Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-10-2020)

On January 7, 2020, the Department of Natural Resources received your request for access to the following records/information:

A copy of all Notes, Messages and materials (Information/Briefing/Decision/Meeting/Key messages etc) prepared in relation to the NL and Quebec based Labrador Trough Mining Operations for the period of January 1st, 2018 to December 31st, 2019

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 30(1)(a), 34(1)(a)(i), 35(1)(d), 35(1)(f) and 35(1)(g) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

30. (1)(a) The head of a public body may refuse to disclose to an applicant information that is subject to solicitor and client privilege or litigation privilege of a public body;

34. (1)(a)(i) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to harm the conduct by the government of the province of relations between that government and the following or their agencies: the government of Canada or a province;

P.O. Box 8700, St. John's, NL, Canada A1B 4J6 t 709.729-1466
35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

35. (1)(f) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

35. (1)(g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that this letter will be published following a 72 hour period after it is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the letter posted to the Office of Public Engagement's website within one business day following the applicable period of time.
If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes

Rod Hynes
ATIPP Coordinator
Many thanks.
Please note the attachment for discussion this Friday at 3 PM Newfoundland time.
Perry

From: Bernard.Beliveau@mern.gouv.qc.ca [mailto:Bernard.Beliveau@mern.gouv.qc.ca]
To: Canning, Perry <Perry.Canning@gov.nl.ca>; Butland, Anne <annebutland@gov.nl.ca>
Cc: Luce.Asselin@mern.gouv.qc.ca; Renee.Garon@mern.gouv.qc.ca; Robert.Giguere@mern.gouv.qc.ca
Subject: Qc-NL Working Group

Good morning Mr. Canning,

As agreed during our conference call on April 10th, 2018, please find enclosed the documents regarding:

- **Mining:**

- **Geology:**
  2. Projets géoscientifiques (see attachment)

Regards

Bernard Beliveau, MBA
Coordonnateur, Affaires intergouvernementales et Internationales
Bureau de la sous-ministre associée à l'Énergie
Ministère de l’Énergie et des Ressources naturelles
5700, 4e avenue ouest, bureau A-407
Québec (Québec) G1H 6R1
Tél : (418) 627-6308, poste 9354
Bernard.Beliveau@mern.gouv.qc.ca

The Geological Survey of Newfoundland has 3 active projects that encompass the Labrador Trough:

- Bedrock Geological mapping
- Mineral Deposits research
- Geochemical compilation
Hollinger Lake, Labrador Trough

- Jared Butler – project leader
- 2nd year of multi-year geological mapping project
- Regional mapping of sedimentary and igneous rocks in the Labrador Trough
- Economic potential:
  - Iron
  - Nickel-copper-platinum group elements
  - Uranium
  - Gold formation

Sulphide-bearing gossan zone developed in siltstone associated with gabbro intrusion (indications of Nickel potential)
Hollinger Lake, Labrador Trough

- **Project Details**
  - Helicopter Supported
  - Base camp is Schefferville, Quebec
  - 2 months field season
  - 1 Project Geologist and 1 student assistant
  - Annual Operational Budget = $161,000
Mineral Deposit Studies in Labrador Trough

- Multi-year projects investigating mineral potential of the Labrador Trough
  - Iron ore deposits
  - Metallogeny of the Labrador Trough
Iron Ore Deposits in the Labrador Trough

- Report on iron ore deposits in Labrador City/Wabush area in production
  - includes compilation of all company activity since 2000

- Similar report on taconite deposits in Labrador Trough planned

- Research continuing on origin of high-grade DSO deposits in Labrador Trough
Metallogeny of the Labrador Trough

- Fieldwork completed in 2017
- New regional scale project investigating mineral potential of Labrador Trough
  - Ni-Cu-PGE potential of gabbro sills
  - Base-metal mineralization in sedimentary rocks
  - Orogenic gold mineralization
- Comparisons between occurrences in Labrador and Québec
Labrador samples re-analyzed using same *aqua-regia* digestion previously used for adjacent Québec samples.

53 elements analyzed by ICP-MS.

Merging of Labrador and Québec data has enabled creation of regional geochemical maps for a contiguous area of almost 300,000 km².

Maps will guide and assist mineral exploration, and enable better understanding of bedrock geology and surficial processes.
Atlas of Lake Sediment Geochemistry of western Labrador and Northeastern Québec
April 26, 2018

Mr. Gordon McIntosh  
Deputy Minister  
Department of Natural Resources

Ms. Tracy King  
Deputy Minister  
Department of Transportation and Works

Re: Quebec-Newfoundland and Labrador Cooperative Agreement

On April 12, 2018, Premier Ball and Premier Couillard signed a Cooperative Agreement Between the Government of Newfoundland and Labrador and the Government of Québec Concerning the Development of the Labrador Trough and the Improvement and Extension of Road Infrastructure in Québec City. A signed copy of the agreement is attached for your information.

Working in collaboration with Québec to develop the Labrador Trough and improve road infrastructure will benefit Newfoundlander and Labradorians by facilitating the development of mining potential, attracting new investment, creating high-quality jobs and improving transportation links. All of which will help grow our economy and better position the province moving forward.

With the agreement now signed by Premiers, emphasis will be placed on implementing the respective action plans relating to the Labrador Trough and road infrastructure.

It has been a joint effort to advance this important priority, which is no doubt a positive accomplishment, and I would like to take this opportunity to express my appreciation to you and officials in your department for all of your assistance and support in reaching this milestone.

PATRICIA A. HEARN
Deputy Minister
Intergovernmental Affairs

Attachment

cc. Mr. Ron Bowles
    Mr. Charles Bown
    Ms. Donna Ballard
    Mr. Jamie Chippett
    Ms. Lori Anne Companion
    Ms. Gig Dooling
    Mr. Aubrey Goven
    Ms. Ann Marie Hann
    Mr. Ted Lomond
COOPERATIVE AGREEMENT

BETWEEN

THE GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

AND THE GOUVERNEMENT DU QUÉBEC

CONCERNING

THE DEVELOPMENT OF THE LABRADOR

TROUGH AND

THE IMPROVEMENT AND EXTENSION

OF ROAD INFRASTRUCTURE

2018
COOPERATIVE AGREEMENT
BETWEEN
THE GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
AND THE GOUVERNEMENT DU QUÉBEC
CONCERNING
THE DEVELOPMENT OF THE LABRADOR TROUGH AND
THE IMPROVEMENT AND EXTENSION
OF ROAD INFRASTRUCTURE

