank you, Speaker.

I guess this is probably my last question in this section, but one of the things I think we haven’t really talked much about, which I think is incredibly important, is the water management piece. I think, in the general public, there is very little, probably less so than the Churchill Falls deal – I’m just wondering if you could maybe give us a crash course in water management and how this MOU changes that, please.

Thank you.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: If I may ask my colleague to take that one on?

SPEAKER: The Vice-President.

W. PARSONS: Thank you, Speaker.

I'll try my best to keep it simple.

Everywhere in the world where there are multiple hydro plants on a single river, there are complexities in terms of how a reservoir up river might have a negative impact on a plant further down the river. So it's very common in the industry to have what is called a water management agreement, which basically sets up an energy trade between the plants on the river. So that instead of focusing on generating just for their own customer, they can focus on working together to optimize the river as an entire unified generating source.

They ensure that the units are at the right set points, they're at their maximum efficiency, so that the river itself is maximized and then the individual plants divvy up all that extra benefit that they've created by acting more efficiently. That's very common in the industry. There are some rivers in the world with, you know, dozens of small hydro plants on them.

We have a water management agreement in place between CF(L)Co and Muskrat Falls today; however, because of the limitations in the 1969 contract, Hydro-Québec has control over the dispatch of the plant, which places limitations on how much CF(L)Co can participate in this optimization of the overall river. We do some of that optimization, but it's severely limited by what's contained in the old contract.

What we have here, in this MOU, is an unequivocal commitment by Hydro-Québec to move to this new, modern approach where there are no restraints on any of the plants to participate in that optimization. In a world where renewable energy is so valuable, we have to work together to create as much renewable energy from a resource that we can.

Because we will be renewing this partnership at pricing that ensures when Hydro-Québec benefits in the markets, we benefit in the markets, for example, they

have agreed that full water management unrestrained must be part of how the Churchill River is maintained, is run – Churchill Falls to Gull Island to Muskrat Falls.

SPEAKER: The minister's time has expired.

The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: Thank you, Speaker.

I would like to direct this question to the CEO of Newfoundland and Labrador Hydro and I only have one question to ask.

Ms. Williams, in the MOU, is there any clause which requires Hydro-Québec to build Gull Island? So I just want you to direct me to a clause that states that they have to build Gull Island, and you certainly can confer with your two colleagues for that answer.

Thank you.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

The MOU contains commitment for both parties to work toward the completion of those projects.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: My question – if you can specifically answer the pointed question; it's a simple question – is there any clause which requires Hydro-Québec to build Gull Island? Because I have looked through the MOU and I cannot find a clause. So I would like you to tell me if there is a clause, if I've missed that.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: The MOU, again, is best efforts for both parties to get these projects done. There is no clause that directs Hydro-Québec to build this project, but I really want to continue to state that Quebec wants this project done and, as I've said earlier today, Premier Legault, himself, has indicated that this is what's really important to them. This is why they are here talking to us about the reopening and the tearing up and, in fact, the replacement, I think, is the word that we actually use – the termination and the replacement of this contract. That was in the press release.

So it's really, really important that we continue to state that Hydro-Québec is very interested and wants this project done. They need more power. They need to double their system. This is the best project possible. They are saying that themselves publicly.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: The question has been answered. There is no clause that requires Hydro-Québec to build Gull Island.

Despite the witnesses and Ms. Williams' hopes and views that this is happening there is no clause. I would like to continue on and indicate, I have thought about this overnight and what I've heard yesterday from the witnesses, their testimony, and this morning as well. And this is where I believe we've landed.

As a lawyer for many, many years and having reviewed this MOU, this is what I've concluded. If the 10 definitive agreements are signed, then for the next 51 years the following is true: the MOU gives Newfoundland and Labrador Hydro no rights to transmit any electricity through Quebec, the MOU as it stands now. Secondly, the only customer CF(L)Co will have, the only customer CF(L)Co will have,

besides Newfoundland and Labrador Hydro, is Hydro-Québec.

Thirdly, Newfoundland and Labrador Hydro can not use electricity from Gull Island or the Churchill Falls to compete with Hydro-Québec. Fourthly, Hydro-Québec will alone decide whether the Churchill Falls Expansion or Gull Island goes ahead. And the MOU does not – and we've heard this today from the witness, although there was hesitation to answer the question – require Hydro-Québec to go ahead with Gull Island.

What does this all mean for the people of Newfoundland and Labrador, Speaker? It means that the MOU – and let's not be fooled again – is intended to put Hydro-Québec in control of much more than half of the electricity generated in our province. Hydro-Québec will control whether or not the thousands of jobs being talked about ever materialize. This all leads me to believe – and this is my interpretation – that the MOU will end up giving Hydro-Québec far too much control for far too much, for far too long. Essentially, Quebec ends up directing our destiny for the next 50 years and more.

Speaker, this is a lot at stake here today, and this week. I've heard from the government and from the Premier yesterday the rush to get this done. There's a rush to get it done now, and they suggest that if we don't do it now, we've got to go to 2041. But we do not have to do it now, Speaker. That is not accurate. The idea that we have to do it now, as fast as possible, or we're going to have to wait until 2041, that has to be corrected. That is incorrect, it is misleading, and it's a false dichotomy that is really concerning to hear from this administration, this government.

Our position here in the Opposition, and we are demanding this, Speaker, demanding it, that we have at least a month or two to have an independent review. When we hear the Premier even as early as this morning discussing it and saying: Well, we have that.

That is not true and that is confusing the issue. We do not have an independent review; we do not have impartial and objective analysis of this. That's all that we are asking.

That is confusing the issue; the Premier is confusing the issue by saying this has been done. It has not been done. We only have to look at Justice LeBlanc and his number one recommendation and this has not been done. This is what we are concerned about, we are demanding that opportunity, for the sake of the people of Newfoundland and Labrador, and our future.

SOME HON. MEMBERS: Hear, hear!

H. CONWAY OTTENHEIMER: Speaker, this is very concerning, and we know that we need to have that independent, objective analysis. We need to have the opportunity to review this. What really concerns me about this, is the fact that they are presenting and arguing that this has to be done now, like this week. What is the motive, Speaker? What is the motive of this administration? And I hope to God it's not because they're planning on calling a snap election to secure another four years of power before the real secrets of this deal are uncovered and they've got that power. I hope that's not what's happening here and that's their plan, to call a snap election like Friday or next week because that is not acting in the best interest of the people of Newfoundland and Labrador. They're not thinking about what's in the best interest of Newfoundlanders and Labradorians, if that is their intent.

So clearly in my view, that's what this is all about. It's about calling that election and they want to justify this by ramming this MOU through and then going to the polls.

Speaker, these are our concerns as the Official Opposition here and these are legitimate concerns. We're concerned we've only had a very limited time to review this, very limited time; don't be fooled, we've

heard from them saying that this is not signed, it's not binding. There are provisions that are clearly binding in this agreement and we will be stuck with. This is the basis of the contract so do not be fooled.

On that point, Speaker, I'm asking that this is what we respectfully request: A month or two to have independent analysis, which has not been done, by no means has it been done yet, and we will have that security and that comfort because there is nothing in the MOU that gives me, as a lawyer, and I'm not an expert in Power Purchase Agreements or anything, but we've heard externally, from outside this House of Assembly, from people who are raising these concerns and we need to listen to them.

On that note, I'll conclude and, hopefully, what will be done here will ultimately be what's in the best interest of the future of our generations, our future children and grandchildren. We do not want to repeat the mistakes of the past.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Any other speakers?

The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I was going to respond to the time that was still up, but that's fine.

SPEAKER: There was no question.

J. HOGAN: That was my point, Speaker, there actually was a question at the start of her speech, so I just wanted to clarify what the question actually was because she asked several questions, leading off with when we get to the definitive agreements.

The point I wanted to make was, was the question about the MOU or was the

question what will go into the definitive agreements? Because I think it's an important point. We do have an MOU and that's what we're here to debate is what the MOU means. So when we talk about how it will be constructed, how it will move forward into the definitive agreements, it is a process and, of course, this is a 30 page-ish MOU and we talk about, I think, the number is 10 definitive agreements. Of course, there's more work to do. Of course, there are negotiations that will be ongoing between NL Hydro and Hydro-Québec.

With regard to independent oversight, it's very clear on this side of the House that the commitment has been made. It's been very clear with the media, they've reported on it as well, but for some reason it's not being heard over there, that the Premier has committed to further independent oversight. They disagree with the fact that independent experts have given advice on this already to get to the MOU.

It will be interesting to see how they disagree with that tomorrow and Thursday when those independent experts will be here answering questions about the advice they gave.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

J. HOGAN: Touched a nerve there, Speaker, I guess. They don't like facts; here we are.

But we will hear from those independent experts tomorrow and the best part about it is that they're here to answer questions about their independence and about their expertise and about the MOU.

That's a great opportunity for us on this side of the House and the other side of the House to ask those questions, to be clear about what the independence was, to be clear about their expertise and to be clear about how that expertise provided advice

and how it became part and formed the MOU.

The part that people on the other side of the House aren't hearing is that the Premier has committed to – outside of the advice that has been given to date – an additional oversight model, as the MOU goes toward definitive agreements. That has been committed. I think actually when he spoke at the debate Monday morning, the first speech that was given on this resolution by the Premier of the province, said that he is committed to providing that additional independent oversight of the MOU and as the MOU goes forward to definitive agreements.

That's something that has been asked for, that's something that the Premier has committed to and I can't be more clear, that what is being asked is being provided by the Premier, Speaker.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: I'll ask the question of the minister. The question that I actually asked the CEO of Newfoundland and Labrador Hydro is: Was there any clause that requires Hydro-Québec to build Gull Island? Which was stated that there wasn't, so let me be very clear, Minister; just to clarify that with the minister.

The other point I'd like to rebut on what the minister just said is that the Premier is committed to a further additional independent oversight model and with reference to the experts that are coming in tomorrow, we questioned the level of independence, Speaker.

Maybe I can ask the minister this question: These experts that are coming in tomorrow, who are they hired by, Minister?

SPEAKER: The hon. the Government House Leader.

J. HOGAN: The experts were retained by Newfoundland and Labrador Hydro.

SPEAKER: The hon. the Member for Harbour Main.

H. CONWAY OTTENHEIMER: That clearly goes to the level of objectivity and independence, if they are hired by Newfoundland and Labrador Hydro. We're talking about who they are answerable to and that impacts their level of independence.

That's what we're getting at here, Speaker. We want people independent, that are not hired. If you're hired by someone, that definitely questions your level of objectivity and independence.

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

Is the Member finished?

H. CONWAY OTTENHEIMER: Is there any response to that, Speaker?

SPEAKER: Oh, sorry. Go ahead.

H. CONWAY OTTENHEIMER: That's my position. Maybe the minister or someone could respond to that.

SPEAKER: The hon. the Member for Lake Melville.

P. TRIMPER: Mr. Speaker, I'm just confirming that I can take a speaking time. I'm right in the middle of the Member for Harbour Main's time. Can I go ahead? I was going to make a presentation and now seems like an appropriate time. Am I able to do that?

SPEAKER: Are you finished with your speaking time?

H. CONWAY OTTENHEIMER: Yes.

SPEAKER: He'll use his own time then. So stop the clock and we'll reset.

P. TRIMPER: Put it on myself.

Thank you.

SPEAKER: The hon. Member for Lake Melville.

P. TRIMPER: Thank you, Speaker, and thank you to my colleagues.

I don't have a good order and I wasn't going to deliver this until later this afternoon, but now does seem like an important time because there is disagreement. I think we need to have some clarification around exactly what we are talking about when we refer to an independent consultant.

Well, yours truly worked as an independent consultant from 1987 to 2014. I'm just going to cite a little definition; I was just writing it down: "An independent consultant is a non-employee who provides services to the general public, as opposed to a single employer. Typically, they work on a contract basis" – as we'll find out from these folks later this week – "meaning they work for a client for a set duration of time, as an employee of their own company or under self-employment."

What that talks about – and if you are going to be in the consulting game as a career, I can tell you it's all about your reputation.

G. BYRNE: Does a lawyer fall under that same category? Is that the same thing as a lawyer?

P. TRIMPER: I'm going to speak about an independent consultant.

The point I want to make is that the people that had been retained by NL Hydro, by the provincial government, frankly by the Opposition, to prepare for this debate this

week, their reputations are on the line. Their performance on each of these individual contracts that they perform, that is the basis for which they will pursue other work. You have to be thinking about this constantly.

So in the consulting world, I worked as a terrestrial environmental scientist leading on frankly every environmental assessment in Labrador over three decades and around the world, the World Bank, foreign affairs and so on. Your reputation has to stand up or you just don't have any credibility when you go before it, because often you're working – I worked in the world of proponents and resource development and the regulators will just not tolerate you. You will not have an opportunity to get to the table.

So this idea that somehow these amazing companies that have been retained to provide advice for Newfoundland and Labrador Hydro and our province in pursuing this MOU, their reputations are stellar. They have to be stellar. If they're going to be a gun for hire and give their particular contractor, their client at that time, whatever it is they want to hear, they're not going to last long. I can tell you in my own personal experience, and I get the concern.

I'm going to take the lead from the Minister of IET because he's often reaching across to the Opposition and talking about their perspective and what they're feeling. I get it, the point when you say: Oh, they're working for so and so. Again, I say your reputation is stellar, but I can also tell you the pressure does exist and certain proponents, depending on who they are, they will say: Are you sure that's not a significant effect? Are you sure that this should be done this way? Are you sure we don't need to invest in whatever, a capacity mitigation measure and so on? That pressure is there. You have to stand up for your values.

I can tell you over the period of my career, that 30 years, there was five times when my company walked away from clients and

opportunities because we could not find a way to demonstrate the professional approach versus – let's just say – the objectives of the client, five times I saw us do that, and sometimes those contracts were huge, but our integrity was important.

I can tell you, while you're putting out the idea of perception, that just because one of these world-class experts that we're going to be hearing from was working for a particular entity, such as the fine folks here in this room, NL Hydro, that does not mean that they in any way compromise their values, their objectives and so on.

I heard some commentary earlier from the consultants supporting the Opposition. There he is, he's in a position where he's providing advice. He is employed by himself. He doesn't work for the Opposition. He's on a contract basis and he's calling into question, essentially, peers in the same service that they're not independent but he is. I just wanted to put this on the floor and let people really think about it.

The folks that we're going to hear from later this week, it's their reputations that are on the line as well. For all the concern and all the seriousness that we're taking to this debate, we have to understand we all have a stake at this, getting it right, including those experts.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

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

T. WAKEHAM: Thank you, Speaker.

I'm going to start off this morning with a little bit of different line of questioning, but it raises significant concerns for me and it bothers me, and I think it will bother every single Member of the House of Assembly and the people of Newfoundland and

Labrador. I'll ask the question to the CEO about this and then I'll reference it.

I want to know if the CEO of Newfoundland and Labrador Hydro is aware that Hydro-Québec exports electricity into the United States and, as a result of that, they file what's called an 18-K with the U.S. Securities and Exchange Commission.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

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

Yes, I am very aware that they export into the United States and, as we've discussed in Schedule F of the MOU, it's where we will tie a portion of the price for the CF PPA to those export markets. With regard to anything with securities, Mr. Parsons actually has accountability for energy marketing at Newfoundland and Labrador Hydro and I think he could certainly provide for any further perspective with regard to any obligations that Hydro-Québec may have.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Yes, we're aware of the 18-Ks.

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

T. WAKEHAM: Speaker, just so the people out there, the public listening in, understand, an 18-K is an annual report of Hydro-Québec that they file into the United States because they do business there, but included in that annual report is a map which outlines their major facilities of where they do business. On that map – which I have here, which I will table, which they have been doing year after year, and this is 2023 – that they filed with the U.S. Securities and Exchange Commission is they document that map that identifies the

border between Labrador and Quebec as – quote – not final.

The Province of Quebec and Hydro-Québec, after all these years, have still decided that they do not recognize the legitimate boundaries of Newfoundland and Labrador. That's there, right here in this filing in the United States in their official documents, and that should bother everyone. If this document that they filed had the border with Ontario recognized as not final or the border with Maine recognized as not final, then there would be uproar – there would be uproar. And we're about to turn control of the Churchill River developments over to Hydro-Québec and the Province of Quebec.

So I ask: Does that bother people from Newfoundland and Labrador Hydro and does it bother the people here?

SPEAKER: The hon. the Premier.

A. FUREY: Thank you, Mr. Speaker.

Certainly, that map is a misrepresentation. We should all be cognizant of that map, of course, but what we need to be more aware of is the Privy Council decision which declared that boundary to be final. And make no mistake, under this government or any other government, that boundary is final. Whether they want to believe in it or not is up to them. They can believe in bogymen and everything else, but that boundary is real, final and definitive.

SOME HON. MEMBERS: Hear, hear!

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

T. WAKEHAM: Speaker, that's great to say that.

I ask the Premier: Have you asked Hydro-Québec or the Province of Quebec to recognize the boundary and change that map in their filings of their annual returns?

SPEAKER: The hon. the Premier.

A. FUREY: Thank you, Mr. Speaker.

I don't speak to the CEO of Hydro-Québec. What I have said to the Premier of Quebec, that boundary is final, non-negotiable and will be forever – period.

SOME HON. MEMBERS: Hear, hear!

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

T. WAKEHAM: How difficult is it then that they've refuse to change this boundary in official documents that they file? Their annual report that Hydro-Québec files in the Province of Quebec has the same map. The annual report they file in the United States has the same map. We can't say in this House of Assembly to stop it, take it out? We're about to hand over the resources of the Churchill River to Hydro-Québec. It's time they stopped this nonsense, that we put an end to that.

So, again, will that be part of what we're talking about here in these definitive agreements? That we get a definitive decision that this is not good enough, that this needs to stop?

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Premier.

A. FUREY: The definitive and concrete decision that is good enough, is the Privy Council decision that declares that border accurate and firm. We can publish maps all we want that have other people associated with us; that doesn't make it real or true. What does make it real and true is the Privy Council decision and no Newfoundlander and Labradorian would tolerate anything but.

SOME HON. MEMBERS: Hear, hear!

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

T. WAKEHAM: Speaker, we all agree that the Privy Council is the one that should be respected. But unfortunately, the Province of Quebec and Hydro-Québec do not respect the decision of the Privy Council.

SOME HON. MEMBERS: Hear, hear!

T. WAKEHAM: I find that bothersome, and I find that we're about to enter into an MOU with a province that doesn't recognize our borders, and it's about time they did, and I would ask that it be included in this MOU.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Premier.

A. FUREY: Mr. Speaker, not only is it included in the Privy Council decision, it is included in the boundaries of the province; it's included in the definition of Canada. It's definitive, it is real and it is non-negotiable now or ever in the future, Mr. Speaker. It is final. It is our boundary. It's our boundary to protect and we will always do so.

SOME HON. MEMBERS: Hear, hear!

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

T. WAKEHAM: Speaker, this is about respect. We can say all we want about all those things, but Hydro-Québec in their annual reports says it's not final. The Province of Quebec and Hydro-Québec – Hydro-Québec is wholly owned by the Province of Quebec and they don't respect that boundary. That's the point we're making here.

It's time that, as Newfoundland and Labrador, we had that respect. Ontario wouldn't stand for it, Maine wouldn't stand for it, and neither should we. It's time that we turned around and said no.

SOME HON. MEMBERS: Hear, hear!

T. WAKEHAM: Take it out. Fix it. We want to do business. Let's do business, but let's recognize the legitimate border, as the Premier has said, that the Privy Council established years and years ago. Let's recognize that – 1927, the Premier wanted to know. There you go. But let's establish that and let's get it done.

Thank you very much. Let's move on.

SPEAKER: Any more speakers?

T. WAKEHAM: I have more questions.

SPEAKER: Okay.

The hon. the Leader of the Official Opposition.

T. WAKEHAM: Speaker, this morning, the CEO of Newfoundland Hydro referred to – and the Premier referred to it yesterday – \$225 billion in total revenue coming to the Treasury of the province. We're here today and yesterday, and for the next two days, talking about an MOU and nowhere in the MOU can I find a reference to that number.

So I would ask the CEO: Is there a schedule? Will you table the schedule that shows exactly where that \$225 billion to the Treasury is coming from?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, I believe after our briefing with the technical advisors, or the advisors on Saturday, that we committed to providing, I think it was a breakdown of the \$180 billion, to make very clear what that was made up of. I believe that was sent. I would have to get somebody to check for me what mechanism that follows, but I believe that would have gone through the Clerk, through to the folks, so I believe that's the case.

However, we are also going to publish – hopefully today – exactly that request, which would better break down the \$227 billion. Also, to make very clear, that those numbers are after Hydro Québec also gets its dividends. Because there has been a fair bit of confusion, publicly, that that number there is before Hydro-Québec gets its dividends, and that is not accurate.

So we're going to publish and, therefore, I guess, table in the appropriate mechanisms – I will need help with that – that information so that it makes it very clear exactly what that is.

But I would like to just mention really quickly that the MOU, on the very first page, is a *Memorandum Of Understanding For A New Long-Term Energy Purchase And Development Initiative Between Newfoundland And Labrador Hydro And Hydro-Québec*. So the MOU itself wasn't a calculation of the benefits to the provincial Treasury. That would have been calculations that would have been done informed by the MOU, but the MOU is not between the provincial government and Hydro-Québec. It is between Newfoundland and Labrador Hydro and Hydro-Québec; therefore, that's why you would see the things referenced as payments to CF(L)Co, those sorts of things, as opposed to payments to the provincial government.

SPEAKER: The Leader of the Official Opposition.

T. WAKEHAM: Again, the information you provided yesterday added up to \$180 billion. This is \$225 billion. There is a difference there that I would like to understand.

Then, in the Schedule G, which you outlined – because this about a new deal with Hydro-Québec and new revenue to be received from Hydro-Québec. What I'm getting at is, I know there are dividends there and hydro and the water rights and everything else, the rentals that we already collect revenue from, what is the total

amount of new revenue, firstly, that will flow to CF(L)Co from Hydro-Québec – is that Schedule G for the old agreement?

Secondly, what is the total revenue that will flow to the Treasury from payments by Hydro-Québec, and how much does that total to?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, we are committed to, today, filing a breakdown of the \$227 billion. As you've mentioned, we've already tabled an explanation of the \$180 billion as it relates to benefit to the Treasury. So we will add to that to ensure that it is the fulsome of the \$227 billion. So that will be done today.

The other item that helps – because, I think, the start of your question was about what is the total revenue going to CF(L)Co. What you will see in the other document – which I know that this won't be reflected in *Hansard* but it's this chart, a long chart that shows – it's titled Volumes to HQ and NLH, and associated payments from HQ and NLH to CFLCo (existing generation only). Again, I'm not sure what the mechanism is for that to get through to the various parties, but that was also provided, I believe, Sunday night.

What that totals there is the total payments that will come from both Hydro-Québec as well as Newfoundland and Labrador Hydro to CF(L)Co. You can see that detailed on that chart that was tabled – again, I'm saying tabled. I'm sorry if I'm not using the correct terminology, but that was provided on Sunday night. We'll make that available as well on the public website.

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

T. WAKEHAM: Again, Speaker, the table that I received on Sunday night shows common dividends from 65.8 per cent

ownership of CF(L)Co of \$131.8 billion. Is that Newfoundland's share of the additional amounts Quebec will pay? What I'm trying to establish is, what is the revenue that CF(L)Co will get from Hydro-Québec over this, compared to Schedule G – it says Schedule G, that these are the payments from Hydro-Québec.

So these are payments to CF(L)Co from Hydro-Québec, and they total how much?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

So if the question is what are the payments from Hydro-Québec to CF(L)Co, Schedule G details the forecasted payments. They total \$195 billion. I think the question also is surrounding what goes to Treasury.

This is where I'll go back and say the MOU is between the utilities; it is not between government. So the MOU details what goes from Hydro-Québec to CF(L)Co. The table that was mentioned about Sunday night, that was an explanation of the \$180 billion associated with the existing generation. That goes directly to provincial Treasury. That rises from all of the revenue streams to CF(L)Co from both Hydro-Québec as well as Newfoundland and Labrador Hydro and as part of the operating costs, which include the water rentals and royalties that go directly to Treasury.

So they're companion documents; they are not the same information represented in two different ways. One is payments to CF(L)Co and the \$180 billion is a separate explanation that is provided and calculated outside of the MOU, because the MOU is not between Hydro-Québec and the provincial government.

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

T. WAKEHAM: Speaker, I would go back and try this again. First of all, these are all forecasted payments, correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Absolutely.

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

T. WAKEHAM: Forecasted payments. I'm looking at Schedule G. These are payments by Hydro-Québec to CF(L)Co from 2025-2075. They add up to X – again, what was that amount, sorry?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: It is \$195 billion.

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

T. WAKEHAM: So that's the gross that goes into CF(L)Co from Hydro-Québec: \$195 billion. Of that, 35 per cent of that, technically – after expenses, though, you haven't factored out expenses or anything in this forecast. These are gross revenues, correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, that is correct.

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

T. WAKEHAM: So \$195 billion gross revenue over the period of this contract is what Hydro-Québec will pay for the revised Upper Churchill contract. That's the estimate, that's the forecast amount.

Coming from that, that goes into CF(L)Co. CF(L)Co will then pay all of their expense, their debt, whatever, and then what's left, a portion of it, will be distributed 65 per cent to – for the sake of rounding – Newfoundland Hydro and 35 per cent to Hydro-Québec.

Have you got a forecast of what that net amount might look like?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: My apologies for asking, but when you say the net amount might look like, I'm not sure what you mean because that is the –

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

T. WAKEHAM: Sorry, yes, what I'm getting at is, this is gross revenue. So this gross revenue goes into CF(L)Co. It's \$195 billion. Somewhere along the line there are expenses. Have you estimated what those expenses are? When you talk about how much revenue is going to flow to the province, are we simply talking gross revenues, or are we talking net?

Because if we're talking net, then there must be somewhere, somehow that someone has said \$195 billion flowing in through Schedule G to CF(L)Co, there's a series of expenses, debt, whatever that has to come off of that. There's a net amount left that will be distributed between Newfoundland Hydro and Hydro-Québec and that is, technically, what's left to go to the Treasury.

I'm just trying to get a handle on what that amount is. I don't want to factor in any of the preferred dividends or the water rentals or the things that we get now. I'm trying to establish the new revenue, that stream that we're going to get, as a result of this deal. We know there's more revenue coming in. I'm just trying to get to understand exactly what that looks like.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

Again, I'm not sure how this information makes its way, but I reference this chart that we would have sent along as well. So with regard to the revenues to CF(L)Co, you'll see at the bottom of that table a summary and a total, so instead of going by year, you'll see HQ will pay, that is – what is the total revenues to CF(L)Co, which is not revenue to provincial government – \$194.7 billion. Right next to that is the revenue that Newfoundland and Labrador Hydro are going to pay CF(L)Co as well.

So that is a significant revenue stream, of which Hydro will also then receive the benefits from CF(L)Co. So that is another \$83 billion in payments that this jurisdiction will pay for the power it will receive and the increased power amounts as we've been talking about.

So the two of those together is the total revenue stream that will go into CF(L)Co into the future and it's after that then, to your point, is where the dividends will then come out.

SPEAKER: The hon. the Leader of the Official Opposition would wish to continue with leave.

Is leave granted?

AN HON. MEMBER: Leave.

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

T. WAKEHAM: Thank you.

I'll just finish up with a couple of more questions on this subject. In the fact sheet that has been distributed about Churchill's new chapter, it says: "**More than \$225 Billion in total revenue** to the Newfoundland and Labrador treasury from the new power contracts and the new developments."

Can we get a breakdown of that number?
Can you table that today?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, (inaudible).

SPEAKER: Could you repeat that, I don't think Hansard got that.

The Chief Executive Officer.

J. WILLIAMS: Sorry, Mr. Speaker.

Yes, I've committed that we will do that.

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

T. WAKEHAM: That will conclude my comments for this morning.

SPEAKER: Thank you.

The hon. the Government House Leader.

J. HOGAN: Just to make a quick comment. I know the CEO from NL Hydro has committed to tabling documents. I don't think that she's permitted, that's fine, but anything that she has committed will be tabled through me, as Government House Leader.

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

E. JOYCE: Thank you, Speaker.

I'm going to stand and take a few minutes just to speak on the few things that were brought up earlier. One of the things that was brought up was Gull Island. I'm going to give people in this House a little history lesson because I was here in 2001 and 2002 when Voisey's Bay was done, which has proved to be a great deal for the Province of Newfoundland and Labrador.

There was also another deal, that was Gull Island, it was scuttled. It was actually scuttled. That was 22 years ago. I was in this House debating it. I was part of coming up with the agreement for Gull Island. So 22

years later, almost 23 years, we're back here again about Gull Island and nothing done.

I'm going on memory, I always remember this, Quebec was going to do the deal and it came down to they couldn't do it. There were loans from government. The number six was that this deal would fail if the Government of Newfoundland and Labrador became bankrupt. So with the Opposition at the time and the public outcry and a few people resigning, the deal was scuttled. Here we are again today, 23 years later, talking about the power at Gull Island and the jobs.

I feel strongly that we should try to do something with Gull Island, I really do, because we put it off now for 20-something years. I remember we had it, the deal was out, the jobs, we started some of the work on it, but it didn't happen and here we are again today.

Now we got almost the same deal. Quebec is going to take it. Quebec is going to go with it. Quebec is going to pay for it. Cost overruns, Quebec is going to take care of it. Almost the same thing that we had back in 2001, and I was here. No other Member in this House was here that went through that and it was just thrown out.

So we've got to put safeguards in, absolutely no doubt. But somewhere along the line, we have energy there that we should find some way to develop. I heard the Opposition talk about the day is up in Quebec. It is. On that agreement, it is. But isn't it better to try to take a chance to do it than wait another 23, 24 years to get it done?

I was here. I went through it. I went through every part of the detail. I will give the premier of the day, Roger Grimes, credit. He would come in with an agreement and say: Here's the agreement. Take it home, ask whoever you want for details, questions, and come back. We did that day after day,

week after week, until we had something that we thought we could sell the best for Newfoundland and Labrador, and it never happened.

So this idea that Quebec is in control. Yes, they are. They were in control back then also. But we have to try something. I could ask the CEO later: If Quebec don't go, we still have the ability later to go ahead and start the project at Gull Island? I'll ask the CEO.

SPEAKER: The CEO of Newfoundland and Labrador Hydro.

J. WILLIAMS: So the answer to the question is, if Quebec chooses not to proceed with Gull Island, their exclusivity ends and we absolutely have the ability to pursue that project with another proponent.

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

E. JOYCE: So that's the question on it. So we still have the right to do it.

It was 2001 when this came up; we had this in place. So I want to put that in context of this debate, that we're still waiting for the benefits, the jobs, the money that we could make from Gull Island, 23 years later when I was in this House trying to get it done. So just keep that in context. I heard the history is bad, it brought about the boundaries and I agree we should probably get the boundaries. Should we scuttle this deal because of that? How that came up in this House of Assembly?

I was at a conference in the New England states and who was there was a former Member of Waterford Valley, I think. He was there and that came up on a chart; just a chart down there talking about the boundaries of Quebec. Next thing you know, that Monday, there was questions in the House of Assembly: How come that boundary is there?

This has been on the go, I'd say 2000, I remember it being brought up and there was a question asked in the House of Assembly here in 2000, 2001 about the same boundary that we're saying now the deal that we need respected. The same thing. Quebec is not going to change that; they're not going to do it. That was brought up in the House in 2000 and then the government changed at the time. The government went ahead and no one brought it up again. The only time this comes up, again, is when we're in discussions with Quebec. When was the last time anybody heard that brought up in this House of Assembly? The last time was 2001, 2002 after we came back from the New England conference. That's when it was brought up.

AN HON. MEMBER: (Inaudible.)

E. JOYCE: Pardon me?

That's the last time it was brought up. Should we get it confirmed? Yes. Definitely we should but let's not wait and try to hold hostage on something like this because this has been on the go for a number of years and history does help, experience does help. I'm going to put that in perspective also.

The other thing, I just want to give the Chief Executive Officer some credit. The Member for Mount Pearl - Southlands went down last night and we had a conversation about some of the numbers and how they were confusing. The CEO said to us, yes, it is kind of confusing. There was a commitment made last night and I've no doubt it's going to follow through on it that we're going to put the numbers to make it easier for people to understand and smooth out.

That's what the Member for Mount Pearl - Southlands and I was with him last night and I think the Premier joined us for a while also. They'll put the numbers out so the general public can look at the numbers and say, okay, here's how much we're getting

after the dividends, the 34 per cent CF(L)Co. When it's all lumped in and we're all saying, well, when they take the 34 per cent and the person that was helping us out with this whole review, that was one of his concerns, is that when this money goes into this pot, 34 per cent is gone. The CEO said they're going to change it and said no, no, what we're going to put in now is after the dividends – after.

P. LANE: Money to the Treasury.

E. JOYCE: Money to the Treasury was what the Member for Mount Pearl - Southlands said: What is the money to the Treasury? This is what this debate does and I thank the expert people in front of us for understanding that.

