Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-57-2016)

On October 18, 2016, the Department of Natural Resources received your request for access to the following records/information:

A copy of all correspondence, reports and briefing material on the request for the expansion of the federal loan guarantee for Muskrat Falls

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 some of the requested information. Access to the remaining information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

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

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

(i) the government of Canada or a province

35 Disclosure harmful to the financial or economic interests of a public body

(1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose

(f) 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

(g) 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

40 Disclosure harmful to personal privacy

(1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party’s personal privacy

Some information was also withheld under section 5.4 of the Energy Corporation Act. It should be noted as well that some information was found to be non-responsive to the request and, therefore, was not disclosed.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible. In accordance with your request for a copy of the records, the records have been included with this correspondence.

Right to Request Review/File Appeal

As set out in section 42 of the Act you may ask the Information and Privacy Commissioner to review the department’s decision to provide partial access to the requested information. 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. Your request should identify your concerns with the department’s response and why you are requesting a review.

The request for review may be addressed to 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

Pursuant to section 52 of the Act, you may also appeal directly to the Supreme Court Trial Division within 15 business days after receiving the department’s decision.

Response to be Made Public

Please be advised that responsive records will be published following a 72 hour period after the response 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 responsive records posted to the Completed Access to Information Requests website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact me by telephone at 729-3214 or by e-mail at andreamarshall@gov.nl.ca. Alternatively, please contact Tanya Noseworthy, the department’s primary access to information coordinator at 729-1466 or tanyanoseworthy@gov.nl.ca.

Sincerely,

Andrea Marshall
ATIPP Coordinator
Good afternoon all

Please find below requested presentation re: Enhanced FLG

Cheers!

Auburn

Auburn Warren, CPA, CA
General Manager (Commercial, Treasury, Risk & Technology)
Nalcor Energy

t: 709-737-1256 c: 709-725-1141

Countryside and the Islands
Nalcor Energy

e: Auburn.Warren@nalcenergy.com
w: nalcenergy.com
Enhanced Federal Loan Guarantee

December 18, 2015

Note: page 3 has been redacted in full under sections 29(1)(a), 34(1)(a)(i), 35(1)(f), 35(1)(g).
Enhanced Federal Loan Guarantee

• There are a number of potential changes that could be made to the FLG arrangements with Canada.

• Potential changes to FLG include:
  - Improve existing additional debt provisions to allow additional debt to be guaranteed by Canada and funded in the same way as the original $5 billion.
Current Federal Loan Guarantee

- In December 2013, the Federal Loan Guarantee (FLG) was issued by Canada, and Nalcor (through the funding trusts) completed financial close by issuing $5 billion of AAA rated long term bonds guaranteed by Canada for the Lower Churchill Project (LCP)

- The $5 billion proceeds were invested and are being drawn down monthly to fund LCP project expenditures

- Some of the key provisions of the FLG with Canada include:
  - Maximum debt levels (DER) for the Muskrat Falls (MF) / Labrador Transmission Assets (LTA) component of the project is 65% and for the Labrador-Island Link (LIL) is 75%
  - Minimum Debt Service Coverage Ratios (DSCR) of 1.4 times
  - Any amounts not financed through debt are to be financed by equity (supported by a formal guarantee from NL)
  - Debt is amortized over the repayment period (30 years MFLTA; 35 years LIL) through semi-annual sinking funds contributions starting on December 1, 2018
  - [Redacted]

- Since financial close, NL and Nalcor has maintained compliance with the provisions of all the agreements and commitments relating to the FLG
Bown, Charles W.

From: AuburnWarren@nalcenergy.com
Sent: Friday, January 08, 2016 8:59 AM
To: Bown, Charles W.
Cc: DSturge@nalcenergy.com
Subject: Re: Questions from Donna

Regards
Auburn

Sent from my iPhone

On Jan 8, 2016, at 8:47 AM, Bown, Charles W. <cbown@gov.nl.ca> wrote:

Charles

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Charles,

Please see the e-mail thread attached. Goal is to issue tomorrow.

Having said that, not sure if your or my M requested. Thoughts?

Craig

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Brewer, Donna <dbrewer@gov.nl.ca>
Sent: Sunday, January 10, 2016 6:53 PM
To: Martin, Craig
Subject: Re: Enhanced FLG 16.01.08.pptx

I don't recall who asked or why they suggested specifics. Was it for that chart that broke out the employment etc.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Martin, Craig
Sent: Sunday, January 10, 2016 5:55 PM
To: Brewer, Donna
Subject: FW: Enhanced FLG 16.01.08.pptx

Donna,

Please see attached.

Craig

From: AuburnWarren@nalcorenergy.com [mailto:AuburnWarren@nalcorenergy.com]
Sent: Sunday, January 10, 2016 4:54 PM
To: Martin, Craig; Brewer, Donna; DSturge@nalcorenergy.com; EMartin@nalcorenergy.com; GBennett@nalcorenergy.com; KOnell@nih.nl.ca
Cc: JKeating@nalcorenergy.com
Subject: Re: Enhanced FLG 16.01.08.pptx
Hi Craig,

Gilbert and Karen reviewed / discussed (copied above) 
I've copied below the statement the Feds used for their FLG announcements.

Federal statement:
"The projects will make a major contribution to meeting Atlantic Canada's energy needs while reducing annual carbon dioxide emissions by up to 4.5 megatones per year, equivalent to taking one million cars off the road."

Thanks
Karen

Sent from my iPhone

On Jan 10, 2016, at 9:49 AM, Martin, Craig <CMartin@gov.nl.ca> wrote:

Auburn,

Thanks for deck.

During our meeting with Ed and Jim Friday afternoon, there were a couple of additional asks for Slide 4 - Projected Benefits to Canada

3. Break out the $6.1B total income to Labour & Businesses by region

Jim had the take away notes for Nalcor. Think I have captured the changes, but ask Jim to please review and confirm.
Need this first thing tomorrow morning. Minister needs to send out tomorrow. [redacted] S. 29(1)(a)

Need in Powerpoint format again as this is going out in NL Powerpoint format. If you make any other changes to Deck, please advise on those as well so I can ensure they are captured.

Thanks

Craig

From: AuburnWarren@nalcorenergy.com
Sent: Friday, January 08, 2016 12:24 PM
To: Martin, Craig
Subject: Enhanced FLG 16.01.08.pptx

Craig,

Latest version in powerpoint format

Regards,
Auburn

Auburn Warren, CPA, CA
General Manager (Commercial, Treasury, Risk & Technology)
Nalcor Energy
Ph 709-737-1256   Fax 709-725-1141
Email: AuburnWarren@nalcorenergy.com
Website: nalcorenergy.com

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Donna and Charles,

Please see below.

Map update is currently being completed.

Hi Craig,

Gilbert and Karen reviewed / discussed (copied above)

I’ve copied below the statement the Feds used for their FLG announcements.

Federal statement:
"The projects will make a major contribution to meeting Atlantic Canada’s energy needs while reducing annual carbon dioxide emissions by up to 4.5 megatonnes per year, equivalent to taking one million cars off the road."

Thanks
Karen

Current version will not have Not sure which Minister requested.

Thanks
Craig
Good morning Craig,

Just about to send map for final edits - but wanted to confirm where we landed on the 3 items below.

3. $6.1B Total - 3 extra bubbles will be added - similar to taxes I didn’t add a "Rest of Canada" bubble (for income this would be $0.7B)
   i. NL - $3B
   ii. ON - $1.2B
   iii. QC - $1.2B

Thanks!
Auburn

Auburn Warren, CPA, CA
General Manager (Commercial, Treasury, Risk & Technology)
Nalcor Energy
709-737-1256 \(\text{E} 709-725-1141\)
AuburnWarren@nalcorenergy.com
www.nalcorenergy.com
During our meeting with Ed and Jim Friday afternoon, there were a couple of additional asks for Slide 4 – Projected Benefits to Canada.

3. Break out the $6.1 B total Income to Labour & Businesses by region.

Jim had the take away notes for Nalcor. Think I have captured the changes, but ask Jim to please review and confirm.

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Thanks

Craig

From: AuburnWarren@nalcorenergy.com [mailto:AuburnWarren@nalcorenergy.com]
Sent: Friday, January 08, 2016 12:24 PM
To: Martin, Craig
Subject: Enhanced FLG 16.01.08.pptx

Craig,

Latest version in powerpoint format

Regards,
Auburn

Auburn Warren, CPA, CA
General Manager (Commercial, Treasury, Risk & Technology)
Nalcor Energy

t. 709-737-1256  c. 709-725-1141
e. AuburnWarren@nalcorenergy.com
w. nalcorenergy.com

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Charles,

Per our discussion.

Craig

Your message is ready to be sent with the following file or link attachments:

Federal Loan Guarantee.pptx

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.
Lower Churchill Project (Phase I)
Federal Loan Guarantee
Project Background

- Newfoundland and Labrador (NL) requires more power due to increasing demands for electricity and aging infrastructure
- Lower Churchill Project - Phase I (LCP) positions NL as a leader in clean, renewable energy with 98% of NL's energy generated from renewables
- LCP stabilizes electricity rates for residents and is a strategic enabler for businesses and economic growth
- LCP will change the future of our province, Atlantic Canada and the rest of the country when it connects NL to the North American grid for the first time in the province's history
- LCP allows NL to take advantage of opportunities to sell clean, renewable power to other Canadian provinces as well as the North Eastern US
- LCP generates significant revenues and savings over the next 50 years delivering long-term value to NL, NS and Canada
- LCP provides significant economic and employment benefits to NL, NS, QC and Canada during construction

January 11, 2016
Key Messages

- An Enhanced Federal Loan Guarantee (FLG) strategically aligns with the new Government of Canada’s platform commitments:

<table>
<thead>
<tr>
<th>New Government of Canada Platform</th>
<th>Alignment with Enhanced FLG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change/COP21</td>
<td>NL is an environmental leader with 98% clean, renewable energy to meet provincial needs and available for export markets — NL will be tied for the leading position across all provinces for renewable energy and reduction of fossil fuel</td>
</tr>
<tr>
<td></td>
<td>LCP represents a 4.5 million tonne reduction of CO₂ and will enable further development of clean, renewable energy in the region</td>
</tr>
<tr>
<td>Stronger Federal-Provincial Partnerships</td>
<td>Demonstrates commitment to NL, and other Canadian provinces, of more effective Federal-Provincial working relationship – as Canada’s cooperation provides meaningful support to a Province’s fiscal management action plan</td>
</tr>
<tr>
<td>Infrastructure Investments / Clean Energy Infrastructure</td>
<td>NL not competing with Canada and provinces in tight, government debt markets</td>
</tr>
<tr>
<td></td>
<td>Investment in green infrastructure creating $6.1 billion total income to labour and business generating 70,000 person years of employment, $950 million in federal taxes and $850 million in provincial taxes</td>
</tr>
<tr>
<td>Renewed relationship between Canada and Indigenous peoples</td>
<td>Demonstrates support for strong Aboriginal partnerships as evidenced by NL and Innu Nation’s New Dawn agreement</td>
</tr>
</tbody>
</table>