WHEREAS the governments of Newfoundland and Labrador and Québec commit to strengthen their cooperation in order to enhance responsible economic development to create and maintain robust and vibrant sustainable communities;

WHEREAS there are mining projects in the Labrador Trough and there is a history of economic ties between the towns of Labrador City, Wabush, Fermont, Schefferville and the surrounding area;

WHEREAS enhanced transportation infrastructure within Newfoundland and Labrador and Québec is a key component to economic growth and to creating a corridor of opportunity to support future development;

WHEREAS the governments of Newfoundland and Labrador and of Québec have agreed to share information and advance issues of importance for the development of their provinces, including the development of the Labrador Trough and enhancements to road links through the extension of Route 138, improvements to Route 389 and Route 510 and assessment of a fixed link between Labrador and the island of Newfoundland;

THE PARTIES therefore agree as follows:

1. Development of the Labrador Trough

1.1 The Parties will share information and work cooperatively to further stimulate the development of mineral potential and promote the creation of high-quality jobs in the Labrador Trough, in both Newfoundland and Labrador and Québec.

1.2 The Parties agree to cooperate in areas of shared interest, including but not limited to

- geotechnical information and land use planning;
- infrastructure for the mining sector;
- labour and skills;
- telecommunications development; and,
- enhancements to government processes and business supports.

2. Improvement and Extension of Road Infrastructure

2.1 The Parties will share information and work cooperatively for the purposes of supporting a transportation corridor and promote the development of economic opportunities for businesses and citizens via an extension of Route 138 to Blanc-Sablon and the improvement of Route 389 and Route 510.

2.2 For this purpose, the Government of Newfoundland and Labrador will pursue ongoing improvements to Route 510 and also update a prefeasibility study related to the construction of a fixed link between Labrador and the island of Newfoundland. The Government of Québec will, in turn, continue construction work on Route 138 and improvements on Route 389 in coming years, as provided for in the Plan Nord.
3. Establishment of a joint working group

3.1 The parties agree to establish a steering committee for the purposes of implementing this Cooperative Agreement. For the Government of Newfoundland and Labrador, the Deputy Minister of Intergovernmental Affairs will serve as co-chair, along with representatives from the government departments concerned and for the Gouvernement du Québec, the President and CEO of the Société du Plan Nord will serve as co-chair, along with representatives from the government departments concerned.

3.2 To support the Cooperative Agreement, joint working groups will be established and be responsible for the development and coordination of an action plan to be overseen by the co-chairs of the steering committee. If required, defined projects stemming from this agreement may be covered by specific agreements.

3.3 Co-Chairs will provide an annual report to Premiers with respect to the status of the Cooperative Agreement and progress made in the action plan.

4. General

4.1 Parties to this Cooperative Agreement will continue to have the ability to independently determine and pursue their own domestic objectives or priorities. Collaboration under this Agreement will be realized in accordance with the laws, regulations and policies of each jurisdiction.

4.2 Each party will be responsible for the costs of its own participation and involvement in this Cooperative Agreement.

5. Commencement, Review and Termination

5.1 This Cooperative Agreement will come into effect on the date it is signed by the Parties.

5.2 This Cooperative Agreement may be amended by mutual written consent of the parties.

5.3 Either Newfoundland and Labrador or Québec may terminate this Cooperative Agreement by providing at least two (2) month’s prior written notice.

5.4 This Cooperative Agreement is not a legally binding agreement and places no legal obligations on either of the Parties. Any matter involving the interpretation or implementation of this agreement will be addressed by consultation between the Parties and not be referred to a third party.

Signed in Quebec City on the 12th day of April 2018, one copy in French and one copy in English, both texts being regarded as equally authentic.

FOR THE GOVERNMENT OF NEWFOUNDLAND AND LABRADOR FOR THE GOUVERNEMENT DU QUÉBEC

[Signature]
Dwight Ball
Premier

[Signature]
Philippe Couillard
Premier ministre
Meeting Note
Department of Natural Resources
Quebec Energy and Mines Ministers’ Conference Delegation

Attendees: Gordon McIntosh, Natural Resources

Purpose of Meeting:
- The Energy and Mines Ministers’ Conference (EMMC) presents an opportunity to meet with members of the QC delegation to discuss matters of mutual interest. QC will not have ministerial-level representation at this meeting. No agenda has been proposed.

Background:

Agenda Item #1 – Electricity
Supreme Court Case
- In August 2016, CFLCo received judgment from the Québec Court of Appeal upholding the 2014 Québec Superior Court ruling on the motion filed by CFLCo to address the inequities of the pricing terms of the 1969 Power Contract between CFLCo and HQ (“Good Faith Case”). After that court ruled against CFLCo, the company was granted leave to appeal to the Supreme Court of Canada (SCC), which heard the case in December 2017. A ruling is expected by mid-2018.

NL-QC engagement stemming from the Canadian Free Trade Agreement
- NL agreed, at the request of other provinces, territories and the federal government, to engage with QC to discuss electricity transmission. The CFTA states that its rules on electricity transmission will enter into force if NL or QC provides written notice of such entry into force no earlier than 24 months, but no later than 36 months, after the effective date of the agreement, which was July 1, 2017. This wait period was agreed to, to allow for engagement between NL and QC.

Open Access
- Effective May 31, 2018, NL has in place an open access electricity transmission regime. which satisfies the reciprocal requirements on neighbouring jurisdictions, as well as those of the United States’ Federal Energy Regulatory Commission (FERC), and the CFTA.

Potential Speaking Points:
- Newfoundland and Labrador looks forward to engaging with Quebec to identify areas where cooperation could lead to mutual benefit.

- As you are likely aware, Newfoundland and Labrador has recently established an open access electricity transmission regime, that includes a Newfoundland and Labrador System Operator (NLSO) that is established in legislation. I hope this will contribute to building cooperation between our two provinces.

Agenda Item #2 - Mining
- NL and Quebec share common interests in encouraging responsible development of iron ore deposits in the Labrador Trough, and in encouraging mineral development in other parts of Labrador and North Shore of Quebec.
• Both NL and Quebec have large mineral industries that are major contributors to their respective economies:
  o
  o

• Both NL and Quebec have supports in place to assist in mineral exploration:
  o NL offers financial assistance through its Mineral Incentive Program (MIP), with a budget of $1.7 million.
  o The Government of Quebec relaunched its Plan Nord in 2014 to help promote the potential for industries such as mining, energy, tourism, social and cultural development. The Plan Nord works to ensure that favourable conditions are in place to attract investors interested in developing mining projects with economic potential for Quebec. Plan Nord will invest $1.3 billion in infrastructure and other projects (mostly public geoscience) over the next 5 years.
  o Quebec has developed a unique model, known as SIDEX (The Diversification of Exploration Investment Partnership) that mainly invests in the share capital of companies. In 16 years of operation, SIDEX has provided $84 million to 230 projects.
  o The Quebec Geological Survey budget is $19 million; GSNL's budget is $5 million.