There was another commitment made this morning, also.

P. LANE: Questions and answers.

E. JOYCE: Questions and answers: what was agreed to today. I think it's great, some of the question that were asked in this House today: here's the question; here's the answer. We're doing it in this House so if we can go online, some of the questions that were asked here and some of the answers, so the general public will know. That's the whole idea of this here, the general public will know.

I still think the oversight, we need some kind of oversight, I really do, to look at the MOU and then to follow it on through. I feel that. I'm hoping that will come up.

But I just want to stand again – and I'm not saying anybody is right or wrong on any of this, I just want to give the history of it, because if that project had gone ahead back in 2001, 2002, we would be having benefits from it now, but it didn't go ahead.

I'm not saying that this should go ahead until Hydro-Québec does their due diligence and Newfoundland Hydro does their due

diligence, but that history is that 23 or 24 years ago, this was all in place to go and I was a part of it. The Premier at the time had it pretty ironclad, but then the Opposition in the province, it was scuttled.

I can see it's 12 o'clock, I'll take my seat. I'll save the other minute for later, Mr. Speaker.

Thank you very much.

SPEAKER: The hon. the Deputy Government House Leader.

L. DEMPSTER: Thank you, Speaker.

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

SPEAKER: A seconder?

L. DEMPSTER: Seconded by the Minister of Municipal and Provincial Affairs.

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 this afternoon, I would just like to welcome people into our public galleries again this afternoon.

Welcome.

The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I just have one document at this time that I'd like to table. It is entitled: Volumes to HQ and NLH, and associated payments from HQ and NLH to CFLCo (existing generation only).

I'll table that, Speaker.

SPEAKER: The hon. the Deputy Government House Leader.

L. DEMPSTER: Thank you, Speaker.

Often when I speak in this House, like many of colleagues, I will stand and say it's a tremendous privilege for me to speak and, in my case, as an MHA to represent the people of the beautiful District of Cartwright - L'Anse au Clair. I have been reflecting on what I would say in my opening at this historic time. When I woke up this morning, there was a song that was in my head. I'll save you – I won't sing it here today, Speaker –

SOME HON. MEMBERS: Oh, oh!

L. DEMPSTER: – but some of colleagues will know it, I'm sure, but I'll give you a verse of it:

There is a land of boundless beauty, where the untamed rivers run, and majestic snow-capped mountains, rise to meet the morning sun. There are silent sunlit valleys, undiscovered, unexplored; it's a home for free of spirit. It's a land called Labrador.

SOME HON. MEMBERS: Hear, hear!

L. DEMPSTER: And I have to start with that as a fiercely proud Labradorian. I know that I have colleagues in the House from Labrador, some like me, still privileged to live in Labrador and call that place home.

So I'll talk about that sort of as I move throughout, but what I wanted to say – and I said it in Goose Bay when I flew up with the Premier on the 14th of December and we addressed folks in that really full auditorium that day, the Lawrence O'Brien Arts Centre, and it was interesting, Lawrence's role in some of the history and to do that in a place that was named after him.

I'm always mindful that we do stand on the shoulders of those who came before us, but I talked about how many of my colleagues say what a tremendous privilege at this point in time, but I also feel the weight of responsibility. As the minister responsible for Labrador at this point in time, I came into this House of Assembly at a very tumultuous time in our history.

In 2013, we had had a megaproject that was sanctioned for \$6.6 billion. I think we ended up over \$13 billion by the time it was all said and done. I was going back through material and I was reading some of my comments in a PMR that I spoke to in March of 2014, when the government of the day, we already had \$5 billion committed of a project that was to be \$6.6 billion when the government of the day brought in a PMR that they were going to bring in oversight.

I felt it was a little bit late to the game. Up until that time, we had asked many, many questions in the House. We were concerned of what this was going to mean to the taxpayers in the province. I will say – I meant to say this at the opening – it was interesting, and I'd be remiss if I didn't say this today in *Hansard*, the day that we started debate on the MOU in the House for this next project, four megaprojects really what we're debating here, is the day that our prime minister stepped down.

I do thank him for a number of things that he did working with our Premier for the Province of Newfoundland and Labrador. But, in particular, for the \$5.2 billion of the loan guarantee that helped us mitigate rates in this province so that seniors would not experience rate shock. Because those of the kinds of lessons that we have learned from megaprojects in the past where we did not have independent experts, where we did not have panels, where we did not have oversight committees.

So it was heartening to hear the Premier stand yesterday morning, as we started

debate on this MOU, to say that those mechanisms will now be in place, to say that we have learned from the mistakes of the others. Also, Speaker, not lost on those of us who lived through the history of the past megaproject, the overruns, the money that was on the backs of the residents of Newfoundland and Labrador, but to have come to a place where Hydro-Québec is willing to accept the cost of the construction, the cost and risk of overruns, \$3.5 billion that the people of this province will not be on the hook for.

Speaker, many people say, what's the rush? Why now? In very simple terms – and a lot of this is very, very technical. It's very complex and I won't go down that road, but in simple terms we've heard it said and it's been talked about for quite some time now that Quebec needs the power. They need the power and if we don't work a deal with Quebec, they will find their power another way. Why the rush? Why don't we wait until 2041?

Speaker, we would be giving up \$17 billion. From 1969, the old contract, until today, we received \$2 billion in total – \$2 billion. Now we have a chance for \$17 billion. Every day we come in this House and we have needs around this province. We have 10,000 kilometres of roads, we have ferries and we have schools. Every day in this House, folks are debating and looking for things for their districts and for the province. So I want to share at the opening that that money will go a long way to helping the people of the province.

I also want to say, Speaker, two things that were missing from the '69 deal, is that this price will escalate over time and it will be tied to market prices. It's really incredible when you think about where we've gotten today. I know folks say we have three or four days here in the House. I was thinking about that as someone who's been sitting here in the front row for a long time involved with House management and working with the Government House Leaders. If you think

about the hours of debate that we have in a normal sitting, what we're doing here in four days is really three weeks is what it equates to in debate. So it's important to know that. Plus, it's something that's been talked about for quite some time.

This MOU is one part of the process. The Premier was very clear from the outset that he would take the MOU to the House to be debated by all sides. We are doing webinars around this province. Webinars in the morning, in the afternoon, in the evening for people to have an opportunity to ask questions of the experts and the various guests. The Premier has also committed that in 2026 the agreement will come back. Quite a contrast to the megaproject that, in my early days, a little bit more than a decade ago now that I was here in the House and what we experienced and what our whole experience was.

I think one more comment I wanted to make on the project is that there's tremendous misinformation out there on social media – tremendous. They take one snippet and that's all they understand. One of the things that I wanted to put on record here is that when you look at the combined ownership of all of the new development, 65 per cent of that goes to NL Hydro and 35 per cent is Hydro-Québec. It's important that we note that, because we've seen a lot of different figures thrown around, misinformation.

Speaker, I've read this. It's been a long time ago, but the last couple of days sitting in the House I've been thumbing through the *Muskrat Falls: A Misguided Project*. It took me back through such a tumultuous time in Labrador in particular. We were travelling to Labrador for months, being met with protests. You'd go into an office for a meeting and when you came out, you were literally walking over bodies. It was a really difficult, challenging time. People were protesting at the gate at Muskrat Falls and actually went in at one point. People that I represent went to jail. They went to jail

because of the injustice that happened around that whole project.

Then we see in the report, Speaker, the Joint Review Panel. Again and again and again – I want to talk about Indigenous peoples: "Many Indigenous Peoples had serious concerns about how the land and wildlife would be changed by the development, concerns that were shared by other citizens of Labrador." Throughout this whole report, Speaker, Justice LeBlanc references the Innu Nation, and I'm glad that we continued on the New Dawn Agreement and the continued deal was signed with the Innu Nation. They're certainly deserving and those are their rights there.

Also referenced through this report is the Nunatsiavut Government and the NunatuKavut government and the lack of consultation. We know in the report that the Nunatsiavut Government was primarily concerned with the impacts downstream.

I can tell you, Speaker, now as I've been over as the Minister of Environment and Climate Change since July – I was close to some of these files back then, but it wasn't everyday briefings – we have probably the best water-monitoring system right now in the world – in the world. That is as it should be, because people's public health and safety need to be paramount.

We now have data, Speaker. I think it's just under 4,000 samples of data that we have. I learned a lot myself around methylmercury. Some of that is in the water every day in the things we eat, but we don't want it to get to a level that it's unsafe. Also, in recent data, we know that the numbers we've seen are trending down. I just want to share that.

We had a lot of emails, I guess, since this was announced. Some of the emails that I received over the weekend were talking about the drought and the Churchill Falls reservoir. That is also a false narrative and perception, Speaker. It's really to the

contrary, where thousands of cubic metres of surplus water are released, and the folks here at the left of me would certainly be aware of that.

Speaker, as the Minister of Labrador Affairs, I do have a couple of questions for the panel. We have a history where Labrador have not felt always included. This world-class asset that we're talking about developing sits in the heart of our territory. So I'll finish up with some comments later, but one of the things I want to ask is the megaproject, Muskrat Falls, that happened in the 2012 to 2013 time frame, there was many calls for transmission lines to the coast. Folks felt, why do we have to continue to be on diesel? At that time, we were told, repeatedly, that it was cost prohibitive. Now we have a deal on the table that is going to be \$1 billion a year, that is going to equate to, in its totality, a quarter of a trillion dollars. It's even hard to get a figure that big from your mouth, Speaker.

That's the number one question that I've been asked because I, as the MHA, represent an area where the diesel plant, in my hometown, burnt down in October of '19 and we're moving toward a regional diesel. It's a pretty high cost – \$110 million now that it has ballooned to.

So I want to ask the CEO: Has it been costed, the cost of a transmission line? I'll ask them both so you can answer them together in the interest of time. Depending on what that is, I also want to know if you have looked at what the cost of subsidy would be to households that are currently on diesel. I know that ratepayers on the Island, I think it's 13, 14 cents that they pay. In Central Labrador, we were delighted to hear the Premier say that he would hold the rate at three cents. That's remarkable. I know that, in due course, Lab West will get the industrial power that they need that's really stunting their growth. I'm just wondering what you've looked at for the coastal communities.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker.

Thank you for those questions.

If I could just take a quick moment to talk about the community that you mentioned that did have a plant fire back in 2019. I do feel very strongly that Hydro has put forward the appropriate solution that honours our requirements according to our regulatory requirements for decision-making there. It is very clear to us and we've heard quite clearly that the residents, not just in Charlottetown, but in the surrounding communities, have a significant interest and a passion and a value set that wants to do everything possible to ideally get fully off of diesel power or certainly, at an absolute minimum, is to immediately start using less diesel in that area.

We are pleased to have an agreement with NunatuKavut Community Council to invest in improved energy opportunities for more energy security in communities in which they have members. So we're really pleased with that. We believe that through conclusion of decision-making around the project for Southern Labrador, we think that we will do some great things together and, hopefully, we will see NCC become owners of, for example, renewable sources that will offset diesel in the area.

The last point I'd like to make on that – and it does tie in, Minister, to the questions then around a transmission line to the area – is if you look around our province, whether that's in Labrador or on the Island, generally at the end of long transmission lines, you often have a backup source of power that would occur for an intermittent issue that might happen or a longer term issue that would happen due to the northern climate that certainly Labrador operates in, but that the Island also operates in.

For example, Port aux Basques has a fossil fuel backup generator and Marystown. You would see it on the Northern Peninsula and certainly you see it in Goose Bay, which is receiving power at the end of the transmission line from Churchill Falls. That is the reality that we currently operate in. So even if we have a transmission line to Southern Labrador, until we have reliable sources of backup power that are not fossil fuelled, we will likely still need solutions in these more remote communities, even if they are at the end of a transmission line.

With all that background, in the last number of years, we have had very preliminary costs of what it would take to get a transmission line from Central Labrador to the coast. I don't have it at my fingertips, but I do believe it was in the range of about half a billion dollars. One of the ways that we often are pursuing these kinds of transmission lines historically, as we talked about earlier with Lab West, is when you have transmission lines of that nature, you generally are having them paid for by the proponent or by the end-user.

That's really the regulations and a couple of protocols that we operate under with the Public Utilities Board. So when you have the opportunity, for example to Lab West, to have a transmission line which would be primarily paid for by the mining companies, but you can squeeze out some extra megawatts for more residential-type development, that kind of thing, that is how those costs end up getting paid for, is generally by the proponents, which would be the mining companies, but you would have access to some additional power for residents and those sorts of things.

So what this moment provides for, I think, that has not provided for to date and would not provide for until the 2040s, is the opportunity to gain access to power, to have further conversations with some of the mining interests in the Southern Labrador area so that you would have a power that

we could allocate on a new transmission line to Southern Labrador.

Those are conversations that we do have, and I'm sure government is often approached as well by some of the various mining companies. But if it was to be paid for fully, for example, out of revenues, that would certainly be a public policy decision.

SPEAKER: The hon. the Minister of Labrador Affairs.

L. DEMPSTER: Thank you.

I see that I have a couple of minutes left. I thank the CEO for her response. I know that the cost of transmission lines is very, very high. We were pleased to see NL Hydro reach an agreement with NunatuKavut; I think it was probably just a reset to the agreement that was in place during Muskrat Falls when the transformers were moved through Cartwright. That was a very challenging time, but having an agreement with the people, engaging those people, made all the difference in getting to the desired outcome.

Yes, Search Minerals who is a partner with NunatuKavut, we know that there are billions of dollars in the ground there and that the power needs will come.

I do know that the Premier, when he spoke yesterday, he quoted: The historical unfairness is not going to be the norm going forward. I'm going to repeat that: The historical unfairness is not going to be the norm going forward.

So I want to say to the people of Labrador that have been reaching out to me in really big numbers for three weeks now, that gives me comfort that we are moving in a much better direction. I know there will be things we cannot do, but I do believe in places where things can be done, that the Premier will support the people of Labrador.

It wasn't lost on me and it wasn't lost on many people that I spoke with over Christmas that the ink was not dry on the MOU when the Premier was on a flight with myself and my colleague from Lake Melville –

SOME HON. MEMBERS: Hear, hear!

L. DEMPSTER: – up talking to the people in the Big Land. Because, once again, we have learned there is a better way forward than protests, months of government buildings shut down, no engagement with Indigenous peoples on the ground, no engagement with residents that call that place home, that have sat and watched that river through decades of their family.

Speaker, I am confident sitting here with a government who have gotten to this part one in the process here in the House and there will be many other opportunities for people to have input, but I believe that we are in a much better place and we have learned from the mistakes of the past.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Member for Labrador West.

J. BROWN: Thank you, Speaker.

I know I only got my 10 minutes here, but I got a few questions regarding labour and about the hiring process and who you've engaged so far. So I'm not sure if it will go to Hydro or maybe for government based on policy.

But first, it says the Federation of Labour have also come out and asked, looking for a long-term collaborative strategy for labour needs for these projects, given that we do have a very small population and a lot of big projects coming up. So is there any thought or process on engaging with labour and different groups on how to start, I guess not

only recruiting people, but engaging in education and any other ways to get people trained up and ready for when these projects start to get released?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: We have not started any of that engagement at this time, because we have to get through the MOU and then move into the definitive agreement stage. However, for the existing environmental release which, as we've outlined a couple of times yesterday and today as it relates to hiring and strategies, there are protocols that are already in place with regard to how these things need to go.

So that is helpful. We are starting much further than zero. We are starting much further down the line. So a lot of that work has been done and we will pick right back up on those existing commitments and approaches and implement those with Hydro-Québec.

You're exactly right, though, with regard to that engagement and how do we better ready ourselves to avail of as many of those opportunities. I've been talking about that myself, quite publicly, and I'm looking forward to working with both of those industries, as well as government, to ensure that we are as ready as possible for all of those opportunities.

SPEAKER: The hon. the Member for Labrador West.

J. BROWN: Thank you.

If you just look at a project like Muskrat Falls, only 800-and-something megawatts and these two are significantly larger than that, and there was around 2,700 people employed during that time. Has any preliminary work been done on maximizing the amount of people we can get to work there? But also, has any lessons been learned from that project?

Because I know there was some stuff back then that are being reviewed or looked into for the process of making sure, one, we're getting qualified people; but also to make sure that any training or anything that's related to these projects can be done in-house or in the province to make sure they maximize the benefit for, obviously, Innu, Labradorians and Newfoundlanders.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

I will start and certainly ask if my colleague would like to jump in.

We have the benefit of, I think, having some folks that were part of both the creation of and the monitoring of the Benefits Strategy from the previous project. So we have a lot of the history directly, I'll call it, in-house, of where we could do better next time and how we could improve things. We will be able to avail of that and certainly we will be able to work to get that feedback as well from various industry groups and various unions, those sorts of things, to make sure that, where we can, we will improve as much as is possible and maximize on the benefits that are available to us.

SPEAKER: The hon. the Member for Labrador West.

J. BROWN: Thank you, Speaker.

Did anyone have engagement with stakeholders or anything like that or preliminary engagement – I understand there is an MOU, then we have to go to the agreement side of things and then go on from there. But has any preliminary talk been done with labour, the university or the College of the North Atlantic on how we can do integration with the labour force and the skills required? Because it is a very broad spectrum of skill that is going to be needed for such projects, from transmission to powerhouses and even to the engineering and the administration side of things.

Has anybody had a talk with these groups to make sure that they're aware of what's coming up and that they can make themselves ready as well?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

No, there hasn't been any, I'll call it, specific new conversations associated with this MOU since the MOU has been signed. Certainly Newfoundland and Labrador Hydro would participate in various forums to talk about the builds that we do have coming and the kinds of projects that are coming to give those folks a heads-up so they can get their gears turning and get us ready when we have some of those conversations.

But now this needs to get a much bigger and brighter spotlight on what those opportunities look like. As you've mentioned, this is just from the briefing that we had and it lists out equipment operators, carpenters, electricians, crane operators, line workers, office workers, accommodations workers – and I just added a few more written in today – engineers, safety professionals, documentation professionals, accountants that I think somebody mentioned earlier, catering. That is during construction. After construction, we have all these new assets that we have to operate as well, so there are additional highly skilled jobs that will be required to run these facilities long term.

As I mentioned earlier, once we get access to power, more than a decade earlier than we would otherwise, those are also going to have those additional knock-on job effects.

So it is time for us to begin those conversations with those groups to ensure that we have people, as many people as possible ready. That's a lot of jobs that we will need to fill but we have to do everything we can today to be ready for that.

SPEAKER: The hon. the Member for Labrador West.

J. BROWN: Thank you, Speaker.

Going back, I guess, to the previous project Muskrat Falls, I know there were a lot of issues around how the benefits agreements were implemented and monitored. I know there was a lot of Labradorians, especially, I heard it after the fact, but I'm sure my colleague from Cartwright- L'Anse au Clair heard it at the same time, that a lot of qualified individuals who believed they were qualified, but there were a lot of issues with hiring and making sure that those individuals did get to the front of the line, like they were supposed to be.

Is there any thought process or anything during the MOU about monitoring of the benefits agreements to make sure that these oversights and things don't happen again? It did create a lot of animosity in Labrador about hiring and a lot of people were very hurt that they were qualified, they trained up, they went to school, they did all the right things and still, at the end of the day, they never got the job.

Is there going to be any benefit monitoring or oversight to make sure that what happened at Muskrat Falls and a lot of that stuff don't happen again to Labradorians?

SPEAKER: The Chief Executive Officer

J. WILLIAMS: Yes, thank you for that.

Anecdotally, I have heard that as well, as that would be a concern. So I do think we have the opportunity to take those lessons learned as well, from the execution of that and do everything we can to mitigate those risks going forward.

In the same way that we think Hydro-Québec is going to be a great partner for the development of these projects, we do have that very recent experience here that we can indeed take forward to do everything

we can to include anything in the definitive agreements where it makes sense. That is still yet to negotiate.

One of those definitive agreements is the joint development agreement and that's an opportunity for us to, where we can, take the legal obligation that Hydro-Québec will have to abide by with regard to the hiring protocol and the benefits strategy, to try to incorporate those into the definitive agreements. Again, it's a legal requirement, they have to abide by it, but it's the implementation of.

I guess the last piece I would note is from a monitoring perspective. There certainly was previous monitoring as well and we will look to see what are improvements to the monitoring that we could do for this next phase, but there certainly was monitoring.

Again, I think those documents are available for the public and while maybe it would have been preferred to have the total number of folks working – it was 85 per cent, for example, of all the hours worked on Muskrat Falls. I mean, it would nice to have that bigger number for Labrador, but as I mentioned earlier, I believe it was 20 per cent of the hours worked were Labrador. I quoted it the other day; I'd have to dig it back out here now.

So we will do everything we can to have the qualified workforce, have the lessons learned of the past incorporated into the execution of the hiring strategy.

SPEAKER: The hon. the Member for Labrador West.

J. BROWN: Thank you, Speaker.

Given that these projects are going to be executed around the same time as a lot of other developments in Labrador at the time, is Hydro, and I guess the partners, CF(L)Co and everything like that – are there concerns about trying to get enough qualified individuals to do that?

We have a mine that wants to be built; we have a transmission line in Labrador West that has to be built separately to all of this. Is there any concern about getting employees and stuff?

In Canada, right now, there is a shortage of tradespeople across the entire country and we do feel that in Lab West right now, trying to get qualified people to do work as it is – is there any concern in house that this is going to cause some issue with getting timelines and stuff met to the end goal?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

That is actually one of the biggest risks that I do see, is our ability to be able to satisfy a very hungry monster of: we need people to work here. But it's also something that we can, if we get started as soon as possible – everybody, together – let's get on this as soon as possible to ready ourselves for this. This is a manageable risk, where we can manage it as much as possible. This is within our control, to have a workforce that is ready. This is within our control to do that, we don't have to rely on somebody else.

So while I do think it's a risk, it's a risk of not being able to avail of as much of the benefit as possible. It is fully within our ability to maximize on that risk and that opportunity. So I see it as a risk, but I also see it as something that we can absolutely work on and mitigate ourselves.

SPEAKER: The hon. Member's time has expired.

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

S. COADY: Thank you very much.

I wanted to say to the three of you, thank you for your patience, your professionalism, and the clarity in which you've responded to these questions over the last, I guess, two

days now. We're getting close on two days. I really appreciate that. It's been challenging at times, I can understand, but I thank you for being here and I thank you for the work that you've done.

I just want to remind us all that we've had a Churchill River expert advisory team – I said this in my opening remarks – a Churchill River Management Expert Panel; we've had a professional negotiating team that were backed with – I'm going to name some of the independent experts that were involved – and now we're debating the memorandum of understanding here in this House, this is the first step; it will lead to definitive agreements, that's the second step; and we'll have another debate in the House of Assembly at that point in time.

But you choose certain independent experts to advise you, and I know some of the other advisory teams and expert panels that we had, chose advisors as well. We had J.P. Morgan and Power Advisory – they're going to be here later this week. We've had Stikeman Elliott and McInnes Cooper out of St. John's; Stikeman Elliott out of Montreal. We also had a parallel process, as you're well aware, so that we didn't have any biases, with Stewart McKelvey. So we had a tremendous number of independent experts advising this.

Maybe dealing with J.P. Morgan, Power Advisory and Stikeman, why did you choose these independent experts and perhaps give the timelines for their involvement?

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you very much, Speaker.

Yes, I'm just going to grab – because I do have the dates here. The dates are here, I want to make sure I get them correct.

The primary ones, which we would've had others that were advising us as well, but the

primary advisors that we would've had would've been J.P. Morgan and Power Advisory. I'll probably start with Power Advisory.

Power Advisory is familiar with this jurisdiction actually. The provincial government, I believe, hired them to do an assessment of our electricity system, as it was transitioning for the Island into an interconnected system to North America via Nova Scotia, as well as to Labrador. That was a very significant undertaking that the provincial government at the time had done.

So it was at that point – maybe it was before that point, but certainly at that point – that Power Advisory started to get to know our jurisdiction and provide for its expertise as energy consultants. That was again hired by government.

Following that, they also advised Newfoundland and Labrador Hydro during the reference question of 2019 that the Public Utilities Board executed where they were seeking solutions for rate mitigation options.

So Power Advisory became very aware as well at that time of the history around that project and what rates look like and those sorts of things. So Power Advisory had done two significant packages of work in this jurisdiction, so very much understood us.

Add to that, the fact that they are recognized national experts, and they also have offices in Boston. They really understand the cross-border inputs to energy markets, to energy planning, looking long term for energy forecasts, helping utilities and advising utilities on how they're going to expand their system, what are the best decisions to expand and to make decisions within themselves.

All of that together, when it came time for us to gather external advice and expertise on what should feed into our decision making

for what does maximizing the value of this river look like. We chose to engage – and this applies to J.P. Morgan as well, but I'll start with Power Advisory.

Power Advisory were selected to help us with the Churchill River Energy Analysis Team. We used them when we completed that analysis and then we certainly used them in the actual negotiation process. Again, they are well known and well quoted nationally as experts in advice around energy matters.

I can keep going now about J.P. Morgan – no? Okay.

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

S. COADY: Thank you. I'm just noting the time; I only have a few minutes.

Can I be clear to say that you chose the best experts available to you? Power Advisory, J.P. Morgan, Stikeman are the leads in energy management in the country, probably around the world some of them, J.P. Morgan is known globally. Would that be fair to say?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, that would be fair to say.

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

S. COADY: Okay, thank you.

As you know, the Premier yesterday did announce another expert panel that will provide third-party independent advice again – so again going to that third-party independent advice – as we negotiate the definitive agreements and it is likely that some of these independent advisors will be engaged as well?

You chose these particular ones – and you don't need to give me their credentials – just tell me are there other leading advisors that you would likely have tapped as well?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: This moment required the best possible advisors we could get. Are there other firms that could provide advice? Perhaps, but we wanted the best possible ones that we could secure, and we absolutely believe that we secured the best possible advisors that we could purchase.

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

S. COADY: Thank you very much. That was helpful.

I'm going to move to Schedule H of the MOU, if that's okay. There are details there on the payments from Hydro-Québec to Newfoundland and Labrador Hydro and we talked about that yesterday. It's totalling \$3.5 billion net present value or \$4.8 billion nominal and will be made between 2025 to 2035. That's for the equity requirements, as I understand it, of the new development projects. Can you confirm that?

Secondly, do you think this is sufficient for the Newfoundland and Labrador equity portions of those projects?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker.

Yes, Schedule H details the forecasted payments from HQ to Newfoundland and Labrador Hydro for its equity portions of the projects. You'll note that it is \$4.8 billion in nominal dollars and the first three years on an NPV basis it's \$1.3 billion. So that's the non-conditional money that we would receive even if the projects do not proceed.

But to get to the question about do we believe that this is adequate to cover our equity requirements for the projects as we currently see them? The answer is yes. We believe that the payments that we've negotiated here for our equity requirements do indeed cover the equity requirements that our province requires.

SPEAKER: The Minister of Finance and President of Treasury Board.

S. COADY: Thank you very much.

So we've eliminated, what I'm going to call, that risk of having to put more equity into these projects as we move forward. The CF Expansion and the CF upgrades, of course, our equity is already in there. It will be 100 per cent project financed, but there will be deemed equity so we will get payment from that. You can confirm that when you next speak.

The next question – and this is, again, around risk, because I think these are very important questions for the people of the province to understand.

Can you describe how the risks are mitigated, especially in the Gull Island project and the CF Expansion projects? Those are the two specifically, but you can also talk about the other two as well; those are smaller projects. In the interest of time, maybe go to how are we mitigating risk to the people of the Province of Newfoundland and Labrador in the Gull Island project, in the Churchill Falls Expansion and then if we have time, the other two?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, to give my voice just a little break if it's okay, I could have my colleague respond?

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker.

Happy to take a couple of minutes to talk about risk mitigation in these projects. As you can see in the MOU, for the two largest projects – they're all large products but for the two biggest – that will have their construction managed by Hydro-Québec and, obviously, for which there is an option payment of \$3.5 billion should the projects go ahead and it will be \$1.3 if they don't go ahead.

The risk is mitigated in that there's a limit in the amount of equity that Newfoundland and Labrador Hydro has to provide to those projects. There is also a section of the MOU that lays out that our equity ownership share of those projects shall not be diminished.

If, for example, after we do the studies because, keep in mind, we have to do some significant study work in the next couple of years to really take the work that's already been done, historically, on Gull Island and less so, of course, on CF Expansion, and really, round that out and get a more complete picture before we can move to a decision.

Once that work is complete, we'll have a good understanding of what those actual costs will be. If, at that time, there is now a larger number, let's say the number is 20 per cent higher. That will be funded by additional debt in the projects, there will be an option for a Newfoundland and Labrador Hydro if it wishes to invest additional funds because there is a guaranteed return of 8 to 9 per cent on any equity in those projects. There is an option but there is not an obligation for us to contribute anything beyond the dollars that are allocated via Schedule H in that \$4.8 billion or \$3.5 billion nominal. That's the limit of our obligation to contribute and our equity ownership share shall never be diminished, regardless of whether we take that option or not.

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

S. COADY: I think we're very clear on the equity piece and how we've mitigated risk there.

Can you now talk about the project financing. As I understand it, we have a guarantee by Quebec on the completion of the project, guarantee during construction of the completion of the project and – or that's what I think I understand – that if the project costs more, that they would cover that. That's what I understand; maybe I'm confused.

But also, we have a cost-plus Power Purchase Agreement. Maybe you can start there, that if there's a cost overrun – like we saw in Muskrat Falls – there's a cost overrun, Gull Island cost a lot more than we had anticipated it would cost. Talk about the risks there and how we're mitigating them.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: If I could have my colleague assist there, please.

SPEAKER: The Vice-President.

W. PARSONS: Yes, so it is laid out in the MOU that all of the project costs are to be paid by the off-takers. So if there is an overrun, but if Hydro-Québec, let's say, agrees that this overrun is acceptable to our ratepayers, we can still afford this by the Quebec ratepayers, and we all agree to go ahead with the project, then all of those costs become flow-through to setting the eventual price of the energy.

So whether it's actual construction costs, whether it's payment to our Indigenous partners, whether it's environmental costs, all of the project costs – and that includes things like operating costs for the employees that are there for the long term, water rentals, these type of things, all the costs flow through and are paid in their entirety by the off-taker of the power, which could be all Hydro-Québec ratepayers or there could be a small portion, if we decided

to recapture, then we will take our proportionate share.

But all of the ratepayers of the purchasing jurisdiction will pay for all of the costs as they flow through, plus an additional 8 to 9 per cent return on the equity that is invested in the project.

SPEAKER: The hon. the Minister of Finance and President of Treasury Board, did you have a further comment?

S. COADY: (Inaudible.)

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I would just add as well, that is the difference between the old contract for the original plant. Folks will remember that back in, essentially, 1998, the costs to run the plant were growing such that the revenue stream under the old contract was insufficient. So there had to be a new contract put in place to deal with that and, along with that, came the new Shareholders Agreement that provided Quebec with, essentially, the veto at the board level.

For the new contract for Gull Island – so the next project that we’re going to develop with Quebec – that is what the benefit of the flow-through of cost is.

As we mentioned earlier, as the costs will go up over time to run that plant – again, I talked about it earlier – as we start to pay our PLTs more over time, as you start to pay your plant operators more over time, as you start to see increases in costs for maintenance of your equipment, all of those costs will grow, so will the Power Purchase Price grow, we will not need to reopen a contract because we don’t have enough money to run the plant. The PPA will always cover all of the costs to run the plant, which also includes, as Mr. Parsons talked about, the return back to the province.

So it’s really, really important that there a fundamental difference between the original

contract for the building of CF and the current contract to build Gull Island.

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

S. COADY: Thank you.

It’s very important to the people of the province that we mitigate these risks. You’ve just talked about the mitigation of the equity risk, you just talked about the mitigation of, what I’m going to call, the project risk itself and not having payment to cover the cost, so thank you for that, and we covered yesterday the difference in the Churchill Falls agreement and the off-ramps and whatnot, so I appreciate that because it’s very important, of course, to the people of the province and the Treasury.

I will ask, in the few moments I have left, one of the things I talked about yesterday in my opening remarks was that this new memorandum of understanding – and I’m going to say it again because I think people are getting confused between the memorandum of understanding and the fact that in the next 16 months we’re going to work towards definitive agreements which will come back again to this House. In this memorandum of understanding, we start to talk about water rights and updating, modernizing the Shareholders Agreement, which I think are very important.

This morning I heard someone on the opposite side talk about how Quebec is taking control of the Churchill River. Can you just talk a little bit about how the updated Water Management and the updated Shareholders Agreement may be able to allay those concerns?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much.

Mr. Parsons talked a little bit about this earlier, so I think it’s best to hand it back to him to expand further, if that’s okay.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker.

Your question about the Water Management Agreement as well as the Shareholders Agreement, they make up two commitments that are in the MOU, and I spoke a little bit about this earlier. It is the norm in jurisdictions where there are multiple hydro plants on one river that the plants agree to optimize the output of that river system. That has been something we've been attempting to do between Churchill Falls and Muskrat Falls.