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
Projected Benefits to Canada

$6.1 B total income to labour and business
- 3.0 B Newfoundland
- 1.2 B Ontario
- 1.2 B Québec

$950 M in federal taxes

70,000 person-years of employment in Canada

31,000 Atlantic Canada

17,000 Ontario

18,000 Québec

$350 M in taxes to NL

Further development of renewable energy in the region enabled

up to 4.5 M tonnes of CO₂ reduction

January 11, 2016
Federal Loan Guarantee
- Background

- In December 2013, Nalcor (through funding trusts) completed financial close by issuing $5 billion of AAA rated long term bonds guaranteed by Canada for the LCP – these proceeds were invested and are being drawn down monthly to fund Project expenditures

- Some of the key provisions of the FLG with Canada include:
  - Maximum debt levels (DER) for (i) the Muskrat Falls (MF) / Labrador Transmission Assets (LTA) component of the project is 65% and (ii) the Labrador-Island Link (LIL) is 75%
  - Minimum Debt Service Coverage Ratios (DSCR) of 1.4 times
  - Any amounts not financed through debt are to be financed by equity (supported by a formal guarantee from NL)
  - Debt is amortized over the repayment period (30 years MF/LTA; 35 years LIL) through semi-annual sinking funds contributions starting on December 1, 2018
  - Since financial close, NL and Nalcor have maintained compliance with the provisions of all the agreements and commitments relating to the FLG

January 11, 2016
Federal Loan Guarantee
- Background (continued)

- A-rated, non-guaranteed LCP credit ratings were secured as a condition precedent to FLG – this was and continues to be based on the following:
  - The investment decision was made on the basis that the future requirement for electricity by NL was such that the financing is supported solely by the cash flow from domestic NL sales, through NL Hydro (NLH), and does not require any export sales
  - Given the above, a series of agreements were developed to ensure that the cash flow stream from NLH was unconditionally available to support the LCP financing
  - Implementation by the Province of a legislative and regulatory framework to ensure full cost recovery in a timely manner to support debt service
  - The equity portion of the financing will be provided to the Project’s entities by (i) Nalcor under Equity Support Agreements, and (ii) Emera under Nalcor/Emera Formal Agreements – all of this is backstopped by NL with formal unlimited Equity Support Guarantees

- All of these above features would continue under the proposed FLG enhancements
Federal Loan Guarantee
- Opportunity

- The level of low cost guaranteed debt was capped at $5 billion based on cost estimates at that time

- Canada required a fixed date to start principal repayment through semi-annual sinking funds contributions

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
2. Improve existing additional debt provisions to allow additional debt to be guaranteed by Canada and funded in the same way as the original $5 billion.
English, Tracy

From: English, Tracy
Sent: Wednesday, March 23, 2016 6:15 PM
To: Cotter, Jeannine (NRCan/RNCAN)
Subject: Re: Lower Churchill

I will step out of my other commitment tomorrow so I can make noon work.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Cotter, Jeannine (NRCan/RNCAN)
Sent: Wednesday, March 23, 2016 6:08 PM
To: English, Tracy
Subject: RE: Lower Churchill

It was my understanding that you have a commitment at noon ET tomorrow and we are proposing now 9:00 a.m. on Tuesday, March 28th?

From: English, Tracy [mailto:TEnglish@gov.nl.ca]
Sent: March 23, 2016 16:18
To: Martin, Craig; Cotter, Jeannine (NRCan/RNCAN); Kapoor, Anoop (NRCan/RNCAn)
Cc: O’Dea, Niall (NRCan/RNCAn)
Subject: Re: Lower Churchill

So noon it is.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Martin, Craig
Sent: Wednesday, March 23, 2016 5:47 PM
To: English, Tracy; Cotter, Jeannine (NRCan/RNCAN); Kapoor, Anoop (NRCan/RNCAn)
Cc: O’Dea, Niall (NRCan/RNCAn)
Subject: RE: Lower Churchill

I’m good

From: English, Tracy
Sent: Wednesday, March 23, 2016 5:46 PM
To: Cotter, Jeannine (NRCan/RNCAN); Martin, Craig; Kapoor, Anoop (NRCan/RNCAn)
Cc: O’Dea, Niall (NRCan/RNCAn)
Subject: Re: Lower Churchill

Proceed with tomorrow at noon. I will step out of my other meeting to take the call.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Cotter, Jeannine (NRCan/RNCAN)
Sent: Wednesday, March 23, 2016 5:44 PM
To: English, Tracy; Martin, Craig; Kapoor, Anoop (NRCan/RNCAn)
Cc: O’Dea, Niall (NRCan/RNCAn)
Subject: RE: Lower Churchill
Would 9: a.m. ET on Tuesday, March 24th work for everyone?

From: English, Tracy [mailto:TEnglish@gov.nl.ca]
Sent: March 23, 2016 16:13
To: Cotter, Jeannine (NRCAN/RNCAN); Martin, Craig; Kapoor, Anoop (NRCan/RNCan)
Cc: O'Dea, Niall (NRCan/RNCan)
Subject: Re: Lower Churchill

I have another commitment from 1-5 NL time (11:30 - 3:30 eastern)

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Cotter, Jeannine (NRCAN/RNCAN)
Sent: Wednesday, March 23, 2016 5:38 PM
To: English, Tracy; Martin, Craig; Kapoor, Anoop (NRCan/RNCan)
Cc: O'Dea, Niall (NRCan/RNCan)
Subject: RE: Lower Churchill

My apologies, Niall has been asked to participate in another urgent meeting at 9:00 eastern time, therefore, would noon or 1 p.m. our time work as an alternative?

From: English, Tracy [mailto:TEnglish@gov.nl.ca]
Sent: March 23, 2016 16:04
To: Martin, Craig; Cotter, Jeannine (NRCAN/RNCAN); Kapoor, Anoop (NRCan/RNCan)
Cc: O'Dea, Niall (NRCan/RNCan)
Subject: Re: Lower Churchill

I am fine with that time.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Martin, Craig
Sent: Wednesday, March 23, 2016 5:20 PM
To: Cotter, Jeannine (NRCAN/RNCan); Kapoor, Anoop (NRCan/RNCan)
Cc: O'Dea, Niall (NRCan/RNCan); English, Tracy
Subject: RE: Lower Churchill

Yes,

Works for me. That would be 10:30am NL time. Tracy English from NR will also be participating on the call.

Please let us know the contact information for the call.

Regards

Craig

From: Cotter, Jeannine (NRCAN/RNCAN) [mailto:jeannine.cotter@Canada.ca]
Sent: Tuesday, March 22, 2016 5:43 PM
To: Kapoor, Anoop (NRCan/RNCan); Martin, Craig
Cc: O'Dea, Niall (NRCan/RNCan); English, Tracy
Subject: RE: Lower Churchill
Good afternoon,

Niall would be available for a call Thursday morning at 9:00 a.m. eastern time if that timeframe is convenient for you?

From: Morris, Paul J. [mailto:pmorris@gov.nl.ca]
Sent: March 22, 2016 15:43
To: Kapoor, Anoop (NRCan/RNCan)
Cc: O'Dea, Niall (NRCan/RNCan); Cotter, Jeannine (NRCAN/RNCAN); English, Tracy; Martin, Craig
Subject: RE: Lower Churchill

Anoop,

As I am not in the office on Thursday, in the interest of time, and given that the proposal was submitted by the Department of Finance, I would suggest that you arrange a call directly with Craig Martin, who is copied on this e-mail. Craig can apprise NR on the outcome of the call.

Regards,

Paul

From: Kapoor, Anoop (NRCan/RNCan) [mailto:anoop.kapoor@canada.ca]
Sent: Tuesday, March 22, 2016 4:26 PM
To: Morris, Paul J.
Cc: O'Dea, Niall (NRCan/RNCan); Cotter, Jeannine (NRCAN/RNCAN)
Subject: Lower Churchill

Paul

I wanted to see if you were available on Thursday to discuss the "Enhanced Federal Loan Guarantee" proposal that was recently provided to Finance Canada. If yes, I would appreciate if you could provide me with your availability so that we can co-ordinate a call.

Regards

Anoop

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<th>From:</th>
<th>Martin, Craig</th>
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<tbody>
<tr>
<td>Sent:</td>
<td>Thursday, March 24, 2016 11:38 AM</td>
</tr>
<tr>
<td>To:</td>
<td>Bown, Charles W.</td>
</tr>
<tr>
<td>Subject:</td>
<td>Emailing: Federal Loan Guarantee.pptx</td>
</tr>
<tr>
<td>Attachments:</td>
<td>Federal Loan Guarantee.pptx</td>
</tr>
</tbody>
</table>

FYI

Your message is ready to be sent with the following file or link attachments:

Federal Loan Guarantee.pptx

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.
Hi Janet -

Thank you for the great call last week. I look forward to working with you and Minister Carr.

Below I've made some notes and actions as a follow up to our meeting.

3. Muskrat Falls

Thank you for your assistance with the loan guarantee. Allowing access to the better loan rates of the Federal Government on this significant project is of benefit to the Province.

Please let me know if I can provide any further information.

Best -

Siobhan
FYI and discussion

From: Morris, Paul J.
Sent: Friday, June 03, 2016 9:00 AM
To: English, Tracy
Subject: FW: NRCan Meeting June 7

Tracy,

Pls see below from Jim Meaney re: meeting in Ottawa on June 7 with NRCan and the IE.

I would suggest that someone from NR should attend.

Paul

From: jamesmeaney@lowerchurchillproject.ca
Sent: Friday, June 03, 2016 8:56 AM
To: Morris, Paul J.
Cc: AuburnWarren@nalcorenergy.com
Subject: NRCan Meeting June 7

Hi Paul

Hope all is well and you are enjoying the countdown to June 30 :)  

I understand Stan reviewed the LCP cost/schedule update with the Minister and Charles yesterday.

We are meeting NRCan and the IE on June 7 in Ottawa to do the same.

I believe Craig Martin is going to join that meeting, given NL Finance involvement with FLG2 file, and I wanted to see if you or anyone else from DNR would want to join as well.