• NL iron ore mines may benefit increased cooperation regarding mineral development:
  o Tata Steel Minerals Canada Limited's (TATA) operation includes multiple iron ore deposits that either span or are in close proximity to the border of Labrador and Quebec. The Fleming 7N deposit straddles the Labrador and Quebec border, Howse and Kivivic deposits are in Labrador whereas the Goodwood and Sunny deposits are in Quebec.
  o The Iron Ore Company of Canada (IOC) produces iron ore in Labrador at its Carol Lake Project and rails product via the Quebec North Shore and Labrador Railway (about 420 km) to their loading facility in Sept-Îles, Quebec, for shipping to markets.
  o Other developing projects in Labrador include Tacora and Alderon

• On July 19, 2017, Premier Ball and Premier Couillard announced NL and Quebec were to develop a Cooperative Agreement to explore opportunities that support greater economic and community development along the shared border of the two provinces. Two areas that would benefit from greater interprovincial cooperation would be the development of the Labrador Trough and the extension of Highway 138 on the lower North shore of Quebec. The official signing of the Cooperative Agreement took place in Quebec City on April 12, 2018.

• This agreement provides for the following joint works aimed at enhancing collaboration in the following areas of shared interest with the view of developing the Labrador Trough:
  o
  o
  o
  o
Analysis:
- As part of the Cooperative Agreement, a steering committee is being co-chaired by the President and CEO of the Société du Plan Nord (Mr. Robert Sauve) and the Deputy Minister for Intergovernmental Affairs (Patricia Hearn) for NL. Two working groups, chaired by executive members of NR, Transportation and Works and their respective Quebec counterparts are responsible for the implementation of annual actions plans.

- Prior to the decline in iron ore prices, proposed mine development in the Labrador Trough would have exceeded existing rail capacity. If new mining projects are discovered and developed, new or upgrades to existing infrastructure may be required, these developments could be evaluated jointly for efficiencies.

- The Geological Survey of Newfoundland and Labrador (GSNL) has a long history of cooperation with its Quebec Geological Survey counterparts. Directors meet regularly as part of the Committee of Provincial and Territorial Geologists and the National Geological Surveys Committee. The GSNL has contributed to recent Federal-Provincial projects under the Geoscience for Energy and Minerals 2 program.

- Having increased cooperation between the provinces could result in greater and better information sharing and exchange of services by the respective Geological Surveys. This could play a large role in exploration efforts moving forward. Increased cooperation could also allow both provinces to provide better support to indigenous communities.

Potential Speaking Points
- Newfoundland and Labrador looks forward to continuing progress on the areas of shared interest in the mining sector, with the view to developing the Labrador Trough.

Agenda Item #3 – Oil & Gas
- QC does not have any commercial crude oil production. Two large refineries currently operate in QC with a combined capacity of 396 thousand barrels per day (Mb/d): Suncor in Montreal and Valero in Lévis, near Quebec City. Suncor has a capacity of 137 Mb/d and Valero has a capacity of 259 Mb/d. Supply for QC’s refineries prior to 2013 was a mix of crude oil from eastern Canada and offshore imports from Europe, the Middle East, and Latin America. After 2013, use of crude oil from western Canada and the U.S. began increasing because of higher crude-by-rail deliveries and changes to pipeline infrastructure. Historically, QC was a consumer of western Canadian natural gas. More recently, growing gas production in the U.S., reversal of export points in Ontario, and additional interconnects between ON and QC, have enabled higher deliveries of U.S. gas into the province.

- In order to develop offshore resources, QC and the federal government signed the Canada-Quebec Accord Agreement in 2011 to jointly administer petroleum exploration and development. Premier Couillard’s Liberal government supported this Agreement and resource development in the Gulf that is subject to environmental review, proven economic benefit and the burden of cost being borne by the private sector. To give full effect of the Agreement, legislation was introduced in the House of Commons and the Quebec Assembly
but has not been passed into law to date. Offshore activities therefore fall under National Energy Board (NEB) jurisdiction.

- There is a potential for offshore development in QC. The Old Harry structure is approximately 30 km long and 12 km wide and has the potential to contain significant hydrocarbon resources. It is located in the Gulf of St. Lawrence with the centre of the prospect approximately 80 km west-northwest of Cape Anguille, NL.

- Corridor Resources Ltd, the project proponents and licence holder, had plans to drill an exploration well within Exploration Licence (EL) 1153 issued by the Canada-Newfoundland and Labrador Offshore Petroleum Board. As of June 11, 2018, however, they have suspended all further capital expenditures and technical work. The project is also under a current court challenge related to the EL.

Analysis:

- [Redacted]

Potential Speaking Points:

- NL looks forward to potential future cooperation in the Oil & Gas sector.

Prepared by/Reviewed by: H. Simms, M. Janes / K. Bradbury, C. Carter, C. Snook,
Ministerial Approval:

August 9, 2018
Meeting Note
Department of Natural Resources
Meeting with Quebec Minister of Energy and Natural Resources
Sunday, March 3, 2019, 1:45 PM
Quebec Booth, PDAC Floor, Metro Toronto Convention Centre

Attendees:
Honourable Jonatan Julien – Minister of Energy and Natural Resources, Quebec
Dominique Savoie – Deputy Minister of Energy and Natural Resources, Quebec
François Gibeault – Political Advisor, Energy and Natural Resources, Quebec
Maël Solen Picard – Director of Canadian and International Relations, Energy and Natural Resources, Quebec

Honourable Siobhan Coady – Minister of Natural Resources
Perry Canning – Assistant Deputy Minister, Mines, Department of Natural Resources

Purpose of Meeting:
- Minister Julien has requested a meeting with Minister Coady during the Prospectors and Developers Association of Canada Convention in Toronto to discuss increased mineral industry cooperation between the provinces.