Of course, Muskrat Falls is a very important plant for the energy security of this province today. It's a big component of our system. Of course, CF(L)Co and Churchill Falls are also a big component of the energy security for this province as well as for Quebec, because obviously it is the primary source of generation for Labrador. It's very important that both those plants can operate well together on the river and each one's operation doesn't negatively impact the other.

The Water Management Agreement that's been in place has not been fully effective, because of the control that has been baked into the 1969 agreement and the limitations that we have in operating CF(L)Co to enable it to fully participate in the Water Management Agreement. That commitment in the MOU is that those shackles will be removed from CF(L)Co, if I can say, and CF(L)Co will fully contribute to the optimization of the river, the production of additional energy through the optimization and setting the units at their most efficient level and ensuring that water – spill of water is a very rare occurrence because that's our stock in trade; renewable energy is the water in storage.

Of course, I'll quickly say on the Shareholders Agreement that there's a big commitment to revise that, modernize that

and bring the requirements of that up to what would be considered to be a normal Canadian corporate standard with a majority and a minority shareholder, each having the appropriate rights.

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

S. COADY: So if I can rephrase, Newfoundland and Labrador is taking back control of the river in a lot of ways, from the 1969 agreement. I'm seeing nodding heads there.

Thank you.

SPEAKER: The minister's time has expired.

The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

I just want to start off with a number of questions again today. I'll get right into them. Yesterday, I spoke briefly about Gull Island, and if my question was answered, I apologize upfront. I was asking about the mandate and I wanted to ask about a specific part of the mandate. That is the question to the CEO: Was Gull Island a part of the initial mandate to negotiate?

SPEAKER: The Chief Executive Officer.

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

Thank you.

We won't be able to speak about the details of the mandate, Mr. Speaker, but the MOU is consistent with fulfilling the mandate that we were given.

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

T. WAKEHAM: So, from that answer, I can conclude that it was or I can ask the

Premier if it was, because the Premier provided the mandate. I will conclude, from your answer, that it was included in the mandate.

I don't want to put you on the spot, but that's kind of what I wanted to know: Was it included in the mandate or not? You said it's in the MOU; therefore, it must have been in the mandate. So I'll make that assumption and leave it at that.

I guess the next question then is: When you were developing the MOU, who decided that Gull Island would be part of the MOU?

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

The Leader of the Opposition was clear on what he said, but I just want to reiterate for the record what was said. The question asked: was it in the mandate; an answer was given; and then a question, I guess, about it is in the MOU, obviously, Gull Island.

What the Leader of the Opposition says is he will assume that it was in the mandate. That is fine, he can make that assumption, but that is not the answer that was given by the panel.

So I just want to make sure that's clear for the record and if any questions are now based on assumptions, I will leave it to the panel to decide and choose how they want to answer questions based on assumptions. But, of course, we are here to answer and ask questions based on fact. I'm not being critical of what the Leader of the Opposition said, I just want to make sure that there's clarity provided for the record.

SPEAKER: The Leader of the Official Opposition.

T. WAKEHAM: Speaker, I thank the minister for his comments, but maybe the

minister then can eliminate all the assumptions and government can clearly tell us that, yes, Gull Island was part of the original mandate or it wasn't. That would clear this up.

SPEAKER: The Government House Leader.

J. HOGAN: I've spoken already about this and I know the panel have spoken about this too, that we can't provide commercially sensitive information publicly because it will certainly harm negotiations going forward from the MOU to definitive agreements.

So perhaps I would ask the Leader of the Opposition that if he were in charge, would he disclose commercially sensitive information that would damage negotiations with Hydro-Québec?

Thank you, Speaker.

SPEAKER: The Leader of the Official Opposition.

T. WAKEHAM: Speaker, I don't want to get into a debate with the minister because I have too many questions to ask. But I simply said, Gull Island is part of the MOU. It was a question of whether or not it was included in the mandate letter— because there are four components to this – or wasn't included. So if they don't want to disclose that, if they don't want to tell us that, I'll stand by that. I'm not sure how it interferes with the sensitivity or anything like that, considering it's already in the MOU. So I'll move on.

There has been past interest in Gull Island, including the massive Australian company, Fortescue – and I'll apologize if I've pronounced that wrong – back in 2021.

I ask the CEO: Did you or your office ever meet with Fortescue?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

We meet with many different proponents, as I've mentioned earlier. Yes, we did indeed meet with Fortescue, but we meet with many proponents. As I was describing earlier in one of my answers, there was a point in time where we had 8,000 megawatts of requests, and when you get into more serious conversations with a lot of these proponents, they withdraw their interest.

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

T. WAKEHAM: So, again, was that the outcome of your meeting with Fortescue? Because they had expressed interest and you're suggesting that – did they withdraw their interest based on those conversations?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: The conversations that we would have had with them and many others would be very preliminary and there were no further conversations pursued.

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

T. WAKEHAM: Thank you.

It's interesting because back in 2021, the minister at the time confirmed there was a meeting with the company and the news article that was published quoted the minister saying: Gull Island was a "huge asset that everyone wants in on."

Based on that comment, I go back to the CEO and say: Why didn't Newfoundland Hydro issue an open call for proposals for the development of Gull Island?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

The mandate that we were given as a three-person panel back in February 2023 was to commence conversations with Quebec to determine if we could find an opportunity to maximize the value of the river. So it was under that basis that we pursued: Could we maximize the value of the river. So that is why we chose those conversations with Quebec.

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

T. WAKEHAM: So you were given no mandate to issue an open call for proposals or anything like that, except a mandate to say: Go and see how you can maximize the value of the Churchill River with Hydro-Québec only.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

The press release on February 28, 2023, indicates that it was announced that we would assemble "an expert team to lead high-level preliminary discussions with Hydro-Québec." So that was the ask at that time and that is what we undertook over the last, almost, two years.

SPEAKER (Trimper): The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

I look now and suggest that, why would we not have made a public call for proposals in developing Gull Island, when back in 2021 – quote – everybody wants in on.

I'm not sure if that's a question to the CEO or if that's a question to the government, but in 2021 there appeared to be huge interest in Gull Island and developing it, and by 2023 your mandate was only to go and speak with Hydro-Québec. So what changed?

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: I'm sorry, would you mind please rephrasing your question?

T. WAKEHAM: Back in 2021, the minister of the day and the news media were carrying the fact that the government was saying that Gull Island – and I'm quoting here – was a “huge asset that everybody wants in on.” This is 2021.

By 2023, I understand when you were given your mandate, all of the options had been taken off the table except Hydro-Québec, so there was no consideration provided to you to have an open-interest call for the development of Gull Island. Is that correct?

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: Thank you, Speaker.

I know we referenced this yesterday, but I will reference it again, it is the publicly available synopsis of the work that the 2041 panel undertook, and what it indicated – again, publicly available information – it said that there are three main opportunities that were considered by the panel: Increased sales inside the province for electrification, as well as new and growing industries; increased sales to export markets; and a new arrangement for sales to Hydro-Québec.

So when we undertook conversations with Hydro-Québec, we obviously and certainly had the content of the 2041 panel available to us for advice, and certainly I was on the panel, as was Karl Smith, so this would have been informative. If you look at those things that are listed there as opportunities, and it says they are not mutually exclusive, you will see those things contained and reflected in the MOU.

So increased sales inside the province for electrification, as well as new and growing industries: We have secured power in this MOU a decade or more sooner than what we would if we were to wait, if we were not reopening the existing contract with

Quebec, because they had the contract until 2041. So you can say that that opportunity has been pursued and is reflected in the MOU.

Increased sales into export markets: The pricing formula for the Upper Churchill indeed is connected to export market prices. Then, a new sales arrangement to Hydro-Québec: That also is indeed reflected in the MOU.

So while we can't get into a lot of detail about the advice in the 2041 panel, this does clearly indicate what would be the general conclusions of what government should do at that, and this is absolutely reflected in the results of the MOU that we're debating today.

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

T. WAKEHAM: So, from that, I can take that Hydro-Québec was given exclusive control over Gull Island to develop Gull Island because, in exchange, we were going to get the original contract opened up earlier. That appears to be what I have just heard here in the House of Assembly.

I would ask, again: Is a correct statement?

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: I'm sorry, could you please repeat the question?

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

T. WAKEHAM: I'll move on. It was simply about the fact that, from what I gather, there was a desire for Quebec – in order to get the original 2041 contract opened up, Hydro-Québec was given exclusive control over Gull Island and the development of Gull Island. That's what I'm gleaming from this.

In order for us – I guess for me it comes down to two issues. It is all about Newfoundland and Labrador being the primary beneficiary of the Churchill River. We've all said that. It is about our residents who are getting the best benefit here. Again, we did not go down the road of talking to multiple potential project partners for the development of Gull Island. We know that did not happen.

We know there were others interested back as early as 2021, but now we understand that Quebec has exclusive control over Gull Island and has it for a significant period of time, up to 20 years, so you can perhaps understand from this that people are concerned to make sure that we get the best possible MOU that we can get.

That's why I keep talking about the more transparent oversight process. That's why I keep talking about the independent review. That's why we talked about the PUB should have been given a reference question, which I talked about yesterday.

As I said, without a true independent review, can we determine if Newfoundland and Labrador Hydro is actually getting the most value out of the Churchill River, or is Hydro-Québec the beneficiary?

I'd like to basically turn my attention to some questions now about the new proposed Power Purchase Agreement for the existing Churchill Falls capacity. These are questions that came to me from members of the public, who are keen energy observers, by the way. First of all, I want to thank them for taking the opportunity to reach out to me, including those who participated in the town hall that I had.

I'll just go through these questions and you can provide some answers to me. One individual noted that Hydro-Québec is out of capacity and that, on the coldest days in winter, Hydro-Québec relies on Churchill Falls operating at as high a capacity as it can. They suggested to me that Hydro-

Québec needs Churchill Falls and its capacity.

I would ask the CEO if she would comment on that assertion.

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: Yes, thank you very much for the question, Mr. Speaker.

I don't know if I would say that they are out of capacity, but they absolutely do rely on Churchill Falls. It is an integral part of their system. As their system grows over time, as a percentage, it will be a smaller percentage but it is an important percentage always. I will not undervalue the value of that plant and that facility at all. It's an incredible resource for Hydro-Québec. It is obviously why they want to continue the relationship with us.

So yes, they do indeed rely on the capacity associated with that, as do we.

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

T. WAKEHAM: Thank you.

This person called the MOU a capacity builder for Hydro-Québec. This individual went on to outline that year-round capacity costs much more than energy sold on the spot market. So the person's question is: If this is a capacity MOU, then why is the Power Purchase Agreement based in part on the spot market pricing? In other words, is Hydro-Québec buying our power at a lower rate?

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: Thank you, Speaker.

Hydro-Québec are certainly buying the power now and for the next 17 years at a lower rate than it is worth and selling it at a higher rate both over the border, as well as using it at a higher rate within its own

province. That exact observation highlights exactly why we set up the pricing mechanism, as we did in Schedule F, which I know we've talked about it. But it is worthy to keep going back to it because it's really, really important the public understands that we took that concern and we derisked that concern.

In particular I highlight again, on Schedule F, the fourth sub-bullet – the replacement cost in Quebec, I think, is one of the most important things to highlight there. The replacement cost in Quebec – so as Quebec expands its system, the next source that's going to be built in Quebec is going to be a much higher cents per kilowatt hour than it's going to be in the spot markets. So it's really, really important to know that as the prices go over the coming decades, as they build new resources inside Quebec, that price per kilowatt hour will indeed go up.

It reflects, again, the firmness of this – because that's the other piece I want to talk about there – pricing flexibility, capture changes in the market value and fairness over the long term. It talks about based on separate energy and capacity pricing – that's the second sub-bullet I want to draw your attention to. I don't think I focused on that much yesterday. So the pricing methodology either based on separate energy and capacity pricings, or blended energy and capacity pricing.

So this MOU absolutely does reference, which the existing contract does not, the evolving markets into the future and that we do, indeed, need to capture the value of the capacity that the plant provides.

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

T. WAKEHAM: Thank you.

That goes to my next question – because you're right, Hydro-Québec's CEO has recently told Radio-Canada that the reason

the MOU is so great for Hydro-Québec is that their alternative would cost about 16 cents per kilowatt hour.

So, right now, I'd ask you to confirm that instead of having to pay 16 cents per kilowatt hour for replacement capacity, that Hydro-Québec will get electricity – and again, these are numbers – for an average of 5.9 cents per kilowatt hour.

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: Just one moment, please.

Thank you.

Obviously, I can't speak for Mr. Sabia, but a replacement cost – there are a couple of aspects to this answer. As the replacement cost goes up in Quebec, the price of the PPA will reflect the replacement cost in Quebec. So if the replacement cost goes up in Quebec, awesome, we're going to get a part of that price. So we shouldn't be afraid of replacement costs in the future going up because we are going to have part of our price tied to that.

But specifically, when Mr. Sabia is talking about that, he is talking about when he has to replace that in the future. Right now, we are talking about a 5.9 cent effective price starting today, which he doesn't have to replace any of this until 2041. So those prices wouldn't kick in for another 17 years, but we're talking about a replacement cost that starts at 5.9 cents, effective today, and essentially grows and is escalated at 2 per cent.

So from an apples-to-apples perspective, we're not talking about the same price.

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

T. WAKEHAM: It begs the question, though, why we wouldn't have gone for a much higher amount –

SOME HON. MEMBERS: Oh, oh!

SPEAKER: Order, please!

T. WAKEHAM: – than simply 5.9 cents a kilowatt hour.

In their 2022 to 2026 strategic plan, Hydro-Québec says that 11 cents per kilowatt will be their average non-heritage energy and capacity supply cost, taking into account the agreements in effect and the plans short- and long-term market purchases.

The question: If Hydro-Québec has said in a public document that they are willing to pay 11 cents for kilowatt hour in 2023, why are we authorizing the signing of an MOU that allows them to pay less, in fact, much less?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

Yes, obviously, that is a blend of a whole host of many different sources of power. It's not just a single source of power. It is a whole host of different sources and each of the sources has an input and a cost associated with it that is also sourced at a certain place in the electricity system.

So it's important that we also understand that when you are examining what somebody's alternatives are, you take into account all of the sources of supply that they would have and what they would do if they didn't have access to this source.

I said it in my last answer, I think it's really important to talk about that Hydro-Québec are stopping or they're paying for supply today in today's dollars, not in 2041, so we have to understand what is the fair price that shares the value of this asset now. It is a jointly owned asset that we're paying for now and starting a brand new contract where they're giving up 17 years of free power.

SPEAKER: The hon. the Leader of the Official Opposition, any further questions?

T. WAKEHAM: No.

SPEAKER: Your time is expired.

The hon. the Government House Leader.

I'm very generous as the Speaker here, sorry about that.

J. HOGAN: I don't know where to start, Speaker.

I'm going to start in Labrador.

L. DEMPSTER: That's a good place.

J. HOGAN: There were some questions, I don't know if it was this afternoon or this morning, about the border between Newfoundland and Labrador and Quebec. You know, it's 2025, it's very easy to do some quick research on your phone here, which I did in the House not too long ago, before I took this opportunity to speak. I just think it's important to have a quick discussion about this.

I pulled up some old news stories from CBC and this one was posted October 30, so 23 or 24 years ago now. I'll just read part of it out: "The federal government approved a constitutional amendment on Tuesday that will change the name of the province to Newfoundland and Labrador." It also says: "Newfoundland and Labrador has been used as the official name in all provincial government matters since the legislature passed the *Labrador Act* in 1964, but it was never changed in the Canadian Constitution."

Just another story from CBC, December 6, 2001: "Gov. Gen. Adrienne Clarkson proclaimed an amendment to the Constitution Thursday, officially changing Newfoundland's name to Newfoundland and Labrador." The important part that I wanted to mention here, not that that's not

important, obviously, is that “The name change was approved by the Commons and the Senate earlier this fall.”

So we certainly live in a country and a province that recognizes that the name of this province is Newfoundland and Labrador.

Speaker, what is also interesting in this article, even though it's from 2001, there are some really great emotional comments I would say here. I spoke to the Member sitting next to me, the Member for Cartwright - L'Anse au Clair – and she's perhaps, on purpose, wearing Labrador colours today, so I would just like to make note of that as well – she had a look at these comments as well and she thought they were quite appropriate.

There is a quote here from former Premier Brian Tobin who was Industry Minister for the country at the time this passed, he said: “Changing the name of the province is an important symbolic recognition of Labrador's status as a full and vital part of Canada's easternmost province It is about respect for Labrador and its inhabitant”

Then it says, “Lawrence O'Brien, the Liberal member of Parliament for Labrador said even through the official change is only happening now, people in Labrador have always known they were part of Newfoundland.” This is his quote: “Even though the constitution, until now, did not recognize our name, we knew who we were,” said O'Brien.”

I think that's the important part of that story, it's very important that the country recognizes the name of this province, but I think what is probably important for Labradorians and Newfoundlanders is that we didn't need the constitution to tell us what we already knew, that we are all one big, happy province, Speaker.

I've learned a lot about Labrador since I've been here and a lot of it from you, Speaker,

and from my colleague from Cartwright - L'Anse au Clair, as well my colleague from Lab West. We had a couple of conversations over the weekend and it's relevant to this week because he spoke pretty eloquently to me about how important this debate is and how important Churchill Falls is to his district because we know his district certainly touches this – I don't want to single any district out, including yours, Speaker – certainly touches his district as much or more than any other district in this province. I think it's good that we recognize that.

I won't leave the fourth Member from this Legislature from Labrador out as well. I see she's been wearing her cossack – I hope is said it right.

L. DEMPSTER: Cossack.

J. HOGAN: I practised it and I still got it wrong.

L. DEMPSTER: (Inaudible.)

L. EVANS: We don't use the word “cossack” in (inaudible).

J. HOGAN: So I did use the wrong word, I apologize.

L. DEMPSTER: He tried.

J. HOGAN: I tried.

L. DEMPSTER: (Inaudible.)

J. HOGAN: What is it? Anyways, it does clearly have Labrador colours. So thanks to her contribution and her commitment to Labrador and her District of Torngat Mountains as well.

Thank you for giving me a few minutes to talk about that, but I will move on to some questions now about the MOU.

Speaker, in follow up to questions from the Leader of the Official Opposition, I think

what he had suggested or asked was that opening up the 1969 agreement was done in exchange for allowing Gull Island to be developed. It's clear in the MOU that there's discussion about Gull Island being developed and it's certainly clear that the 1969 contract is being reopened.

My understanding – and I'll put this to the CEO – is that the purpose of the memorandum of understanding was to allow HQ to have more energy in exchange for making sure that NL Hydro had fair value for any and all project developments that are going to be contemplated going forward. In my history of doing negotiations, of course, it's not always just one for one. It's a global negotiation that takes place and then you land on the MOU. I don't know if it would be fair to say that section 2 was given in exchange for section 4 – those are just general sections, I'm not specifically referring to the MOU.

So perhaps I could ask the CEO to just comment on those aspects of the negotiation, perhaps in general and maybe for the extent you can, as it applies to the MOU.

SPEAKER: Thank you.

The CEO for NL Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, and I'm going to say these words and I'm hoping it doesn't lead into any kind of negotiating strategy. But the overall – and that is quite public – mandate that we were asked to achieve was to optimize and maximize the value of this river for the benefit of Newfoundlanders and Labradorians.

So on day one of discussions with Quebec, we did not have a vision of what the MOU was going to contain at the end. Exactly as Minister Hogan was just describing is, as we went through the process and we understood each other's needs and what

your ultimate goals – for us, certainly, it was maximizing the value of this resource – you come up with what is the best way for us to do that. The kinds of things that are contemplated in here now were the product of almost two years of problem-solving.

So you want to maximize the value. Where do you start? You start examining what is the value to each of us in our estimation of what this asset is worth, then you start carving and shaping what could this look like.

So that description in your question is exactly how it occurs, and I think I might have referenced this a little bit yesterday – I'm often, Speaker, with my hands. This MOU is not any one thing; it's the totality of all of the things that we negotiated. If I go back to, again, what the panel's report described the things we needed to achieve, it achieved all of those things. We are achieving many objectives through the course of all of the MOU together and, certainly, Quebec also is achieving its own objectives through all of these together.

There was no tit-for-tat, one thing versus another, horse-trading. It was all of the aspects of the MOU, in our view, represent a very good deal for our province and a memorandum of understanding, a framework that sets up for us maximizing the value and us being the primary beneficiary associated with both the existing contract, as well as the developmental projects that are, as of yet, not constructed.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

There have been still some questions and discussions about what happens, or what happens essentially if Hydro-Québec chooses not to proceed with Gull. What I was asking about the negotiation and the MOU – obviously, Gull is part of those negotiations and part of the MOU now. But

my understanding is that doesn't mean, as the questions were asked, Gull will necessarily go ahead. That's TBD and negotiations obviously still have to happen, but that doesn't mean that there still wasn't value in the negotiations to get to the MOU to get to that point.

So, of course, if Hydro-Québec does not proceed with Gull Island, as contemplated in the MOU, that was contemplated and I would suggest things were inserted in the MOU to address the event that doesn't happen and that would include that we keep, as we discussed I think last night, \$1.3 billion. The New Churchill Falls PPA would still remain in place and Gull Island and any decision of it going forward would then revert to us.

It actually doesn't sound like a terrible position to be in. I'd be happy if Gull Island does proceed but the alternative with those three things, and perhaps there are more, is still a pretty good position for NL Hydro.

Perhaps you could just comment on that.

SPEAKER: The CEO for NL Hydro.

J. WILLIAMS: Thank you.

We've talked about this amongst the team for the last couple of years, and I often have a little whiteboard that I do a drawing on. If Gull does not proceed, this is how I see us as being a significant and a primary beneficiary even without that occurring. I will just add, if that proceeds, there are at least four megaprojects that happen in this province. You've got Gull Island, you've got the transmission, you've got the CF2 second powerhouse and you have the upgrades at Churchill, which will take place over 11 years. You free up power for another transmission line to Lab West. You free up power for the private industries to then avail of that power to take on their own megaprojects. So that is if it proceeds.

However, the question is about what if it doesn't proceed. The financial estimates that we've taken as associated with just the actual construction of the project, not the associated domino impact is – and we go back to the \$227 billion – \$180 billion – this is direct to Treasury – 80 per cent of the \$227 billion is associated with the existing contract. If Quebec chooses to not proceed with these projects, that is a fundamental – and one of the objectives that we achieved through this memorandum of understanding was that if the projects do not proceed, the PPA which starts, now six days ago, that PPA is untouchable. It stays in place. It does not revert to the old price. That continues and so it is not connected from a continuation perspective to their decision to proceed or not. So that is absolutely true.

Then, that again is meaningful because, from a financial-benefit perspective for the next period of time, the next number of decades to the province, 80 per cent of the financial value comes from the CF PPA. So 80 per cent of the value of this MOU continues unencumbered. That is just one piece I want to talk about.

As part of the other aspect we negotiated, which is the payment of equity for the projects if they do proceed, another component that is unencumbered, if they choose not to proceed, is the \$1.3-billion option payment. So in the first three years – so in 2025 it's retro, once we get definitive agreements done; 2025, 2026 and 2027 we will get effectively \$1.3 billion and that money will sit within provincial Treasury.

Then, if they choose again not to proceed, if in 2028 they say, you know what – as I used the example the other day – we like nuclear now, we're not going to do Gull, that \$1.3 billion, this province gets to keep. It does not go back to Quebec. It is associated with the equity as long as it proceeds. If not, we get to keep that money.

If Hydro-Québec chooses not to proceed, as we've talked about that earlier, we can then

choose to pursue that project with someone else. The exclusivity ceases. So if somebody does come and say, somehow, they have found to make it economic – and, for example, if that's a decision of Hydro-Québec, if they say, we thought this was economic, it's actually not economic anymore, and then if somebody else comes in and says, we know how to make it economic, the exclusivity ceases and we absolutely can then pursue that project with another partner. We also get access to power.

So, again, if Quebec chooses not to proceed, we would have to wait until the 2040s to get access to megawatts to hook up something the size of – I think about in Goose Bay, the size of the Y up there. I think it was a megawatt. I'm looking at MHA Trimper. I think it was about that. We actually had to get an exemption, I think, to hook that one up, because we don't have enough power for those sorts of things.

If Gull does not proceed, if Quebec chooses not to proceed, we will have access to 1,630 megawatts from the existing plant which we currently do not have access to that. We'd have to wait until the 2040s to go to the board at that time and say, we need to get power for Labrador. We will have foregone all of that access. Also, as I mentioned already, the PPA stays in place.

That would be, to me, some of the primary reasons why that if Gull does not proceed, this province is still in very, very good shape under this whole MOU.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you for that, Ms. Williams.

I just want to turn to a different issue now, some things that I've seen in the public realm, talking about replacement costs for Hydro-Québec being 16 cents per megawatt hour.

The question is: Why is CF(L)Co not paying that price if that's the replacement cost for Hydro-Quebec?

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: I guess part of the reason is they don't have to replace that cost today. Number one is they are not replacing that cost. They would have to replace that in 17 years' time. We have negotiated a price – a much higher price now, effective price now – than what they would pay. About a 30 times high price, today. They do not have to pay for that, so this replacement cost that gets talked about, they would have to replace that in 2041. They don't have to replace that cost today. That is a really important component of why we're talking about the replacement cost.

We're sharing that value, so they're gaining access to 3½ decades more, not 50 years more, because they would access to it for 17 years. They're gaining 3½ decades more only, not another 50 years. They're sharing that value with us. By that, we mean we're getting a 30 times higher price, effective price now, over the course of the next duration, and that price is going to escalate.

Some of the discussions that we had earlier today were around the price that various folks pay. I did talk about it yesterday; I do think it warrants folks really understanding it. When people think about their own bills, what does that actually mean? This price is just for the generation component on their bill. When you then apply this cost to the bill, you have to add on – and Quebec would have to add on – the price of generation and the price of transmission. It's really important that folks really understand the implication of what those costs would be.

I want to talk real quick, just as well, about the replacement cost. One of the things in the MOU, again in Schedule F, is if the replacement costs over time that Quebec chooses for itself in its province, we are

tying a component of the price that we are going to pay for CF to that replacement cost. So the replacement cost goes up in Quebec, so will the forecasted price that we see here now, so will the price in the PPA.

It's really, really important that if the replacement cost goes up in Quebec and it is more than what we could envision today, we are tying ourselves – and the other point that I haven't probably read out, maybe it's the only bullet that I haven't read out, is these prices that we're going to tie to, cannot be held secret within Hydro-Québec. These prices – and this you'll see again, this is another parameter that we've put into the MOU, that they have to be predictable, transparent and verifiable pricing mechanisms.

We have to be finding a way to tie to the replacement costs in Quebec, and the prices have got to be predictable, transparent, and verifiable. These are the parameters upon which we are going to be setting the prices, and they cannot be hidden, they cannot be secret, these are prices that they are going to be held accountable to CF(L)Co to say: This is how these prices are derived.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you for that; that clarifies things for me, certainly. I'm just going to follow up, and it might be a little bit repetitive of some questions the Minister of Finance asked a little bit earlier this afternoon, talking about the difference between the MOU at this stage, and the 1969 contract. So Gull Island, I guess, in relation to the 1969 contract, because I think there had been a comment publicly that there's not much difference.

As the Minister of Finance was asking you questions it was certainly clear to me that there are differences; I would note four of them. One is that it's a cost-plus model for Gull Island, which I know the Minister of

Finance and you talked about. I think there are some off-ramps – I know there are some off-ramps there as well, which obviously we've been struggling with for 55 years, no off-ramps for 1969; an escalator in the Gull Island mechanism, which again is something we've been struggling with since 1969 here, as well as a guaranteed rate of return.

When you comment on the guaranteed rate of return as well, I think it's interesting to note that we have a guaranteed rate of return on investments that are partially coming from Hydro-Québec. That's an interesting way to invest money, and if we could all do that, it would be pretty good.

So maybe if you could comment on those four, four and a half points.

SPEAKER: The CEO for NL Hydro.

J. WILLIAMS: Thank you.

I will start – thank you, Speaker – and ask my colleague to jump in as necessary.

The paying of our equity is a significant item that is really, really important and it's \$4.8 billion nominal. So of the total cost of that project, they are paying the majority owner our equity. They are a minority owner in this project. They are saying: Here, majority owner; here's all of the money that you need from an equity perspective to own this project. We are quite pleased that is part of the MOU.

The ownership cannot change. That was also an incredibly fundamental component to something that, through the course of time, as we talk about this, the majority ownership – the 60 per cent ownership, which is really 65, when you consider the transmission that will carry this power. The majority ownership cannot change and the per cent ownership will not change. So that's also a really important component that's contained in here.

The flowthrough of the costs is also radically different from what the original, the first contract for 1969 for the CF was in place. As I said earlier, it was a fixed price; it did not inflate at all. So as costs to run that plant increased, the price did not. Of course, over time, you're going to squeeze out what that issue is. It goes back to the 1998 agreement where there was a way to find some additional money to remain able to run the plant – but just barely. I mean, we are just barely running that plant with regard to the revenue stream that we have now. Really, we have 17 more years of inflating costs to come. Are we going to pay our people that work in Churchill Falls nothing else increasing for the next 17 years? That doesn't make any sense. Are we not going to pay our contractors who come in to fix our transformers and fix our generators no more money for the next 17 years?

We have a situation where the revenue stream is just barely keeping us afloat at Churchill Falls. So that's a really important change in the Gull Island mechanism. Whatever the costs are going to be to run that plant into the future, that will be the power purchase price that Quebec will pay. It will not be a fixed 0.2 cents; it will not be a fixed any price. It is going to be a price, it is going to escalate and it will allow for all of the costs, including the returns to our province, over the course of that project. There is no automatic renewal for 25 more years after the initial Power Purchase Agreement.

The offramps the Minister mentioned – there are offramps that allow for us – it's not quite tied to Gull, but I do think it's relevant to this moment. The Churchill Falls PPA had no expiring blocks that we could value energy in that future time. What we're going to see is just 10 years after 2041 – or, say, 13 or 14 years after – no, probably 15 years after an in-service of Gull Island, 250 megawatts are going to come open from the original Churchill plan.

From a river value perspective, that 250 megawatts, just 15 years after Gull goes in service, we're going to be able say, here's 250 megawatts that we can have access to. We would have had that in the '80s if we had gotten that from the original in-service time. What could we have done with that 250 megawatts then? Ten more years later, another 250 megawatts are going to come, that would have been in the '90s. What could we have done as a province then by having these expiring blocks come available to us? The escalator that we've talked about, it's going to escalate at a projected 2 per cent price for the Power Purchase Agreement and certainly the 8 per cent to 9 per cent return.

Mr. Parsons, did I miss anything you think we should add there with regard to the differences between the 1969 contract, because it is being said publicly, it's the same contract. It is absolutely not the same contract. Is there anything you would add?

SPEAKER: Thank you.

The time for the Government House Leader has expired.

J. HOGAN: I'd like to go again.

SPEAKER: You'd like to keep going, okay.

With leave?

AN HON. MEMBER: Leave.

SPEAKER: Leave granted.

Twenty minutes, please.

Thank you, proceed.

The hon. the Government House Leader.

J. HOGAN: Thank you for that, Ms. Williams, very informative again.

I just want to back up to Muskrat Falls. I just want to talk a little bit about why Muskrat

Falls as a project is different than essentially all the projects in the MOU. Just a little bit of background in my head why I would like you to talk about it, is that my understanding certainly is Muskrat Falls was built as a domestic project or for domestic use. Under the legislation in this province, NL Hydro is obligated to provide power to – I don't know if I'm using that word right, power – power, energy or electricity. You guys can correct me if I'm wrong. Provide electricity to ratepayers in Newfoundland and Labrador that is reliable and that is the lowest possible cost and that is sustainable. That last word being added very recently to the legislation.

That is your obligation, your legal obligation to the ratepayers of this province and when Muskrat was – as it moved through the process from sanction to delivering power here in the province, on the Island, obviously we've talked about how it was exempt from the PUB process and normally what would happen is that the PUB, an application would be received from a utility and the PUB would say yes or no, and you can correct me if I'm wrong on any of this. The PUB would say yes or no you can proceed with this expenditure and the amount that you can proceed with will then be built into rates. Someone has to pay for those upgrades or that construction costs.

That wasn't done for Muskrat Falls. It was a blank cheque that, whatever this cost, will be paid for by the ratepayers; not only that, there was legislation put in place to guarantee that the ratepayers would pay for the cost of Muskrat Falls, not knowing what the cost of Muskrat Falls was going to be.

There was a lot of evidence about that, in that actually the question was never really asked and the thorough analysis wasn't done. I think there was a number about, maybe we go \$300 million over budget. Now we know, of course, it was \$6 billion or \$7 billion over budget. So that commitment was made of ratepayers without knowing what that risk would be.

Anyway, I might be going off on a little bit of a tangent there, but the point is: Can you talk about the risk to ratepayers, or the lack thereof I would suggest, in this MOU? Certainly, there is no legislation coming forward to lock ratepayers in for any costs, but talk about, with that bit of background, why Muskrat, as a domestic-use project, is different than all the projects in the MOU, including the reopening of the Upper Churchill Project for a project that has already been paid for.