Regards
Jim

Sent from my iPhone
Fwd: NBF Government Credit - Further colour on Muskrat Falls... limited impact on provincial borrowing

---------------- Forwarded message ----------------
From: "AuburnWarren@nalcorenergy.com" <AuburnWarren@nalcorenergy.com>
Date: Sat, Jun 25, 2016 at 8:43 AM -0230
Subject: Fwd: NBF Government Credit - Further colour on Muskrat Falls... limited impact on provincial borrowing
To: "DSturge@nalcorenergy.com" <DSturge@nalcorenergy.com>, "ScottPelley@nalcorenergy.com" <ScottPelley@nalcorenergy.com>, "DaveJones@nalcorenergy.com" <DaveJones@nalcorenergy.com>, "JamesMeaney@lowerchurchillproject.ca" <JamesMeaney@lowerchurchillproject.ca>, "ElizabethLewis@nalcorenergy.com" <ElizabethLewis@nalcorenergy.com>, "JeffSharpe@nalcorenergy.com" <JeffSharpe@nalcorenergy.com>, "DeanneFisher@nalcorenergy.com" <DeanneFisher@nalcorenergy.com>, "Brewer, Donna" <dbrewer@gov.nl.ca>, "Martin, Craig" <CMartin@gov.nl.ca>, "Bown, Charles W." <cbown@gov.nl.ca>

FYI. Some commentary/reaction from banking community.

Sent from my iPhone

Begin forwarded message:

From: "Berner, David" <David.Berner@nbc.ca>
Date: June 24, 2016 at 5:27:02 PM NDT
To: "Undisclosed recipients:" <VW5kaXNjbG9zZWQgcmVjaXBpZW50czo=@Int.noninternet.sub>; Subject: NBF Government Credit - Further colour on Muskrat Falls... limited impact on provincial borrowing

Limited impact on provincial borrowing program, given prudence/contingencies built into financial framework

As per our note below, there were some ugly headlines on the cost/timing of the Muskrat Falls megaproject from the Nalcor Energy CEO today. Projects costs have moved decisively higher, and there’s still some uncertainty around certain elements of the project. This begs the question: how much do the extra project costs and required equity injections add to the province’s borrowing needs in the coming years? The answer: not much.

Here are the mechanics:
- As per Nalcor CEO Marshall, the incremental provincial equity requirements related to the higher cost structure amount to roughly $2 billion through 2019-20;
Note, however, that the province had built a significant “prudence contingency” into its borrowing framework as part of its 2016 budget;

So for this fiscal year (2016-17) and the coming two years (2017-18 and 2018-19), the “prudence contingency” largely offsets the extra equity requirements linked to Muskrat;

For 2016-17, the province’s funding requirement might in fact be a tad lower than the $3.4 billion that was outlined in April’s budget (all else equal);

It should be noted that the province has thus far made good progress against its 2016-17 borrowing program, having raised $1.625 billion (or 48% of its gross requirement) in the first quarter of the fiscal year. That’s a good start for a government that has the largest per capita borrowing requirement of all the provinces;

While the 2016 budget did not provide details on next year’s borrowing program, expect gross requirements for 2017-18 to be lower than this year’s $3.4 billion… $2.5-3.0 billion might be a reasonable assumption. In other words, 2016-17 is meant to be the “high water mark” for provincial borrowing, with recent revenue actions and upcoming spending restraint announcements designed to tackle an outsized provincial budget deficit;

With no prudence contingency set aside for 2019-20, the extra equity injection would imply a more notable increase in net funding needs for that fiscal year.

All in all, the Muskrat Falls project remains a challenge for the province, plagued by large-scale cost overruns and languishing behind the original construction timetable. The extra costs will mean a bigger hit for ratepayers and have increased the risk of a negative flow-through to provincial taxpayers. But if there’s some good news here, it’s that the new government foresaw extra project costs when planning its 2016 budget and had built some non-trivial contingencies into its borrowing framework. As a result, the extra equity injections that Nalcor needs don’t, on their own, materially add to provincial borrowing requirements through 2018-19.

Warren

---

**Total project costs $4 billion above original plan, first power almost 2 years late**

Stan Marshall, CEO of Nalcor Energy, provided an update on the over-budget and behind-schedule Muskrat Falls hydro-generation megaproject. In addition to updating on the cost/timing of the project and the extra equity injection required, he provided a brutally honest assessment of errors in judgement and/or faulty assumptions that originally underpinned the project.

**Project costs:**

- Construction costs have ballooned to a projected $9.1 billion, up sharply from the Sep-2015 estimate of $7.6 billion and even further removed from the $6.2 billion construction cost cited at project sanction (back in late 2012);
- Of the $9.1 billion in combined generation/transmission/link construction costs, some $6.7 billion (or roughly three-quarters) had been spent or committed as of May;
- Adding $2.3 billion of interest/financing and other costs—which have also risen vs sanction—brings the total cost of the project up to $11.4 billion. That’s fully $4 billion higher than planned;
- Looking out to 2020, the new projected cost structure would imply additional equity injections: $1.24 billion in 2017-18, $815 million in 2018-19 and $612 million in 2019-20;
- Based on the new cost structure, electricity rates would be expected to jump to 21.4¢/kWh or ~40% higher than the level forecasted at project sanction, signaling more painful hydro bills for ratepayers in the province.

<table>
<thead>
<tr>
<th>Costs</th>
<th>Sanction Dec-12</th>
<th>Sanction Jun-14</th>
<th>Projected Jun-16</th>
<th>Chg vs Sanction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muskrat Falls Gen (MFL)</td>
<td>2.9</td>
<td>3.4</td>
<td>3.7</td>
<td>4.8</td>
</tr>
<tr>
<td>Labrador Island Link</td>
<td>2.6</td>
<td>2.8</td>
<td>3.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Labrador Transmission Assets (LTA)</td>
<td>0.7</td>
<td>0.8</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Total Construction</td>
<td>6.2</td>
<td>7.0</td>
<td>7.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Financing and other</td>
<td>1.2</td>
<td>1.3</td>
<td>1.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Total</td>
<td>7.4</td>
<td>8.3</td>
<td>9.0</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Source: Nalcor | * reflects committed costs as of May 2016

**Jun-16 Projected Costs**

<table>
<thead>
<tr>
<th></th>
<th>Spent</th>
<th>Committed</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFL</td>
<td>2.3</td>
<td>0.9</td>
<td>1.5</td>
</tr>
<tr>
<td>LIL</td>
<td>1.7</td>
<td>1.1</td>
<td>0.6</td>
</tr>
<tr>
<td>LTA</td>
<td>0.7</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>4.7</td>
<td>2.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

**Project timing:**
First power is now expected in 2019:Q3, or seven quarters behind the original plan, which saw first power coming on-line by the end of 2017;

Transmission assets, including the Labrador-Island Link, are expected to be in-service in 2018:Q2… one year later than originally planned but a bit more than a year ahead of first power from the generation facility.

<table>
<thead>
<tr>
<th>In-service Dates</th>
<th>Sanction</th>
<th>Latest</th>
<th>Off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muskrat Falls Generation (MF)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Power</td>
<td>2017:Q4</td>
<td>2019:Q3</td>
<td>+1.75Yr</td>
</tr>
<tr>
<td>Full Power</td>
<td>2016:Q2</td>
<td>2018:Q2</td>
<td>+2Yr</td>
</tr>
<tr>
<td>Labrador-Island Link (LL)</td>
<td>2017:Q2</td>
<td>2018:Q2</td>
<td>+1Yr</td>
</tr>
<tr>
<td>Labrador Transmission Assets (LTA)</td>
<td>2017:Q2</td>
<td>2018:Q2</td>
<td>+1Yr</td>
</tr>
</tbody>
</table>

Source: Nalcor

Marshall’s assessment of faulty assumptions and path forward:

- The Nalcor CEO, who only took over the reins of the provincial crown corporation in April 2016, offered a very blunt assessment of the original missteps/errors in judgment and made it clear that he was never a fan of the project. He acknowledged that you have to be concerned with the project, whether you’re a ratepayer, a taxpayer or simply a citizen of the province;

- He characterized the project as “not the right choice” in terms of the province’s power needs. It was “much too large”, and as such, meant the province speculated/gambled on future demand/energy prices. In this case, the province lost...billions of dollars, as it turns out;

- The project was originally based on false assumptions and included an incomplete picture of the risks involved. In particular, Marshall called out the “very aggressive” capital cost estimates and “overly optimistic” energy price assumptions. A lack of experience building new generation facilities, along with difficult construction conditions in Labrador, only added to the risks. Making matters worse, a weaker provincial economic outlook (including lower levels of housing construction and a lower industrial load) and higher electricity prices have notably undercut demand, adding about a decade and a half to the timeline to get the load to the level originally foreseen at sanction;

- Marshall acknowledged that there remains some uncertainty in the cost projection related to a dispute with a contractor (Astaldi) responsible for the construction of the generation facility;

- Despite all this, scrapping the project isn’t really a “practical” option. Much of the new, higher construction budget has already been spent or committed. Meanwhile, there’s a related contractual obligation to provide Emera with a slug of power for 35 years, to say nothing of the province’s own need to replace the power coming from the aging Holyrood plant;

- So the focus is now on reducing the long-term costs of the project and the required equity injection from the province. All options will be examined, with a new structure and executive leadership now in place at Nalcor. The utility will seek buyers for excess power, given that the province will only use 1/3 of the project’s full generation capacity. Marshall cited a desire to establish mutually beneficial, business-like relations with Hydro-Quebec… moving away from what’s long been a fractious relationship with Quebec/HQ (dating back to the original Churchill Falls project);

- Also of note, Marshall raised the prospect of an additional federal loan guarantee. Given the difference in funding costs between Ottawa and the provincial government, an additional federal guarantee (if secured) would make financing the extra costs much more affordable for the province/ratepayers. While a formal commitment from Ottawa has yet to be secured, Marshall admitted to having a “positive” vibe coming out of meetings with the federal government. For what it’s worth, federal finance minister Bill Morneau made public remarks in St. John’s late last week, expressing sympathy for the province’s economic/fiscal plight and highlighting the federal government’s initial help via fiscal stabilization payments and deferred equalization loan repayments. Let’s see how far Ottawa is prepared to go in aiding this struggling province.

To unsubscribe please click here

Warren Lovely

warren.lovely@nbc.ca
Bown, Charles W.

From: Quinton, Diana
Sent: Tuesday, June 28, 2016 3:20 PM
To: Coady, Siobhan; Bown, Charles W.; Shea, Erin
Subject: CBC request to Nalcor: Loan guarantee follow up

FYI

From: DeanneFisher@nalcorenergy.com [mailto:DeanneFisher@nalcorenergy.com]
Sent: Tuesday, June 28, 2016 3:17 PM
To: Quinton, Diana; Tulk, Jennifer
Subject: Fw: Loan guarantee follow up

Hello Diana and Jennifer,

Spoke to Nancy regarding this inquiry from David Cochrane. I'm not aware of anything related to the $500 million green infrastructure fund and either is our contact with NRCAN. During Friday's update, Stan made some references to the FLG but didn't give exact figures. I will provide that information to Dave. I will send along a copy to you both for reference.

Any questions, do not hesitate to get in touch.

Deanne

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

----- Forwarded by Deanne Fisher/NL Hydro on 06/28/2016 03:11 PM -----
On Tue, Jun 28, 2016 at 11:41 AM, <DeanneFisher@nalcorenergy.com> wrote:
Hello Dave,

Followed up on this. You've probably already reached out to the Department of Finance on this. They are the best place to point your questions.