Background:
- NL and Quebec have large mineral industries that are major contributors to their respective economies:
  -
  - NL and Quebec share common interests in encouraging responsible development of iron ore deposits in the Labrador Trough, and in encouraging mineral development in other parts of Labrador/Northern Quebec.
  - The geology on either side of the Labrador and Quebec border is similar, thus mineral discoveries on the Quebec side should indicate favorable potential on the Labrador side and vice versa.

Agenda Item #1: Cooperative Agreement between NL and Quebec
- On July 19, 2017, Premier Ball and Premier Couillard announced NL and Quebec were to develop a Cooperative Agreement to explore opportunities that support greater economic and community development along the shared border of the two provinces. Two areas that would benefit from greater interprovincial cooperation would be the development of the Labrador Trough and the extension of Highway 138 on the lower North shore of Quebec and improvement to Highway 389 into western Labrador.
  - NL and Quebec officials completed negotiations of the proposed Cooperative Agreement in November 2017 and both Cabinets subsequently approved the agreement for signature. The official signing of the Cooperative Agreement took place in Quebec City on April 12, 2018.
• On December 11, 2017, a separate agreement was signed between NL and Quebec regarding greater cooperation.

Analysis:
• As part of the Cooperative Agreement, a steering committee has been established and is co-chaired by the President and CEO of the Société du Plan Nord and the Deputy Minister for Intergovernmental Affairs for NL. Two working groups, chaired by executive members of NR, Transportation and Works and their respective Quebec counterparts, are also in place. These working groups are responsible for the implementation of annual actions plans.

• The Cooperative Agreement provides for joint works in multiple areas of shared interest. These areas were recently discussed during a NR/Société du Plan Nord working group conference call on February 19, 2019, between NR and Quebec, and are listed below:

• A Cooperative Agreement could be advantageous in facilitating greater cooperation between Quebec and NL.

• Having increased cooperation between the provinces could result in greater and better information sharing and exchange of services. This could play a large role in exploration efforts moving forward. Increased cooperation could also allow both provinces to provide better support to indigenous communities.

• The Geological Survey of Newfoundland and Labrador (GSNL) has a long history of cooperation with its Quebec Geological Survey counterparts. Directors meet regularly as part of the Committee of Provincial and Territorial Geologists and the National Geological Surveys Committee. The GSNL has contributed to recent Federal-Provincial projects under the Geoscience for Energy and Minerals 2 program.

• There are three NL iron ore operators that could potentially benefit from the signing of an agreement for increased cooperation regarding mineral development, namely Tata Steel Minerals Canada Limited, The Iron Ore Company of Canada and Tacora Resources Inc. Alderon Iron Ore Corp. could also benefit from increased cooperation between the two provinces.

Potential Speaking Points:
• Since the PDAC last year, the province released its Mining the Future 2030 document; a plan for growth in the NL Mining Industry. NL’s action directives are well aligned with the joint areas in the Cooperative Agreement including geoscience, land use management, infrastructure, labour and skills, and the review of government processes and business supports. We look forward to working with Quebec on these and other action areas.
We look forward to working with Quebec through initiatives such as the Cooperative Agreement that will enable both provinces to avail of opportunities to encourage the growth of our mineral industries through the development of the CMMP Action Plan.

- NL appreciates PQ support for mining developments in Labrador, such as Tacora, Tata and Alderon.

- NL has made a presentation to the Standing Senate Committee on Energy, the Environment and Natural Resources regarding Bill C-69 and concerns with its impact on our industry's global competitiveness and ability to attract investment. What is Quebec's view on Bill C-69?

Proposed Actions:
- NR will continue to participate in working groups and committees as required under the Cooperative Agreement.

Prepared/Approved by: G. Taylor / B. Lawlor / K. Bradbury / P. Canning
Ministerial Approval:

February 25, 2019
Biographies

Jonatan Julien
Minister of Energy and Natural Resources, Quebec
Minister of Energy and Natural Resources, Quebec, since October 18, 2018.

Biography: Jonatan Julien

Jonatan Julien was elected Member of Québec’s National Assembly for the riding of Charlesbourg in the provincial election of October 1, 2018. He is currently the Minister of Energy and Natural Resources and Minister responsible for the Côte-Nord Region.

Mr. Julien is an accountant by profession and a member of Québec’s order of professional accountants (CA, CPA). He has a Bachelor’s degree in business administration from Université Laval and a Master’s degree in public administration from ENAP.

In the last 15 years Mr. Julien has worked in the areas of internal auditing, risk management and governance for SSQ Groupe Financier, Desjardins, the Auditor General of Québec and Ernst & Young. From 2012 to 2013 he was Secretary General of the Société immobilière du Québec, where he was responsible for major projects and corporate affairs. From 2013 to 2018, he was a municipal councillor for the borough of Rivières in Québec City.

Mr. Julien has also been involved in his profession and his community for many years. He was a member of the organizing committee for the Junior World Downhill Skiing Championships held at Mont-Sainte-Anne and the Massif de la Petite-Rivière-Saint-François in the winter of 2013. He was also a member of the board of directors of the Institut des vérificateurs internes du Québec from 2009 to 2012, and coached the Rivières soccer club in Québec City.
Dominique Savoie, Deputy Minister of Energy and Natural Resources

Ms. Savoie Bio: Dominique Savoie holds a bachelor’s degree in psychology from Université du Québec à Montréal and a master’s in psychology from Université de Montréal. For nearly 30 years, she has been with the public service, where she has held a number of management positions including Assistant Deputy Minister responsible for operations at Emploi Québec (2005–2006), Associate Deputy Minister and Secretary General of the Commission des partenaires du marché du travail (2006–2009), Deputy Minister responsible for Employment and Social Solidarity (2009–2011), Deputy Minister of Transport, Sustainable Mobility and Transport Electrification (2011–2016) and administrator of state at the Ministère du Conseil exécutif (2016–2018). In 2018, she was named Deputy Minister of Energy and Natural Resources. Ms. Savoie is certified by the Collège des administrateurs de sociétés and sits on the board of Ressources Québec.
Meeting Note
Department of Natural Resources
Meeting of Minister Coady with the Honourable Jonatan Julien, Minister of Energy and Natural Resources, Québec
Meeting Place: TBD
Time and Date: TBD

Attendees:
Hon. Jonatan Julien, Minister of Energy and Natural Resources, Québec (QC)
Hon. Siobhan Coady, Minister of Natural Resources, Newfoundland and Labrador (NL)

Purpose of Meeting:
• The Energy and Mines Ministers’ Conference (EMMC) presents an opportunity to meet with the QC Minister of Natural Resources and to discuss matters of mutual interest.