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: Thank you very much.

I will start and Mr. Parsons can certainly jump in.

I'll just touch real quick on a current proceeding that we have in front of the regulator, just to help demonstrate how we are indeed bringing projects forward that do have impacts on ratepayers and different from Muskrat Falls for a supply perspective. Then I'll just get into a little bit about the risk to ratepayers for these projects.

Similar in Quebec with regard to the impacts of electrification, so our province is also seeing impacts to electrification. We are seeing an uptake in electric vehicles; we are seeing certainly various industrial processes that want to decarbonize; we are seeing homes converting from oil to electric. There are difficulties, in many instances, getting oil delivered to homes.

So the impacts of electrification, folks moving off fossil fuel sources of energy to electric sources of energy, often and most times renewable, ideally source of energy, that is certainly a national shift and we are not immune to that shift. Newfoundland and Labrador Hydro is doing its system planning and has analyzed what is that going to look like. We now have to build new sources to deal with the additional demand for electricity.

That is a supply decision that we have to make. We did not ask for exemption to get that project exempted. It is a significant lift. The scrutiny had been going on for several years. We are in front of the regulator frequently to talk about the evidence that we've put in place, the options that we are pursuing, and therefore, working with the Consumer Advocate, working with Newfoundland Power, the industrial customers, and obviously the Public Utilities Board and its consultants, to make sure that the evidence that we are putting forward is the best supply source for the province.

So we are very much in front of the regulator, not looking for exemptions for the next supply source. It will be put in place. It is one that will have an impact on ratepayers.

With regard to these projects, the impact on ratepayers will be minimal, if not none. There has already been a commitment that the only issue on ratepayers would be the ratepayers in Labrador for a change in how much Newfoundland and Labrador Hydro has to pay for these costs. Government has already committed that the rate will not change for those ratepayers. At its most fundamental, these projects will not have an impact on ratepayers in this province.

So I'll pause right there, and if it's okay, ask if my colleague would add anything else to that.

SPEAKER: The Vice-President for NL Hydro.

W. PARSONS: I don't think. I think you said it.

SPEAKER: A big build up – okay, thank you.

The Government House Leader.

J. HOGAN: Clearly, the VP is very supportive of his CEO.

Thanks for that. Again, I just want to talk a little bit about Gull Island. I think the estimate for the construction of that is \$24 billion.

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: No, it's closer to \$25 billion with financing costs, because that's also been an issue in the past of quoting financing or not. We are quoting costs that include financing.

SPEAKER: The Government House Leader.

J. HOGAN: So, I mean, just thinking about building Muskrat, we're obviously very lucky to have our Premier, who managed to get \$500 million from the federal government year after year to mitigate the rates from our project that went from \$6 billion to \$13 billion. We're talking about a project that is estimated to cost \$25 billion. Hopefully, there won't be cost overruns on that.

But two questions then are: How in the world could we ever build Gull Island alone at a cost of \$25 billion with potentially no customers? Certainly, I can tell you, without being an electricity expert, if we locked the ratepayers in through legislation for that, there would be nobody left here in the province or there would certainly be no one paying for power.

So that question, and then – actually, I'll let you answer that first.

SPEAKER: The CEO of NL Hydro.

J. WILLIAMS: If it's okay, I'll ask my colleague to jump in on this one.

SPEAKER: The Vice-President of NL Hydro.

W. PARSONS: Thank you, Speaker.

Gull Island is obviously a very large project, not only in cost, but in megawatt output. So

the size of the generation supply at Gull Island is larger than the entire electricity demand of this province today. It is highly unlikely that it would be developed as part of a normal expansion of load over time for this province. Of course, there are possibilities for it to be used for large-scale industrial development or other potential customers.

If we don't get to a point where we reach this agreement, definitive agreements with Hydro-Québec, obviously we will continue to pursue other alternatives. As we have for many decades, we've been talking about Gull Island and I think one of the hon. Members mentioned it earlier this morning. Gull Island has been the subject of discussion and on-again, off-again MOUs for many, many years – for decades. So we would continue to pursue that.

However, we've identified this opportunity with Hydro-Québec as being the best value for the asset. As we've pointed out, it was a hard-fought negotiation, but it ended up in a place where separately from all the discussion of Churchill Falls, all that set aside and whether or not Gull goes ahead, that is all baked in, the 30 times higher pricing and all that. The contribution of the \$3.5 billion for an option, that is a pay-to-play that Hydro-Québec is paying to have the option to continue to work with us to study that project, to find out if it's something that they want to take through construction and own all that cost-overflow risk.

We are not forcing them to build the project; they have the option to say no, it's too costly. If that's the case, the Churchill stuff stays in place, that first \$1.3 billion from the option payment stays in place, and then we would continue to market that to other off-takers, as appropriate.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you.

So just to be clear, that NL Hydro would own the project, own Gull Island, right? And then you said they would construct and buy. I would add that they would be the customer. That's part of the agreement in the MOU, is that they are committing to buy that power. Another word you used, Mr. Parsons, was that if we were to construct it ourselves, we would have to look for potential customers.

Potential customers were looked for in Muskrat Falls. I heard it over and over that we can sell it, we can sell it, we can sell it. Well, building that project before there was a contract in place to have someone to buy the power would have been a great deal, if we knew someone was going to pay for the cost of that project, rather than the ratepayers, of course. But that customer was never found.

So with the construction of Gull Island, who Hydro-Québec are willing to construct it, not only construct it, but take the risk of cost overruns and then say we will buy the power for whatever the cost is, including if the cost goes up, sounds like a pretty good deal for the resource owner.

SPEAKER: The CEO for NL Hydro.

J. WILLIAMS: Thank you very much, Speaker.

This is something that Mr. Parsons and I talk about, and certainly that the team talks about, so I'm going to try to get it out without being too confusing. It's related to the purpose and the use of the asset.

From an electricity system perspective, there are many assets built in Quebec that are mostly paid for. I mean, they've been building assets over time, but their total blended cost for assets is – they've got a fairly low-cost system because they've built a lot of assets in the past that have a much longer life and they're very low cost. It's just like Churchill Falls.

Right now, Churchill Falls, I said earlier, is barely breaking even. So 0.2 cents is the revenue stream for the main part of the contract, but it's barely breaking even. So if you take what Quebec is paying for it in its own system, it is one of the components, along with a whole bunch of their other assets, that can keep that price down. As you start to add higher-cost new sources in a very big system like Quebec's, it gets blended into their total system cost and their total price.

So they can take what is going to be relatively a much higher cost to construct on a kilowatt hour basis. They've said in the press release, they expect it to be 11 cents a kilowatt hour. That is higher than what their customers are paying at their metre socket, I'll say, which also includes transmission and distribution. So they're going to have an 11-cent source of power come online but they're paying, what, seven or eight cents a kilowatt hour. So when you think about that – but they can do that because they've got all these older resources that have been materially paid for already.

So you think about that. That's Quebec. They can do that. That's why they can take on a project that costs that much per kilowatt hour, add the transmission cost and then add the distribution cost. They mix that in to all of their existing infrastructure and that's why the price is acceptable to them.

What Walter and I have talked about, certainly in the past, and the rest of the team, is that if you don't – and I think he referenced it yesterday or today, but it's worthwhile repeating – then another customer would come and they then are not necessarily a utility. They are – again, I talked to this – a widget factory. Whatever that widget factory is, we want to be open for business as a province. They then would not necessarily be blending that cost of power with an existing system so that the net total cost is lower. That would be a

decision that company or whatever would have to pay.

It's a significant consideration. Whatever customer that is, they would then be paying probably the full cost on a per-kilowatt-hour basis. We think about our industrial customers in Labrador. We think about the industrial customers in Quebec. They are not paying 11 cents a kilowatt hour, right? I just want folks to kind of really think about that. It's a really important point as we contemplate who are the potentials customers going forward and what is the best deal that we can avail of at this point in time.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you.

Just in terms of a cost-plus model, the cost is going to be what it costs to construct Gull Island and that will include, I guess I'll say, cost overruns, whatever those cost overruns will be. Those cost overruns will not be the responsibility of NL Hydro.

I'd like you to comment on the MOU and how you are sure that NL Hydro is protected with regard to those cost overruns. And in the event that there are cost overruns and NL Hydro doesn't have to pay for them, what are the consequences on the plus, which would be the profit on that, and the consequences to those overruns to any agreed-upon profit in the MOU to NL Hydro.

SPEAKER: The CEO for NL Hydro.

J. WILLIAMS: Thank you, Speaker.

I think we've been talking about yesterday, and maybe even today, an example of – I like to talk more practical – if Quebec have said that they believe the price of the power from Gull is going to be 11 cents a kilowatt hour; let's assume that it goes to double: 22 cents a kilowatt hour. Then the question is, well, how does that work? How does

Quebec figure out how to deal with that, and how are the things that are honoured in the MOU, which, for example, is that we will not be harmed with regard to our per cent ownership, how that will work.

If Quebec has an estimate of a \$25-billion project, it's going to be a \$50-billion project; our equity portion still gets paid for, but it caps out. We don't have to pay any more for Gull and our per cent ownership of Gull will never change. So then folks are going say, well, how's that going to work?

Well, what Quebec will have to do is they will have to raise additional debt to pay for that increase in cost. But our per cent ownership will never change and how that debt gets paid for is in a higher cents per kilowatt hour. So the price flows through Quebec's cents per kilowatt hour that they will have to pay.

I'll then go a little bit further. One of the things that the folks are saying, well, we're only getting 225 megawatts from Gull Island. So let's contemplate that scenario where that price goes to double the cost. The off-taker would have to pay that higher price. We don't have to take that. Quebec would have to pay for that price. We could choose, at the time, maybe we don't want to take that, because that price is just too high and we can do a different source of power. That is something that we would want to demonstrate to the Public Utilities Board, we're getting the least possible cost for power at that time.

But in this instance, we have the option to take it, but we don't have the obligation to take it. So if the price doubles we're also protected from not having to take the power at that higher price. We get to keep our ownership structure and Quebec has to pay the full costs. We get to keep our 8 to 9 per cent return that we have negotiated on our initial equity investment that Quebec is paying for.

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Speaker, this will be my last question.

Is it fair to summarize it like this with regards to Gull Island: We, NL Hydro, will know its investment, NL Hydro will have no risk in terms of cost consequences to the project and we will know our profit stream? So we know how much we're spending, we know how much we're going to make and we know that we have no risk in that deal.

SPEAKER: The CEO for NL Hydro.

J. WILLIAMS: Yes.

SPEAKER: Thank you.

The hon. the Government House Leader.

J. HOGAN: I lied, I said I would ask one question, but the Member opposite said there's lots of risk. Perhaps Ms. Williams can clarify for me, because she did agree, but if you were investing a known amount of money and you know you're going to make a profit on that amount of number, and you know you have no risk of losing that money if you invest it and – I'll add a fourth thing – part of that money is not even yours to begin with. You're investing someone else's money to get that profit.

Can Ms. Williams tell me where the risk is in that? And if she can't, I look forward to the Member for Terra Nova telling me the risk.

SPEAKER: The CEO for NL Hydro.

J. WILLIAMS: I'm going to bother you, thank you, and ask for you to repeat the question.

SPEAKER: The Government House Leader to repeat the question, please.

J. HOGAN: No, that's fine.

SPEAKER: Thank you.

The hon. the Government House Leader.

J. HOGAN: I move, seconded by the Premier, that this House recess until 3:15 p.m.

SPEAKER: It is moved that the House recess for 15 minutes.

We'll be back here at 3:15 p.m.

Thank you.

Recess

SPEAKER (Bennett): Order, please!

Any other speakers?

The hon. the Leader of the Official Opposition.

T. WAKEHAM: Thank you, Speaker.

As we continue on into the second day of this special session of the House of Assembly, I want to summarize some of the key points that a couple of my colleagues have made today and I think need to be summarized.

First, I want to talk about the MHA for Terra Nova and the fact that he has re-established the fact that Hydro-Québec has the ultimate decision about whether or not Gull Island will go ahead. He also established that as a consequence of this, it is Hydro-Québec who are in the driver's seat about jobs from our resource.

The MHA for Harbour Main, then, also re-established that there isn't a requirement for Hydro-Québec to build Gull Island and spoke passionately about her concerns that the MOU may give Hydro-Québec too much, for too long.

What you're hearing, Speaker, are people who are sincerely concerned about the

people of Newfoundland and Labrador, the districts they represent and whether or not we're actually getting the value that we need to get for this great, most significant asset of ours – and I will continue to use the word: ours.

It was back on December 12 – 27 or 28 days, I can't remember for sure – that this big announcement of this MOU signing was announced. On that day, they turned around and issued a fact sheet and the first line of that fact sheet that they issued said that **“More than \$225 Billion in total revenue to the Newfoundland and Labrador treasury”**

Now, the first day of this debate, the Premier stood up and repeated that same number. Earlier today I asked for a breakdown of that number and, to my surprise, the number was not available. They will get it for us. I don't understand how something as important as this MOU, as important as this is to the people of Newfoundland and Labrador, that when you issue fact sheets, when you issue news ads, when you take all this information and spend \$300,000 promoting this, that you have no idea what you're talking about because that's essentially what it is.

You stand up and say we're getting \$225 billion in revenue to the Provincial Treasury and you can't provide us with how you came up with that number and we have to go find it. After 28 days, how is that possible? How can the people of Newfoundland and Labrador have confidence that what you're talking about is real? That's what this is. These are numbers being quoted that we have no backup for, no idea in the MOU where anything like that is and yet we're supposed to believe, the people are supposed to believe, that yes, it's under control. We're going to get \$225 billion: trust us. You can't even provide us with the details of how you came up with the number. That is simply not good enough.

Last evening, when my colleague from Terra Nova was questioning about the actual numbers of jobs being created in their PowerPoint presentation, they admitted that the data was more than 10 years old. Ten years old, Speaker, data provided in an updated – so-called – deck to be sent out to the people of Newfoundland and Labrador, to be told about all the jobs we're going to create and how we're going to create them and the information being used was more than 10 years old. Ten years, Speaker, how can we rely on that? How did that happen? Why did we not have up-to-date information to go along with this.

This is where the whole concept of rush comes into play. The whole idea of rushing to the House of Assembly on Old Christmas Day to turn around and say, let's debate the MOU and let's move forward with it after four days of debate.

It's why we've kept asking for and we'll keep asking for and dig into some of the details. But as we dig into these details, it's starting to raise more questions.

When we talk about the idea of who got the better deal or who is getting the better deal, or everybody got the great deal. Well, according to the Province of Quebec and the information coming out of there, they certainly think they've got the better deal.

Let me give you a couple of those examples. Interviewed in French by Radio-Canada, Hydro-Québec's CEO said this MOU gives Quebec another 50 years of assured energy – quote – at a remarkable price. Those are his words, not mine.

He even went on and repeated them again saying – quote – the remarkable price is so important because that is what helps keep our rates low for residential, commercial and industrial purposes and therefore, indirectly, it is something that maintains Quebec's competitive position in the world.

Does that mean that Hydro-Québec has gotten a better deal than us? Because it sure sounds like it. Hydro-Québec's CEO, again, went on to say, it's a discount – it's a discount – of at least 50 per cent compared to the other alternatives.

We talked about that earlier today, why the numbers when we heard it was going to cost them something like 16 cents a kilowatt hour and we're selling it to them for 5.9 – 16 cents a kilowatt hour for them to develop new capacity and they're getting it from us for 5.9.

He's going on to say that a discount of at least 50 per cent compared to the other alternatives. He goes on to say: And so that was, honestly, in terms of business, I am going to take that price, 10 times out of 10, not nine times out of 10 or eight or seven but 10 times out of 10. His words. Again, I ask, does that mean Hydro-Québec got a better deal than us?

Let me keep going. In an interview in December, again, the same CEO of Hydro-Québec was asked on December 12, the day, he said: We have no risk. It's Hydro-Québec, our partners. It's theirs. This is what our Premier said: We have no risk. It's Hydro-Québec's. They are our partners. It's theirs. That is what our Premier said. In the same interview, there was a discussion that this may not be fully accurate.

The CEO of Hydro-Québec responded by saying, in French – and I won't bore with my French on this particular one, but I will give you the English interpretation: Mr. Furey – and I quote that name in this only for a reference of this – is a political leader; he is playing his role. So again, that is a significant statement that says our Premier was simply playing politics.

The CEO of Hydro-Québec said: "If you look at what is happening [to electricity prices] in some U.S. states, if somebody tells me I can get that quantity of electricity for 4 cents for the next 50 years" – so they discounted

it down to four cents over 50 years – “I’m going to grab that.” This statement, again, suggests that Hydro-Québec got a great deal and there was potential there for us to get more money for our power. Again, did they get the better deal?

Finally, a news release from Hydro-Québec said: The agreement guarantees access for 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. Given this quote, again I ask, did we get the best possible price? Those are some of the comments that are coming out of Quebec.

I think it’s very, very, very important to us to make sure that we get it right, as I have said. We’ve talked a lot about an independent review and the Members Opposite have talked about all of the people that have had input into the development of the MOU over the course of time, all the independent people that were doing it, but now we’re at the stage that the MOU is in front of us and that’s why I’m asking for the independent review.

I’m not questioning any of the people that were involved leading up to the MOU. But what I am asking for is the independent review to take place so that we protect and make sure we have the best deal possible. I’m going to stop there, Speaker.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: Are there any other speakers?

The hon. the Member for Waterford Valley. I haven’t said that one too many times.

J. KORAB: Thank you, Speaker.

Thank you for the opportunity to speak here today on the new Churchill Falls memorandum of understanding. As always,

it is a pleasure to speak in this House of Assembly (inaudible) –

SPEAKER: One second, sorry. I don’t think the audio is working.

The hon. the Member for Waterford Valley.

J. KORAB: The second time you got it right. You didn’t have to look it up, perfect.

AN HON. MEMBER: Leave for him to sing.

J. KORAB: There’s no leave for my singing.

Speaker, thanks for the opportunity to speak about the new Churchill Falls memorandum of understanding. It’s always a pleasure to speak in the House of Assembly representing the residents of Waterford Valley. I applaud our government, not only for getting a game-changing deal, but also allowing and encouraging every elected representative to discuss here in this House of Assembly.

I’d like to start by reminding our hon. colleagues around this Chamber that we are representatives of the people that elected us, and my job is to do what’s best for the constituents of Waterford Valley, to bring forward their concerns and questions, yes, and to vote for their prosperity, absolutely.

As much as this deal is a gigantic improvement from the 1969 contract, and also incorporated the hard lessons of the Muskrat Falls Project, it marks a significant and giant improvement in this process. We’re here to discuss, to debate and become better informed, and ensure that the people of Newfoundland and Labrador can hear and understand the elements of this MOU.

Of course, this isn’t the first discussion of the MOU and it won’t be the last. The Premier said just yesterday that we’ll be back in this House, in the people’s House, to discuss at later dates. The House will probably have another two or three

sessions for discussion before a definitive agreement is signed with Hydro-Québec – if and when it's signed, that is. It is a complex and an important document and it deserves discussion.

There is a lot of misinformation out there, Speaker. This is often the case, and certainly with the gravity of this discussion, we're not immune. With something as important as this, this government, under the leadership of our Premier, brought this discussion to this House at the earliest possible date. Why? Because it's the right thing to do, Speaker.

At the announcement on December 12, media and stakeholders were offered technical briefings. The announcement included itself details on the MOU and the extensive session of answering questions of reporters on behalf of the viewers, listeners and readers of this province.

The next day, the Premier and many of my colleagues immediately went to Labrador to talk to the people who work and live adjacent to this resource. The CEO of NL Hydro has been on *Open Line*, CBC call-in shows and many other media interviews to help distill the details of this MOU.

There is a massive source of information out there for this province to take in, but, more importantly, these are well established means for Newfoundlanders and Labradorians to call in, understand more and hold the decision-makers, like us, to account.

Since the announcement, the team from NL Hydro has been full steam ahead providing ongoing briefings and answering questions. The hon. Members opposite have had the opportunity for multiple of these briefings with the experts.

I did want to condemn the CEO – not condemn, commend – let's get that right – the CEO of Newfoundland and Labrador

Hydro and her team for continually increasing –

AN HON. MEMBER: Turn off the mic.

J. KORAB: Turn off the mic – to increase the level of accountability that our Crown corporation has to the people of this province. This is a new era of transparency under her leadership.

Have we had issues in the past, Speaker? One hundred per cent. It's true, the definition of insanity is doing the same things over and over and expecting different results. Well, from what I can see in my short time here in this Legislature, we're certainly doing things differently compared to Muskrat Falls.

Speaker, Newfoundlanders and Labradorians have had access to this dedicated website for the sole purpose of providing information on this government's work, one where they can read the full MOU with the click of a mouse or touch of a smartphone, the entire MOU is there.

I do have a question. I had a couple residents reach out, and it's tough to answer at this point. But if and when a definitive agreement is signed, let's just say, January 1, 2026, for an arbitrary date, what if any work would happen prior to then and what work would happen after that on the four megaprojects, just in kind of broad strokes in what we would look it for work starting on those?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

If it's okay, I'll ask my colleague to take that on.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker.

Yes, I want to talk a little bit about what the next couple of years might look like. As we've said, the MOU is predominantly a non-binding document. There are a couple of provisions that bind us to good faith discussions until April 2026. That is what we intend to do, if we are given that authority by the House.

So that is no easy feat to do that amount of work in those number of months, but it's one that we have already begun staffing up for at Hydro and making some changes to ensure that we've got the right people both inside of Hydro and the right consultants lined up to help us to negotiate those definitive agreements.

It's only after the completion of those definitive agreements that we will actually have a new binding Power Purchase Agreement for Churchill Falls and all that entails, but also these most important joint development agreements that define how we are going to do Gull Island, the Churchill Falls Expansion and the Churchill Falls upgrades together.

I would say that during this next year or so, and in your example, about a 12-month period, the main focus would be on the actual commercial negotiations because we won't know whether or not this is actually going to be a binding agreement and a binding partnership. However, there is still some work that will proceed, some preparatory work, mainly that will be some office-type work to try and understand more about those projects. Obviously, the studies that need to be completed as soon as possible in order to get power online as soon as possible would certainly benefit from an early start, so the cost of doing those things is addressed in the MOU, some of the pre-early work. So we do intend to do that.

Then, of course, immediately upon completion of those definitive agreements, should we get there, you would start to see the – well, each project is different. As we

talked about Gull Island, it already has an environmental release, so that project you would likely see moving very quickly. There would start to be environmental work in the field that would happen right away and then there would be a quick ramp-up of that project team. There has to be, obviously, large accommodation structures, camps built in the area to be able to accommodate the workers that will come and the preparatory couple of years before you start to see big cement pours and large electrical works.

Now, the Churchill Falls Expansion, of course, that project has not gone through environmental assessment, nor does it have an IBA associated with it. We do have a partnership, of course, with the Innu Nation for Churchill Falls itself through the Upper Churchill redress agreement. We've got a partnership with Innu Nation for Muskrat Falls and Gull Island, but we've got work to do in order to secure an agreement on the Churchill Falls Expansion.

So that would take place at the same time as the environmental assessment work, which can take up to a couple of years. So that work may be slower getting the project going in terms of concrete pours, as Gull Island would be where it's sort of already through that stage.

SPEAKER: The hon. the Member for Waterford Valley.

J. KORAB: Thank you.

Speaker, I wasn't going to go into as much detail regarding the independent process, but after hearing one of the Members opposite call into question the independent bodies involved in the process, I feel it's only right to read it in the record.

Wednesday and Thursday, as we all know, this Legislature will have representatives from independent expert advisors – I repeat: independent expert advisors in Power Advisory and J.P. Morgan. These

independent experts have been engaged throughout this process, which isn't something to me that's rushed, it's something this has been going on since at least 2021.

This project, to be honest, has been –

AN HON. MEMBER: (Inaudible) 2021.

J. KORAB: Yes, 2021 initial meetings were happening.

I didn't speak through your speech; I look for the same courtesy. Thank you Member opposite.

SOME HON. MEMBERS: Hear, hear!

J. KORAB: Government assembled the Churchill River expert advisory team and they were given a mandate of undertaking a detailed analysis of the hydroelectric opportunities that exist on the Churchill River. As recommended by the Muskrat Falls Commission of Inquiry, the government appointed the Churchill River Management Expert Panel to recommend potential approaches for the government to ensure maximum, long-term benefit for the Churchill Falls asset.

We created a negotiating team with an independent chair, Hydro officials and government representatives. We also bolstered Newfoundland and Labrador Hydro's board of directors, which also was a recommendation for the Muskrat Falls Commission of Inquiry.

We will continue to engage outside experts as we move forward in this transformative process and institute an independent experts panel that will provide to the Cabinet on negotiations.

Finally, the government brought the MOU to the House of Assembly, as we said, in this extraordinary session. Definitive agreements will also be brought back to this Legislature as mentioned.

Throughout this process, the negotiating team engaged experts to supplement the internal team across a range of functions related to the finance, legal and energy markets. The team will include, but not exclude, and engage some of the people we had as mentioned: J.P. Morgan – and just to read a bit into who these companies are out of New York. They provide financial advice in connection with the Churchill River hydroelectric asset. J.P. Morgan is a leading financial service team based in the US and they operate worldwide.

Power Advisory, out of Toronto and Boston, provide electricity market and evaluation advice in connection with the Churchill River hydroelectric asset. Power Advisory is an energy management consulting firm specializing in analytical support and advisory of electric markets in Canada and the US.

Stikeman Elliot of Montreal provided legal advice in connection with the Churchill River asset. They are a global leader in Canadian business law and the firm has extensive expertise in the energy sector, the Quebec electricity market and the Quebec public environment.

McInnes Cooper, which has been mentioned here already, they provided legal advice on the Churchill River asset. They are a leading Atlantic Canadian firm, have knowledge of the NL Legislature, regulatory matters and they have years of services and experience in the public sector.

Stewart McKelvey, which has been mentioned, they have been, again, independent advisors to government, separate from the negotiating team. They are Atlantic Canada's largest law firm. They have a wealth of experience in the energy space, as well as decades of experience in major corporate transactions, energy projects and public utilities.

So to sit here and say there is no independent review, to me is just absolute

rubbish. Also, one thing that I did hear on the radio, which troubles me, by one of the independent hired experts – not by us, but by some Members, I believe it's an Independent Member – that what we are doing here in these four days is a marketing gimmick and a sales pitch. I find these comments extremely disappointing. To me, it shows a complete lack of respect for this Legislature. If I'm honest, we should expect better.

These are consultants hired with taxpayers' money, they should do so and provide feedback and details. They shouldn't be hired to come up with soundbites for radio.

Next week, the people of this province will get to hear more –

E. JOYCE: Point of order, Mr. Speaker.

SPEAKER: Point of order.

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

E. JOYCE: The comment made that they were hired to make these comments. They were never hired to make these comments; at no time did we hire these people to make these comments. So I just ask that you withdraw it. He can speak on his own, but at no time did we ask him to go to the media, say anything in the media whatsoever, except to give us advice.

I just ask that you withdraw that we hired him to make those comments. It's just not true.

SPEAKER: There's no point of order there. It's just a matter of opinions from Members, so we'll move forward.

The hon. the Member for Waterford Valley.

J. KORAB: Thank you, Speaker.

No, I can withdraw that. Yes, for sure, they didn't hire the person to make those

comments. Unfortunately, the person that was hired did make those comments. Is that fair?

AN HON. MEMBER: Yes.

J. KORAB: Okay, thank you.

So next week, the people of this province will get to hear more about the deal from the comfort of their own homes or offices; public webinars will be offered by the CEO of Newfoundland and Labrador Hydro to provide live briefings and opportunities for participants to ask questions. Individuals can sign up on the website: ourchapter.ca – again, that's ourchapter.ca. There is also a wealth of information on there, the MOU and some fact sheets and some frequently asked questions. It's a chance for people to get more acquainted with this MOU.

One of the other things I heard is, what are we hiding, and I do find that frustrating because the MOU was posted.

Transparency is an expectation from Newfoundlanders and Labradorians, Speaker. Accountability is a responsibility of us as elected officials. We're here being transparent and, with these technical briefings that I mentioned and how accessible Ms. Williams and the team from NL Hydro have been, the Premier and the Energy Minister has been, the website, there is nothing to hide; it's all out there.

This government is being transparent in dealing with the Churchill Falls via the debate and through other means. Government Members will be accountable for ensuring that the best deal gets done – all 40 of us. All Members will have their voices heard –

E. JOYCE: (Inaudible.)

SPEAKER: Order, please!

Let the Member finish.

J. KORAB: Anyway, all Members will have their voices heard when it's their turn to speak and their comments will be recorded for posterity. We should be transparent about what everyone thinks about this MOU, and we'll be held accountable whether we vote for it or not, Speaker.

I not only support this deal, with its contents, but also the way and the manner in which it was reached, by bringing it to the people, which is what we're doing today, and by doing it the right way.

At the end of the day, we will realize that 17 years of benefits – \$17 billion that, otherwise, would not have accrued to the province if a new deal was not struck before 2041. Over the life of this agreement, nearly a quarter of a trillion dollars of money for debt servicing, money for health care, money for law enforcement, money for teachers, money for our Future Fund, money for things that Newfoundlanders and Labradorians want, and they want it now. They don't want it in 2041, Speaker.

Not to mention, as stated here for the last two days, the high-paying jobs for the Indigenous people of Labrador, for Labradorians, for Newfoundlanders and for Canadians. This, Speaker, can go a long way to changing everything for our children and our grandchildren.

On December 12, while sitting at the announcement at The Rooms, I thought of my own two children and what it meant for them and their children in the future. To me, that is historic. When I make any decision, whether it be here in the Legislature or my seven years as St. John's city councillor, I wanted to look at all the facts, look at it from all the angles and ultimately not make a decision for political reasons, but for the right reasons. When I lay my head on my pillow at night, I sleep well knowing that I made the right decisions.

Just a couple more things, as my time is running down. Something that someone

said to me at the gym about a day or so following the December 12 MOU announcement. A gentleman said to me: My son lives on the Mainland and I've told him for years, don't move back here. There is nothing for you. He said: I called him on Friday afternoon and said you could move home. So how powerful is that?

SOME HON. MEMBERS: Hear, hear!

J. KORAB: Speaker, that really resonated that you would not want your own kids to live close to you, but now you feel there is opportunity for them.

Some would have you believe this is a done deal and we're expected to vote on a done deal Thursday. This isn't the case. It's been clearly stated. This is an MOU. There will be many discussions through many mediums, as I said, included back here.

Lastly, to repeat what the Premier said – and the House Leader, Minister Hogan. The Premier has agreed to further independent review and additional oversight model. Lastly, I commend the negotiating team and the countless other people who contributed to successfully reaching this historic MOU.

Thank you, Speaker.

SOME HON. MEMBERS: Hear, hear!

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

J. DINN: Thank you, Speaker.

Let's just talk a little about what we mean by independent expert review.

It was written in to us and we're told that the largest Atlantic Canadian firm, Stewart McKelvey, was 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 advisers.

The law firm has close ties to the Liberal Party. In fact, one of the lawyers co-chaired the Liberal campaign. That's not taking anything away from the integrity of the firm or the advisers, but I would think what the issue is about not only must something – I guess oversight – be independent; it must be perceived to be independent.

I would assume, then, that Hydro-Québec has its own independent expert advisers, but I think we would be loath to use them as our advisers. Actually, they may be loath to engage because it could be a perceived conflict of interest for them.

What's been asked for here from the get-go is not to look at the advisers that have given the advice on the inputs and have advised, because I'm assuming that they gave both Newfoundland Hydro and the Government of Newfoundland and Labrador – the Liberal government – the advice that they needed as they proceeded through this. What we're looking right here now is to have that independent assessment with people who have not had involvement with the negotiation process to see if it stands up to scrutiny.

I'd often to say to my students, when they would do their essays, it's now time to kill the baby because you're going to basically put your – it was a brutal way of saying about the editing process, now you're going to pass this creation that you poured your blood, sweat and tears into and to have an objective, third party look at it and grade it. That's, basically, what we're asking here is to scrutinize the deal – nothing more, nothing less.

I do have a question of the Newfoundland Hydro. Are you confident that the MOU that you have negotiated so far will stand up to scrutiny by an independent, arm's-length expert review panel.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: The negotiating team, with all of its folks that we had behind us – and, really, it was dozens of people that we had working with us – supported the recommendation of approval of all of the content of this MOU to both our board of directors, as well as to government, for signing.

I'm happy to be scrutinized by anybody and believe that every component of this will stand up to the scrutiny, which is exactly why we're here, obviously. It's a part of the process but, as was mentioned by hon. Member Korab, anybody who wants to ask us questions, we are doing everything we can to answer the questions. We do hope that – hope, I know that sounds like an offensive word, but I am going to use it. We do hope that everyone else will also see, as we answer those questions, that this is the best deal possible for Newfoundland and Labrador.

So we are happy to be scrutinized by every single person in the province and we believe that it does, absolutely, stand up to the scrutiny of whoever wants to ask questions.