Anything else, let me know.

Deanne

---

On Jun 27, 2016, at 1:18 PM, David Cochrane <david.cochrane@cbc.ca> wrote:

Right. I forgot about discovery day. I'm putting out info requests to federal and provincial departments to get moving on this ASAP.

So as quick as you can get it. Doesn’t have to be today. But the sooner the better.

Does what I’m saying ring true?

---

On Mon, Jun 27, 2016 at 11:47 AM, <DeanneFisher@nalcorenergy.com> wrote:

Hi Dave

Hope Ottawa is well.

Just wondering if this is a deadline for today? It's a holiday in St. John's today so a bit more of a challenge to track down the necessary individuals. But let me know.

Deanne

---

Deanne Fisher
Manager of Corporate Communications & Stakeholder Engagement
709.733.5299 (p)
709.697.3418 (c)
On Jun 27, 2016, at 1:02 PM, David Cochrane <david.cochrane@cbc.ca> wrote:

Hi Deanne -- need to follow up with you on comments Mr. Marshall made on Friday about the federal loan guarantee.
I'm told Nalcor is looking for anywhere from $1-billion to $2-billion dollars to be covered.
Also told you may be looking for $500-million in green infrastructure money to help build the project -- though much of this could be a provincial government ask as opposed to a Nalcor request.
Can you help?

David Cochrane
Senior Reporter
CBC Parliamentary Bureau

Cell: **redacted** [S. 40(1)]
FYI

Sent from my BlackBerry 10 smartphone on the Bell network.

From: DeanneFisher@nalcenergy.com
Sent: Tuesday, June 28, 2016 3:42 PM
To: Quinton, Diana; O'Connor, Nancy; Tulk, Jennifer
Subject: Fw: LCP Update - Transcript/Mentions

Attached are the references Stan made during the Q&A on Friday regarding the FLG.

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

--- Forwarded by Deanne Fisher/NLHydro on 06/28/2016 03:36 PM ---

From: Curtis Sutton/NLHydro
To: Deanne Fisher/NLHydro@NLHYDRO
Date: 06/28/2016 03:18 PM
Subject: LCP Update - Transcript/Mentions

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
"... Finally I have met with the Federal Government, who has provided the $5 billion Federal Loan Guarantee on the Project, and I’ve spent countless hours with the Leadership team here at Nalcor."

00:08:30: Peter Cowan: “You mentioned in your list of things of possible things to do, talking to fed government about equity investment in the project?"

Stan Marshall: “Well provide more loan guarantees, rather than equity from the province, sorry.”

Peter Cowan: “Ok, so provide more loan guarantees, so that that will reduce the borrowing costs for the province.”

Stan Marshall: “Yes. But, it increases the cost to Emera, to uh, Nalcor. Because if we’re substituting equity with debt, that’s more interest we have to pay. Overall, it would be a benefit. The net benefit to Newfoundland totally is a difference of spread between what the province has to borrow at, and what the Feds can borrow at, what you can borrow with the Federal Guarantee, that’s a net benefit.”

00:09:11: Peter Cowan: “You said you met with the Federal government, are they open to that idea?”

Stan Marshall: “I’ve had attended a meeting, I was given full hearing, and I’m positive.”

Michael Connors: “So, you’re positive about what? That the Federal government can do what to help out?”

Stan Marshall: “Provide more additional loan guarantee in lieu of having the province put in equity.”

00:09:33: Sue Bailey: “Why do you think they would do that at this point? How did you bolster your case for that request?”

Stan Marshall: “The picture I portray, what the result is right now imposes a severe hardship on consumers of this province. So, I think they’re recognizing the reality and will try to help any way they can”
Hi Nancy,

Please see the below from my ADM on the FLG. Please advise what you wish to provide to the media.

Thanks,
Jennifer

Jennifer,

Not sure how much detail you want to get into in a media response as discussions/negotiations are still live and ongoing with this file.

At a high level, the Province is seeking an enhanced Federal Loan Guarantee. [redacted]

1. [redacted]

2. [redacted]

I can’t speak to the “green infrastructure money to help build the project” as I’m not familiar on that front.

Regards

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)

S. 29(1)(a), S. 35(1)(g)

S. 29(1)(a)
From: Tuik, Jennifer  
Sent: Tuesday, July 05, 2016 9:44 AM  
To: Martin, Craig  
Subject: FW: Loan Guarantee and federal finance requests

Hi Craig,

Can you look into this for me please? Reporter is still seeking information from last week.

Thanks,
Jenn

From: David Cochrane [mailto:david.cochrane@cbc.ca]  
Sent: Monday, June 27, 2016 1:53 PM  
To: Tuik, Jennifer; O'Connor, Nancy  
Subject: Loan Guarantee and federal finance requests

Greetings from Ottawa.
Need to follow up with you on comments Stan Marshall made on Friday about the federal loan guarantee.  
I'm told Nalcor is looking for anywhere from $1-billion to $2-billion dollars to be covered. Is that correct?  
Also told NL government may be looking for $500-million in green infrastructure money to help build the project  
Can you help?

David Cochrane  
Senior Reporter  
CBC Parliamentary Bureau

Cell: ______________________ S. 40(1)
His numbers as I can see them are as follows

The initial cost projection was 7.4 billion [NL facilities capex plus financing/other costs - so all in cost at Sanction - not financial close - FYI at financial close would have been slightly higher] for all facets, and the feds have so far guaranteed 6.3 billion [NL and NS guaranteed debt issued] in bonds. The current cost projection is 11.4 billion [NL facilities capex plus financing/other costs - so all in cost based on current estimate]

His thinking appears to show that the 4 billion delta between current estimate of 11.4 and the sanction estimate of 7.4 would be debt we are looking to have guaranteed.

Sent from my iPhone

On Jul 20, 2016, at 9:37 AM, Brewer, Donna <dbrewer@gov.nl.ca> wrote:

Does the 11.4 b. Include this 1.3.

Sorry not in office to check my files.

Donna.

Sent from my BlackBerry 10 smartphone on the Bell network.
The FLG debt on MF / NL projects issued is $5 billion. The difference between this and the $6.3 billion reporter is quoting appears to relate to $1.3 billion guaranteed by Feds for maritime link / Nova Scotia project.

Let me know if you need anything further.

Thanks
Auburn

Sent from my iPhone

On Jul 20, 2016, at 9:12 AM, Brewer, Donna <dbrewer@gov.nl.ca> wrote:

Messaging ok but the federal guarantee number not sure why they are quoting higher number than 5 m loan guarantee. Auburn can you please clarify bonds issued and Guarantee so Jennifer can advise the reporter.

Donna

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Tulk, Jennifer
Sent: Wednesday, July 20, 2016 9:04 AM
To: Bennett, Cathy (Minister); Brewer, Donna
Subject: FW: Bloomberg Q

Hi,

Please see the below question. Nancy O'Connor has previously provided me with the below on the FLG. Is this ok to send to Bloomberg:

These discussions (along with many others) are ongoing with our federal counterparts. Prior to these discussions being finalized it would not be appropriate to discuss details publicly. However, like the announcements we've seen thus far, we will happily provide the full details once everything is final and confirmed.

Thanks,
Jennifer

From: Josh Wingrove (BLOOMBERG/ NEWSROOM:) [mailto:wingrove4@bloomberg.net]
Sent: Tuesday, July 19, 2016 3:38 PM
To: Tulk, Jennifer
Subject: Bloomberg Q

Hey Jennifer,

Josh Wingrove from Bloomberg. Please thank Minister Bennett for making time for me yesterday. Can you tell me if you folks have asked for a
specific sum of new bonds to be guaranteed by the federal government with respect to Musk rat Falls?

The initial cost projection was 7.4 billion for all facets, and the feds have so far guaranteed 6.3 billion in bonds. The current cost projection is 11.4 billion. Does that mean you're asking the feds for another $4 billion in guarantees? Or just asking them to guarantee either in whole, or in part, that sum?

Josh

Josh Wingrove
Bloomberg News, Ottawa
@josh_wingrove

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Good morning,

Please see response below in RED

Regards,
Auburn

Auburn Warren, CPA, CA
General Manager (Commercial, Treasury, Risk & Technology)
Nalcor Energy
p. 709-737-1256  c. 709-725-1141
e. AuburnWarren@nalcorenergy.com
w. nalcorenergy.com

S. 35(1)(f), S. 35(1)(g), S. 291(a)

Note: page 15 has been redacted in full under sections 291(a), 351(f) and 351(g).
Sheppard, Megan

From: Quinton, Diana
Sent: Tuesday, July 26, 2016 11:08 PM
To: Coady, Siobhan; Bown, Charles W.; Sheppard, Megan
Cc: Shea, Erin
Subject: Re: CBC Inquiry

Here is the story CBC is running:


Sent from my BlackBerry 10 smartphone on the Bell network.

From: Quinton, Diana
Sent: Tuesday, July 26, 2016 11:01 PM
To: Coady, Siobhan; Bown, Charles W.; Sheppard, Megan
Cc: Shea, Erin
Subject: Re: CBC Inquiry

I will follow up with Jennifer and Deanne (Nalcor) in the morning. She did not indicate to me that there was a deadline for today.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Coady, Siobhan
Sent: Tuesday, July 26, 2016 10:56 PM
To: Quinton, Diana; Bown, Charles W.; Sheppard, Megan
Cc: Shea, Erin
Subject: Re: CBC Inquiry

Did someone respond to CBC earlier today?

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Yes, sorry for the delay in sending.

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From: Quinton, Diana
Sent: Tuesday, July 26, 2016 10:42 PM
To: Coady, Siobhan; Bown, Charles W.; Sheppard, Megan
Cc: Shea, Erin
Subject: Fw: CBC Inquiry

FYI, please see below. I'll follow up with Nalcor in the morning.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Tulk, Jennifer <JenniferTulk@gov.nl.ca>
Sent: Tuesday, July 26, 2016 2:10 PM
To: Quinton, Diana
Subject: FW: CBC Inquiry

Hi Diana,

Please see the below CBC request and the minister's response. Can you have a chat with Nalcor and see how best to proceed?

Thanks,

Jennifer

From: Bennett, Cathy (Minister)
Sent: Tuesday, July 26, 2016 1:31 PM
To: Tulk, Jennifer; Brewer, Donna
Cc: Martin, Craig; Mercer, Greg
Subject: RE: CBC Inquiry

Jenifer, Suggest you connect reporter to Nalcor or NR further comment.

It's worth noting that Mr. Marshall has spoken publically about this prior to my interview last week. He spoke about it in June.