Background:
• The 42nd QC general election was held on October 1, 2018. The Coalition Avenir Québec (CAQ) won a majority of seats in the National Assembly and the Honourable François Legault was sworn in as QC’s Premier on October 18, 2018, ending nearly 50 years of Liberal and Parti Québécois rule in the province.

• The CAQ election platform includes promises to balance social and economic commitments. Priority areas include decentralization of the health-care system to allow an increased role for the private sector; tax cuts; a 20 per cent reduction in immigration; and government funded pre-kindergarten. Other noteworthy commitments include:
  o developing QC’s energy and mining sectors;
  o creating energy alliances with neighbours to facilitate export of electricity to the U.S.; and,
  o respecting the existing greenhouse gas cap and trade system and current targets, while conducting a review of the 2030 emission reduction goal to determine if it is realistic.

• NL engages in collaborative activities with QC through various intergovernmental fora, such as the Council of the Federation (COF), the Conference of New England Governors and Eastern Canadian Premiers (NEG/ECP) and other federal/provincial and territorial (FPT) tables. Positive engagement has occurred on a number of multilateral files through these intergovernmental entities.

• On June 20, 2019, the QC Court of Appeal released a ruling concerning interpretation of the 1969 Power Contract and the Renewal Contract (the Declaratory Judgement Case).
Agenda item 1 (Energy collaboration to support of Labrador Trough mining)

- In April 2018, a Cooperative Agreement Concerning the Development of the Labrador Trough and the Improvement and Extension of Road Infrastructure was signed. This agreement provides for joint works aimed at enhancing collaboration in the following areas of shared interest:
  - geotechnical information and land use planning;
  - infrastructure for the mining sector;
  - labour and skills;
  - telecommunications development; and
  - enhancements to government processes and business supports.

- To support new economic development and mining activity in the Labrador Trough, additional transmission capacity is required. Alderon Iron Ore Corp continues to pursue development of its Kami mine project in Labrador West, which would require 100-120 megawatts (MW) of power as noted in the company’s 2011 environmental assessment registration.

- NLHydro regulatory filings have noted the Labrador West transmission grid is nearing capacity limitations. The current capacity is 326 MW with 188 MW required to serve IOC, 46 MW for Tacora Resources (Wabush Mines), and 92 MW for communities in the region.

- On October 31, 2018, NLH filed a Labrador Transmission Expansion Study with the Board of Commissioners for Public Utilities (PUB). The primary focus of the study is to assess system deficiencies driven by load growth in Labrador and develop least-cost, reliable transmission system expansion plans for various ranges of system demand.

- The study notes that if Labrador West load exceeds 434 MW (as it would with the addition of Alderon’s load to the existing system), the least-cost alternative would include an interconnection with HQ at its Bloom Lake Station at an estimated cost of $153 million.

Analysis

- Adding a new high voltage electric intertie to the Labrador interconnected grid from the neighbouring HQ system can generally be expected to improve overall NL system reliability as it can provide an additional source of power to the NL grid in the event of system interruption.

- On December 14, 2018, NLH filed a
new Network Additions Policy with PUB and is currently under review.

Speaking Points
- The 2018 Cooperative Agreement represented an important step in strengthening bilateral ties between our two provinces in the areas of mining and infrastructure. I am pleased our two Governments remain committed to this cooperation.

- Economic development and future mining opportunities in the Labrador Trough will require access to reliable energy resources. Exploring joint development opportunities to provide least cost power to the Labrador Trough would benefit the region and both provinces.

Agenda item 2 (Canada Free Trade Electricity Transmission Rules.)
- Negotiations to modernize the Agreement on Internal Trade (AIT) concluded in April 2017 with the Canadian Free Trade Agreement (CFTA) entering into force on July 1, 2017. NL successfully negotiated rules that provide for non-discriminatory transmission of electricity across PT boundaries. All Canadian jurisdictions, with the exception of QC, participated in the development of the rules that now comprise Annex 309 of the CFTA.

- Annex 309 of the CFTA substantially replicates the U.S. Federal Energy Regulatory Commission (FERC) rules that are already binding jurisdictions that trade electricity with the U.S. The CFTA rules are not currently in force, but will enter into force if either QC or NL provide written notice to the Internal Trade Secretariat. Upon receiving notice, the new rules will enter into force no earlier than 24 months (July 2019), but no later than 36 months (July 2020), after the effective date of the CFTA (July 1, 2017).

- The delay in implementing electricity transmission rules was provided to enable NL and QC to engage in bilateral process to identify mutually beneficial options with regard to cooperation in the energy sector. All PTs were in support of this arrangement.

Analysis:
- Premier François Legault has publically stated his desire to negotiate deals with neighbouring states and provinces to provide hydropower as an economical energy source and a means to reduce greenhouse gas emissions.
Potential Speaking Points
- I am looking forward to engagement between our provinces on energy. Newfoundland and Labrador would support the further exploration of trade ties in the context of the Canada Free Trade Agreement, and would be open to further dialogue with Quebec on collaboration on electricity generation and transmission in support of energy needs in Canada and the U.S., while contributing to economic development in both provinces.

Agenda item 3 (Red Water Runoff from Tata Steel Minerals Canada Operations)
- Tata Steel Minerals Canada (TSMC) operates a high-grade iron ore mine in the Menihek area of northwestern Labrador and is a joint venture between Tata Steel of India (77.68%), Ressources Quebec (18%), and New Millennium Iron Corp. (4.32%). Project construction started in 2011 and first ore was shipped in 2013.

- Eleven open pits in Labrador and two in QC are to be developed over a twelve year mine life.

- During 2018, TSMC resumed work on the $700 million dollar wet processing facility and full commissioning took place early 2019 with first shipment on June 19, 2019. TSMC is ramping up to full capacity of 700 tonnes per hour of concentrate production. Prior to the plant being commissioned, the project was direct shipping ore (DSO).

- On the 17th, 18th, and 24th of May 2019, the Department of Municipal Affairs and Environment received notification of several reports of red water spills at TSMC’s Labrador site though the National Environmental Emergencies Centre. These reports were submitted by Michel La Haye, consultant with the Innu of Matimekush-Lac John.

- On May 29, 2019, it was reported by Le Journal De Montreal that there were red streams in Northern QC resulting from TSMC’s QC operations. It was noted that in 2018, the Innu of
Mamikush-LaC John documented 23 red water flow sites in lakes and rivers around the project. The Premier of QC was quoted in the article.

- An Environmental Engineer (MAE) and a Mining Engineer (NR) conducted a site inspection on June 4-6, 2019.