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

J. DINN: Thank you, Speaker.

So, in other words, this is your project. You put a lot of blood, sweat and tears into this. They've been very much part of this. It's committed to the future of this province. You're not doing it on a whim but the CEO believes that, yes, this MOU will stand up to any independent scrutiny – fair enough?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Similar to how other folks have spoken about the point in time that we are at, I don't know that any of us here – maybe there's probably one person, I will say, that was on our team who has been involved in several iterations of this, but

when I would have been a 10-, 12- or 20-year-old young woman thinking that I would be sitting here, having had the opportunity to work with an incredibly talented and expert team to pull together what is a very good opportunity for our province, you never could have thought that this is the moment that you're going to be at.

But you also become quite mechanical about it. So while it is very emotional to be given the honour to be here at this point in time, it'll be something I'll never forget and I think a lot of us feel the weight of that all the time, but you also become incredibly mechanical.

The processes that we followed inside of our evolution of the options available to us for the content was quite mechanical, was quite mathematical, was very methodical, was very data based, was very research based. So while the weight of it was there, the math and the research and the analysis and all that was there as well.

As we talked a little bit about earlier, we procured the best possible advice that we could have to supplement the people that we've had involved in this for years.

I'll just take a moment, if I may, to talk about the team that we do have. So we talked about the panel: Mr. Mahoney, would have been along with us; Karl Smith, who can't be with us, I believe he's watching at times. I can tell you he would've preferred to certainly be here as well. Karl had extensive experience for decades in this industry. He very much was a guiding hand for the last several years, because he was also the chair of the panel.

But when I think about the team at Hydro that we have, these are folks with decades of experience in electricity matters, planning, marketing, working with the counterparty Hydro-Québec. Then you supplement that again with people who have deep knowledge in the alternatives that Quebec would have.

The moment was really important, emotionally, but the math and the analysis is what takes over and what makes all of those together why we feel very comfortable defending this MOU as the best possible outcome that we could have for this province.

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

J. DINN: Thank you.

The simple answer is yes. Thank you.

My colleague from Lab West spoke about the shortage of skilled workers for the construction with regard to Gull Island or in CF2. From your point of view, what needs to be addressed? What needs to be addressed to make sure that we have those workers in place? From your point of view, what needs to be addressed starting now?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I would say the first thing that we would want to have addressed is the clarity that we are, indeed, all in on this. If there is uncertainty about us being all in on this, how can we, then, as a whole host of leaders together, have that common goal of ensuring we have people available, ready, trained, willing and all of the supports around them to partake in all of this.

If there is no clarity that we are indeed pressing ahead on this and there's no clarity for a long time to come, I think it becomes very difficult to crystallize the right people to get involved, the expertise, because I am certainly not an expert in labour by any stretch. But in order for us to be able to move ahead, I think we do need that clarity that we are all engaged and interested and keen to indeed support having the workforce ready for this when the opportunities arise.

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

J. DINN: Thank you, Speaker.

Many people have hopes for this project, that it's going to reduce electricity rates, and so on and so forth.

To be clear, will these projects affect in a beneficial way the residential and industrial rates for the people of the province?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

My apologies for not referencing you in the last couple of answers.

So the rates for Island customers are unrelated to the content of the MOU. What government chooses to do with the increased revenue stream – it has a whole host, I would suggest, of options and opportunities available to it, but directly related to the content of the MOU, the Island ratepayers are unaffected.

Labrador ratepayers could be affected because the cost for Newfoundland and Labrador Hydro to supply the customers in Labrador is tied to the price that Hydro pays for power to CF(L)Co. Government has already come out and made its commitment that ratepayers in Labrador will not be affected by the change in rates that Newfoundland and Labrador Hydro will have to pay for Labrador residential customers.

As it relates to other customers, that is going to be subject to further discussions between Newfoundland and Labrador Hydro, with government, and certainly will be informed by conversations with industrial customers at the right time.

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

J. DINN: When you're negotiating the benefits agreement of the Churchill Falls 2, will local communities be consulted

regarding socio-economic impacts or knock-on effects?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

We will do the appropriate engagement, absolutely, with our Indigenous communities in Labrador. We will also be informed by the local community that could be impacted and, absolutely, we'll be planning for an impact and benefits agreement in consultation with Innu Nation, which that work has already started.

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

J. DINN: Thank you, Speaker.

Will this MOU allow development access to other rivers in Labrador?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I'm sorry, would you mind please repeating the question?

J. DINN: Will this MOU allow development access to other rivers in Labrador?

J. WILLIAMS: Thank you, Speaker.

This MOU does not contemplate the harnessing of any other rivers in Labrador. Certainly, if it makes sense in the future, but it does not contemplate any of that.

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

J. DINN: Thank you, Speaker.

With regard to the discount rate, what was the time frame used? In other words, what was the inflationary period to make your assumptions, for example, was it a 20-, 30- or 50-year period?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

The time period for Gull Island and certainly for the CF PPA with regard to selection of discount rate is reflected in the MOU; however, we are seeing some folks – and I am not a chartered accountant and I am not a financial advisor so this might be something to pursue further with J.P. Morgan, but there is some intermixing of inflation rates and discount rates, so I want to be careful that I'm answering the question in particular that's being asked. But the discount rate generally reflects the cost of capital, as well as risk to be – it's informed by risk of the party undertaking the decision.

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

J. DINN: I'll save the rest of those questions for J.P. Morgan.

I know this has been asked before, but given that many the biggest advantages of this deal are dependent on the development of Gull Island, is there a way of guaranteeing its development under the MOU? I would say – and you can correct me if I'm wrong – there is no way of guaranteeing it, would that be fair to say?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

As we discussed earlier, there is no guarantee, but certainly in the MOU it does indicate that Quebec will be doing its best efforts and we will be doing our best efforts to get these projects concluded.

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

J. DINN: Thank you, Speaker.

Given that a large part of the benefit to the development of Gull Island is the ownership of the asset at the end of this MOU, is it possible to have language included which

would ensure that at the end of the current proposed contract in 2075, we would have fairness in market access when wheeling power from Gull Island through Quebec? Is this something which the negotiation team has considered asking for to ensure that the people of this province are able to benefit from this resource, post-2075, and could this language be included in Schedule F?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

Schedule F is related to the forecasted payments from Hydro-Québec to CF(L)Co for the new PPAs. So it's unrelated to the new projects.

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

J. DINN: So the rest of the question still stands, because it's about fairness, about wheeling rights. Take Schedule F out of it, but language with regards to wheeling rights, post '75, will we be able to ensure that the people of this province are able to benefit from this resource, post 2075? That's the gist of it, not so much Schedule F.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

I'm going to ask my colleague to answer that question.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: I'm just going to talk a little bit about transmission access. So transmission access in every jurisdiction in North America is governed by open-access tariffs, or similar mechanisms to an open-access tariff. So jurisdictions are obligated to demonstrate that they provide transmission access on a non-discriminatory basis. There are a set of

rules that apply to that. Some are put by various provinces and states, but the biggest regulator of that is the US FERC, which requires that all entities that sell into the US follow their standards. So that includes Hydro-Québec, that includes us, anyone that has any form of American electricity export. So we feel that it would not be appropriate to lay out the way transmission access will be done in 2075. Obviously, the open access would apply, but that rule tends to change and get more specific details about how it is applied every so many years.

So it's an open-access policy that has to apply broadly and can't really be contracted as such. I don't know if there's anything further you want to add to that?

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

J. DINN: Thank you, Speaker.

So if I understand it correctly, there is really, I guess, no way of building that into the contract?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I guess what I would say is the concept of the pricing mechanism, for example, I think it was Gull Island that was being contemplated, is it the pricing mechanism – I'm asking again, Mr. Parsons, to make sure this is correct here – is to be negotiated on what the fair price would be at the time. So we will use commercially reasonable methods to determine the value of the energy at the time.

So it is on that basis that we're not setting the price today for what that is going to look like. It is on that basis that we will be setting the price for what does the industry look like in 50 years' time. So that is indeed included in the MOU.

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

J. DINN: Thank you, Speaker.

With regard to Schedule G, what size of annual increase in power rates would we need to see to receive the sum suggested in Schedule G?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

If I may, could you repeat – you mean power rates for who?

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

J. DINN: In general, whether Quebec or here. We're getting a significant return, so what would be the expected increase in power rates?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I'm going to do some math on the stand and ask my colleague to correct me, Speaker, as necessary.

Going back to the Schedule, which obviously needs to be read in conjunction with Schedule G – well, it all needs to be read in conjunction with each other – but Schedule F, which is the \$33.8 billion in NPV and the total of what's in Schedule G, which is basically taking the \$33.8 billion and putting it out across the 51 years, translates to \$195 billion in total dollars to be paid to CF(L)Co.

But when you take that – and I'm going to make sure that I'm correct here – and you actually look at what is the inflation that would occur over that period of time, it's about a 4 per cent increase a year on average. Some years it's not going to be 4 per cent, some years it's going to be more, so what you would see there is about a 4

per cent increase in what Hydro-Québec will pay CF(L)Co over that period.

This is where it gets a bit complicated and this is why I'm sort of going slow into this answer. What that power rate is, for the power supply component, is not necessarily what translates into rates people pay on their bills. For example, if it's a 4 per cent increase that they have to pay for that component, if that was their only source of supply and it wasn't mixed in with all their other sources of supply, maybe there's a year when they have no increase or, I'm going to call it, somehow some magical negative increase on distribution costs, let's say that goes down by 1 per cent, then the actual power rate, if everything else was being equal, just being really simple, would be 3 per cent.

So I think it's just best for us to say that the average increase in price that Hydro-Québec is going to pay over the duration of the 51 years is 4 per cent. What that translates into on a bill, you can't determine that at this point in time.

SPEAKER: The hon. Member's time is up.

J. DINN: Thank you.

SPEAKER: The hon. the Minister of Children, Seniors and Social Development.

P. PIKE: Thank you, Speaker.

It's certainly an honour and a privilege to speak to this historic MOU that sets the stage for a historic series of events and agreements for this province.

Every day I approach my work and the work of my department with the foundational question: How does this impact the people of the Province of Newfoundland and Labrador and what does this mean to the well-being of the people in my district?

To the people of the Burin - Grand Bank District, to children, seniors and persons

with disabilities and the vibrant Newfoundland and Labrador community sector, I say this: This is an important deal. One that has a far-reaching effect.

Having been the mayor of a small but a tight-knit community, I can appreciate what the folks in Churchill Falls and Upper Lake Melville are thinking when they hear about this deal. They see a brighter future of generational prosperity.

The people of the Burin - Grand Bank District and all other communities will see one, too. After all, we know that rural communities really appreciate the fact that economic development may be possible in their communities and help them survive. We, as previous mayors of small communities – and there are others here – do our best to attract economic development and industries and so on to our town. This is so important. Hopefully, this will help all of us.

We have to consider the benefits of this MOU: \$225 billion in revenue over the life of the agreement; 17 years of benefits; \$17 billion that would otherwise not exist prior to 2041; massive new construction projects that will provide employment for a generation of thousands of workers; a new industrial development in Labrador to drive even further growth and create more jobs; fiscal flexibility for the government that has been constrained by decisions of the past; an opportunity to write a bold, new future for the people of the province.

We have many skilled workers who will find tremendous opportunities closer to home on construction projects in Labrador. This will make such a difference. If you speak to people who work away in other provinces, they talk about travel time and time that they lose, and they want to be close to their children. This will help. As well, it will help them stay in their own communities in this great province.

This deal will promote growth in other industries across the province who will support the development in Labrador. We have people who will see benefits in their communities from the province's new billion-dollar annual revenue stream.

From the people I am proud to work with by virtue of my Cabinet position, which I am grateful to have, I also think that there are things you will see and feel coming out of this agreement. Our children and grandchildren will be the clearest beneficiaries of this deal, of course. They will live with it the longest and live without the scars and restrictive aspects of the original deal. In fact, there are classrooms of kindergarten students who will make a living and a life from this new deal and not think about the Churchill Falls in a way that we have for a lifetime.

The fact that we are even speaking about this deal today, and not in 2041, is something that resonates with me deeply. My generation, never in our wildest dreams thought we would see the benefits of the Churchill Falls agreement until now. Our seniors, who have lived through all the efforts to reopen the 1969 contract, can now know that the benefits will begin to flow in their lifetime from a deal that was not scheduled to end until 2041.

I've been speaking with a lot of seniors, especially over the Christmas season, and attending a lot of events. That's what they had talked about, the fact that they will be able to now be part of this. They never thought they would live long enough to see it, but now they also will certainly see the benefits from this agreement.

I think about my communities on the Burin Peninsula, and so many like it, where populations are dwindling and residents are aging. We just need to look at the population of the Burin Peninsula, how much it's gone down in the last few years, and also look at the age demographic of the Burin Peninsula.

The schools I used to teach in are seeing their enrolments drop year after year after year. Mr. Speaker, this is real. This is very real. Schools now are operating with half the population they held within the last 10 years. It's just amazing. We need to keep people in these communities. We all know that schools are the heart and soul of any community.

As the Premier has so eloquently stated, this new deal changes everything. The economic impact alone has the potential to revitalize rural Newfoundland and Labrador, where my heart is. This new deal brings not only a significant boost in annual revenue for the province, but it will inspire and drive growth and development for generations to come.

The employment that will be generated will ensure people stay in the province and will likely attract those currently away who want to return. Let me tell you, there are lots out there that would love to come back to Newfoundland and Labrador.

Today, I am not only speaking on behalf of my generation, but I want to talk about why this deal is so important to my work and mandate with the Department of Children, Seniors and Social Development. The increased revenue that will come to the province will benefit all of us, and I will ensure that this includes children, seniors and persons with disabilities. The work we do and the programs we offer align with so many of the benefits that come with this deal.

Given that income is a critical factor for social and economic well-being, my department launched the employment stability pilot for people in receipt of income support. It now covers the entire province to ensure that we are able to help more people in receipt of income support to transition to employment.

Since the launch of the pilot, there are over 190 participants enrolled, with most of these

participants working. Many of these participants, Mr. Speaker, no longer need any income support.

SOME HON. MEMBERS: Hear, hear!

P. PIKE: Through this program, people in receipt of income support through the province, who begin a new job or continue to work, can keep more of their earnings and immediately experience increased financial supports and benefits from working.

We also have launched a working opportunities program that allows non-EI eligible persons to return to school for training in demand areas. This was announced as part of our Poverty Reduction Plan. Imagine what a difference this program will make as we see the job creation that will happen as a result of this deal.

By working more, participants engaged in the workforce increase their financial self-sufficiency. Everyone in this province will see and feel the benefits of this agreement. Economic prosperity drives housing development, industrial development and creates employment opportunities, both direct and indirect. It provides more people with opportunities to raise themselves out of poverty.

In addition to the job creation, the industrial development and associated employment that would unlock with the agreement, this additional revenue will be a game changer for our province.

Within the Department of Children, Seniors and Social Development, we are always looking for ways to improve how we serve the people of Newfoundland and Labrador. Any additional revenue coming to the province will have a positive impact on the scope of services we can provide and the amount of people these services will reach.

We can continue to advance our work to directly support the most vulnerable members of our society and those organizations that do their utmost every day to make lives better.

As legislators, we don't often get a chance to be part of a positive generational or really a multi-generational change and I'm excited to be part of one here this week.

This MOU will have far reaching, positive impacts for some of the most important constituencies of people we have in this province. Yes, seniors, persons with disabilities and the community sector, will have increasingly positive outcomes from this agreement.

Today, in this House, looking at the potential for this power project, I am confident that the people of this province will benefit.

It just so happens that I am particularly delighted for the children of the province. The pain of the original contract and the weight of Muskrat Falls won't be a part of their life. It will only be a story, but only if we put those things in their right place, in a firmly shut history book. Let's write the next chapter of Newfoundland and Labrador's long and storied history by supporting this MOU. I know I will be doing that.

Before I end, I do have one question. I know this has been touched on before, but I firmly believe that there needs to be an educational component associated with this project. This needs to be done in partnership with colleges, universities, unions and other organizations and stakeholders. Will you ensure that trades and other professional programs, as well as apprenticeship opportunities, are maximized to ensure that it has a positive impact on the number of Newfoundlanders and Labradorians that are able to gain employment?

SPEAKER: The Chief Executive Officer.

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

As you were just sort of cluing that back up it made me think about a reach out that I had from a female leader who actually works for government as a tradesperson and she's now moved into a management role and I have a lot of respect for her. She has already reached out to me to ask if we would – and I'll just read this small, short phrase if you'll just bear with me for a minute.

Maybe I shouldn't out her too much, but she says that she is a voice on the education reformation Pillar Committee and she represents the voices from a trades' perspective. She has a platform opportunity to make a change in the system, to encourage trades, and she's looking for the voice of Hydro, in this moment, but just to talk about what these opportunities are.

So, you know, I think there's a lot of and it talks about the next generation workforce. There's a significant opportunity for us to take this moment and to change what that future does indeed look like; to reach into the education system, to talk about all manner of kinds of jobs that would match all kinds of skills and interests of those people that we are all here to, hopefully, create a better future for.

I thought your question was education, generally, about the MOU and we are working really hard and we're going to get better all the time on helping the public understand what this MOU means to them and help them make up their mind about this deal itself or this MOU that will feed into a deal.

The opportunity for us to reach into the various organizations to inform and to get information back from them on how do we ready from an education system perspective and that includes post-secondary, certainly. There's such an incredible opportunity for us now to start that work right away.

SPEAKER: The hon. the Minister of Education.

K. HOWELL: Thank you, Speaker.

Speaker, I'd actually like to add to the response that Ms. Williams just provided that to the Department of Education. This is something that we are keenly aware of and recognize the impact that this MOU and future projects are going to have on the youth and up-and-coming workforce here in Newfoundland and Labrador.

Not to steal away from the comments that I have when it's my turn to speak but we've certainly been looking at how we can modernize the education system so that it meets the needs of opportunities that we can provide in our K-to-12 system that would lead us into opportunities in our post-secondary. We have some great partnerships with the post-secondary institutions here in this province and they've been very adaptive to the workforce. They've been listening to the workforce and monitoring the trends and how things are going. We do recognize that's going to be a big piece of the puzzle and we're super excited to see where that takes us as we transform education here in Newfoundland and Labrador.

SPEAKER: The hon. the Minister of Labrador Affairs.

L. DEMPSTER: Thank you, Speaker.

(Inaudible.)

SPEAKER: The hon. the Minister of Labrador Affairs.

L. DEMPSTER: My tablet gave out earlier, so I was wondering if it was going to be a trend.

I just want to take a minute to add to what my colleague said as I was talking to some folks that are in the gallery today, some of the lessons through the last megaproject of

having to fly in people because our own people weren't ready et cetera. We have made a lot of progress in Labrador, in particular, having a Labrador Aboriginal Training Partnership offices set-up that provide valuable service to the various Indigenous groups.

We also have Indigenous Trades NL that's there; a program that became so successful that we expanded to the Island. I like that because often in Labrador it was the other way around. Myself and the Minister of FFA and the Premier, we are happy to announce another component of that on the West Coast.

There are some lessons to take away from the challenges of the last megaproject and folks that weren't ready; they need to be getting ready now, two-, three-, four-year training programs most of them. Also, not to speak for my colleague in IPGS, but early this year they will also be launching a program through that department, this government promoting the trades in those. So there are a lot of things that is already in the works right now.

Thank you.

SPEAKER: Next speaker?

The hon. the Opposition House Leader.

B. PETTEN: Thank you very much, Speaker.

There are some people surprised but it's probably the longest time I've been sat down not speaking in this House in years.

As a matter of fact, there was a couple of colleagues across the way were asking me, when are you getting up? Anyway I appreciate that, but it's an important debate and it's been – actually on top of that I probably listened to more debate in the last two days then I get a chance, because people don't realize when you're in this role that there's a lot of orchestrating, a lot of

conversations go on the side between House Leaders and running of the House, but it's been a good debate.

There's been a lot of interesting commentary and questions, answers, answers that we haven't gotten. Ultimately, it's been a debate. It's not a normal, adversarial – there hasn't been a lot of back and forth that sometimes happens, which is good and I think it's important to keep it to somewhat of a high level.

I'll start by saying – and I don't shy away from my commentary sometimes – that when this deal was announced, or this MOU was announced, my first instinct was – and I was here. I wasn't an elected official, but I was here during Muskrat Falls debate. I was in the background, but I was well acquainted and I spent a lot of time getting briefed in rooms around this Legislature. I guess my first comeback to anyone – it might have been my wife. I'm not sure. But I said, I hope history doesn't repeat itself. I hope it's a good deal.

If anyone that knows me – and a lot of people in this Legislature do and don't – I don't play lightly with words. When I say them, I mean them, and I really mean that. I sincerely say that. Because I was around back then and it was not a good time. I look back at it now and I don't think it was right. But it's ironic. I don't follow social media. I read lots of it sometimes; I ignore a lot, too. For the initial days, it was like how dare any PC criticize or question this proposed deal or proposed MOU. We have no right based on Muskrat Falls. How dare you.

It always strikes me. I take my phone and lay it down and then I don't respond. Sometimes you're tempted, because, why can't we? I never voted. There were mistakes made; every government makes mistakes. Upper Churchill was the Liberal government though, back in the day with Joey Smallwood. These things happen. That doesn't preclude any current Liberal Member criticizing the Upper Churchill, nor

does it preclude any current PC Member criticizing the Muskrat Falls agreement. Back in the day it wasn't done with ill will. Again, history will tell you. I don't want this to be the same thing again.

I think that we should ask questions. We need to ask questions. Everyone's concerns need to be brought to this Legislature. If they don't get invited into the negotiating team or what have you, I think they deserve to have their concerns raised.

I have some questions, and some of the people in these are known publicly and they may not be experts – in the public domain, they have a large following – I think they deserve to have their questions and their commentary in this setting asked of the negotiating team and see if we can get an answer. I think it's only fair. A lot of my questions will be more designed of stating the commentary from various people. We've compiled some. I do believe it's important and it's not being cute; it's being – as, again, I take this seriously.

Like I said to you when I started off, I've listened more and paid more attention to this debate than I do a lot, because some debates are not so good, Speaker, as we all know that, in fairness to everyone here.

I ask the CEO my first question and it's a bit of preamble – I haven't got a lot of them, but here we go. Ed Hollett wrote on January 3 in his blog – he is a well-known blogger, whether you agree with a lot of what he writes, that's another thing, but he is a well-known blogger and he writes and he spent a lot of time writing a lot of this stuff. "This time around, the strategic goal was securing Churchill Falls as it is today for the lowest possible price and getting it for the longest possible time. HQ hit both goals out of the park securing another 50 years of electricity for functionally less than the original price and certainly for prices idiotically below even HQ's own domestic wholesale price to its retail arm." These are Mr. Hollett's words, as I prefaced, not mine.

What is your response to this analysis? Did Quebec get a better deal?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker.

No, Quebec did not get the better deal here. This is a fair deal for both, and this is a good deal for Newfoundland and Labrador.

I know we have talked a little bit about this before, but it does merit repeating. The price to be paid for the power from the Upper Churchill, which is I think what probably the reference is to – and this goes again to the joint press release, so it is not a misrepresentation by us or anybody else. The joint press release between Newfoundland and Labrador and between Quebec very clearly stated that the effective price is 5.9 cents a kilowatt hour.

That is materially different than the existing one; I can bring us to the actual announcement if we want to do that. Bear with me for a moment; here we are. In the announcement on December 12, you would see – it is from Executive Council, but it certainly does include quotes from Premier Legault, as well as Michael Sabia. It says: "The average cost of power from Churchill Falls under this agreement will be approximately 6 cents/kWh."

To address one of the questions earlier about the four cents a kilowatt hour – because that has also been confusing for the public and both those numbers are there – what Quebec is going to do, and it says it very clearly, is Quebec will direct dividends from its ownership to reduce the impact to its customers to four cents a kilowatt hour.

When I do see, and I'm trying to take into account all the analysis that we're seeing publicly so it can inform how do we have better materials available for the public to review, I cannot understand the math that would suggest that it's a very low price or, in

some instances, some folks are characterizing that it's a worse price than we have today. Because it's very clearly stated here that this is the price that they're willing to pay and they are going to pay. Then you go to Schedule F and G, that we referenced a few times, and it is very clearly an increasing price over time. As is evidenced in Schedule G, you can see how the price would increase.

The other really important point that I think if you take the whole MOU together and read it in totality and you look at the volumes that Quebec is going to have access to, and I go back to Schedule E, you can see Quebec, actually, for the Upper Churchill, gets less power than they do today, and certainly on day one of the MOU.

So you have to take the whole MOU, read it in totality and do the math on that basis and you will result in Schedule G, which shows an increasing price per kilowatt hour and, I'll go further, that's also contained on the website that shows what the price calculation is. Mr. Parsons referenced that the other day. If you go the ourchapter.ca website and you scroll down through – I'm trying to think now in my mind – I'm scrolling through in my mind what that looks like, but there is a big red, sort of, banner and you can see a price chart there and it's very clear that it shows that the price, as it goes out over time, very clearly increases.

In a response to a question earlier, that's when I had indicated that the average inflation or the annual inflation of price is 4 per cent a year. So I have not been able to rationalize some of the analysis that I am also seeing out there in the public.

SPEAKER: The hon. the Member for Conception Bay South.

B. PETTEN: Thank you, Speaker.

He also indicated that Newfoundland and Labrador received 1.6 cents a kilowatt hour instead of the 0.2, but that's just adjusted for

inflation. Even at the 1.6 cents, it's no where near the market value of electricity today, which is between three cents and 16 cents a kilowatt hour. So did Newfoundland and Labrador get the best deal?

Ms. Williams, just as a comment on your previous analogies with charts and that, I think that's somewhat the general problem in the public. Like I've said before and I've said to people around who are more experienced in this field than me, as a politician, my job – and what, I think, we're all in this room are pretty good at – is talking to people in the coffee shops and in the supermarkets. That's what politics is really about is on the ground. There needs to be a better job done, collectively, by NL Hydro, by the province.

I'm not questioning you, by the way – full respect – but I am questioning you in the sense that I'm reading conflicting information. I respect the people that are coming out with some of these conflicting reports. I have no reason to disbelieve them either.

I think I probably speak for a lot of people in the province, and probably in here today, it's a bit of confusion. It's a lot of confusion. We can talk here today until 9 p.m., come back again tomorrow and start talking and the confusion is not going away. As our leader said earlier, we get into this 225 number all the through decks, but we have trouble grasping it.

It's frustrating because you think you got it and then all of a sudden you're out in left field again, you don't have it. I think that's a simplified way of putting it. I think that's the way a lot of people feel. When you think you have a good grasp on it, you don't.

I think this whole concept of the per kilowatt hour cost, I think that's got everyone kind of – you don't really see 5.9, then it's projected, is it not? I think you get the gist of what I'm trying to say.

Is there a way we can get the message clarified for everyone, us included?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I'll start with a short answer, but I would like to continue a little bit: Yes, and that's exactly what we have been doing.

Some of my team thinks I'm a little foolish sometimes with how much time we spend looking at this. If your eyes are open, you're pretty much trying to understand where is the confusion so that you can work on what would be an improved tool for the people of the province to have access to so that they can indeed better understand what this moment is.

Much more fundamental is from Newfoundland and Labrador Hydro, just generally, as a Crown corporation. We have worked really hard over the last number of years to be even more transparent, to be even more accountable. I don't think there's a media interview I turned down. We are really trying to be out there and publicly available. We know that's our obligation. So it's on that basic foundation, and then you add on what this moment means. You add those two things together and we are absolutely working to be responsive, to look where there is confusion and to try to add new information to address some of that confusion.

But I will repeat what I had mentioned earlier: The MOU itself, it was between two commercial parties. We have to interpret that MOU and that is what we're trying to do. We're trying to interpret the MOU, commercial, legal, non-binding, but important in framework, and we're interpreting: What does that mean for people?

So I don't think we had an expectation that my – they're probably going to be mad at me for saying it – 19- and my 21-year-old daughters, as smart as they are, were going to take the MOU and understand it inside

out. But we wanted that to be able to be there for anybody in the public, especially people who do have a keen interest and especially people who do understand a lot of these matters, to provide for some perspective. But we always knew that we needed more than that. We needed that interpretation. We needed those tools that folks could interact with it themselves. So we are committed to continuing to update that information.

The public webinars, we're hoping, is going to be another method where people can gain more knowledge. We have a team working on: What does that document look like that we're going to use? And it absolutely is 100 per cent informed by the discourse that we've seen happening publicly since the announcement came out.

So we are working really hard to pay attention to the confusion and see what are the ways for us to better represent and evolve the information that's available in a way that is much more digestible to the public, people who don't talk about this 24 hours a day.

SPEAKER: The hon. the Member for Conception Bay South.

B. PETTEN: Yes, Ms. Williams, Dr. Wade Locke who is a retired MUN professor, he wrote a public commentary on the MOU. In it, he wrote: The MOU document lacks sufficient detail to demonstrate that the deal or the contract that is expected to ensue from this MOU is better than the 1969 contract.

What's your reaction to this?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

The MOU is a calorie heavy, a calories-per-word document, and the framework and the effort that went into the content and the principles that we have to work through with

Hydro-Québec, over the coming year and a bit, is significant. So the further details that we will flesh out, I don't think it will change materially the conclusions that are in here, but there is obviously going to be a lot more details to take this memorandum of understanding and turn it into much longer-term binding contracts.

I do think that for Mr. Locke and others who are reviewing the MOU, we can take all of the content and make all of the clauses match and know which has to be referred to each other. We know that is causing some confusion, publicly, even amongst some of the folks who are very familiar with a lot of these details.

I'll give you a couple of examples. Again, we're trying to interact and read with the analysis that we're seeing from some of the folks who actually understand some of these matters a bit better than an average person, but we did see some mistakes being made on the capacity factor, for example.

I'll just give a couple of examples, and certainly Mr. Parsons can help me out there as well. So some of the analysis that we've seen being done by people who interact with this stuff quite a bit, would have taken the MOU and said: Okay, well, I'm going to check the price that Newfoundland and Labrador Hydro is quoting and I'm going to calculate it myself.

One of the errors that we saw in some of the analysis is that you take the capacity of Churchill Falls and then you assume a certain amount of energy out of that plant – and in one instance we had an analyst, essentially, had 100 per cent capacity factor, which is not accurate. So it's more about a 65 to 70 per cent capacity factor. If you assume it has a 100 per cent capacity factor, your unit price decreases significantly. That's just one example.

There's another example I think that assumes a discount rate is actually inflation.

So there are a series of things that we've noticed with various analyses, that unless you're looking at all of the detail in conjunction, which, again, we've been looking at this for a couple of years, so it's easy for us to probably spot and to say, okay, we've got to help people understand in the public better. But it is not difficult to make some incorrect conclusions and then come up with analysis that's not accurate.

SPEAKER: The hon. the Member for Conception Bay South.

B. PETTEN: Thank you, Mr. Speaker.

Mr. Roland Martin is a former senior public servant and long-time director with NL Hydro. He also wrote commentary on this MOU. He wrote: The non-binding MOU bundles four separate hydro projects into one group of negotiated results, all done in secret without any terms of reference and the NL public could determine if our negotiators achieved their objectives.

Do you have a response to Mr. Martin, Ms. Williams?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much.

We've talked a little about this over the last couple of days, but Newfoundland and Labrador Hydro, I think it's been talked about, our board of directors, that we have has been bolstered by government over the last number of years, we have on our board several members or several folks who have worked as a counter-party to Hydro-Québec for, in some instances, decades. We have people who have built hydro plants within this province on our board, people who participated in engineering and hydro, and those people, in addition to the governance processes within government, oversaw the processes that we've gone through to meet the mandate that was given to us to get the best possible deal for the province.

SPEAKER: The hon. the Member for Conception Bay South.

B. PETTEN: Thank you, Speaker.

Mr. Martin also asked: “Has any independent national or international utility consulting company reviewed this non-binding MOU, and if so, what were the conclusions; and if not, why has there not been an independent review done?”

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

As we spoke a little bit earlier, we had Power Advisory, a national top-level energy consulting firm hired in the way that, perhaps, you might hire a consultant to give you advice, that would have given us advice to say these are the kinds of analyses that needs to happen to compare your options available to you.

We would have hired expert-level, international-level advisors. That would have been, certainly, through Power Advisory, absolutely through J.P. Morgan, our lawyers Stikeman Elliott, and others that would have provided us that international, absolutely global level of advice as we considered, as we went through in preparation for negotiations, as well as through negotiations, what should be the bounds of things that we should consider in this MOU.

SPEAKER: The Member’s time has expired.

B. PETTEN: I got one more.

SPEAKER: Does the Member have leave for one more question?

AN HON. MEMBER: Leave.

SPEAKER: The hon. the Member for Conception Bay South.

B. PETTEN: Speaker, I meant to say this when I started, so I just want a point of clarity, I guess. It’s not going to be a question; it’s going to be a short commentary. I know yesterday in the Legislature, the Minister of Industry, Energy and Technology commented to the public – and it’s fair for me to respond back and clarify – that we had funding to get research done to get prepared for this debate, but I want to tell the public that it wasn’t thanks to the government side.