Hon. Cathy Bennett, M.H.A. Windsor Lake

Minister of Finance
President of Treasury Board
Government of Newfoundland & Labrador
Main Floor, East Block, Confederation Complex
P.O. Box 8700, St. John's NL A1B 4J6

709-729-3775 cbennett@gov.nl.ca
From: Tulk, Jennifer  
Sent: Tuesday, July 26, 2016 11:13 AM  
To: Bennett, Cathy (Minister) <CBennett@gov.nl.ca>; Brewer, Donna <dbrewer@gov.nl.ca>  
Cc: Martin, Craig <CMartin@gov.nl.ca>  
Subject: FW: CBC Inquiry

Please see the below inquiry. Can you please advise if I can confirm the information in the story for the reporter?

Thanks  
Jennifer

From: Jo-Ann Dooley [mailto:jo-ann.dooley@cbc.ca]  
Sent: Tuesday, July 26, 2016 11:12 AM  
To: Tulk, Jennifer  
Subject: CBC Inquiry

Hi Jennifer,
I'm working on the CBC News desk today.

Wondering if someone in your department can confirm information in this story (see link below) which appeared in the Globe and Mail last week... basically that the province has approached the federal government for loan guarantees to cover extra costs for the Muskrat Falls project.

(Please ignore previous partial e-mail...not sure how or why it sent...must have accidentally hit a key!!)

Thanks Jennifer,
Jo-Ann


--
Jo-Ann Dooley  
Producer  
CBC Newfoundland and Labrador  
jo-ann.dooley@cbc.ca

[redacted]  
S. 40(1)
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From: Coady, Siobhan
Sent: Tuesday, July 26, 2016 11:08 PM
To: Quinton, Diana; Bown, Charles W.; Sheppard, Megan
Cc: Shea, Erin
Subject: Re: CBC Inquiry

Think we should discuss with comms in PO -

Thanks

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Minister of Finance
President of Treasury Board
Government of Newfoundland & Labrador
Main Floor, East Block, Confederation Complex
P.O. Box 8700, St. John's NL A1B 4J6

709-729-3775 cbennett@gov.nl.ca

Newfoundland Labrador
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(Please ignore previous partial e-mail...not sure how or why it sent...must have accidentally hit a key!!)

Thanks Jennifer,
Jo-Ann


--
Jo-Ann Dooley
Producer
CBC Newfoundland and Labrador

jo-ann.dooley@cbc.ca
Charlie,

Here’s a quick summary of the meeting I just had with Minister Bennett, Donna Brewer, Craig Martin, Derrick Sturge (Nalcor) and Auburn Warren (Nalcor):

The purpose of the meeting was to discuss progress on the potential expansion of the federal loan guarantee (FLG2) for the project.

Walter
Charles

Regards
Jim

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709 737-4860  c. 709 727-5283  f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

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

I've been advised that we will receive information on Monday. I don't believe it will be a full package but I have pressed for all info/questions/concerns etc.
Charles

Hi Charles,
Have you heard anything further from the Feds on the FLG2 discussion you debriefed us on last week? I thought you had mentioned they were going to follow up with some clarifying questions/requests.
I had a brief discussion with Anoop Kapoor from NRCan late last week. He and I speak somewhat regularly as part communication protocols relating to the Project Finance Agreements.
At that time it appeared some of the messages from the Minister meeting found their way back to him, but maybe not all?
Just checking if there's anything further we can be doing through the Nalcor/NRCan working group relationship to move things along.
Regards,
Jim

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709 737-4860  c. 709 727-5283  f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

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From: Desjardins, Marie-Josée (NRCan/RNCAn)  [mailto:marie-josee.desjardins@canada.ca] On Behalf Of Tremblay, Christyne (NRCAN/RNCAN)
Sent: Wednesday, September 14, 2016 4:31 PM
To: Bown, Charles W.
Cc: Caines, Tina M
Subject: Summary of financial advisor's due diligence report

Charles,

I understand that Terry provided you with a copy of the summary (prepared by NRCan officials) of our financial advisor’s Construction Period Due Diligence Report.

Below are some questions that have come up during course of Canada’s consideration of the requests made by the Government of Newfoundland and Labrador. I propose that these questions be the basis for our discussion later this week.

S. 34(1)(a)(i), S. 35(1)(f)
I look forward to our discussion next week.

Regards,

Christyne
Good morning Charles,

My understanding is that we will meet Wednesday face to face instead with some people from my team and from Finances.
For the schedule of Wednesday, I did not receive any information yet. I come back to you as soon as possible.

Christyne

---

De : Bown, Charles W. [mailto:cbown@gov.nl.ca]
Envoyé : September 17, 2016 18:30
À : Tremblay, Christyne (NRCAN/RNCAN)
Cc : Khosla, Jay (NRCan/RNCan)
Objet : Re: Summary of financial advisor's due diligence report

Chrystyne;
I understand that Serge spoke with our DM IGA today and proposed a face-to-face meeting on Wednesday. I understand that we have a conf call scheduled for Tuesday. Please advise on schedule.
Charles

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Tremblay, Christyne (NRCAN/RNCAN)
Sent: Wednesday, September 14, 2016 4:30 PM
To: Bown, Charles W.
Cc: Caines, Tina M
Subject: Summary of financial advisor's due diligence report

Charles,

I understand that Terry provided you with a copy of the summary (prepared by NRCan officials) of our financial advisor's Construction Period Due Diligence Report.

Below are some questions that have come up during course of Canada's consideration of the requests made by the Government of Newfoundland and Labrador. I propose that these questions be the basis for our discussion later this week.
I look forward to our discussion next week.

Regards,

Christyne

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Charles,

Here is the latest draft for you to circulate to the group.

Walter

------< HP TRIM Record Information >------

Record Number: OCOR-23982
Title: Discussion Questions - Enhanced Federal Loan Guarantee

Note: Pages 9 - 12 have been redacted in full under sections 29(1)(a), 34(1)(a)(i) and 35(1)(f)
Charles,

Here is the new clean version, for circulation to the group.

Walter

------< HP TRIM Record Information >------

Record Number: OCOR-23982
Title: Discussion Questions - Enhanced Federal Loan Guarantee

Note: Pages 14 - 18 have been redacted in full under sections 29(1)(a), 34(1)(a)(i) and 35(1)(f).
Bown, Charles W.

From: Quinton, Diana
Sent: Tuesday, September 20, 2016 10:17 AM
To: Coady, Siobhan; Bown, Charles W.; Parsons, Walter
Cc: Sheppard, Megan; Clarke, Lesley
Subject: FOR APPROVAL: Media Response to CBC, Muskrat Falls loan guarantee

Here is a media response for review. Do we have a more definitive timeline?

The Provincial Government has approached the Federal Government regarding an enhanced federal loan guarantee for the Muskrat Falls Project. Our discussions are ongoing and we look forward to providing full details when we conclude our discussions.

From: ROB ANTLE [mailto:rob.ante@cbc.ca]
Sent: Tuesday, September 20, 2016 8:45 AM
To: Cannizzaro, Michelle; Mundon, Tansy; Quinton, Diana
Subject: media inquiry, Muskrat Falls loan guarantee

Hello -

I'm working on a story about N.L.'s request for an enhanced Muskrat Falls loan guarantee from Ottawa.

Specifically, I am wondering what exactly the province is looking for, and when first contact was made with federal officials.

New Nalcor CEO Stan Marshall indicated in late June that he would be going to the feds for assistance, but it's my understanding the province had already reached out months earlier. I can't find any reference to this earlier request in any public forum — i.e. news reports, Hansard, etc. (If there was prior public disclosure, you can feel free to direct me to it.)

I am requesting an interview with the appropriate minister. If that is not possible, I am requesting details on the loan guarantee request and the timeline associated with it.

I can be reached by email at this address, or by phone at the contact numbers listed below.

Thanks in advance for any assistance you can provide.

Sincerely,
Rob Antle

---

Rob Antle
Producer
CBC NL Investigates
w 709.576.5252
e Rob.Antle@cbc.ca
Hi Minister:
Just checking if you are okay with this response before I pass it along to Michelle.
Thanks,
Diana

The Provincial Government, with Nalcor, has approached the Federal Government regarding an enhanced federal loan guarantee for the Muskrat Falls Project. Our discussions are ongoing for a number of months and we look forward to providing full details when we conclude our discussions.

From: ROB ANTLE [mailto:rob.ante@cbc.ca]
Sent: Tuesday, September 20, 2016 8:45 AM
To: Cannizzaro, Michelle; Mundon, Tansy; Quinton, Diana
Subject: media inquiry, Muskrat Falls loan guarantee

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I am requesting an interview with the appropriate minister. If that is not possible, I am requesting details on the loan guarantee request and the timeline associated with it.

I can be reached by email at this address, or by phone at the contact numbers listed below.

Thanks in advance for any assistance you can provide.

Sincerely,
Rob Antle

--
Rob Antle
Producer
CBC NL Investigates
w 709.576.5252
FYI...I have alignment with Gilbert and the Project team on a revised Date Certain but have not tabled it with NRCan yet.

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709 737-4860  c. 709 737-5283  f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

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

— Forwarded by James Meaney/NLHydro on 09/20/2016 03:10 PM ——

Hi Jim,

Hope you had a good weekend...

Nalcor has asked that the definition of date certain be amended, though to my knowledge you have not yet provided a requested new date. Wondering if you have landed on one yet.

Thanks,

Joe

Joseph Krupski

Senior Policy Analyst, Electricity Resources Branch
Natural Resources Canada / Government of Canada
joseph.krupski@canada.ca / Tel: 343 292 6179

Analyse principal de la politique, Direction des ressources en électricité
Ressources naturelles Canada / Gouvernement du Canada
joseph.krupski@canada.ca / Tél.: 343 292 6179
FYI, statement has been sent to Rob.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: DianaQuinton@gov.nl.ca
Sent: Tuesday, September 20, 2016 8:09 PM
To: ROB ANGLE; Cannizzaro, Michelle; Mundon, Tansy
Cc: Lesley Clarke
Subject: Re: media inquiry, Muskrat Falls loan guarantee

Hi Rob:
Here is info being sent on behalf of Minister Coady.
Thanks,
Diana

The Provincial Government, with Nalcor, has approached the Federal Government regarding an enhanced federal loan guarantee for the Muskrat Falls Project. Our discussions have been ongoing for a number of months and we look forward to providing full details when we conclude our discussions.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: ROB ANGLE
Sent: Tuesday, September 20, 2016 8:44 AM
To: Cannizzaro, Michelle; Mundon, Tansy; Quinton, Diana
Subject: media inquiry, Muskrat Falls loan guarantee

Hello -

I'm working on a story about N.L.'s request for an enhanced Muskrat Falls loan guarantee from Ottawa.

Specifically, I am wondering what exactly the province is looking for, and when first contact was made with federal officials.

New Nalcor CEO Stan Marshall indicated in late June that he would be going to the feds for assistance, but it's my understanding the province had already reached out months earlier. I can't find any reference to this earlier request in any public forum — i.e. news reports, Hansard, etc. (If there was prior public disclosure, you can feel free to direct me to it.)