Analysis:
- Red water events in this area have been reported in previous years during the spring melt/runoff period which typically lasts around a month. The redness is due to erosion of the local soil which is high in iron. Areas developed for mining and mine haul roads are more prone to such runoff.

- TSMC’s Labrador operations in the DSO3 (Timmins area) are located in areas that were mined by the Iron Ore Company of Canada (IOC) from the 1950s until 1982. Ground disturbances and waste rock piles left from IOC’s operations are contributing to the red water.

- TSMC have acknowledged the red water incidents and took measures to mitigate the situation during the spring runoff and are putting procedures in place to prevent future occurrences during spring runoff.

Potential Speaking Points

Prepared/Approved by: H. Simms / K. Bradbury / A. Smith / C. Snook
Ministerial Approval:

July 9, 2019
Title: Newfoundland and Labrador and Quebec-based Labrador Trough Mining Operations

Issue: Iron Ore mining operations along the Labrador Trough in Newfoundland and Labrador and Quebec consist of shared infrastructure, workforces and geological resources and present opportunities for collaboration that would encourage development.

Background and Current Status:
- The Labrador Trough of western Labrador and adjoining province Quebec is host to world-class deposits of iron ore that have been mined for more than half a century. Existing reserves and resources suggest the region could see production for many decades to come.
- This 1,100 km-long belt contains several major open pit deposits, which together have produced in excess of 2 billion tonnes of iron ore.
- In April 2018, a Cooperative Agreement Concerning the Development of the Labrador Trough and the Improvement and Extension of Road Infrastructure was signed between the two provinces. This agreement provides for joint works aimed at enhancing collaboration in the following areas of shared interest:
  - geotechnical information and land use planning;
  - infrastructure for the mining sector;
  - labour and skills;
  - telecommunications development; and
  - enhancements to government processes and business supports.
- As part of the Cooperative Agreement, a steering committee is established and is co-chaired by the President and CEO of the Société du Plan Nord and the Deputy Minister for Intergovernmental Affairs for NL. Two working groups, chaired by executive members of NR, Transportation and Works and their respective Quebec counterparts, are also in place. These working groups are responsible for the implementation of annual actions plans.
- The competitive advantages for mining operations in the Labrador trough include:
  - access to a skilled and experienced local workforce;
  - highly qualified local mining supply and service vendors and contractors;
  - government support at municipal, provincial and federal levels;
  - stable taxation and regulatory environment; and
  - clear guidelines for Indigenous consultation.
- NL and Quebec have large mineral industries that are major contributors to their respective economies:
- The Labrador Trough has an established infrastructure base that includes:
  - Two railways, one of which is a common carrier, connecting to the port of Sept-Îles.
  - The port of Sept-Îles, with a multiuser, deep-water dock with two ship loaders and two
    conveyor lines. The port of Sept-Îles provides access to European and Asian markets,
    with shipping distances of 5,000 km to Rotterdam and 22,000 km to Tianjin, China.
  - Two major hydroelectric installations that provide low-cost electricity to existing and
    potential mining operations.

Current Newfoundland-based Labrador Trough Mining Operations
- There are three (3) mining companies currently operating in the Newfoundland and Labrador
  areas of the Trough: The Iron Ore Company of Canada, Tata Steel Minerals Canada Limited,
  and Tacora Resources Inc.

- The Iron Ore Company of Canada (IOC), Carol Lake Project
  - IOC produces iron ore concentrate and pellets in Labrador at its Carol Lake Project and
    rails the product via the Quebec North Shore and Labrador Railway (about 418 kilometres)
    to their loading facility in Sept-Îles, Quebec, for shipping to various markets.
  - IOC ships approximately 20 million tonnes of product via the Quebec North Shore and
    Labrador (QNS&L) railway each year.
  - In 2019, IOC received government approval for its Development Plan Amendment for the
    development of the Magy Pit. IOC will use ore mined from the Magy Pit Extension to
    supplement concentrator feed sourced from other areas of its operations.

- Tata Steel Minerals Canada Limited (TSMC), DSO Project
  - TSMC's operation includes multiple iron ore deposits in Newfoundland and Labrador and
    Quebec that either span or are in close proximity to the border of the two provinces. TSMC
    produces 4.2 million tonnes per year of sinter fines and pellet feed.
  - This is a joint venture between Tata Steel of India (77.68%), Ressources Quebec (18%),
    the Government of Quebec Investment Agency, and New Millennium Iron Corp. (4.32%).
  - TSMC is commissioning their $700 million wet processing plant and trial production has
    been successfully achieved, but the plant is yet to be in regular operation.
  - TSMC has an agreement with Quebec Iron Ore and the Société du Plan Nord to participate
    in the shared development and management of industrial facilities at Pointe Noire in Sept-
    Îles, Quebec where a new multi-user dock and conveyor will aid in the shipment of its ore.
  - TSMC is working under an interim stockpiling and ship loading arrangement via Iron Ore
    Company of Canada's terminal at Sept-Îles, but has also loaded DSO from Pointe-Noire.

- Tacora Resources Inc., Scully Mine Project
  - Scully Mine operated as Wabush Mines from 1965 to 2014, producing iron ore concentrate
    that was pelletized at Pointe Noire, QC.
  - Tacora has successfully reactivated the Scully Mine and mill and estimates a minimum 26
    year mine life with an expected annual production rate of 6.13 million tonnes of
    concentrate at full operation.
  - On August 30, 2019, Tacora announced its first seaborne vessel shipment of iron ore
    concentrate, which departed the Port of Sept-Îles, QC.
  - Tacora purchased part of New Millennium Iron's contract with the Port of Sept-Îles to
    become a new user of the multi-user dock at Pointe Noire. Tacora will significantly increase
    the Port's annual volumes, adding a projected 6 million tonnes per year, and will invest
close to $50 million in early 2019 to adapt the Société Ferroviaire et Portuaire de Pointe-Noire (SFPPN) facilities.

Current Quebec-based Labrador Trough Mining Operations

- There are three (3) mining companies currently operating on the Quebec side of the Labrador Trough, this includes the ArcelorMittal Mines Canada (AMEM) operating the Mont-Wright Project and Fire Lake Mine Project, Champion Iron Limited operating the Bloom Lake Project and Tata Steel operating the DSO Project.