They voted against us getting any funding. It was a decision that was made and the people on this side of the House that voted in favour and, through virtue of a process, that it ended up – but I want to clearly state, there was no Liberal Member that was sitting on that side of the House voted in favour of us getting any funding. I think that’s fair – sometimes these comments get made and they’re a little bit cute.

I happened to be not in the Chamber when it was said, so, true to my nature, I’d like to clear the air because that wasn’t what happened. I would be the first one to stand up and thank them if I got funding approved and they were there – if they approved funding for us to do research, you would have heard about it before today. You would have heard about it yesterday. I don’t shy away from that. I’ll give credit where credit is due and, in this case here, that wasn’t what happened.

It’s a bit unfortunate sometimes when the comments are made and they’re wrong comments, and it sounds like government have been very receptive and very helpful to us to get prepared for this debate. I think it’s important for the public to know that, too. We managed to get it. This affected the independents back there and the Third Party. They also benefited by this. I think it’s money well spent, because I can’t reiterate how important this debate is to the people of this province.

It's very important to have an informed, intellectual debate. You can only do that when you have the proper advice, proper research, and you need money to do that. When you're the government of the day and you're operating with a \$10-billion-plus budget and you have all the tools at your side, to have a fair debate, it was the only way to make it fair, and we managed to do that. There are no apologies from this side but I want to clarify that the Minister of Industry, Energy and Technology, who should have been upset that we weren't provided that to give an informed debate, took credit where no credit was due on that side.

I thank you very much, Speaker, for the opportunity. I'm sure I'll speak again.

Thank you.

SOME HON. MEMBERS: Hear, hear!

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

A. PARSONS: Thank you, Speaker.

Happy to speak to this. Now, I think, if you followed the entire context of what I said outside this House yesterday – and I'll say it here now – what I said was that the Opposition got funding for this debate. I did not say that government provided it to them. I said that they got funding for this debate.

Now, I can tell you I didn't vote against it. I do know that it was a vote at the Management Commission of the House of Assembly, which has Members from all three sides, including the Speaker, who, I think, voted in favour of this \$80,000 worth of funding.

I think what I was trying to point – and the Member referenced Muskrat Falls, of which he was not a Member but, like he said, he was in the background. He was there. I can guarantee you, the point I was making yesterday, in this historic debate, is that we

did not have one for Muskrat Falls. We did not have funding from the House of Assembly or for the government or for anybody else.

We had no witnesses on the floor of the House of Assembly. We had no experts that we could go and spend tens of thousands of dollars of money on to provide support to come in here. By the way, for a debate that they say they feel rushed on.

I'm going to clarify this right now. I said out there, and I'll say it again here now, they got funding to the tune of \$80,000 provided by the House of Assembly, provided by taxpayers of Newfoundland and Labrador for this debate, not an opportunity that we got, that they got, and that I'm happy they got. I hope they continue to use this opportunity to ask questions in this House and to the experts, because it's something that I never got a chance to do when I was here for a non-debate in the House of Assembly for Muskrat Falls, for which the Member was not here but he was employed by the people who perpetrated this debacle on the people of Newfoundland and Labrador.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Deputy Government House Leader.

L. DEMPSTER: Speaker, before I recess this House, I've been a long-standing Member of House management – perhaps the longest standing Member of House management – and it's never been a practice to discuss what happens in meetings at House management on the floor of the House, but for the record, for *Hansard*, I do want to say there was a lot of discussion back and forth. Pretty much everything the party said they wanted moving into this debate, government and House of Assembly had no issue. We wanted to support.

We were in a meeting offering – there was conversation happening back and forth about what the amounts would be. We had an amount in mind. Before we got to that, the Member put a motion on the floor. The reason we voted against the motion – we had something better. Then you broke the tie and it was what it was.

To say that we didn't support – the Government House Leader worked with those Members and we were more than happy to provide support to them. So it is disingenuous, dishonest to this House to say that government didn't support them and I take exception to it.

SOME HON. MEMBERS: Hear, hear!

L. DEMPSTER: Given the time of day now, Speaker, I move, seconded by the Minister of Municipal and Provincial Affairs, that this House do now stand in recess until 6 p.m.

Thank you.

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.

We'll get back to the regular debate.

The hon. the Member for Baie Verte - Green Bay.

L. PADDOCK: Thank you, Mr. Speaker.

Let me start by saying the numbers that are presented on a formal document truly matter and I know that from my background. Having worked in the public sector and costing international military missions, when we finished those cost estimates and

submitted them to Cabinet, we were locked in.

The same is true on the private sector side when I was working with a company. When we developed pricing sheets and submitted it to our client, we were locked in.

That is why I have some serious concerns with Schedule F. On behalf of every resident of Newfoundland and Labrador I will seek to clarify, for them, what appears to be two conflicting points in Schedule F.

First of all, let me read the third paragraph sentence: "The total of the forecasted payments to be made to CF(L)Co by HQ is \$33.8 billion (on a net present value basis) in respect of the volumes of electricity from the existing CF plant" This is where the conflict comes in, if you look at the follow-on bullets, the language with that denotes that it could lead to widely varying prices, replacement cost in Quebec, wholesale markets in New England, et cetera, market value and fairness.

Yesterday, the CEO of Newfoundland Hydro expressed a view that the \$33.8 billion is only a target and that it is the five bullets that will determine pricing. Yet, it seems that Hydro-Québec negotiators will argue what was agreed upon was the \$33.8 billion net present value and that the shape of the blocks will have to be adjusted to try to accommodate that stated principle.

My first question to the CEO of Newfoundland Hydro: What was actually agreed upon here, an overall price or a series of principles on which the price level will be based?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

I'm going to have my colleague respond to that, please.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker.

Hydro-Québec, absolutely, agreed and accepted the concept that, unlike the old 1969 contract, pricing would never be fixed as part of this agreement. The pricing will always move with the markets and the value of the energy, not only in export markets, but also the value in both the energy and the capacity compared to other alternative costs of replacement in Quebec.

So that's throughout here; that's fundamental to the MOU. Hydro-Québec absolutely accepted that during the negotiation process; that's where we landed.

However, in order to shape these pricing blocks, which we have to do in the next 16 months, and it's going to take every bit of that to negotiate these definitive agreements, in my estimation. Part of the work we have to do is to define the way these blocks are weighted. We have agreed that the valuation and the weighting need to come to a target of \$33.8 billion, based on today's forecasting.

So we and Hydro-Québec have very similar forecasts about where external electricity markets are going to go and where electricity costs in Quebec are going to go. These are not really secretive things and nobody knows each other's costs. These are very well understood. You will have a chance – I would think you would get some good information from Power Advisory on this because they do a lot of this work understanding costs.

We have very similar cost estimates. If our cost estimates that we share come true and market prices go where we think and replacement costs go where we think, the price will hit the target and the payments will be as laid out in Schedule G. But because of our history and because of what we've

learned from the '69 contract and the risks of fixed pricing and the feeling that you're in a market that is evolved because it's 50 years and now your contract sort of left you behind, that was fundamental. That was on day one of the negotiation, that it had to be a responsive price formula. They knew that was one of our key planks. That's why they have accepted that and that's how it will be done, aimed at a target, but it will move based on where the markets and the other costs go.

SPEAKER: The hon. the Member for Baie Verte - Green Bay.

L. PADDOCK: Thank you, Speaker.

So based on that, if the agreement was on a set of principles or indices, as the CEO of Newfoundland Hydro indicated, why is it that the MOU text – not the Schedules – reference \$33.8 billion and not a set of principles?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I'll have Mr. Parsons pick up and answer that question.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: To complete the work of the definitive agreements and to design these pricing blocks, you actually need both. You need to understand what the pricing block concepts will be, what are the markets that when they move, our price moves? We had to lay out what those markets would be. But you also have to have a target. So it's not an either/or kind of answer. You do require a target as a starting point, and you require a set of indices that you've agreed are reasonable to link to, in order to develop these blocks.

There's no way to develop these definitive pricing blocks without having a shared

target, which we have – \$33.8 billion– and a shared set of indices that will vary the \$33.8 billion. So together, they form the framework for what we will use to develop the pricing blocks. There may be three, six, seven separate pricing blocks that all reflect these different values, US prices – it might be New England, New York. There might be Quebec replacement costs in domestic Quebec. But it has to reflect the things that are listed here in the principles, and it has to be aimed at the agreed target.

I guess the short answer is, you need both in order to define those blocks.

SPEAKER: The hon. the Member for Baie Verte - Green Bay.

L. PADDOCK: Speaker, you might need both, so it's becoming clear that the target, so the fixed, locked-in amount is \$33.8 billion. *La Presse* – and I've been reading the French newspapers, and they're reiterating that, a guaranteed price. So we're here now with a situation where we have a major issue with the total of this contract for net present value of \$33.8 billion. Why?

Because if you look at the analysis that's been done outside of here from a number of experts, from accountants, engineers, economists, when they work back to that net present value, their average pricing on a net present value is somewhere around 2.4 cents. That matters. That matters because it is significantly different from what has been highlighted here.

The other thing that's important and I think, with this as well, is to ensure that we are not interpreting any of this MOU on the fly, as was highlighted by the CEO earlier this afternoon. On that note, is it possible to get a copy of the MOU in French to have it tabled here in the House of Assembly? Because having lived in Quebec, there are some subtle differences between English and French and we want to make sure that

we fully understand the MOU in both languages.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

I've learned today that I am not able to table anything here.

SPEAKER: The hon. the Premier.

A. FUREY: Certainly we can arrange to table that, no problem.

CEO, why don't you explain the two-cent issue that the hon. Member has drawn your attention to?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: I will, and I will just mention about the French aspect as well.

Our lawyers that assisted us, Stikeman Elliott, from Montreal, they're French language speaking French language first, so they obviously would have signed off with the partners that Hydro-Québec hired from the perspective of the MOU, in French, says the exact same thing as it does in English. I have to be very, very clear about that. They are French language first. They operate in downtown Montreal. They are French language speaking lawyers.

So with regard to this number that seems to be circulating amongst some of the analysts publicly, the two cents, it appears that there are a couple of different ways that some of the analysts are coming up with that number. Depending on which analyst is speaking about it or writing about it, again very early of us trying to understand some of it, knowing we would have to try to take some of this on, there are different incorrect assumptions that are being made throughout the MOU to arrive at these numbers.

One of them I used earlier. There is one analyst that's using an incorrect capacity factor, so that will depress the price. There are some folks that are using 3 per cent, for example, as an inflationary factor that Quebec is planning on increasing because, I guess, we think that they're saying that that's what Quebec's residential rates are planned to be capped on in Quebec. That is irrelevant to this MOU.

There is a whole series of, it appears to be, assumptions that are going into the analysis of folks who have been working on this, I guess, since it was announced to try to understand it. But from what we can tell, the various analyses are not correct. It does not translate into two cents a kilowatt hour or any form of two cents a kilowatt hour. I think there are even some analysts that are saying that it's two cents and it never increases and, in fact, it will sometimes decrease. That is not possible.

I guess I don't quite understand how you can arrive at that conclusion when you look at Schedule G and then you compare that to the volumes that Quebec is going to take, which they get less over time, from the CF plant, but total price they're going to pay, it goes up. So I can't rationalize that math to come up with a price that is lower than what Quebec have committed to paying in the public releases that they have.

I certainly can't speak to how *La Presse* or anybody else is saying that something is firm and confirmed, when again if you read the MOU – I will say this, *La Presse* has not come to us and asked us for our opinion on any of those kinds of statements. I just want to put that out there really quick.

Mr. Parsons has outlined very clearly that these are forecast amounts. They're forecast amounts in Schedule G. It is a target. They are pricing mechanisms. I cannot understand how somebody could come to the conclusion that this is a fixed or a capped price.

SPEAKER: The hon. the Member for Baie Verte - Green Bay.

L. PADDOCK: Speaker, fixed or not, it's a target that we are driving forward, which raises concerns that it's possible that Newfoundland and Labrador Hydro made some incorrect assumptions. What we need to look at, then, here is a further independent review of this MOU. Further to that note, we're also missing some information in this MOU.

Schedule D – where is it and can it be provided?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

Schedule D was essentially a description of the transmission assets in our province. The transmission assets in our province are going to be 100 per cent owned by Newfoundland and Labrador, so the content didn't need to be in here. Instead of trying to renumber all the references throughout the whole MOU, we chose to just intentionally omit that description and then it didn't have to change anything at all throughout the MOU. So that's the only purpose of what Schedule D is there for.

SPEAKER: The hon. the Member for Baie Verte - Green Bay.

L. PADDOCK: Just another further question – looking at the time – with regard to the \$33.8 billion. So Hydro-Québec would get one-third of it back, so namely \$11 billion. Would you please confirm that means that Newfoundland and Labrador Hydro, as a gross, under CF(L)Co, would get \$22 billion of that \$33.8 billion?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

The amount that Newfoundland and Labrador Hydro and, therefore, the provincial Treasury will get is not a simple one-third of what you see here because there are other components of what goes into the eventual dividends that come back to Newfoundland and Labrador Hydro as an owner.

There is the operating cost that we've talked about and there are the water power rentals, which is an operating cost as well. Then, broader, which we are committed to providing further information on this, is the additional revenue stream and, therefore, dividends that would arise from Newfoundland and Labrador Hydro's payments to CF(L)Co as well.

SPEAKER: The hon. the Member for Baie Verte - Green Bay.

L. PADDOCK: So to follow on from that, to recognize that, since it's just the gross revenue, then what the Newfoundland Treasury could very well get, given that we would have to factor in operating costs and the like, could be significantly less.

Now, I'd like to come back to this afternoon when the CEO of Newfoundland and Labrador Hydro highlighted that Churchill Falls is barely breaking even. We are just barely running that plant. Can she highlight how much profit Churchill Falls has generated over the last four years?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

If I could ask you repeat part of the question, because I think you said that I said that it was just barely breaking even, but there was something else that you mentioned. I'm sorry, if I could ask you just repeat that component of your question.

SPEAKER: The hon. the Member for Baie Verte - Green Bay.

L. PADDOCK: Basically, quoting you from this afternoon: Churchill Falls is barely breaking even. We are just barely running that plant.

I guess to save time here, we went and did the research the past four years: \$260 million approximately that CF(L)Co has generated in profit. Based on that analysis, totals that we would provide from the last four years, do you still agree with your statement from this afternoon that Churchill Falls is barely breaking even?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much.

I want to take on the piece about the "barely running," because I'm not really quite sure what "barely running" would account for. If I said that, I take that back. I did not mean to say it's barely running. It's an incredible plant and it runs and performs a phenomenal service, for both us as a province, as well as our neighbours in Quebec and for any customers that we happen to serve.

With regard to the breaking even component, what I meant by that is the financial dividends that asset provides back to the province on an annual basis, and it is less than \$20 million a year, which does not provide for much room for growth and in expenses and those sorts of things.

Mr. Parsons is going to jump in and add to this answer.

SPEAKER: The Vice-President.

W. PARSONS: Thank you, Speaker.

Yes, happy to take that on. In my job prior to this one, I was vice-president responsible for the Churchill Falls site and I'm happy to say I got to live with my family in Churchill Falls for 3½ years. Best job I ever had. Anyone who's interested to come work with

Hydro in Churchill Falls, we would love to have you.

I can say that we have net income every year in Churchill Falls to the tune of – I think there's about \$80 million of sustaining capital that we do every year. The accountants tell us there's a profit of a certain amount, and we reinvest that net income then in sustaining capital.

Churchill Falls corporation doesn't use debt to do its sustaining capital; it funds it from operations. So while there is a net income reported, there is no common dividend paid up from there to NL Hydro payable to government. There is a small amount, as Chief Executive Officer Williams said, that's \$20 million or less every year that comes up in the form of preferred dividends, but the common dividends are not paid because that net income is reinvested in sustaining capital.

We'd done tremendous work since 2006 when we moved onto this – we put most of that back into rebuilding the plant, making sure the plant has long-term, sustainable production for its customers.

J. WILLIAMS: If I could continue to add to that.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: If we chose to not reinvest that amount of money back in from a capital purpose, the plant would barely run. If we did not choose – at the direction of the board of directors – to use that amount of money to invest in that 5,400-megawatt facility, the plant would have maintenance issues. It would have reliability issues.

When I think about Newfoundland and Labrador Hydro or Newfoundland Power, for example, the capital budgets of both of these utilities, whose asset range anywhere from – Newfoundland Power's is, I think, \$1.2 billion or \$1.3 billion and Newfoundland and Labrador Hydro's – I'll park the Muskrat

piece – is about \$2.2 billion from a regulated perspective.

We're going \$100 million to \$150 million a year in capital, so, of course, we have to take the funds that Mr. Parsons just mentioned and reinvest that back into Churchill Falls to ensure that it does indeed remain reliable, but the dividends is what we're talking about here and what this 17-year and 50-year opportunity is, that's the difference that we're talking about.

We can do nothing and get, from dividends and back to the province, anywhere from \$10 million to \$20 million a year, or we can go ahead with this deal and work to get definitive agreements over the next 16 months and have \$17 billion instead of \$20 million a year.

SPEAKER: The Member's time has expired.

The hon. the Premier.

A. FUREY: Thank you, Mr. Speaker.

I just wanted to pick up on one of the hon. Member's comments because I think there is some confusion around the consequence of thirds, if I can.

So, to be clear, and the question to you is, of course, CF(L)Co is owned 65-35; 65 per cent us and 35 per cent Hydro-Québec. The net present value of the current deal to CF(L)Co is around \$34 billion; two-thirds of that would come to the Newfoundland and Labrador Treasury and one-third would go to Hydro-Québec.

In addition to that, there is the other third, if you will, revenue stream which brings us back to close to \$33.8 billion. That revenue stream is direct to the provincial Treasury as well, including water rentals and royalties. Is that correct, as a concept? I mean, it may be off by (inaudible).

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: I think most of what is captured there is correct, and then there's the additional revenue stream, which is the Newfoundland and Labrador Hydro revenue stream that also factors in there.

All of the things that you said are indeed correct, and then you add in the additional revenue stream. So the same math would then work on the revenue stream that Newfoundland and Labrador Hydro contributes to that math.

SPEAKER: The hon. the Premier.

A. FUREY: In addition then, phrased differently, because they're two numbers capturing the same concept, the six cents, for argument's sake, a kilowatt hour, the same would apply, that two-thirds of that would be to Newfoundland and Labrador Treasury, one-third to Quebec, which they would use, presumably to mitigate and then we build back up that third with the royalties and water rental fees, give or take?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Yes, I think that that's roughly accurate. I mean, we're just speaking in broad terms, and roughly accurate.

SPEAKER: The hon. the Premier.

A. FUREY: I think in the public that the coincidence of those thirds often gets confusing, although there are two ways – not even two ways, there is one way to arrive at it, it's just largely coincidence – not largely, is coincidence that they are somewhat similar values.

Thank you.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Then you throw in another coincidence, which is the total capital that we're expecting to spend, and it's between \$33 billion and \$35 billion. So it can get very mixed for the public. When any one party – I don't mean political party; I mean any one person, group, body is talking about one aspect. Unless you're really, really closely paying attention of every word in the sentence of what somebody may be quoting, it could be the capital cost, it could be the net present value of the payments that Hydro-Québec is going to be paying to CF(L)Co or it could be the dividends that go back to the province over a period of time.

So all of those things, we understand that it can get mixed in the public and we're working really hard to provide as much clarity as possible on the basis of the feedback that we do indeed get.

SPEAKER: The hon. the Minister of Transportation and Infrastructure.

AN HON. MEMBER: (Inaudible.)

SPEAKER: Sorry, the hon. the Minister of Housing, and Mental Health and Addictions.

F. HUTTON: (Inaudible.)

J. ABBOTT: No, Fred, you can keep your ferries there. Thank you.

Speaker, thanks for the opportunity to participate in this historic debate this evening concerning the future of the development of the Churchill Falls River in Labrador. Now, the outcome of this debate will impact the future economic, social and political fabric of this province, no doubt, but particularly in Labrador. Obviously, it will impact the Innu Nation and their communities; Nunatsiavut and their communities; NunatuKavut and their communities; of course, it will impact Labrador West and the future of mining development there; and it will impact businesses all across Labrador. It will result in new economic opportunities on the Island

as well, new jobs, much needed provincial revenues and, above all, hope for the future.

We have, since the early 1970s, decried the financial imbalance of the Upper Churchill Falls power contract; we nationalized CF(L)Co; we went to the courts; we passed legislation; we initiated earlier discussions with Quebec, all to no avail until now.

So why now, people ask, and I've asked the same question. The imperative for now rests largely in Quebec, as the CEO has mentioned on numerous occasions, and their need to assure themselves of electric power well into the future. They want to further electrify their economy. They need to make these investments now and they need security of supply where and when they can get it at a reasonable price.

Now Quebec's preferred option is to first secure the existing hydroelectricity supply from the Upper Churchill, but past 2041; second, to invest in further developments to maximize the output of the Churchill River and they are prepared to pay for this.

Now, Premier Legault has said that the existing contract is – quote, unquote – a bad contract for Newfoundland and Labrador. He said that here in this province. He's prepared to renegotiate its terms. Under the MOU that we're discussing, there will be a new Power Purchase Agreement separate from the Churchill Falls Expansion and Gull Island project contemplated by the MOU, whether they proceed or not.

Now for Newfoundland's part, we have wanted to reopen the power contract to extract more economic rent that is more provincial revenues from CF(L)Co. Under the current contract, we would have to wait until 2041. Now, 17 years earlier, we will have access to billions of dollars more.

The MOU contemplates inflationary increases in the price for existing power, something, again, mentioned here on numerous occasions that was not factored

in the original contract. In fact, it resulted in ridiculously lower prices when compared to market rates since the early 1970s.

As an aside, one of my first jobs with the Department of Finance in 1980 was to review the Upper Churchill contract for its impact on equalization. So really since then, I've had a personal interest in monitoring the developments around the Churchill Falls contract and subsequent developments. So this comes as really, as others have said, a perfect point in time for us to move our future forward.

Now while we cannot undo the past, we can certainly apply lessons learned in crafting the new deal for Churchill Falls power going forward.

Now, by way of background, nothing new here, the Churchill Falls River is a tremendous source of renewable, low-carbon energy. Churchill Falls electricity offers significant potential towards the achievement of national, regional and provincial climate change and net-zero emission's goals. The Churchill Falls facility has an installed generating capacity of over 5,400 megawatts and produces roughly 34-billion kilowatt hours annually of clean, reliable electricity. That's today's output, but there is more potential on the river. Expanding current capacity and installing additional capacity at Gull Island, something Newfoundland Hydro has contemplated but cannot do on its own, it will require a huge investment well beyond our capacity here in the province to carry on its own at this time.

Now, again mentioned earlier over the past two days, before our government and Newfoundland Hydro set out on these negotiations, it established an expert panel in May 2022 to guide the province's direction. So this wasn't something dreamed up over at Hydro, it wasn't something dreamed up in the Confederation Building, it was a deliberate effort to make sure we got this right, right from the get-go.

But the key factor that they had to consider was: Does Newfoundland Hydro renegotiate with Hydro-Québec or are there other alternatives? The panel – and again we're heard who was represented on that, a good cross-section of knowledgeable individuals and committee individuals here in the province and elsewhere – had a mandate to recommend potential approaches for the Newfoundland government to ensure maximum long-term benefits from the Churchill Falls assets in Labrador, including future upgrades and expansion to the facility given the expiration of the existing contract in 2041.

The panel also had a role in educating the public and government on the current contract's implications for Newfoundland and Labrador. Now, according to the expert panel, and as we all know, the contract to sell power from Churchill Falls to Hydro-Québec would expire in 2041. That may seem a long way off but not when it comes to utility planning. It's important to plan now to ensure our province achieves the maximum long-term value of this unique and important resource.

Now, the formation of the panel was a recommendation of the Muskrat Falls Commission of Inquiry. Panel members were or are highly qualified experts. They combine expertise in energy development, finance and economics and management of large facilities and included representatives to ensure engagement of Indigenous peoples here in the province and particularly Labrador. The Innu Nation, Nunatsiavut Government and NunatuKavut Community Council each appointed an expert to the panel. The vast majority of the panel members are from or have deep roots in the province and they have been engaged in their communities and connected to the wants and needs of Newfoundlanders and Labradorians. Obviously, they weren't doing this in isolation of the reality in which they live.

The panel took their responsibility very serious and members were committed to protecting and advancing the future interests of all Newfoundlanders and Labradorians. The panel's focus was: It's time to get this right. And the work of that panel has started us down that road of getting this right.

The panel spent several months gathering the right information and reviewing options to provide strategic advice to our government in consideration of the Churchill River assets. When the panel concluded its work, it provided advice to the government.

Three main opportunities were considered and are not mutually exclusive. Again, the CEO mentioned these earlier today: Opportunity to increase sales inside the province for electrification as well as new and growing industries, the opportunity to increase sales to export markets and the opportunity for a new arrangement for sales to Hydro-Québec.

The panel believed the province – and I think this is critical as to where we started and why we're here today – should continue to show its respect for Indigenous people and Indigenous rights and that would ensure ongoing consultations on the river and that it is carried out in a timely, meaningful and sustained manner with our Indigenous people. But what they indicated and their final report said that the Newfoundland and Labrador government should, and the most effective course, was to initiate discussions with Hydro-Québec. That was the option.

In February 2023, the expert team was set-up to lead the high-level discussions and the CEO has talked about that. With the past clearly in mind, political direction was set by both governments. The negotiators for both hydro corporations with external expert advice were tasked with coming up with the best deal that would serve the interests of both parties.

The end result is the MOU we have here, signed on December 12, which we are discussing and debating this week. This is by no means a rushed process, as some have suggested. The MOU is detailed in its terms but also in recognizing that detailed agreements have to be negotiated over the next year or so but the principles guiding these negotiations are clearly set out in the MOU.

Now, we know the existing power contract will be redrafted with: one, higher revenues; two, an escalator clause; three, no automatic renewal clause. We know the existing 11 turbines at Churchill Falls will be replaced over the next 11 years to increase capacity of the existing asset continued to be owned and operated by CF(L)Co.

We know there will be an expansion with an additional two turbines adjacent to the existing Churchill Falls plant to be owned and operated by CF(L)Co. We know that a new generating station further down the river at Gull Island will be built, with any cost overruns covered by Hydro-Québec. This new facility will be owned 60 per cent by Newfoundland and Labrador and 40 per cent by Quebec.

Additional transmission lines will be built in Labrador to the Quebec border, owned and operated by Newfoundland and Labrador Hydro. Newfoundland and Labrador Hydro will have access to much more hydroelectricity to serve the Labrador market and/or to sell to Hydro-Québec, if and when needed. Hydro-Québec will provide Newfoundland and Labrador Hydro with \$3.5 billion in today's dollars to go towards our equity in these new hydroelectric assets so Newfoundland and Labrador doesn't have to incur additional debt we cannot afford.

Individually and when combined, these investments represent significant investments in Newfoundland and Labrador's future, as well as Quebec's future.

I think it's fair to say, and something I'm very strong on, despite what has gone on in the past, we need to have confidence in our ability to negotiate a strong deal with Quebec. Unlike Muskrat Falls, we left the negotiations today to experts in hydroelectricity construction, transmission and financing. We learned from our past and applied Judge LeBlanc's recommendations to guide the MOU that we are discussing here this week.

We are committed to continuous external oversight of the projects contemplated by the MOU and the definitive agreements respecting each project that will be debated by this House in the near future.

The overall impact of this energy deal contemplated by this MOU is to make – and will make – Newfoundland and Labrador a stronger province.

We will have a stronger commercial arrangement with Quebec, and what makes both provinces stronger makes Canada an even stronger country – something we have all been striving toward since Newfoundland and Labrador and Canada signed the Terms of Union just over 75 years ago in 1949. So this is one way, and a wonderful way, to cap off our 75th Confederation anniversary year.

Speaker, successive Liberal governments have had a vision for our province and have had the political courage to put large deals and public infrastructure in place to strengthen our province. It was a Liberal government that brought us Memorial University, that contributes and continues to contribute and produce stellar graduates who, over the years and to this day and into the future, will contribute significantly to the province, the country and the world at large. Truly a renewable resource that continue to be supported financially by this Liberal government.

Under the Liberal Smallwood government, we opened up the iron ore mines in Western

Labrador that continue to contribute to the economies of Labrador and the province as a whole. Similarly, the original Churchill Falls development that now will produce significantly more revenues for the province was sanctioned under the Liberal administration. It was a Liberal government that started construction of the Health Sciences complex and the start-up of our world-renowned medical school.

Under Premier Wells, the Liberal government sanctioned the Hibernia offshore oil project that kick-started our highly efficient and low-carbon offshore sector that has and continues to contribute significantly to our province, our economy and our way of life.

Under Premier Tobin, the Liberal government negotiated the funding and start of construction of the Trans-Labrador Highway. Under Premier Grimes, the Liberal government sanctioned the massive Voisey's Bay nickel mine development in Northern Labrador, with a major processing facility here in Long Harbour on the Island. The Ball government ignited construction of the new Western Memorial hospital in Corner Brook and the new mental health and addictions centre to replace the Waterford Hospital.

Now, under the current Liberal government, led by our Premier, we have an MOU with Quebec that rewrites the 1969 Churchill Falls contract and brings in \$225 billion.

SOME HON. MEMBERS: Here, here!

J. ABBOTT: It also facilitates expansion of hydroelectricity development in Central Labrador with the potential investment of over \$33 billion.

This is a big deal. The time is right to proceed. We now turn to the next chapter in our province's storied and amazing history. Speaker, this massive energy initiative will bring many new economic opportunities and jobs to the province. It will bring forth new

provincial revenues to expand economic and social programs in the province. It will give us the opportunity to start paying down our current public debt.

In short, this deal allows us to further strengthen our province, a place we call home, in a society we are proud to promote and celebrate.

Thank you.

Speaker, I do have a question or two while I have the time.

AN HON. MEMBER: (Inaudible.)

J. ABBOTT: It's over here.

So I ask the Chief Executive Officer –

AN HON. MEMBER: (Inaudible.)

J. ABBOTT: I got some time.

AN HON. MEMBER: (Inaudible.)

J. ABBOTT: Just listen.

SPEAKER: Order, please!

J. ABBOTT: They're more than legitimate.

So one of the things I've been hearing from the Official Opposition, the undertone of their questioning, what I'm hearing and as I'm listening, it seems a very strong anti-Quebec and anti-Hydro-Québec sentiment driving their questions.

So what I'm wanting to ask, based on your two-plus years dealing with Quebec and Hydro-Québec, how would you describe the tone and tenor and your perspective on the future working relationship and arrangements with Hydro-Québec going forward?

I'll ask the second question, if you have time, which is: The checks and balances in this MOU, both for us and for Quebec, but

obviously more for us to make sure that we get what we are bargaining for.

And the third one if you have the opportunity: 75 per cent of the new projects will be funded by debt and the capacity of CF(L)Co or the new entity to carry that debt and the impact it may have on our financial planning as a province in the future.

Thank you.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker.

With regard to the first part of the question, which is really about the relationship, I actually would appreciate if Mr. Parsons would just open it up from a real-life experience perspective because I can tell you that operationally our teams, because our systems are interconnected between Hydro-Québec and Newfoundland and Labrador Hydro, our team at CF(L)Co is actually very good.

I would ask Walter to speak a little bit about that and then I wouldn't mind taking it back and speaking a little bit about the last couple of years.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker.

I absolutely would echo President Williams's comments about our operational relationship with Hydro-Québec has always been very good. They are a highly competent utility and they have been a good neighbour utility to us for many years in terms of assisting us during times when we have storms or other issues on the system. Just like we have returned the favour and assisted them.

I can tell you from experience in working in Churchill Falls that the relationship between

the folks that manage and run every day the Churchill falls plant and their counterparts in Hydro-Québec have always, likewise, been very, very positive.

There have been times when there have been extraordinary conditions in Quebec where operators in Churchill Falls have had to work around the clock to ensure that the Churchill Falls plant can help Hydro-Québec get out of a jam.

There have been other times where they are been impacts on the grid in Labrador, impacts at the Churchill Falls plant, where Hydro-Québec, in turn, has assisted us in keeping that plant in good shape and has really returned the favour.

They have been good neighbours from an operational perspective and I would say our operators, our tradespeople in Churchill Falls and throughout Hydro, enjoy the working relationship.

Obviously, there's always been this hangover of the 1969 contract and as you go up the chain in our organization and you get further from the work and closer to people like Ms. Williams and myself, and we deal with these contractual issues, there's obviously been a grey cloud over that part of the relationship.

I do share the Member's view that beyond the cash, beyond the projects, this does present an opportunity to work better holistically with Hydro-Québec and with the Province of Quebec, because there are more things we can do together. I won't go too far outside my lane, but obviously even some of the iron ore projects in Labrador West, for example, have footprints in two provinces. Lab West depends very heavily, of course, on the infrastructure at Sept-Îles and the rail line that crosses two provinces. There are other hydroelectric; there are wind projects. There are many more projects beyond what's contemplated here that I believe we can do together, both in mining industry and in electric power, with

Quebec if we can move forward on the relationship.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

Two things, and I will give an example that bridges the operational into this negotiating period.