I am requesting an interview with the appropriate minister. If that is not possible, I am requesting details on the loan guarantee request and the timeline associated with it.
I can be reached by email at this address, or by phone at the contact numbers listed below.

Thanks in advance for any assistance you can provide.

Sincerely,
Rob Antle

--

Rob Antle
Producer
CBC NL Investigates
w 709.576.5252
S. 40(1)

e Rob.Antle@cbc.ca
Some minor edits and additional comments for consideration

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709 737-4860 c. 709 727-5283 f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

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

Here's the latest draft; but I expect more edits

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[attachment "Discussion Questions - Enhanced Federal Loan Guarantee.DOC" deleted by James Meaney/NLHydro]
From: Quinton, Diana  
Sent: Wednesday, September 21, 2016 5:41 PM  
To: Coady, Siobhan; Bown, Charles W.  
Subject: Fw: media inquiry, Muskrat Falls loan guarantee

FYI

Sent from my BlackBerry 10 smartphone on the Bell network.

From: ROB ANGLE <rob.ante@cbc.ca>  
Sent: Wednesday, September 21, 2016 1:18 PM  
To: Quinton, Diana  
Cc: Cannizzaro, Michelle; Mundon, Tansy; Clarke, Lesley  
Subject: Re: media inquiry, Muskrat Falls loan guarantee

Hello -

Thanks for the reply, although this response doesn't actually answer any of my questions.

Is this the extent of the information the province is willing to provide at this time?

Sincerely,
Rob Antle

On Tue, Sep 20, 2016 at 8:10 PM, Quinton, Diana <DianaQuinton@gov.nl.ca> wrote:
Hi Rob:
Here is info being sent on behalf of Minister Coady.
Thanks,
Diana

The Provincial Government, with Nalcor, has approached the Federal Government regarding an enhanced federal loan guarantee for the Muskrat Falls Project. Our discussions have been ongoing for a number of months and we look forward to providing full details when we conclude our discussions.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: ROB ANGLE  
Sent: Tuesday, September 20, 2016 8:44 AM  
To: Cannizzaro, Michelle; Mundon, Tansy; Quinton, Diana  
Subject: media inquiry, Muskrat Falls loan guarantee

Hello -

I'm working on a story about N.L.'s request for an enhanced Muskrat Falls loan guarantee from Ottawa.
Specifically, I am wondering what exactly the province is looking for, and when first contact was made with federal officials.

New Nalcor CEO Stan Marshall indicated in late June that he would be going to the feds for assistance, but it's my understanding the province had already reached out months earlier. I can't find any reference to this earlier request in any public forum — i.e. news reports, Hansard, etc. (If there was prior public disclosure, you can feel free to direct me to it.)

I am requesting an interview with the appropriate minister. If that is not possible, I am requesting details on the loan guarantee request and the timeline associated with it.

I can be reached by email at this address, or by phone at the contact numbers listed below.

Thanks in advance for any assistance you can provide.

Sincerely,
Rob Antle

--
Rob Antle
Producer
CBC NL Investigates
w 709.576.5252
e Rob.Antle@cbc.ca

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Bown, Charles W.

From: Parsons, Walter  
Sent: Thursday, September 22, 2016 10:21 AM  
To: Bown, Charles W.  
Subject: HP TRIM CORRESPONDENCE-OUTGOING : OCOR-23982 : Discussion Questions - Enhanced Federal Loan Guarantee  
Attachments: Discussion Questions - Enhanced Federal Loan Guarantee.DOC; Discussion Questions - Enhanced Federal Loan Guarantee.tr5

Charles,

Here is the latest version, including most but not all of Jim's last suggestions.

Walter

------< HP TRIM Record Information >------

Record Number: OCOR-23982  
Title : Discussion Questions - Enhanced Federal Loan Guarantee

Note: Pages 35 - 39 have been redacted in full under sections 29(1)(a), 34(1)(a)(i) and 35(1)(f).
S. 29(1)(a), S. 35(1)(f), S. 35(1)(g)

Sent from my iPhone

On Sep 23, 2016, at 11:03 AM, Martin, Craig <CMartin@gov.nl.ca> wrote:

Dave,

Please make sure this includes Province’s cost of borrowing assumptions.

Craig

Sent from my BlackBerry 10 smartphone on the Bell network.

Bill is going to pull it together and will send as soon as he can.

Sent from my iPhone

On Sep 23, 2016, at 12:19 PM, Brewer, Donna <dbrewer@gov.nl.ca> wrote:

Looking for a comparative analysis of interest costs

They are still in meetings with feds so Craig is unsure if Auburn has it with him. Can you reply all and send it.

S. 29(1)(a), S. 35(1)(f)
Thx. Donna.

Sent from my BlackBerry 10 smartphone on the Bell network.

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Sent from my iPhone

On Sep 23, 2016, at 12:33 PM, Martin, Craig <CMartin@gov.nl.ca> wrote:

Dave,

Please make sure this includes Province's cost of borrowing assumptions.

Craig

Sent from my BlackBerry 10 smartphone on the Bell network.

Bill is going to pull it together and will send as soon as he can.
Looking for a comparative analysis of interest costs

They are still in meetings with feds so Craig is unsure if Auburn has it with him. Can you reply all and send it.

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Here is the latest draft of the responses. Please send me any requested changes and I will coordinate a package for approval to send to our federal counterparts.

Record Number: OCOR-23982
Title: Discussion Questions - Enhanced Federal Loan Guarantee

Note: Pages 6 - 10 have been redacted in full under sections 29(1)(a), 34(1)(a)(i) and 35(1)(f).
Here is a draft of the information note summarizing last Friday's meeting.

Walter
Information Note
Department of Natural Resources

Title: September 23 Meeting on Enhanced Federal Loan Guarantee (FLG2)

Issue: NR, FIN, and Nalcor officials met with PCO, NRCan, and federal Finance officials and their advisors to answer questions on the Province's request for enhancements to the federal loan guarantee for the Muskrat Falls and Labrador-Island Link projects.

Background and Current Status:
- The September 23 meeting in Ottawa was intended to provide additional information to the federal government to help their officials to brief federal ministers on available options to assist the project and the Province.

Analysis:

Note: Page 13 has been redacted in full under sections 29(1)(a), 34(1)(a)(i), 35(1)(f), 35(1)(g) of the ATIPPA as well as section 5.4 of the Energy Corporation Act.
<table>
<thead>
<tr>
<th>From:</th>
<th>Parsons, Walter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Tuesday, September 27, 2016 11:45 AM</td>
</tr>
<tr>
<td>To:</td>
<td>Bown, Charles W.</td>
</tr>
<tr>
<td>Subject:</td>
<td>Emailing: Information Note – Meeting on Enhanced Federal Loan Guarantee.docx</td>
</tr>
<tr>
<td>Attachments:</td>
<td>Information Note – Meeting on Enhanced Federal Loan Guarantee.docx</td>
</tr>
</tbody>
</table>

Your message is ready to be sent with the following file or link attachments:

Information Note – Meeting on Enhanced Federal Loan Guarantee.docx

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.
Title: September 23 Meeting on Enhanced Federal Loan Guarantee (FLG2)

Issue: NR, FIN, and Nalcor officials met with PCO, NRCan, and federal Finance officials and their advisors to answer questions on the Province’s request for enhancements to the federal loan guarantee for the Muskrat Falls and Labrador-Island Link projects.

Background and Current Status:
- The September 23 meeting in Ottawa was intended to provide additional information to the federal government to help their officials to brief federal ministers on available options to assist the project and the Province.

Analysis:

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f)

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g), S. 5.4 ECA

Note: Page 17 has been redacted in full under sections 29(1)(a), 34(1)(a)(i), 35(1)(f), 35(1)(g) of the ATIPPA as well as section 5.4 of the Energy Corporation Act.
From: Brewer, Donna
Sent: Monday, October 03, 2016 2:04 PM
To: Coady, Siniblah; Bown, Charles W.
Cc: Martin, Craig
Subject: FW: Impact of FLG on GNL overall borrowing costs.xlsx
Attachments: Impact of FLG on GNL overall borrowing costs.xlsx

FYI
Sending at Minister Bennett's request.

Donna

From: Brewer, Donna
Sent: Thursday, September 29, 2016 5:18 PM
To: paul.rochon@canada.ca
Cc: Martin, Craig <CMartin@gov.nl.ca>
Subject: Impact of FLG on GNL overall borrowing costs.xlsx

Paul

Please find the analysis attached. I have arranged a quick call on Monday to discuss.

Thanks for your time.

Have a good weekend,

Donna

Note: Pages 20 - 23 have been redacted in full under sections 29(1)(a), 34(1)(a)(i), 35(1)(f), and 35(1)(g) of the ATIPPA.
just resent. pls confirm if you can open attachments

Jim I was not able to open. Says file is corrupt.

Charles, pls fwd to Patricia as I don't have her email

Begin forwarded message:

From: "Deanne Fisher" <DeanneFisher@nacorenergy.com>
To: "Derrick Sturge" <DSturge@nacorenergy.com>
Cc: "Auburn Warren" <AuburnWarren@nacorenergy.com>, "Chris Kiele" <ChrisKiele@nacorenergy.com>, "James Meaney" <JamesMeaney@lowerchurchillproject.ca>, "Jim Keating" <JKeating@nacorenergy.com>
Subject: Re: HQ contract value
Folks,

Attached is the information we’ve provided to GNL around September 20 in advance of phone call to take place that day. This information was developed in conjunction with Auburn/Dave/Jim; however, I’m unsure if this has been updated since Sept 20.

Attached are:
- a summary sheet of the high points regarding the benefits of FLG which was requested
- the equity ask by fiscal year with and without FLG 2 (Auburn/Dave: I believe these are figures for total equity ask for LCP + OG but pls. confirm)
- a presentation which was provided to GNL, which in turn was presented to the Feds, on project background, strategic alignment with Feds priorities, regional benefits etc.

(See attached file: FLG 2 Summary Sheet Requirements.docx)
(See attached file: Enhanced FLG 16.01.08.pdf)
(See attached file: June 2016 Equity Ask Delta with FLG2.xlsx)

Let us know if there's anything else required Jim

Deanne

Derrick Sturge--10/05/2016 09 58 25 AM--From: Derrick Sturge@NLHydro To: Jim Keating@NLHydro

Derrick Sturge@NLHydro  Jim Keating@NLHydro

10/05/2016 09 58 AM  Re: HQ contract value

Copying Jim/Auburn on this as they are working this file daily.

Derrick Sturge
EVP, Finance & CFO
Nalcor Energy

Sent from my iPhone
On Oct 5, 2016, at 9:57 AM, Jim Keating <jimkeating@nalcoenergy.com> wrote:

Sent from my iPad

On Oct 5, 2016, at 9:47 AM, Deanne Fisher <DeanneFisher@nalcoenergy.com> wrote:

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Non-Responsive
3. Current FLG
   - $5 billion debt guarantee
   - AAA rated bonds issued December 2013

The current FLG covers $5 billion in long term bonds issued for the Nalcor subsidiaries developing the Muskrat Falls Project.