- ArcelorMittal Mines Canada (AMEM), Mont-Wright Project
  - AMEM is one of the five biggest producers of iron ore worldwide.
  - The Mont-Wright mining complex operates 24 hours per day, 365 days per year to produce more than 26 million tonnes of iron ore concentrate every year of which 10 million tonnes are made into pellets.
  - Mineral resources amount to 5.6 billion metric tonnes of ore and the current mining plan runs to 2045.
  - Mont-Wright concentrate is transported to a silo for loading onto trains that carry it to Port-Cartier. Currently four or five convoys per day transport ore on its private railway with separate load out at the port.

- ArcelorMittal Mines Canada (AMEM), Fire Lake Mine Project
  - Located 55 kilometres south of the Mont-Wright Project, Fire Lake’s open-pit mining project began operation in 2006 as a seasonal operation. Since 2012, the site has been mined year round and employs approximately 50 people.
  - Iron content of the ore mined at this site is higher than at Mont-Wright.
  - Fire Lake raw ore travels from Fire Lake to Mont-Wright by train four times a day on a convoy of sixty or more wagons that uses a railroad segment linking Fire Lake to the main railroad which is then carried by train to Port-Cartier.

- Champion Iron Ltd., Bloom Lake Project
  - Champion’s Bloom Lake Project is located approximately 13 kilometres north of Fermont, QC and 10 kilometres north of the Mont-Wright iron ore complex.
  - The Bloom Lake Mine facilities includes a railway that transports ore via a connection to QNS&L at the Iron Ore Company of Canada and then to the loading port in Sept-Isle, QC.
  - Mineral reserves are estimated at 411.7 million tonnes and the average annual production of concentrate is 7.4 million tonnes, over a 21-year anticipated mine life.
  - On June 20, 2019, Champion completed a Feasibility Study (FS) for Phase 2 expansion at Bloom Lake outlining the economics of a project aimed at doubling the Bloom Lake production from 7.4 million tonnes per year to 15 million tonnes per year of 66.2% iron ore concentrate via construction on a second plant.
  - Capital costs associated with the expansion are $633.8 million of which $68 million is committed to advance the project during the remainder of 2019 and ensure timelines are kept as outlined in the 2019 FS. The expansion is expected to take 21 months. Phase II will create over 500 jobs during construction and 200 permanent operational jobs.

Opportunities for Future Development for Newfoundland-based Labrador Trough Mining Operations

- The Government of Newfoundland and Labrador currently owns the mineral rights to the Julienne Lake iron deposit, located in the heart of the district. These rights reverted to the crown in the 1970s, and have been held under Exempt Mineral Land status since then.
- An NI 43-101 compliant resource estimate of 867 million tonnes at 33.7% iron of Measured and Indicated resources was released in 2013.

- Labrador Iron Mines Holdings Limited (LIMH)
  - Through its majority owned subsidiaries Labrador Iron Mines Limited (LIM) and Schefferville Mines Inc. (SMI), LIMH is engaged in the exploration and development of iron ore projects in the central part of the Labrador Trough region, centered near the town of Schefferville, Quebec.
  - LIMH has not undertaken any mining operations since 2013, initially due to operating losses followed by low iron ore prices. The company maintains its properties on a standby care and maintenance basis. Expenditures include maintenance of mineral claims, with recent surrendering on non-core claims.
  - LIM's 100% Houston deposit contains a NI 43-101 compliant resource estimate of 40.6 million tonnes grading 57.6% iron.
  - Houston could be expected to produce 2 million tonnes per year with an initial mine life of 10 years with a low-cost, dry crushing and screening only.
  - LIMH's Elizabeth Taconite Project has an Inferred mineral resource of 620 million tonnes at an average grade of 31.8% iron. This larger scale project would operate as an open pit mine producing 5 million tonnes per year concentrate over an expected mine life of 34 years with an expected grade of higher than 68%.

- Alderon Iron Ore Corp., Kami Iron Ore Project
  - The Kami Project is held through The Kami Limited Partnership which is owned 75% by Alderon and 25% by HBIS Group Co. Ltd. In March 2013, HBIS Group Co. Ltd. (formerly Hebei Iron & Steel Group) contributed C$119.9 million in exchange for the 25% interest in the project.
  - The Kami Project is strategically located next to the mining towns of Wabush, Labrador City, and Fermont, near the provincial border between Québec and Labrador and close to road and electrical infrastructure.
  - In September 2018, Alderon released an updated Feasibility Study (FS) of the Kamistiatusset (Kami) Iron Ore Property, Labrador. The FS demonstrates average annual production of 7.84 million tonnes over a 23 year mine life, a capital cost of US$982.41 million, and an estimated average operating cost of US$30.72/tonne. Proven and Probable Mineral Reserves are estimated at 517.2 million tonnes.
  - The product is high-grade (65.2%-Fe) iron ore concentrate with ultra-low impurities.

Analysis:
- The towns of Labrador City and Wabush, situated within the Labrador Trough, represent a strategically located provincial gateway supported by a year-round air, road, and rail transportation network. The area has a stable, highly skilled and productive workforce with a strong mining tradition.

- Stantec's 2011 report, "Analysis of Infrastructure Constraints on the Future Development of Iron Resources in Labrador, Canada", evaluated the capacity of the QNS&L railway.
  - The report modeled three scenarios: existing production of iron ore (29 million tonnes per year), with short-term increases (37 million tonnes per year), and with all future production (88 million tonnes per year). These reflected the forecast of the market at that time.
  - The report concluded that the railway was capable of handling the first two scenarios, but would require significant investment in infrastructure to handle 88 million tonnes per year.
Based on nameplate capacity of current operators, yearly shipments could approximate 41 million tonnes per year. Planned increases at Tata Steel, Bloom Lake and Kami would increase the yearly shipments to 58 million tonnes per year.

It is our understanding that QNS&L has undertaken some improvements since the study was completed.

- There are two separate facilities that load and store iron ore within the Port of Sept-Iles. One in the port of Sept-Îles owned by the Iron Ore Company of Canada (IOC) and the second is the Pointe Noire facility, which is a multi-user dock owned by Société Ferroviaire et Portuaire de Pointe-Noire (SFPPN) and controlled by the Government of Quebec.

- The multi-user dock was completed in 2015 with a value of $220 million funded by the federal and Quebec governments at $55 million each, and $110 million from five iron ore operators in the region at the time (Alderon Iron Ore, Champion Iron Mines, Labrador Iron Mines, New Millennium Iron and Tata Steel Minerals Canada).

- The Port of Sept-Îles is used by IOC and TSMC, with Tacora and Champion using Pointe-Noire multi user wharf.