In the last year and a half – maybe two years – it was after Mr. Sabia came in – fairly soon, actually, after Mr. Sabia came in. There was an operation that CF(L)Co wanted to undertake. It was a bit of a new and different thing that we wanted to do at Churchill Falls.

Mr. Sabia caught wind of this and got involved in it and he was very clear to the team at Hydro-Québec: We want this to happen. We are building bridges between our organizations. That really, in our view, set a pretty significant tone about the kind of relationship that they are also looking for going forward.

I'll just bridge into the negotiations for a moment here now. There were days – and I've said this in at least one media interview – that I said this is not going to happen. They were very difficult sometimes, very difficult days, and that we had said, nope, we can't go any further. We've reached the limit of what we were willing to do here. And there were times that they said that about us.

I would say that the conversations and the negotiations were very, very difficult at times, but we worked really hard from both sides to continue to find the respect for each other as negotiators, as well as the respect for each other's position and history and how are we going to explain this really comprehensive opportunity for both of us to our respective jurisdictions. It had to make sense for both of us.

As difficult as some of those days were, I would say that both parties recognize that the opportunity of working together is so much better for each other, individually, than staying apart. We were able to bridge past those really difficult days and bring ourselves to a memorandum of understanding that we believe we can both defend as a good deal in our provinces.

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: Thank you, Speaker.

I look forward to asking some questions to the CEO of NL Hydro and they are certainly not a strong anti-Quebec sentiment, which the previous speaker thought that they were. The only questions that were coming from this side of the House today was the fact to make sure that Newfoundland and Labrador got the best deal possible from any arrangement with Hydro-Québec. That's how we roll and where we've come from.

I want to give a little preamble before I start, the preamble being that I have a friend that I grew up with who is an industrial electrician, who is currently a manager in a consulting firm in a utility company operating out of Western Canada: 30,000-plus employees globally in the company; 1,500 employees in Canada; 2,300 in the US.

From the questions and my consultation and reaching out to him, and I'm sure he's watching tonight, a lot of these questions are from our conversations that at least I can throw out and it will further add to the conversations that we have going forward.

The first question is to the CEO. The Vice-President of NL Hydro said yesterday that Hydro-Québec is leaning away from long-term contracts – leaning away from long-term contracts. The question would be, why did Hydro-Québec recently sign long-term contracts with New England and New York?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker.

I don't recall the specific language that would have been used yesterday, but this is definitely along the lines of the theme that I think I did get into yesterday.

These two contracts, I think that we're referencing, one is into New England and one is into New York; I think one is 20 years and one is 25 years. They would have been signed a number of years ago when Hydro-Québec's planning department had – again, I'm not speaking for their planning department, but this is quite obvious when you look at this from the outside looking in. They would have not seen the impact of electrification going on in society and they would have committed to these two long-term contracts into the United States.

Again, I don't know the actual signing of the dates. It was probably five or six years ago, before the impacts of electrification that are now requiring each of the provinces to themselves ensure they have in-province adequate supplies.

So Quebec is choosing to honour those contracts. For example, in both instances, they've had to build significant infrastructure. It's generally, I think, joint ventures with the other counterparty as well. The reason why, I'm guessing – again, I would have to have somebody review the exact terminology – that he would've referenced that they're leaning away from these long-term contracts is because they have to turn inside now that the effects of electrification, that I've talked about earlier, are really being felt, they now have to build so much infrastructure just to supply themselves.

This is a long-term export contract, is what would've been the reference. They'll probably continue to do, when it makes sense if they got a low period in the winter,

they have 12 hours coming up when they have some excess energy they can sell into the market, that will still make sense. That's why we're getting a piece of that action in the pricing formula.

But to commit to long-term export contracts, when they have to build over the next 10 years about \$150 billion to \$185 billion worth of assets, it no longer makes sense for them to enter into these long-term contracts for export.

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: Thank you.

In response to my learned colleague's question just after the last recess we had, from Baie Verte - Green Bay, the vice-president of NL Hydro responded and said that pricing will always move with the markets.

As was done several times, the reference was going to Schedule F, the five bullets in Schedule F. In particular, the fourth bullet, I would assume, is one that he was referencing when he spoke: the pricing mechanisms.

My question would be that spot market prices are only a fraction of the market and do not consider PPA for import contracts, nuclear or offshore wind. These values are much higher than the spot market in New England prices. Could Hydro-Québec sign another long-term agreement at higher prices than the spot market prices?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

If it's okay, I'm going to have Mr. Parsons take this question.

SPEAKER: The Vice-President of Newfoundland and Labrador Hydro.

W. PARSONS: We absolutely don't intend to limit ourselves to US energy-only spot markets. So, as I mentioned before, we've got a pretty active energy marketing team at Hydro. We've been doing this for about 15 years. We are seeing the changes in the market and certainly agree that spot markets alone are not reflective of electricity. It's only a component.

That's why you'll see here in Schedule F that we refer to separate capacity and energy, for example. The spot markets are, generally, the sales of energy only. We've been very diligent about ensuring that capacity is included in there. We've also written this section that will guide the definitive agreement broadly enough to be able to capture the spirit that all of the value that the electricity brings will be reflected in the pricing formula.

So there's no limitation in here to exclusively spot markets. Spot markets is a component and we do a fair bit of sales ourselves, NL Hydro, in spot markets in the US, but it is only a component and we're seeing it becoming a smaller and smaller component and capacity and other aspects of electricity sales are growing. Through our advice from Power Advisory, for example – who I'd encourage you to ask them about that tomorrow because they're certainly the experts in the markets – we wanted to make sure that we capture much more than just spot markets, and that's the intent of Schedule F.

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: Thank you.

If there's a green credit obtained from our federal government or from the United States, who will receive that, Hydro-Québec or Newfoundland and Labrador Hydro?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

I think I'll start and then I will ask Mr. Parsons to jump in, if that's okay.

I think it depends on where that green credit actually resides. For example, some jurisdictions, from a market pricing perspective, the price they pay, they're willing to pay a higher price for a greener electron than an electron that has a higher carbon intensity. So if that's wrapped up and included within the price, then that would be reflected in that price.

When it comes to something along the lines of the tax credits that are under contemplation, under the existing Liberal government, we'll see where things go with regard to a future election and what happens with those credits. I could ask Mr. Parsons to talk a little bit about that as well.

I think when you pose the question of from the greenness of the value that's going to come in here, it will depend on where that resides in the actual financial relationship, because it resides where, I'll call it, the green parameters show up in that.

Is it okay if Mr. Parsons could add to that?

SPEAKER: Sure.

The Vice-President.

W. PARSONS: Thank you, Speaker.

Thank you for bringing that up. An important component of the value that Churchill Falls brings is not only – we've talked about energy, we've talked about capacity, but also the green credit, the value that sets it apart from, let's say, fossil fuel generation, was absolutely a critical part of this negotiation.

A previous CEO of Hydro-Québec, she famously developed this – or maybe she copied this analogy of selling organic apples for the price of regular apples. If you're

selling organic apples, you want to get paid the organic apple price. That is the way we look at Churchill Falls and the renewable power we have. We are selling the organic apples, and it is fair to get not the standard apple price, but the organic apple price.

So that is the intent here in Schedule F that does have to be locked into definitive agreements, but it is written in such a way – and you will see the term “attributes” being used in Schedule F, volumes and attributes. So attributes refer to that green quality, that renewable quality. It’s not simply the volume that we’re selling; it is also the attribute that we’re selling.

If Hydro-Québec does better than expected in the markets because there is more value ascribed to the greenness of the power, we are hitched to that wagon. If Hydro-Québec has to pay more because there is no more fossil fuel allowed to be built and replacement costs go up because you have to build green in the year 2038, then our price will float up with that as well.

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: My friend I referenced earlier would think that it would have been in Schedule F, and I am saying it is not laid out there in Schedule F, even though he thought it was significant enough to be in there, for it to be referenced.

If I may move on to another question.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: If it is okay, I’d just respond to that really quick.

We’ve said a few times, but it does warrant in this moment repeating it. These are the principles and all the things that we’ve just talked about still remain to be negotiated. So when you mentioned that your friend – and thank them for watching and paying attention and caring, and maybe they are

somebody who wants to come home and work home if they’re from here. Please God, they’ll have a great project to work on.

The kinds of things that we’re talking about here are to be negotiated over the course of the next year and a bit. Just to pick up on what you introduced in your preamble, these concepts or this thinking of people from across the country, I invite you to ask Power Advisory tomorrow what they are hearing from across the country with regard to the views – unsolicited.

I was speaking with Power Advisory after the MOU was signed and they gave me some feedback that they had heard from other clients that they have who didn’t know they were working on this file because it’s all very private and confidential information.

I just do invite you to ask Power Advisory what has been some of the feedback that they have received with regard to the merits of this deal for this jurisdiction.

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: Thank you very much.

Considering how much Hydro-Québec has to build, how easy is it to replace 7,200 megawatts of generating capacity? Would you have a cost estimate of how much 7,200 megawatts of capacity would cost Hydro-Québec?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you very much, Speaker.

As we prepared for entering into the negotiations, and certainly through the course of negotiations, we would have been assessing what exactly the answer is to that question. I will say some of this does become commercially sensitive, so I won’t go too far; I’ll speak more about it in generalities. But with regard to the inputs

that would help us determine the value of this asset in that kind of a situation, we would have an understanding of what Quebec's alternatives are.

That is what Power Advisory certainly would have helped us do. They would have provided us advice because they do power system planning and advice for lots of clients, and certainly that's what they did with us, is they helped us understand what Quebec's alternatives were. Yes, it would be difficult to replace this, but it is not impossible. As I said and, again, one of the other Members talked earlier about one of the documents that lays out their strategic plan. There are so many options available.

Yes, some are more difficult; others are easier. I will say with electrification, what you are seeing also in the industry is, thankfully, technology is improving all the time. That is another threat and another risk to the value of these assets. As batteries get cheaper, as different technologies are improving, there are technologies for energy sources constantly being developed – and again, I say on behalf of a citizen of the world, thank God.

For us to think that we have to go back to the same old, same old solutions for electricity generation, that is no longer the case. There are people working on solutions all over the world because the world needs it. So would it be easy? No. Would it be hard? Yes. Are there solutions available to Quebec? 100 per cent.

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: Thank you.

We went for a recess – the last recess we had – and *NTV First Edition* came on in our caucus room. It started off with: Why make the deal now? The CEO was interviewed there. You know, if we wait four to five years or two to three years, then, they said, quite

possibly, Quebec will be out looking for an alternative.

If Hydro-Québec has to build additional assets, comparable costs will continue to increase. While Churchill Falls is a debt-free asset, won't our Churchill Falls production plant value only increase as we get closer to 2041? The value of our plant – the magnitude of what it's going to cost to replace.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you.

If I could ask my colleague to take the question?

SPEAKER: The Vice-President.

W. PARSONS: Thank you, Speaker.

Just to make sure I have it exactly right, could you quickly repeat that please, Member?

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: The summary is that the CEO had stated that in two to three years, if we wait, then all of a sudden they're going to be out looking for an additional alternative. Every year that we wait, the cost of that alternative is going to cost more.

As we approach 2041, does not the value of the Churchill Falls be so large and the alternative be so large that it helps us – us being the Province of Newfoundland and Labrador – in the negotiations?

SPEAKER: The Vice-President.

W. PARSONS: Thank you for that. No, that is clear.

Obviously, it's hard to predict the future, but we do know that utilities plan for the long term. So whether it's today or in the next

year or two years, the decisions around 2040-2041 are being made today by Hydro-Québec, just like decisions for that time period here on the Island of Newfoundland are being made through the Public Utilities Board process and that here for Newfoundland and Labrador Hydro.

Hydro-Québec is at that decision point now and they do have alternatives before them. Mr. Sabia has been very clear: We are evaluating nuclear; we are looking at what we can do on the nuclear front as a potential long-term solution. They have recently created a position of vice-president of wind and they've announced that they're not going to buy wind from independent power producers, they're going to develop their own wind in large 1,000-megawatt blocks.

Hydro-Québec is preparing and planning for that time period today. So if they did not have Churchill Falls, if this was clear that this was not going to be available to them, they would have to go a different route. They would have to develop other alternatives and it would be a gamble to figure out what value Churchill Falls would be able to provide if it was sort of not a dependable source of power but, rather, a possibly stranded source of generation.

Obviously, we would do our best to market it elsewhere. We would never put all of our eggs in one basket, but those decisions for that time period are being made right now.

SPEAKER: The hon. the Member for Bonavista.

C. PARDY: Thank you very much.

I'd like to enter into record that the CEO of Newfoundland and Labrador Hydro would think that Muskrat Falls is a great asset. I'd like to enter into the record, in 2023, there was a CBC story on March 7: "The plant is running really, really well. The LIL" – the Labrador Island Link – "is already running

well at low power. I know it is going to get better at higher power."

"I feel very good about this asset and I feel very good about the people that are running it. And I do feel a bit defensive about that sometimes, 'cause I want those folks to know they're producing an excellent product every day out of that plant and that line."

Then, at ARC Energy Research Institute on June 4, 2024, the CEO of Newfoundland and Labrador Hydro states: "And the Muskrat Falls plant itself is knocking it out the park with regards to its availability. It's incredibly reliable and the Labrador Island link is also operating quite well. So, we're quite pleased with where it is today. It's only going to get better."

I would ask the CEO of Newfoundland and Labrador Hydro: Do you think that Muskrat Falls is a great asset?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker, and thank you for the question.

I will start with – you went back to the 2023 and the comments around the people running it. I absolutely get defensive about the people that run this organization because they are really good and I am sick – I'll be quite honest – of people crapping on our organization, because what you can see here – look at this man here, sorry – very, very good, and there are 1,500 of them.

SOME HON. MEMBERS: Hear, hear!

J. WILLIAMS: I'm sick of it. I'm sick of the reporting – sorry, reporters – that when we talk about the good things about this organization, it never gets reported. We work our butts off, thankless, 99 per cent of the time.

I was told very clearly many times: It is not the public's job to thank you for your job.

But I can tell you, it feels pretty crappy when the people are just crapped on all the time. They're the ones that are up in Labrador putting the lines back together in minus 40 weather when all of us sitting down on our comfy couches, having our cup of tea, and then people still choose to crap all over this organization – switch the spots with any of those people any time of day.

Yes, I have to calm down for a second now; I get very, very frustrated with that.

This is a Crown corporation. Those folks work their butts off to the benefit these people in this province and the people in this room every single day and I just wish once in a while that was the story that got reported, more than all of the negative stories.

I am just going to take a breath because I have to relax for the rest of the answer.

SOME HON. MEMBERS: Hear, hear!

J. WILLIAMS: The Muskrat Falls plant: Without getting to be too personal, the two of us are drivers of electric vehicles, and then I think almost all of our executive – there's only one or two of our executives that are now electric vehicle. I think, I don't want to speak for anyone's personal values perspective, but I probably do have to speak from a personal values perspective for a while.

I believe in climate change. I believe in doing everything that I can, within reason, to do what needs to be done for the planet with regard to climate change.

When you can minimize fossil fuel burning – I am not suggesting that fossil fuels are bad, I'm suggesting the burning of fossil fuels contributes to climate change. I'm a climate change science believer. Everything you can do to improve the planet's outcomes with regard to climate change, sign me up.

With regard to Muskrat Falls: I came to Newfoundland and Labrador Hydro in 2014, just after DarkNL, and I went into the regulatory group. So that was a phenomenal opportunity for me to be a liaison between Newfoundland and Labrador Hydro and the Public Utilities Board on everything that hadn't been done right for a period of time. I think it really set the foundation for me appearing here today, for me understanding what is the public's expectations versus what we were doing as an organization. So I was able to take that experience as a jumping-off point, and through my career at Hydro, bring forward a lot of those learnings about public expectations. It is something that I anchor to all the time.

So with regard to the Muskrat Falls plant – parking the cost for a moment – when I speak about that, it is the role of this with regard to lowering the fossil fuel burning for the province with regard to electricity generation. The Muskrat Falls plant, as a plant itself – again, I'm parking the cost – the plant itself is one of the better ones in Canada with regard to reliability. The people that are running that plant are doing a phenomenal job. When we have a plant trip, whether its out in the yard, whether it's inside the plant, they are doing a very good job at running and maintaining that plant. They are incredibly dedicated. Some of the best in the province. So that plant is running really well. One of the best in Canada – parking the cost.

The Labrador-Island Link, we have worked – and this is the part that I probably got quite emotional when I was defending the people. It was in April of 2023 that we finally got that commissioned, and I know folks are going to say you still haven't done the 900-megawatt test and that's a whole separate talk I'd like to give, but the Labrador-Island Link is improving every single time.

Just about a month or two ago, I can't remember the exact date, we ran another test and a significant test that nobody here

and nobody in the public knew happened. Well, there would have been Tweets about it, but you never saw anything happen and the test went really, really well. It is running better and better all the time.

So what does that do from a climate change, from a reduction of fossil fuels perspective?

In 2023, the total production – I don't have the date, I should get the number for 2024 – on the Island from renewable sources was 92 per cent. So folks can talk about the fossil fuel burning, but, at the end of the day, our production of all of the energy that gets used on the Island was 92 per cent from renewable sources.

I will talk about Holyrood for a second. The people at Holyrood are working their butts off to be a very reliable plant while it moves into its next phase of life. Because that's the other thing, is that there are people out there who are working really hard to keep that thing reliable as it moves into a bit of a backup fashion.

So, yes, I will say that over and over again: The Muskrat Falls plant is running really well. The LIL is getting better all the time. What that does is it enables us, as a province, to have a highly renewable-sourced electricity system.

Personally, I think it's amazing. On behalf of the whole province, I think it's amazing. I'm parking the cost – I am parking the cost.

SPEAKER: The Member's time is expired.

The hon. the Minister of Labrador Affairs.

L. DEMPSTER: Speaker, I move, seconded by the Government House Leader, that we now take a 15-minute recess.

SPEAKER: This House do stand in recess until 7:33 p.m.

Recess

SPEAKER (Bennett): Are the House Leaders ready?

Order, please!

We'll continue with the debate.

Next speaker.

The hon. the Leader of the Third Party.

J. DINN: Thank you, Speaker.

I just have maybe three questions.

On page 3, Article 2.1(a) says that "NLH and HQ have agreed to an allocation that will ultimately provide NLH with access to 1,990 MW and HQ with access to a minimum of 7,200 MW."

I guess the question I have to ask, it seems that Hydro-Québec has been guaranteed a minimum but not necessarily to Newfoundland. Are we guaranteed that? I'm just trying to figure out what the language, the wording is interesting.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

I can take it, but I think Mr. Parsons might be better and more eloquent in this response. Sorry.

SPEAKER: The Vice-President.

W. PARSONS: Thank you, Speaker.

It refers to a minimum because our power allocation for Newfoundland and Labrador Hydro is a recapture right, and if we choose not to recapture it, then it becomes available to Hydro-Québec and they have to pay the going rate for it. We referred to this a couple of days ago – or maybe yesterday – no – it

seems like I've been here for more than the time that I've actually been here. Apologies.

Apologies for losing track of time. I think it was yesterday we talked about how Hydro-Québec has an obligation to take the power. They have an obligation to take and pay for the power that's in their allocation, but also if we don't use a block amount, then that power would become available to Hydro-Québec to purchase as well.

That's a minimum for them; if we don't need it in Labrador, for example if we only need 500 megawatts out of the 605-megawatt new block in the mid-2030s, then that's another 105 megawatts that Hydro-Québec would purchase and pay the going rate for.

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

J. DINN: Thank you, Speaker.

A question, again for the CEO: Have you met or started meetings with your unions to discuss training and filling of permanent positions after construction with the operational staff?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: There have not been any meetings started yet with regard to our union team. However, I just would like to do a small shout-out to the team; I have a lot of respect for and will engage regularly with the business manager and the union president. I texted the business manager today, it's his birthday. Happy birthday, Jabez.

The relationship between our union, our front-line people, is very important. I guess what I'm saying here is I'm trying to demonstrate the level of commitment and respect that we have for the folks in our unions. The very first people that I invited into the CEO's office when I moved into this position, was the union leadership. I just

want to be really, really clear that the fact that we haven't had those discussions with them yet about what this might turn into, does not reflect the role that they will play long term in both the construction and execution and operations of these projects.

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

J. DINN: Thank you. Speaker.

There's an opportunity here, I guess, to train up people who are currently working within the system to look at in-house training, to incentivise training, maybe to a return of service for upgrading, that kind of thing, within the structure so that when Gull Island or the others come online, there is already a permanent staff there willing to move in and we can avoid the situation of fly-in, fly out.

I guess the follow-up question would be: When would your union expect to be brought into this? It is better sooner rather than later? Better to train up now than to wait until the definitive agreement, I guess, and the earlier the better.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Just today, we are trying to find time for me just to talk to the employee base. I haven't had the opportunity to have a town hall with the employees.

Certainly, as was discussed here earlier, we did leave the day after the signing of the MOU and went to Labrador and it was really fun to be in the gym at Churchill Falls with all those employees and look at their faces and see some joy with those.

One of the things that we did do in that moment was, we just sort of had a raise-your-hand-if situation and said, you know, raise your hand here if you're the child of somebody who was here, and then if you were, I think, a third generation and it was

really, really neat to see that. But that has really been the very limited, unfortunately, period of time that I've been able to spend with the employees on this file, except for the folks who are directly involved over the last couple of years.

We're just now actually scheduling a town hall for, I think, two days after the public webinars. After that then, we will certainly start a series of engagements throughout the organization. I wish that would be the case, but I hope that the employees and certainly the union leadership understand the steps that I've had to go through prior to being able to reach out to them directly.

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

J. DINN: That's it.

Thank you, Speaker.

SPEAKER: Finished? Okay.

The hon. the Minister of Justice and Public Safety.

B. DAVIS: Thank you, Mr. Speaker.

I'd like to thank our experts for coming in over the last two days. Mr. Parsons is correct, sometimes when you're in this place you forget exactly how many hours you've been here or what day it is or a lot of those things.

But today and yesterday, I get the opportunity to speak with a tremendous amount of pride, optimism and hope for the future of our province, thanks in large part to the transformative memorandum of understanding that we're talking about here today with Hydro-Québec.

I've been in politics for a number of years now, first, as a municipal councillor, like my colleague from Waterford Valley and so many others on all sides of the House, and more recently, obviously, as an MHA for the

wonderful and historic district – I won't say beautiful because that's been captured by an MHA on the opposite side for a number of years – the District of Virginia Waters - Pleasantville.

I've had countless opportunities over those times to talk to, not just residents in my own district, but residents in many districts across the province, based a lot on your time as a minister going around in different communities to hear what their worries are, their ideas and their hopes for the future of our province.

What I can say is that the kind of enthusiasm and positivity around this announcement, you can really feel it, not only my district, but in the number of districts that I've been in over the Christmas season since the announcement on December 12.

Like many Newfoundlanders and Labradorians, the people of Virginia Waters - Pleasantville are smart. They understand and are focused on the future, not just for themselves, but for their kids, their grandkids and generations behind, maybe the seven generations behind as we've heard many, many times. To say that this MOU is a game changer is almost an understatement for our province, for all generations alive today and those that'll come after us.

I had the pleasure – I know my colleague, the Minister of CSSD, talk about this a little bit earlier today – to be in my district shortly after the announcement on the 12th with some seniors, some 35 or 36 seniors. I think I was telling someone the story earlier today that I think – I don't want the seniors to be too disappointed that I'm going to say this – most of the ages were north of 75 in that room that day and we had a lot of fun. We had a lot of great conversations and one of the things that came up with almost every person in that room was that this is the first time in their lives that they're going to see any benefits from a project that they

thought, for the rest of their lives, they weren't going to get the opportunity to see – many of them would not get the opportunity. So it was an amazing feeling in that room, chatting with them on the positivity, not just for themselves, but for their kids, their grandkids and their great-grandchildren. That's when their smiles brightened up even bigger.

Of course, I've had the pleasure of being the Minister of Justice and Public Safety and many of the complex needs of the communities across our province, as this vast geography. We've made significant announcements in the past three months, some \$24 million for technologies to enhance new corrections officers, Crown attorneys, deputy sheriffs, courtroom individuals.

We've also made public safety announcements that talked about additional resources. I know the hon. Member for Mount Pearl - Southlands, we've had some conversations about expansions within the RNC and the RCMP. We understand how important that is to tackle the many complex needs that we have in this province, whether it be weapons, drugs, contraband, and we've put a joint task force in place for that.

I give that only as a context to the some \$50 million that we spent in the last three months in public safety initiatives. I know the Minister of Finance understands how important that is, but I understand that's very important to her to ensure that we spend within our means.

This is going to give us an opportunity, because the needs are growing. As we all know, every person in this House of Assembly has districts that have asked for more resources and more things and more programs and more investments. We can't do that if we don't increase revenue in a province or pare back spending on other things to replace it. So I think that's the important thing that we've made. I'm excited

about the fact that we've made additional commitments that we haven't operationalized yet, like a new prison. We've made a commitment, as a government, we're going to do that. It's top of mind for me, it's top of mind for many of my residents and top of mind for the corrections officers and the people that call HMP a residence, for lack of a better term. That's a priority for us and it's going to continue to be.

One of the things that I've had the pleasure of doing is, I've served in a number of different portfolios now and one of the ones that I think is interesting for me, with respect to this project in particular and this MOU and the possibilities that will come from this MOU, is as Minister Responsible for Labour I had the opportunity to meet with many labour organizations. Whether that be the Federation of Labour or NAPE or any of the unions that would be out there, or the different unions that have required meetings with us on a regular basis to talk about the opportunities that exist for them in the future.

Without exception, at every one of those meetings that I've had, it always comes up about what is the government doing to ensure that my – speaking in their perspective – people that I represent, whether it be Trades NL or others, what are you doing, as a government, to help ensure that those individuals that I represent have employment, have an opportunity to work within this province, live, work and raise their families in this province?

When we talk about the number of opportunities we're going to have that will come as megaprojects – I've heard the CEO and the vice-president today and yesterday talk about the opportunities that exist that would come from this MOU. We can always talk about issues that could come based on things that could be missing in whatever documents we're talking about, but I don't think we need to create stories about things that may or may not be true.

We don't need to create issues between one province versus another, create a boogeyman that doesn't exist anymore. Those things don't make any sense to me because we want, as a province, to form relationships. The only way we move forward as a province is forming relationships, and forming a relationship with a neighbour, whether it be Quebec or Nova Scotia or any Atlantic province, you want that to be positive. I don't think it does us any favours as a province.

I'm not one for tearing up or taking down a flag. I'm not one for creating stories that don't exist about whether a property line is there or not. We already know that doesn't exist. It's law. The Privy Council has decided that. We don't need to bring it up here onto the floor of the House of Assembly to try to muddy an issue that has nothing to do with this issue. I think we've got to talk to the idea of what's important, in my mind, is getting to the answers to the questions that our constituents – everyone of us, 40 of us have had constituents reach out to us with questions.

I think the best discussions that we've had here today, from both sides, have come based on questions coming forward, whether it be the Member from Bonavista who brought questions forward that were interesting. I wanted to hear what the answers were going to be, and I think the general public. It's incumbent on us, as 40 Members, to do that, to ask those questions that are coming forward. Let's not fear-monger about what could be or what may be if this happened or that didn't happen. I think it's important that we sit here, as a House of Assembly, represent our constituents, voice their concerns, bring forward their questions that they may have to ensure they get answers.

We're going to have public opportunities for engagement, which is important. I think that's where I'd like to move. I think we've had some questions come from both sides of the House. I can't remember which

Members highlighted some of those, but we are talking about a possible skills gap that we're going to be having with respect to these megaprojects coming forward.

I think the hon. Member for Lab West, as well as, I think, the Leader of the Third Party brought it up as well, about the skills gaps that could exist. That's a valid question in my mind, and I have a similar question that I would like to ask about the MOU.

Does the MOU contemplate the skills mix that will be required for the megaprojects that would be coming and, if so, what can we do as a House of Assembly, as a people, to support those initiatives to ensure that we have the labour that is required for those projects that will – and I'll say in this House of Assembly I have the utmost confidence that that will occur in this province.

So I'll ask that of the CEO or the Vice-President.

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Speaker.

So with regard to a skills gap, I think you would need to know what are you doing and where are you starting. One of the answers I had earlier – I can't remember what question it was, but it was related to risk, I think, and what are some of the risks that we would be talking about. I talked about, sort of, what is the uncertainty in that that we have here.

As it relates to skills gap, and some certainty that we do know, is that we do know for Gull Island there is an environmental release. The reason why that's important is as it relates to the MOU. The MOU in section 2.3(m), part iv, we have to comply with legal obligations. Legal obligation is that environmental release.

So then within the environmental release, again we had to talk about the *Lower Churchill Hydroelectric Generation Project Undertaking Order* – so that's the legal obligation – and then it's the benefits strategy associated with it.

We know, with certainty, that Gull Island has to comply with legal obligations, which has to comply with the benefits strategy, which says there is this massive project that's going to be undertaken. We know with certainty the kinds of skills that we're going to need for that, so let's get under way, working together, do we have enough skills to fulfill what those needs would look like.

We can take that then further. So while we don't have certainty, then, around what the environmental release and therefore the benefits strategy would look like for CF2, but we can get started absolutely with certainty on the Gull Island.

I think that's a really great opportunity for us to work together on what that would like and certainly, with Hydro-Québec, to really have a consideration of what are the kinds of skills that we're going to need. This is not a kind of facility that we don't know what it looks like. We've just been through that ourselves; Quebec have been through that themselves. We know the kinds of folks that we would need to engage and have available to us.

So there's a lot of certainty, a lot of known factors there. There's no reason why we cannot get right down to work right away in setting up and determining what is the skills gap and what are the mitigation measures against that.

SPEAKER: The hon. the Minister of Justice and Public Safety.

B. DAVIS: Thank you.

It's pretty timely that the NL Federation of Labour came out, I think today or late yesterday, wanting a comprehensive

strategy about the future demand for labour. I think it's important and, as I said earlier, it's something that came up in almost every discussion I've had with those organizations and groups that came in through our office, and it's something that they're seized with that we need to be with them on. But obviously, I'm excited that they're in favour of us moving forward with this project as well. I knew they would be because of all the conversations that we've had over the past number of years.

I'm going to get some more time a little later, but I do have another question. We've heard from a number of Members today and yesterday talking about the likelihood of developments actually occurring that would be outside, which I don't really understand because my understanding of Gull Island is based, not only on what's been said here over the last two days, but the best hydroelectric project in North America untapped right now.

So can you explain to me a little bit on why, Hydro-Québec in this case, would ever provide \$1.3 billion or so to another entity if they've never had an intention of doing any work? To me, that's just writing a cheque to somebody to say, okay, we're not going to do this work. It doesn't make any sense to me. Can you sort of square that for me? Because there's some dispute here today and into yesterday that this wouldn't happen, that there's going to be no work on this.

I mean, just from my limited experience in the electrical world through environmental assessments and things like that, a world requires the energy and I don't know why they wouldn't do that. Obviously putting some, as they say, skin in the game of \$1.3 billion, I still don't understand why that would be even a question of anybody, why an organization would give \$1.3 billion and not do the work.

Could you sort of talk a little bit about that? Because I want to make sure that I'm understanding that fully.

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Speaker.

I wouldn't be able to square that either. This is why I have been saying for the last couple of days I do not envision a world where Gull Island is not a significant priority for Hydro-Québec to get under way as soon as is possible.

That is a really good point, that they are basically saying here is \$1.3 billion and we have agreed that we would allocate that to form part of our equity. So they're also paying full equity of all of our participation. But if they were choosing today, we're going to enter into this new contract but we're not going to proceed with Gull Island, we're just going to sign over \$1.3 billion, I mean, I would not be able to square that myself.

But from a utility headspace, I examine very closely, certainly myself but also with the team and then with our advisors, what Quebec are themselves publishing. If we were to suggest that we don't believe that they're intending to do this, you would have to look at all of the things that they're publishing and the massive need that they have and the declarations that their Premier is saying, what Michael Sabia is saying and say we don't believe any of that.

They are telling their own constituents that this project is really important; it's one of the best ones in North America. So I cannot square any kind of idea that they would just be saying those things. All of their documentation says how much energy they need, how much money they're going to spend, the kinds of projects they need. This fits very well with what their published intentions are.

I would not be able to square in any world at all that they have no intention of proceeding

with this project with every possible aspect of what their next plans are.

SPEAKER: The hon. the Minister of Justice and Public Safety.

B. DAVIS: Thank you.

Which is sort of what I thought but you have significantly more experience than I do, but it's exactly what I thought was the case.

I'll take the last couple of minutes that I have – a number of us in this House have lived through, and if you were not in this House, you've lived through the cost overruns that we've had at Muskrat. So I think one of the things that is most interesting about this MOU, that I think covers the province and protects us – and if I speak incorrectly, I'll try to leave a minute at the end for you to clarify if I've made a mistake or whatnot.