This includes $2.6 billion for a 35 year term for the MF/LTA components, and $2.4 billion for a 40 year term for the LIL component.

In the case of each of the MF/LTA and LIL financings, 3 tranches of bonds were issued totalling these amounts.
1. Additional guaranteed debt

- $2.9 billion of additional federal guaranteed debt per June 2016 Enhanced Federal Loan Guarantee Update presentation made by Nalcor to NR Canada.

6. Regional Benefits – see attached slide 15 from January 8, 2016 deck.

Note: Pages 29 - 30 have been redacted in full under sections 29(1)(a), 34(1)(a)(i), 35(1)(f), 35(1)(g) of the ATIPPA as well as section 5.4 of the Energy Corporation Act.
- Newfoundland and Labrador (NL) requires more power due to increasing demands for electricity and aging infrastructure.

- Lower Churchill Project – Phase I (LCP) positions NL as a leader in clean, renewable energy with 98% of NL’s energy generated from renewables.

- LCP stabilizes electricity rates for residents and is a strategic enabler for businesses and economic growth.

- LCP will change the future of our province, Atlantic Canada and the rest of the country when it connects NL to the North American grid for the first time in the province’s history.

- Allows NL to take advantage of opportunities to sell clean, renewable power to other Canadian provinces as well as the North Eastern US.

- LCP will generate $60 billion in revenues and savings over the next 50 years delivering significant long-term value.

- Significant economic and employment benefits to NL and Canada during construction.
An Enhanced Federal Loan Guarantee (FLG) strategically aligns with the new Government of Canada’s platform commitments:

<table>
<thead>
<tr>
<th>New Government of Canada Platform</th>
<th>Alignment with Enhanced FLG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change/COP21</td>
<td>NL is an environmental leader with 98% clean, renewable energy to meet provincial needs and available for export markets — NL will be used for the leading position across all provinces for renewable energy and reduction of fossil fuel.</td>
</tr>
<tr>
<td></td>
<td>LCP represents a 4.5 million tonne reduction of CO₂ and will enable further development of clean, renewable energy in the region.</td>
</tr>
<tr>
<td>Stronger Federal-Provincial</td>
<td>Demonstrates commitment to NL and other Canadian provinces, of more effective Federal-Provincial working relationship — as Canada’s cooperation provides meaningful support to a Province’s fiscal management action plan.</td>
</tr>
<tr>
<td>Partnerships</td>
<td>NL not competing with Canada and provinces in tight, government debt markets.</td>
</tr>
<tr>
<td>Infrastructure Investments /</td>
<td>Investment in green infrastructure creating $6.1 billion total income to labour and business generating 70,000 person years of employment, $950 million in federal taxes and $850 million in provincial taxes.</td>
</tr>
<tr>
<td>Clean Energy Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Renewed relationship between</td>
<td>Demonstrates support for strong Aboriginal partnerships as evidenced by NL and Innu Nation’s New Dawn agreement.</td>
</tr>
<tr>
<td>Canada and Indigenous peoples</td>
<td></td>
</tr>
</tbody>
</table>

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
$6.1 B
Total income to
Government and business

$950 M
In federal taxes

70,000
70,000
Employment in
31,000
Atlantic Canada

17,000
Quebec

18,000
Ontario

$350 M
Invested in the region

4.5 M
Tons of CO2 reduced

Further development of
Renewable energy
in the region

4.5 M
CO2 reduction

nalcor
• In December 2013, Nalcor (through funding trusts) completed financial close by issuing $5 billion of AAA rated long term bonds guaranteed by Canada for the LCP – these proceeds were invested and are being drawn down monthly to fund Project expenditures.

• Some of the key provisions of the FLG with Canada include:
  Maximum debt levels (DER) for (i) the Muskrat Falls (MF) / Labrador Transmission Assets (LTA) component of the project is 65%; and (ii) the Labrador-Island Link (LIL) is 75%
  Minimum Debt Service Coverage Ratios (DSCR) of 1.4 times
  Any amounts not financed through debt are to be financed by equity (supported by a formal guarantee from NL)
  Debt is amortized over the repayment period (30 years MF/LTA; 35 years LIL) through semi-annual sinking funds contributions starting on December 1, 2018

• Since financial close, NL and Nalcor have maintained compliance with the provisions of all the agreements and commitments relating to the FLG

  S. 29(1)(a), S. 34(1)(a)(i)
• A-rated, non-guaranteed LCP credit ratings were secured as a condition precedent to FLG – this was and continues to be based on the following:
  - The investment decision was made on the basis that the future requirement for electricity by NL was such that the financing is supported solely by the cash flow from domestic NL sales, through NL Hydro (NLH), and does not require any export sales.
  - Given the above, a series of agreements were developed to ensure that the cash flow stream from NLH was unconditionally available to support the LCP financing.
  - Implementation by the Province of a legislative and regulatory framework to ensure full cost recovery in a timely manner to support debt service.
  - The equity portion of the financing will be provided to the Project’s entities by (i) Nalcor under Equity Support Agreements, and (ii) Emera under Nalcor/Em era Formal Agreements – all of this is backstopped by NL with formal unlimited Equity Support Guarantees.
• All of the above features would continue under the proposed FLG enhancements.
The level of low cost guaranteed debt was capped at $5 billion based on cost estimates at that time.

Canada required a fixed date to start principal repayment through semi-annual sinking funds contributions.
2. Improve existing additional debt provisions to allow additional debt to be guaranteed by Canada and funded in the same way as the original $5 billion.
- Canada demonstrates a more comprehensive regional partnership and assists in achieving key announced policies on reduction of greenhouse gas emissions, green infrastructure development and renewed relationship with Indigenous peoples.

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
I received. Thx.

S. 29(1)(a), S. 35(1)(f), S. 35(1)(g)

Donna

From: JamesMeaney@lowerchurchillproject.ca [mailto:JamesMeaney@lowerchurchillproject.ca]
Sent: Wednesday, October 5, 2016 12:21 PM
To: Bown, Charles W. <cbown@gov.nl.ca>; Brewer, Donna <dbrewer@gov.nl.ca>; Martin, Craig <CMartin@gov.nl.ca>; Parsons, Walter <WalterParsons@gov.nl.ca>; Hearn, Patricia A. (Deputy Minister) <PatriciaHearn@gov.nl.ca>
Cc: AuburnWarren@nalcorenergy.com
Subject: FLG briefings - resending
Importance: High

Resending as some folks indicated one of the attachments was corrupt/couldn't be opened

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709 737-4860 c. 709 727-5283 f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. mukraifalls.nalcorenergy.com
I suspect what is happening is the excel file from Jim is the old version that we initially prepared back when we initially sent data over September 20th... since then we have updated our long term financial forecast as part of Province's midyear update request (last week's deliverable). By way of copy to Dave & Elizabeth, we will track down latest view.
Auburn

Can you check with Dave/Elizabeth on this
Thanks Jim

Sent from my iPhone

On Oct 5, 2016, at 12:45 PM, Brewer, Donna <dbrewer@gov.nl.ca> wrote:

What am I missing?

Donna

From: James Meanev@lowershutchinproject.ca (mailto: James Meanev@lowershutchinproject.ca)
Sent: Wednesday, October 5, 2016 12:21 PM
To: Bown, Charles W. <cbrown@gov.nl.ca>; Brewer, Donna <dbrewer@gov.nl.ca>; Martin, Craig <cmartin@gov.nl.ca>; Parsons, Walter<br>WalterParsons@gov.nl.ca>; Hearn, Patricia A. (Deputy Minister) <PatriciaHearn@gov.nl.ca>
Cc: AuburnWarren@nalcorenergy.com
Subject: FLG briefings - resending
Importance: High

Resending as some folks indicated one of the attachments was corrupt/couldn’t be opened
James Meaney
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l. 709 737-4860  c. 709 737-5283  f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

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Draft note as requested. You may need to provide an additional bullet on any follow-up conversations.

Record Number: BN-8842
Title: Information Note - Update on Enhanced Federal Loan Guarantee
Title: Update on Enhanced Federal Loan Guarantee (EFLG)

Issue: Status of the Province's request for enhancements to the federal loan guarantee for the Muskrat Falls and Labrador-Island Link projects.

Background and Current Status:
- Following a conversation between the Premier and Prime Minister, officials from NR, FIN, and Nalcor have been engaged with officials from the federal departments of Finance and Natural Resources, as well as the Privy Council Office, to provide additional information related to the Province's request.

- A meeting was held with senior officials in Ottawa on September 23, and a follow-up conference call was held on October 6. A second meeting took place in St. John's on October 12. The meetings were intended to provide additional information to help federal officials to brief their ministers on available options to assist the project and the Province.

Analysis:
- Provincial officials have answered all questions posed by the federal officials and have expressed the Province's willingness to provide any additional information as required.
Action Being Taken:

Prepared/Approved by: W. Parsons
Ministerial Approval:

October 17, 2016
New version of the note, with Charles' edits.

Record Number: BN-8842
Title: Information Note - Update on Enhanced Federal Loan Guarantee
Information Note
Department of Natural Resources

Title: Update on Enhanced Federal Loan Guarantee (EFLG)

Issue: Status of the Province’s request for enhancements to the federal loan guarantee for the Muskrat Falls and Labrador-Island Link projects.

Background and Current Status:
- Following a conversation between the Premier and Prime Minister, officials from NR, FIN, and Nalcor have been engaged with officials from the federal departments of Finance and Natural Resources, as well as the Privy Council Office, to provide detailed information on the Muskrat Falls and Labrador-Island Link projects as it relates to the Province’s request for an EFLG.

  S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g), S. 5.4 ECA

- A meeting was held with senior officials in Ottawa on September 23, and a follow-up conference call was held on October 6. A second meeting took place in St. John’s on October 12. The meetings were intended to provide additional information to help federal officials to brief their ministers on available options to assist the project and the Province.

  S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g), S. 5.4 ECA

- Key messages on this issue have been prepared and are attached as Annex A.

Analysis:

  S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
Provincial officials have answered all questions posed by the federal officials and have expressed the Province's willingness to provide any additional information as required.

Action Being Taken:

Prepared/Approved by: W. Parsons/C. Bown

Ministerial Approval:

October 17, 2016
<table>
<thead>
<tr>
<th>Annex A – Key Messages</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)</td>
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<tr>
<td>• S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f)</td>
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<td>• S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)</td>
<td></td>
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<tr>
<td>• S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)</td>
<td></td>
</tr>
<tr>
<td>• S. 29(1)(a), S. 34(1)(a)(i)</td>
<td></td>
</tr>
</tbody>
</table>
Good afternoon gentlemen,

We are preparing a FLG status update note for Cabinet. Please see the attached draft and let me know if you have any concerns or suggested edits. The sooner the better obviously.