- In August 2019, a $180 million investment project was announced. This project was aimed at updating Pointe-Noire Railway and Port Corporation of Pointe-Noire with optimization of equipment. The total equipment optimization project for the SFPPN totals $180 million with the Government of Quebec funding $80 million in the project, while the Government of Canada and SFP Pointe-Noire and its partners will add $50 million each.

- In October 2018, Newfoundland and Labrador Hydro filed a Labrador Transmission Expansion Study with the Board of Commissioners for Public Utilities (PUB). The primary focus of the study was to assess system deficiencies driven by load growth in Labrador and develop least-cost, reliable transmission system expansion plans for various ranges of system demand.

- New Labrador West supply options addressed in the Study include a new transmission line at 230kV or 315kV, synchronous equipment, and demand management initiatives.

- The study notes that if Labrador West load exceeds 434 MW (as it would with the addition of Alderon’s load to the existing system), the least-cost alternative will involve an interconnection with Hydro-Québec at its Bloom Lake Station. For loads below 434 MW, but above 383 MW, other options are currently considered least cost.

- The geology on either side of the Labrador and Quebec border is similar, thus mineral discoveries on the Quebec side should indicate favorable potential on the Labrador side and vice versa.
- NL and Quebec also share common interests in encouraging responsible development of iron ore deposits in the Labrador Trough, and in encouraging mineral development in other parts of Labrador/Northern Quebec.

- Both NL and Quebec have supports in place to assist in mineral exploration:
  - NL offers financial assistance through its Mineral Incentive Program (MIP), with a 2019 budget of $1.7 million.
  - The Government of Quebec relaunched its Plan Nord in 2014 to help promote the potential for industries such as mining, energy, tourism, social and cultural development. The Plan Nord works to ensure that favourable conditions are in place to attract investors interested in developing mining projects with economic potential for Quebec. Plan Nord has invested $1.3 billion in infrastructure and other projects (mostly public geoscience) over the past 5 years.
  - Quebec has developed a unique model, known as SIDEX (The Diversification of Exploration Investment Partnership) that mainly invests in the share capital of companies. In 19 years of operation, SIDEX has provided $90 million.
  - In 2019, SIDEX and Mining Investment Fund of the Société de Développement de la Baie-James (SDBJ) announced a new initiative known as Drilling James Bay 2019, designed to encourage junior mining companies to test new drilling targets on Québec’s James Bay territory during winter 2019, while at the same time supporting their working capital.
  - The Quebec Geological Survey budget is $15 million for 2019; Geological Survey of NL’s budget is $4 million.

**Action Being Taken:**

- Officials will continue to engage on topics covered in the Cooperative Agreement

**Prepared/Approved by:** G. Taylor / B. Lawlor / T. Walters / K. Bradbury / A. Smith

**Ministerial Approval:**

October 23, 2019
Department of Natural Resources
Information Note

Title: Energy requirements for mining development in the Labrador Trough

Issue: To summarize key considerations for power supply for mining-related customer load growth in Labrador

Background

- NL Hydro’s November 2018 Labrador Transmission Expansion Study filed with Public Utilities Board (PUB) explains that the Labrador West transmission grid is nearing capacity limitations. The current customer load in Labrador West is approximately [ ] MW for IOC, [ ] MW for Tacora Resources (Wabush Mines), and [ ] MW for communities in the region. This load is served by two 230 kilovolt (kV) transmission lines from Churchill Falls to Wabush capable of delivering approximately 350 megawatts (MW) with all equipment in operation (i.e. non-firm), 257 MW with one line in the winter (i.e. firm) and approximately 190 MW with one line in the summer (firm).

- To support new economic development and mining activity in the Labrador Trough, additional transmission capacity would be required. Alderon Iron Ore Corp continues to pursue development of its Kami mine project in Labrador West, which would require 100-120 MW of power as noted in the company’s 2011 environmental assessment registration. Government directed Newfoundland and Labrador Hydro (NLH) in February 2014 to construct a new 230 kV transmission line between Churchill Falls and Labrador West to support Alderon’s Kami project at a cost of approximately $330 million. The project was suspended in September 2014.

- NLH’s Labrador Transmission Expansion Study identifies least-cost, reliable transmission system expansion plans for various ranges of new system demand. New Labrador West supply options identified in the study include a new transmission line at 230kV or 315kV, synchronous equipment, and demand management.

- The study further notes that if Labrador West load exceeds 434 MW (as it would with the addition of Alderon’s load to the existing system), the least-cost alternative would include interconnection with Hydro-Québec at its Bloom Lake Station at an estimated cost of $153 million.

- This public study notes that NLH has been in consultation with Hydro Quebec Transenergie with respect to interprovincial interconnection alternatives. These discussions have included cooperative transmission planning activities and have allowed for a shared understanding of commercial processes if such an interconnection proceeded.

- Adding a new high voltage electric intertie to the Labrador interconnected grid from the neighbouring HQ system could be expected to generally improve overall NL system reliability as it can provide an additional source of power to the NL grid in the event of system interruption.

- Currently, any infrastructure build would result in an increase in rates shared among various customers in Labrador West. On December 14, 2018, NLH filed a new Network Additions Policy with the PUB and is currently under review. Its purpose is to limit rate increases from new infrastructure builds by recovering costs from new transmission additions primarily from the customers that benefit primarily from the transmission additions. If the PUB approves the proposed policy, the customer whose new load triggers the build would be required to pay a portion of funding upfront but could recover some of it later if another new customer benefits from the build.
Analysis

- The generation source for the Labrador grid is primarily NL Hydro’s rights to 531.9 MW of power from the Churchill Falls generating station under the terms of the Renewal Power Contract between CFLCo and Hydro Quebec expiring in 2041. Another 25 MW is available from a combustion turbine at Happy Valley-Goose Bay. This 556.9 MW of combined generation serves Labrador East, where peak load is forecast to reach 83 MW in 2019, and Labrador West, where transmission capacity currently limits peak load to 350 MW.

- Over the next 25 years, NLH expects these loads are to grow to approximately 95 MW in Labrador East and 383 MW in Labrador West. Labrador demand in this planning horizon therefore includes a total customer load of 478 MW. Total demand is calculated by adding total customer load with the associated transmission losses from Churchill Falls of 35 MW, for a total of 513 MW. On this basis, up to 43.9 MW of incremental long term load can be supported in Labrador.

Actions being Taken

- For information purposes only.

Prepared/Approved By: C. Snook / C. Martin

24 October 2019