But the cost overruns for the project of Gull Island, if taken on, would not be borne by the people of this province, which has been the case with Muskrat, and we're pouring some \$500 million a year into the mitigating of rates for Muskrat. As long as the people of this province are protected from that particular development, I think the fear that would be coming from Muskrat – not speaking about the people and all that because there's a great opportunity of people there – to me, I think that's one of the real nice nuggets in the MOU that's amazing to me, that we were able to put that in there. Congratulations to the negotiation team if that's what's there.

I do want to take a second to – my colleague the Minister of Housing, who talked very eloquently, I was going to go through some of the things he was going to talk about, but this old contract has been a problem for the Province of Newfoundland and Labrador for a long time – 1972 I think he said. He talked about him coming to work in Finance in 1980, that was a year after I was born. I always like to put that in

there when I talk about my friend in Housing. But to see what we've been able to accomplish, and having the opportunity to talk to a couple of people in the gallery today and what the MHA for Bay of Islands was talking about today, we can't be afraid to take the opportunity to move forward on this.

I know that's challenging, that's fearful for a lot of people in this province, but the due diligence that we've learned from the past, and we're going to continue to learn from the past, I just want to take one second to say that full protection that we have with Gull Island, as it reads in the MOU, is exactly what is the case, correct?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, with regard to Gull Island, it's a 2,250-megawatt facility and we have secured, if we choose to have that, access to 225 megawatts from that facility, 10 per cent. We don't have to take that. So as it relates to the construction of this facility and, therefore, then the cost to take power from that facility, we will know what those costs are and we will be able to choose if we want to avail of that opportunity. Otherwise, this is going to be fully an export project that we didn't pay for, that we didn't project manage, that we don't have to have our customers pay for, that we're getting a return on equity for, that there's going to be a price escalation for. So all of those things.

So, really, the risks associated with Gull Island are not ours. Obviously, we want to participate in the thinking that goes into the construction. We're going to operate that plant. From an environmental release perspective, we're going to want to monitor how all those things go and make sure there's not harm caused, that we're adhering to all of those rules, all of those things, absolutely.

But at its most fundamental, the risks that we were talking about, how it's different from Muskrat Falls: our ratepayers are not going to be touched by this and there could be as situation where we never take any power from it. That will be up to us to decide, as a utility: Do we need access to that power? If we want access to that power, is it at the right cost? If the cost is really, really high, this is where we would have to, for example, talk with the Public Utilities Board.

Let's go out 15 years, we have a customer that's 225 megawatts and we look at several alternatives. Maybe battery storage at that time is really, really cheap. So what we would do then from a system planning perspective is we would say, okay, what does 225 – I'll call it – product of megawatts look like from other technologies? We compare all that cost to the cost of what it's going to be to get power from Gull Island and we'd say, do you know what? It's actually not cheaper to go with Gull Island. We're going to choose to go with this other solution. We'll have that ability; we'll have that decision-making authority.

So we could choose to do that, or we could choose to go with Gull Island. But that is available to us. Otherwise, Quebec will be the off-taker of all of that and that is theirs to bear.

B. DAVIS: (Inaudible.)

SPEAKER: Order, please!

The Member's time is expired.

You're looking to use additional time or ...?

B. DAVIS: (Inaudible.)

SPEAKER: Does the Member have leave?

AN HON. MEMBER: Leave.

SPEAKER: The Member has leave.

B. DAVIS: Yes, I just really want to say thank you.

I guess to summarize what you just said then is, we built the dam and they paid for it?

J. WILLIAMS: (Inaudible.)

B. DAVIS: Okay, good.

SPEAKER: The hon. the Member for Torngat Mountains.

L. EVANS: Thank you, Speaker.

Speaker, I just want to clarify before I start my questions, about relevance. I will be speaking on things that are in or not in the MOU, a clarification on what's in the MOU and also on comments that were made here in the discussion of the MOU. So I think I will be able to stick to relevance.

As the MHA for the District of Torngat Mountains, and as somebody who advocates strongly for Labrador, there are a couple of issues that I would like to raise and also get clarification on.

I want to thank you for your time. Like I said, the questions are not a criticism of you or your members.

Northern Labrador: I'm the representative of the most northern district in the province, the MHA for Torngat Mountains. The North Coast of Labrador, all my communities and Southern Labrador on the coast, the coastal communities of Southern Labrador, we're still all on diesel. When you look across the province – and I heard a lot of conversations today and yesterday, I heard the Premier talk, I heard the CEO of Newfoundland and Labrador Hydro speak about moving away from reliance on hydroelectricity – actually decarbonization was the word you used.

So for me, it's very concerning when I look at this MOU. Earlier today, you, the CEO of

Hydro, said: In Southern Labrador, there are discussions about energy security. That was a positive thing. I heard it in your voice and it's a good thing. Also, you're looking at transmission line and renewable energy to get them off diesel, and you clarified it's very preliminary, right? That's what you said.

You, the CEO of Newfoundland Hydro, also went on to say that usually to build a transmission line, like say for example, if I was going to ask about a transmission line for Northern Labrador or Southern Labrador, the cost is paid by the end-user, which is usually industry, and you referenced mining. Then you went on to say in Southern Labrador, there are active discussions with Search Minerals, who has deposits in Southern Labrador – I don't think they have an active mine right now – and NunatuKavut. To me, that's a positive thing and this is not a criticism of any work that would be done in Southern Labrador.

That's like the Innu signing on and getting benefits from this agreement. The problem in Labrador, the thing that's restricted us, Speaker, from advancing as a region is divide and conquer, and an Innu leader told me when we were looking at Muskrat Falls. He's passed away now.

I'm not trying to say anything negative about any benefits Southern Labrador would get. I'm not saying anything about any benefits Lab West would get or the Innu, but I have to raise the matter, and I hope my people will be watching this. On the North Coast, we've got an active mine, Voisey's Bay nickel, 20 years. There's been times when Voisey's Bay nickel produced, and they produce high-grade nickel, copper, cobalt, everything that the world is looking for right now. In 20 years, there's been times when Voisey's Bay produced enough revenue to the province that it was more than the offshore. We got a mine. We got an active mine.

Back in the day with Joey Smallwood and BRINCO and the Upper Churchill and damming the river in Labrador and producing hydroelectricity that could come down to the Island and hook up every nook and cranny, practically, where were the end-users there?

So, to me, it's emotional, and I heard the emotion in your voice when you defended your workers. For me, I have to say, again, Northern Labrador has an active mine. Not only that Paladin Energy, and I refer to as Aurora because that was the name we used to use before, has got three huge uranium deposits, just outside of Postville. That's not including the Kitts pond deposit. We have established mineable ore bodies.

Then you go up to Nain and you go inside of Nain and basically into the Labrador border, there's a huge deposit, just on the Quebec side and I'm told that the deposit adjacent to it on the Labrador side, the Newfoundland and Labrador side, is even bigger and richer.

Now I'll tell you what they tell me about that Quebec deposit, you want to talk about mines building roads. I just talked to you about Voisey's Bay, which is just by Nain, my most northern community. That deposit for the rarest minerals on the Labrador side, is bigger than the one on the Quebec side. You know what I'm told about ore on the Quebec side? That deposit basically can produce revenues of \$500 million to \$1 billion a year. Where are they going to get their energy from?

For me when you look at Northern Labrador, we already got Voisey's Bay.

AN HON. MEMBER: (Inaudible.)

L. EVANS: I'm making the point of what's not in the MOU, Speaker, so looking at relevance.

When you look at Voisey's Bay, high-grade nickel, copper, cobalt, all the minerals we're

looking for, just south of Nain, my most northern community and now they're going underground, which is going to require even more energy.

When you look at the amount of diesel that's being burned in Voisey's Bay and you know why I don't speak about it in the House? Because I don't want Vale to be disadvantaged by bringing attention, because you know who buys their ore? It's companies now who want low-carbon footprint. That's a disadvantage for Voisey's Bay Nickel – Voisey's Bay Nickel, tells you how old I am. I worked in 2002 when it was called Voisey's Bay Nickel with them.

Speaker, my relevance is about this. My first question to you would be when looking at the MOU – and a lot of times I ask questions I know the answers to. Will this MOU bring power lines with hydroelectricity to the North Coast communities?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you, Mr. Speaker.

The MOU itself does not directly contemplate a line to the North Coast of Labrador, because the MOU is between Newfoundland and Labrador Hydro and Hydro-Québec as it relates to how we're going to have both a new contract for the Upper Churchill, as well as new resources to be developed. So how I would suggest that opportunity is to be pursued as it is relevant to this conversation, is – I guess a couple of things – is access to power; I mean, not that Voisey's would take hundreds like say, Lab West would, but knowing that a company like Voisey's that would want access to power, we have now more certainty that is included in this MOU.

Instead of in the 2040s, we would have access much sooner to supply, say, mining operations – whether they are existing mining operations or evolving mining operations. So I would say that is how this

MOU honours that opportunity. But with regard to some of the mining, we remain very open to talking with Voisey's about what a line to the North Coast would look like. We have talked with them before. Before, it was cost prohibitive, but that I think, to your point, was in a very different environment.

SPEAKER: Did you want to finish your comments?

L. EVANS: No, I'd just like to interrupt because she already answered my question that I was asking, and it's very important because I only have so much time. We only have so much time. The Independents are there running out of time. I mean, there's a lot of value in what you were saying but it's not relevant to my question, I don't think.

Because in actual fact, I just want the people of Northern Labrador to know that this MOU really is nothing to do with Northern Labrador. In actual fact, this deal is renegotiating Upper Churchill, and Upper Churchill left us out. And now you're looking at expansions for Lab West, you're looking at other opportunities, you know, but at the end of the day the North Coast is being left out again. And that's very, very important, Speaker.

My second question is, earlier today, as the CEO of Newfoundland and Labrador Hydro, you said we're so limited in capacity that you had to have an exemption to hook up the Y in Goose Bay. We don't have the energy available to hook up the Y in Goose Bay, that's a large building. Well, in actual fact, in Northern Labrador we're stuck on diesel generation and I'm being told now, with Nunatsiavut and a lot of the expansion that's growing in our communities, we don't actually have the ability – Newfoundland and Labrador Hydro, with the diesel-powered generating station, don't have the capacity right now for NG to be building some of these buildings and the infrastructure.

Again, I would ask, is there anything in this MOU that would address the capacity in Northern Labrador, but I am not going to ask you the question because you already answered. There is nothing in here to bring the power lines into Northern Labrador and also to increase the capacity of the diesel generating stations there. The work will have to be done, but that is outside the MOU.

Speaker, I would just like to clarify for you, for the audience. I appear rude because I interrupted you – you were speaking; you were answering my question, but what I find in the House of Assembly and to some degree what we see in here, some of things being said is not really relevant to the question and it was running down my clock. My time is so important. I am limited in time. I have to try to actually ask questions here.

I have to tell you, Speaker, I don't have time to script the questions here. I am writing questions and I'm changing them because of how fast this is proceeding. We only got four days here in the House and the four days is in the morning, in the afternoon and at night. When we are finished here, we go home and we go to bed and we get up early so we can start preparing. We have very little preparation time.

I don't want anyone to think that I'm rude. I am not rude. I am there trying to make sure that this MOU is a good deal, because I have to vote on it, and it is really difficult to vote in favour of something that has so many questions remaining and contradictions.

People get offended by that, but I am not criticizing you directly – any one here directly. We have to ask those questions. My colleagues have asked direct questions. It's so important and I have to be careful because I am running down my own clock.

I just want to ask another question again now. To the CEO of Newfoundland Hydro, when you referred to Indigenous

consultations, we want to know what specific Indigenous groups did you consult before signing the MOU? Which ones? I just want you to list them off. Was it the Innu Nation? Was it NunatuKavut? Was it Nunatsiavut?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Innu Nation was kept abreast of process and content at appropriate intervals during negotiations and the input from Nunatsiavut and NunatuKavut Community Council would have been obtained, in addition to Innu Nation, through the 2041 panel's work which fed into the negotiating team.

SPEAKER: The hon. the Member for Torngat Mountains.

L. EVANS: So what I'm assuming from that – and you can correct me in my next question – is that NunatuKavut and Nunatsiavut wasn't duly consulted before this MOU was signed.

Looking at this MOU now, what agreements will have to be signed with Indigenous governments or groups before the definitive agreements can be signed? We talk about this MOU is the first step and then the definitive agreements have to be negotiated and signed, so what agreements will have to be signed with the Indigenous groups?

I can clarify; is it just an agreement with the Innu Nation?

SPEAKER: Your speaking time is paused.

Chief Executive Officer, are you ready?

J. WILLIAMS: Thank you, Mr. Speaker.

As we know, the Gull Island has an existing IBA, an environmental release associated with it; but for CF2, which does not have any existing IBAs or any consultation completed, we will have to consult with all

Indigenous groups that have an asserted claim.

SPEAKER: The hon. the Member for Torngat Mountains.

L. EVANS: Speaker, I'm going to assume – and she can correct me when she's answering my next question – that actually just then would say that the agreements would have to be negotiated and signed with the Innu Nation.

Again, I'd like to clarify; this is emotional – this is emotional. We hear the emotion in our people's voices, so I don't want anyone to think that, like I said, I'm being negative or rude towards you. I also don't want anyone to think that I'm criticizing the Innu Nation for having benefits. I spoke earlier about how the Innu were isolated and basically ignored when any work was being planned for Upper Churchill. I'm really, really happy to see them getting some of the benefits that are due to them. So this is not about trying to marginalize one group in benefit of another group.

I also talked yesterday, when I did my speech, about benefits to the regions – so important. I'm wondering which groups will you be signing impacts and benefits agreements with. When we talk about impacts and benefits agreements, we're talking about ensuring job opportunities, employment, training opportunities and other social and economic benefits for the region. So what groups will you be signing IBAs for?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I would also just acknowledge that I do hear and understand – I shouldn't say understand. I don't even know if "know" is the right word. But I'm learning, myself, certainly how to be better with regard to understanding Indigenous people's history, as well as the various requirements. I am

also trying to be respectful in this moment in how I answer these questions, so that is why I am, in short, taking time, to make sure that I am, indeed, giving you the thoughtful and appropriate answers associated with these questions.

With regard to Gull Island, there is an existing Impact and Benefits Agreement signed, and that is in effect, and that will remain in effect for execution through Gull Island. As it relates to CF2, we will sign, I guess, the agreements that are required that would arise out of any consultations that we have to do with anybody with an asserted right to that area.

SPEAKER: The hon. the Member for Torngat Mountains.

L. EVANS: Thank you, Speaker.

No Indigenous communities or groups, other than the Innu, were mentioned specifically in this MOU. It only mentions the Innu. That's surprising, given that when government appointed the expert panel on Churchill Falls 2041, in May 2022, that panel had representatives from Innu Nation, Nunatsiavut Government and NunatuKavut. And because I'm running out of time, I'd also like to mention that the Independent Expert Advisory Committee on methylmercury at Churchill Falls was a partnership with the Innu Nation, Nunatsiavut and NunatuKavut.

So my question is: Why weren't these communities engaged in working on the MOU to ensure their concerns would be accommodated upfront?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Innu Nation was engaged in the last period of time as it relates to updates on progress with Hydro-Québec due to their role in Churchill Falls with regard to the Upper Churchill Redress Agreement and certainly

with regard to the IBA associated with the Gull Island project.

SPEAKER: The hon. the Member for Torngat Mountains.

L. EVANS: Thank you, Speaker.

When the Quebec Premier Legault met with our Premier in St. John's on March 2023 to discuss the Churchill Falls agreement, there were no Indigenous leaders from Labrador present. In actual fact, the Grand Chief was reported in a CBC article about being concerned about that.

Also, as recently as August 2024 – and I'm combining questions now because I'm running out of time. In August 2024, the Innu Nation said that Newfoundland Hydro was giving regular updates – which was good – to the Innu on the progress of Churchill Falls negotiations with Hydro-Québec. But the Grand Chief of the Innu Nation said at that time he had concerns of his people still being sidelined. Actually, he said it's not enough.

So he did have concerns. In actual fact, just looking through my notes here now, he actually went and he talked about the concerns. He said that he wasn't sure – I'm paraphrasing now because I can't actually find where I got it in the margins of my notes. He said about the Innu Nation being concerned that Hydro-Québec and Newfoundland Hydro didn't really understand them. At one point, he said this is important to us. This is our land. He actually said here that it will have a big impact on the people.

For me, it seems now that since August 2024 – which is just, what, five months ago, six months ago? You must have come a long way in engaging the Innu Nation to change this because, in August, they said it's not enough. Now, they're signing, they're agreeing to the MOU. Does that mean that you understand that the Innu are being impacted? It's their land, but does that

mean you don't believe or don't understand that the residents of Northwest River, the residents of Rigolet, the residents of Mud Lake and Happy Valley-Goose Bay, a lot of those people are Indigenous who use Lake Melville, who hunt and fish, who are going to be impacted by this? Does that mean that you don't really think that they're going to be as impacted as much as the Innu?

I'm paraphrasing what the chief said, because you're obviously including the Innu, but really when it comes to consultations, you excluded all the other groups, including all the residents.

SPEAKER: The Chief Executive Officer for Newfoundland and Labrador Hydro.

J. WILLIAMS: Thank you.

My apologies, hon. Member, if you wouldn't mind rephrasing the question, I just want to make sure I'm understanding.

L. EVANS: Okay.

I guess I don't have to have leave, Speaker, because she's asked me, right?

SPEAKER: Is the Member good to carry on?

AN HON. MEMBER: Yes.

L. EVANS: Yes, and I'm going to start. I'm going to actually do the whole thing over again.

When Quebec Premier Legault met with our Premier in St. John's in March 2023 to discuss the Churchill Falls agreement, there was no Indigenous leaders present from Labrador and that had the Grand Chief of the Innu Nation concerned. He was interviewed on CBC in an article, questioning why Indigenous communities were excluded. He was very concerned about the talks.

A little later, August of this year, August 2024, the Innu Nation said that Newfoundland Hydro was giving regular updates to the Innu, which was good, on the progress of Churchill Falls, but the Grand Chief in August said the concerns of his people were still being sidelined. He actually went on to say it's not enough. He was really concerned. I read the article and he said, I'm paraphrasing, but he basically questioned whether Newfoundland Hydro and Hydro-Québec understood the impacts that it was to the Innu Nation. He went on to say: This is our land.

So from August 2024, up until December 2024, something changed. So you must have actually consulted with them, engaged with them to the point where they agreed with this MOU.

Now, what about all the other people in Nunatsiavut, NunatuKavut, in the areas of Happy Valley-Goose Bay, Northwest River, Rigolet and Mud Lake? They are being impacted as well; that's their land as well.

I've got to say, putting a couple more dams or putting Gull Island on, and damming Churchill Falls is going to impact the water, the temperature, when ice forms, basically where you can go in a boat.

I'm already getting emails that the water levels are changing. There are going to be more releases, as the area is flooded, with methylmercury and there's been a failure to do the wetland capping. That was another question I was going to ask you.

So for me, you were able to engage between August 2024 and December 2024 enough with the Innu so that they would agree to this MOU. So my question is: Why didn't you consult with the peoples in the area who weren't Innu? Is that a reflection of your view of their impacts, how this is going to impact them?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I certainly won't speak for the Grand Chief and his evolution of what he would say publicly or certainly how he was included as a representative of Innu Nation during the MOU process. That's certainly for him to decide how he would feel and speak about this moment.

With regard to environmental impacts associated with the construction and operation of Gull Island, that is certainly well laid out in the environmental assessment release and we will abide by that, which would have included input from Indigenous groups at the time. Again, for CF2, as we progress into an environmental release and the consultation as required around that process, we will indeed be seeking the input – very important input of the various Indigenous groups that would be involved in that process.

SPEAKER: The hon. Member's time has expired.

Next speaker.

The hon. the Minister of Education.

K. HOWELL: Thank you, Speaker.

I'm pleased to speak on this historic memorandum of understanding between Newfoundland and Labrador Hydro and Hydro-Québec.

Firstly, I'd like to thank the negotiating team and the expert panel for all their work on this file, and certainly thank you to the guests who joined us to answer so many questions in what feels like the longest Question Period ever. Thank you for taking what is a very technical, complex issue and breaking it down into the most simplistic of terms.

As the Member for St. Barbe - L'Anse aux Meadows, I'm pleased about what this new agreement means for my district, for my

constituents. The people of St. Barbe - L'Anse aux Meadows are resilient. They're hardworking, they're proud people and they want to see great things happen in their backyard. They want to have opportunities for employment, for growth, for economic development, for enhancement and advancement of the region and the province.

The response from the folks on the GNP has been largely positive and filled with hope for the future, but they do have some questions and some reservations. So if my colleagues and our guests will just indulge me for a minute of what might seem like repetition, I do want to go on the record and reflect that I have asked these questions on their behalf.

I'll ask the CEO of Newfoundland Hydro to explain it to me, again, in plain and simple terms, as only she can, like it's my first time hearing it: For those who feel that there's seemingly an urgent tone to this MOU and wonder why now, can you explain to me why this is the right time for a deal like this and what happens if we do nothing?

SPEAKER: The Chief Executive Officer of Newfoundland and Labrador Hydro.

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

With regard to the urgency, I will reiterate that as a negotiating team who have been working on this with regard to official negotiations for almost two years, but in the analysis, the preparation and the research for what would inform our negotiating position, it goes a lot before that.

From an urgency or how it feels rushed, I understand that publicly that wouldn't have been common knowledge, even though I think there was sort of, you pick through some of those announcements, unless you really understood what the effect of those were within our organization and with our consultants, you wouldn't necessarily be as

privity to that and so it could feel like it kind of came out of nowhere and then, all of a sudden, we need to get this done. I just want to reflect back on that.

Then, with regard to the why now and why would we believe right now we really should be entertaining the idea of opening the contract and redoing a new contract, and is Quebec really the one that is the major beneficiary here? Mr. Parsons has talked a little bit about it and I've talked a little bit about it, we can use probably Muskrat Falls as informative, I think, in this moment. I think it certainly has been discussed a fair bit, if you go back to when the project was sanctioned, which would have had engineering in advance of that, those sorts of things, it's like 2011, 2012.

OFFICIAL: (Inaudible.)

J. WILLIAMS: 2010?

W. PARSONS: I'm not sure.

J. WILLIAMS: Okay, 2011, '12, '10, we get all those dates mixed up, depending on what milestone you're talking about. It is now 2025 and we have one more high-power test to do.

So if you think about that for a minute, so that is 12 or 13 years for an 824-megawatt project, which would have had years preceding it to get to the point where it was going to be sanctioned. It is not abnormal to be talking about when you project ahead into the future and you need a solution in place, you are absolutely talking about 10 to 15 years out.

I was sitting here tonight trying to think of a different analogy to try to help folks understand how the asset could be valued differently if we were to wait, and I'm not coming up with a perfect analogy. I'm still going to kind of work on it.

It comes down to this concept, for the reasons that I said just then, and using

Muskrat Falls as the proxy, if you have an identified need in the future, whether that's increased power from a Gull Island or resigning with Churchill Falls to continue access to that power, if you don't have that, you need an answer. Are you going to have that or not? If you don't have that and you have to go and do an alternative, you need the time frame that I just talked about, the 10 to 15 years. That's exactly where we are.

Let's talk about the scenario where Quebec cannot get to a resolution with us on either increased power or a continuation of the existing facility. They need that certainly as well. If they're not going to get access to those things, they are absolutely going to have to go get a different source. When they go get a different source, they've replaced that source, whatever that cost may be.

And it totally makes sense that this is a lower-cost solution. Are they going to have to go pay more? Perhaps. But what's going to happen is, if they go and they do another source, they're not going to need this one as much. Then, while the idea is that, well then, the price is just going to go up. We can't predict that. Their need for that source may actually decline in price.

We fundamentally believe, as a utility planner to a utility planner, now is the moment that they say, if we can get certainty on that solution, then we have this perfect moment where we think we have two solutions for them and putting all of that together results in this whole MOU, where they tear up the old contract, they give us the \$1.3 billion unconditional. They become the project managers. They take the risk associated with Gull. They take the power from Gull, at whatever the cost is going to be. We have the existing IBA and EA release; they find that incredibly valuable. We're going to have the new contract for the Upper Churchill, which will go with market prices.

All of those things together are reflective of why it makes sense for them, at this point in time, to sign up with us and with our jurisdiction for their sources. They could choose, if they can't get an answer from us, they will indeed go elsewhere.

SPEAKER: The hon. the Minister of Education.

K. HOWELL: Thank you, Madam President.

Another issue that's been identified by my constituents is the hurts of the past and the fear of aligning ourselves with what they see is the boogeyman in Quebec for a long-term contract. So, again, I know that this has probably been identified before, but as I read through the MOU, there are a series of escalators and off-ramps that are built in to assure that we're getting the best value of this contract as we move through this. Am I correct in saying that?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

Yes, you are correct in saying that, and it really is two components. One is the PPA, or the Power Purchase Agreement, for the existing facility, as well as the arrangements for the new developments. I know we mentioned it either yesterday or today – I'm like Mr. Parsons, I'm losing track of hours. It would be nice to get a window in here, you could tell the time of day. Can we take some of that money and put a window in?

It has to be very, very clear, this is not the same contract as 1969 for the Upper Churchill power. The Upper Churchill existing contract that is in place for the next 17 years, unless we replace it with something new, has a fixed price. It will not inflate. It does not inflate as costs go up. The return to the province is less than \$20 million a year for the next 17 years.

Hydro-Québec has access to 90 per cent of the power. We can't get another megawatt

out of that plant. There is no fairness contemplated in that existing contract. Quebec, in effect, has veto power over any decisions of the corporation, in that there's less than effective water management, as Mr. Parsons has already talked about. Disputes are resolved in the Quebec court system.

Those are some of the highlights, or the lowlights is probably the better way to describe it, in the existing contract. Contrast to what we've included in the MOU, which will form the basis for the next contract.

We will get market prices tied to several different indices. There will be ways to value the capacity aspects, as Mr. Parsons has also talked about, the organic apples will be there. By the end of the contract, Newfoundland and Labrador will have access to 30 per cent of the power from the Upper Churchill, not 10 per cent. There is fairness, indeed, included in the pricing schedule that we've talked about.

Quebec and Newfoundland and Labrador Hydro have committed to modernize the shareholders agreement that will reflect the kind of modern and normal corporate governance structure for somebody who's a majority shareholder and an important minority shareholder.

We are going to improve water management, as Mr. Parsons has explained a couple of times, and we have neutral courts. For any kind of dispute resolution, we will use the courts and the governing law of Ontario for any disputes that may come up over the pending period of time.

A totally different contract and it is inaccurate to say that it is the same contract. They are radically different.

As it relates to the new developments, they are paying our equity, up to \$4.8 billion. The ownership cannot change. We are a majority owner in all of the assets. There is the flow-through of costs: as costs go up, so

will the purchase price on cents per kilowatt hour basis.

We are monetizing the river. We have assets that are up there that are not constructed, that are not under construction. As one of the Members said here earlier, it was supposed to be constructed 20-plus years ago. It is still not constructed.

We are committed to working with Quebec's best efforts to get these projects completed. There is an escalating price for that, which was not the same as the 1969 contract. There is no automatic renewal. There are off-ramps that we talked about earlier; 20 per cent equivalent of Gull Island is going to come from CF for us to monetize whatever the value is of the energy at that time in the future and we get an 8 to 9 per cent return on the equity that we didn't pay for ourselves.

So a radically different scenario that is included in this memorandum of understanding and the framework which will form will legal agreement in definitive agreements to come over the next year and a bit.

SPEAKER: The hon. the Minister of Education.

K. HOWELL: Thank you very much and thank you for the reassurances that you've been able to provide to the constituents of St. Barbe - L'Anse aux Meadows.

Speaker, I hear built into this MOU, four new projects valued at over \$33 billion, expected to generate thousands of jobs and a peak of 5,000 direct jobs that will require a range of skills and expertise. My dad who was a Red Seal electrician has been a rotational worker for as long as I can remember. I might add that, last year, he reached a very significant milestone of 50 years in the trade.

SOME HON. MEMBERS: Hear, hear!

K. HOWELL: Yes, very, very proud of him for that, but I digress. He spent more than 25 years going back and forth from Alberta to Northwest Territories to Singapore, all over the world, to provide for our family. We learned how to grow and how to adapt to that, as so many other families in Newfoundland and Labrador have. I can tell you that he would have wished for nothing more than the opportunity to be able to work here in his home province.

I know that he often missed important events in our lives and wished that he could have been there. He even missed my nursing school graduation, an education that he paid for, all seven years of it, because he was somewhere offshore in the South China Sea.

My generation has grown up in families of rotational workers and an uncertainty that comes with one camp to the next, one project to the next, travelling to countries that you don't even know about. So this MOU and the projects that will come from it will provide a security for people here in Newfoundland and Labrador, workers right here at home. It will give opportunity for employment right here to those who, otherwise, would have to go to all corners of the world and this will allow folks to build livelihoods and support their families right here.

Once again, I'd like to ask the expert panel: Are there assurances built into this plan that will give employment opportunities to Newfoundlanders and Labradorians first and foremost?

SPEAKER: The Chief Executive Officer.

J. WILLIAMS: Thank you, Mr. Speaker.

I might have my colleague help and just to give my voice a break.

SPEAKER: The Vice-President Newfoundland and Labrador Hydro.

W. PARSONS: Thank you, Speaker.

Yes, absolutely. It is clear that Gull Island, as an example, is a fantastic resource and it is a world-class project, the best undeveloped project in North America and Hydro-Québec was certainly interested in partnering with us on that. Hence, the benefits that are laid out in the MOU and the equity and the returns and all these things.

Obviously, one of the things that made the project interesting to Hydro-Québec was that it has gone for environmental assessment. It has been released from environmental assessment and, as part of that release, there's a very clear set of conditions for procurement employment.

That's laid out now in the MOU that, when it comes to procurement, whether it be suppliers of goods and services or whether it be procurement of labour, through all the various subcontractors that will build this project, there is a priority sequence that aligns largely with how it would have been done at Muskrat Falls, which is to prioritize the local workers first and to put workers in this province ahead of those from outside the province. So that is a legal obligation towards the building of Gull Island.

Obviously, that law protects us, but it's also a commitment that Hydro-Québec was very open to, willing to make, via this MOU, because that is a positive thing for them, that there's a clear EA release. There are clear conditions on how it's going to be built. They are signed up to be a partner on that and they were willing to document that here in the MOU.

SPEAKER: The hon. the Minister of Education.

K. HOWELL: Thank you so much for your responses and thank you for your time and your energy and your passion.

I'd like to just switch gears for a minute and put the responsibility on us, on the

government of the day. We know that there are going to be significant jobs and there's going to be significant education required. I believe the bulk of the responsibility for preparing an adequate workforce lies with the government and within the Department of Education, so that's another reason why I feel now is the time to modernize the education system here in Newfoundland and Labrador.

In addition to the Education Accord, we've embarked on a mission to transform education, what knowledge and skills that we hope that our students will have acquired and how we can present them with learning opportunities that will meet each of their individual needs. To do that, we shifted our methods from more of an objective base to placing a greater emphasis on higher level thinking and practical application.

To that end, we are working to implement experiential learning experiences for our students into the curriculum which will see students have, sort of, on-the-job training experience in some of the chosen fields. We're building choice into the curriculum, offering our students more opportunities to spend time learning about things that interest them and lead them towards meaningful career choices in future trades, project managers, engineers, business people, support workers – all of these will have access to this massive, real-life classroom to hone their skills, finish their apprenticeships and contribute to generational construction.

Our world-class post-secondary institutions will complement our K-to-12 system from skilled trades and technologies to speciality degrees. We have a vast array of programs, and our post-secondary institutions in this province have been proactive. They've been very responsive to the needs of industry and they have their finger on the pulse. They know what needs to be achieved in order to meet the needs of the economy of today. Our colleges are already achieving a great reputation for graduating classes with 80

per cent plus receiving employment offers. So it can only get better from here.

I look forward to working with my colleagues, the Minister of Immigration, Population Growth and Skills and our post-secondary institutions to ensure that we maximize these opportunities.

Speaker, I was proud to bring my son to the floor of this House of Assembly last sitting.

SOME HON. MEMBERS: Hear, hear!

K. HOWELL: I am also very proud of the potential that we've unlocked with this MOU and the subsequent definitive agreements. This will mean that my son grows up in a Newfoundland and Labrador that's very different than what we see today. One with greater educational opportunities, higher numbers of employed people, a desirable place to live and work and a place with great pride in our resources and our province.

As the Premier has said, this changes everything. That's why I'm so proud to support this motion.

Thank you.

SOME HON. MEMBERS: Hear, hear!

SPEAKER: The hon. the Government House Leader.

J. HOGAN: Thank you, Speaker.

I move, seconded by the Premier, that this House do now adjourn.

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.'

Motion carried.

This House do stand adjourned until 10 a.m. tomorrow.

On motion, the House at its rising adjourned until tomorrow, Wednesday, at 10 a.m.