W

-----< HP TRIM Record Information >-----

Record Number: BN-8842
Title: Information Note - Update on Enhanced Federal Loan Guarantee
Title: Update on Enhanced Federal Loan Guarantee (EFLG)

Issue: Status of the Province's request for enhancements to the federal loan guarantee for the Muskral Falls and Labrador-Island Link projects.

Background and Current Status:

- Following a conversation between the Premier and Prime Minister, officials from NR, FIN, and Natcor have been engaged with officials from the federal departments of Finance and Natural Resources, as well as the Privy Council Office, to provide detailed information on the Muskral Falls and Labrador-Island Link projects as it relates to the Province's request for an EFLG.

- The Province's request consists of $2.9 billion of additional guaranteed debt.

- A meeting was held with senior officials in Ottawa on September 25, and a follow-up conference call was held on October 6. A second meeting took place in St. John's on October 12. The meetings were intended to provide additional information to help federal officials to brief their ministers on available options to assist the project and the Province.

- Key messages on this issue have been prepared and are attached as Annex A.

Analysis:
S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f)

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g), S. 5.4 ECA

Provincial officials have answered all questions posed by the federal officials and have expressed the Province’s willingness to provide any additional information as required.

Action Being Taken:

S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g), S. 5.4 ECA

Prepared/Approved by: W. Parsons/C. Bown
Ministerial Approval: S. 34(1)(a)(i)

October 17, 2016
Annex A – Key Messages

- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
Hi Walter, my comments are attached. Regards, Jim

Good afternoon gentlemen,

We are preparing a FLG status update note for Cabinet. Please see the attached draft and let me know if you have any concerns or suggested edits. The sooner the better obviously.

-------- < HP TRIM Record Information >--------

Record Number : BN-8842
Title : Information Note - Update on Enhanced Federal Loan Guarantee

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Title: Update on Enhanced Federal Loan Guarantee (EFLG)

Issue: Status of the Province's request for enhancements to the federal loan guarantee for the Muskrat Falls, Labrador Transmission Access, and Labrador Island Link projects (collectively the Project).

Background and Current Status:
- Following a conversation between the Premier and Prime Minister, officials from NR, FIN, and Naico have been engaged with officials from the federal departments of Finance and Natural Resources, as well as the Privy Council Office, to provide detailed information on the Muskrat Falls and Labrador Island Link projects and as it relates to the Province's request for an EFLG.
- The Province's request consists of $2.9 billion of additional guaranteed debt.

A meeting was held with senior officials in Ottawa on September 23, and a follow-up conference call was held on October 6. A second meeting took place in St. John's on October 11. The meetings were intended to provide additional information to help federal officials to brief their ministers on available options to assist the project and the Province.

Key messages on this issue have been prepared and are attached as Annex A.

Analysis:
Provincial officials have answered all questions posed by the federal officials and have expressed the Province's willingness to provide any additional information as required.

Action Being Taken:

Prepared/Approved by: W. Persona/C. Bown
Ministerial Approval: October 17, 2016
Annex A – Key Messages

- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f)
- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
- S. 29(1)(a), S. 34(1)(a)(i)

S. 29(1)(a), S. 34(1)(a)(i)
Thanks Jim, I have accepted these.

Hi Walter, my comments are attached. Regards, Jim

Good afternoon gentlemen,

We are preparing a TIG status update note for Cabinet. Please see the attached draft and let me know if you have any concerns or suggested edits. The sooner the better obviously.

---

Record Number: BN-8842
Title: Information Note - Update on Enhanced Federal Loan Guarantee

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copied addressee(s) and may contain privileged and/or confidential information. Any
distribution, use or copying by any means of this information is strictly prohibited. If
you received this email in error, please delete it immediately and notify the sender.”
[attachment "Information Note - Update on Enhanced Federal Loan Guarantee.DOCX" deleted
by James Meaney/MLHydro] [attachment "Information Note - Update on Enhanced Federal Loan
Guarantee.txt" deleted by James Meaney/MLHydro]
Charles,

The note is now updated with your and Nalcor's comments. I haven't heard back yet from FIN.

Walter

-----< HP TRIM Record Information >-----

Record Number:  BN-8842
Title:  Information Note - Update on Enhanced Federal Loan Guarantee
Title: Update on Enhanced Federal Loan Guarantee (EFLG)

Issue: Status of the Province’s request for enhancements to the federal loan guarantee for the Muskral Falls, Labrador Transmission Assets, and Labrador-Island Link projects (collectively the Project).

Background and Current Status:

- Following a conversation between the Premier and Prime Minister, officials from NR, FIN, and Nalcor have been engaged with officials from the federal departments of Finance and Natural Resources, as well as the Privy Council Office, to provide detailed information on the Project as it relates to the Province’s request for an EFLG.

- The Province’s request consists of $2.9 billion of additional guaranteed debt,

- A meeting was held with senior officials in Ottawa on September 23, and a follow-up conference call was held on October 6. A second meeting took place in St. John’s on October 12. The meetings were intended to provide additional information to help federal officials to brief their ministers on available options to assist the project and the Province.

- Key messages on this issue have been prepared and are attached as Annex A.

Analysis:

- 

-
Provincial officials have answered all questions posed by the federal officials and have expressed the Province's willingness to provide any additional information as required.

Action Being Taken:

Prepared/Approved by: W. Parsons/C. Bown
Ministerial Approval: S. 34(1)(a)(i)

October 17, 2016
Annex A – Key Messages  
S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)

- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f)

- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)

- S. 29(1)(a), S. 34(1)(a)(i)

- S. 29(1)(a), S. 34(1)(a)(i), S. 35(1)(f), S. 35(1)(g)
Walters, Tammy

From: Parsons, Walter
Sent: Monday, October 17, 2016 5:18 PM
To: Martin, Craig
Subject: RE: HP TRIM BRIEFING NOTES : BN-8842 : Information Note - Update on Enhanced Federal Loan Guarantee

Thank you.

From: Martin, Craig
Sent: Monday, October 17, 2016 5:16 PM
To: James Meaney@lowerchurchillproject.ca <JamesMeaney@lowerchurchillproject.ca>; Parsons, Walter <WalterParsons@gov.nl.ca>
Cc: Warren, Auburn <AuburnWarren@gov.nl.ca>
Subject: RE: HP TRIM BRIEFING NOTES : BN-8842 : Information Note - Update on Enhanced Federal Loan Guarantee

Walter,

I have no further comments.

Craig

From: James Meaney@lowerchurchillproject.ca <mailto:JamesMeaney@lowerchurchillproject.ca>
Sent: Monday, October 17, 2016 2:01 PM
To: Parsons, Walter
Cc: Warren, Auburn; Martin, Craig
Subject: Re: HP TRIM BRIEFING NOTES : BN-8842 : Information Note - Update on Enhanced Federal Loan Guarantee

Hi Walter, my comments are attached. Regards, Jim

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
1. 709 737-4860  c. 709 727-5283  f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nlcorenergy.com

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

Good afternoon gentlemen,
We are preparing a FLG status update note for Cabinet. Please see the attached draft and let me know if you have any concerns or suggested edits. The sooner the better obviously.

W

--------HF TRIN Record Information--------

Record Number : BM-8842
Title : Information Note - Update on Enhanced Federal Loan Guarantee

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[attachment "Information Note - Update on Enhanced Federal Loan Guarantee.DOCX" deleted by James Meaney/NLHydro] [attachment "Information Note - Update on Enhanced Federal Loan Guarantee.txt" deleted by James Meaney/NLHydro]
FIN is good.

From: Martin, Craig
Sent: Monday, October 17, 2016 5:16 PM
To: James Meaney<James.Meaney@lowerchurchillproject.ca>; Parsons, Walter
Cc: Warren, Auburn
Subject: RE: HP TRIM BRIEFING NOTES : BN-8842 : Information Note - Update on Enhanced Federal Loan Guarantee

Walter,

I have no further comments.

Craig

From: James Meaney<James.Meaney@lowerchurchillproject.ca>
Sent: Monday, October 17, 2016 2:01 PM
To: Parsons, Walter
Cc: Warren, Auburn; Martin, Craig
Subject: Re: HP TRIM BRIEFING NOTES : BN-8842 : Information Note - Update on Enhanced Federal Loan Guarantee

Hi Walter, my comments are attached. Regards, Jim

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
L. 709 737-4860 c. 709 737-5283 f. 709 737-1901
e. James.Meaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

"Parsons, Walter" "Walter.Parsons@gov.nl.ca"
"Martin, Craig" "Martin.Craig@gov.nl.ca"
"Warren, Auburn" "Auburn.Warren@gov.nl.ca"
"James.Meaney@lowerchurchillproject.ca"
Thursday, October 13, 2016 01:33 PM
HP TRIM BRIEFING NOTES : BN-8842 : Information Note - Update on Enhanced Federal Loan Guarantee
Good afternoon gentlemen.

We are preparing a FLG status update note for Cabinet. Please see the attached draft and let me know if you have any concerns or suggested edits. The sooner the better obviously.

W

--- HP TRIM Record Information ---

Record Number : BH-8842
Title : Information Note - Update on Enhanced Federal Loan Guarantee

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[attachment "Information Note - Update on Enhanced Federal Loan Guarantee.DOCX" deleted by James Keaney/HLHydro] [attachment "Information Note - Update on Enhanced Federal Loan Guarantee.txt" deleted by James Keaney/HLHydro]
Still under review internally, but in the interest of time wanted to pass along for comments.

---

S. 29(1)(a), S. 35(1)(f)

---

You owe it to yourself, and your family, to make it home safely every day. What have you done today so that nobody gets hurt?
Lower Churchill Project – Phase 1
Financing/Federal Loan Guarantee Overview

DRAFT

Boundless Energy

September 2016

Confidential & Commercially Sensitive
Purpose

- To provide an overview of the financing and Federal Loan Guarantee ("FLG") arrangements associated with the Lower Churchill Project Phase 1 ("LCP") being developed by Nalcor Energy and the Province of Newfoundland & Labrador, including key terms of the proposed Enhanced FLG
Background

- LCP financing structure is designed such that it is supported solely by the cash flow from domestic sales and does not require any export sales.
- The full cost of the Project is paid for by NL Hydro ("NLH") customers through contractual arrangements between NLH and the Projects' entities — referred to as NL Revenue Agreements.
- Agreements developed to ensure cash flow stream from NLH supports financing of the Projects.
- The Province has directed the Board of Commissioners of Public Utilities to allow NLH to recover in rates the costs incurred under these contractual arrangements upon full commissioning of the Project.
- The equity portion of the financing will be provided to Nalcor by NL under Equity Support Agreements and Equity Support Guarantees, and by Emera under Nalcor/Emera Formal Agreements for their investment in the Labrador-Island Link ("LIL").
- The $5.0 billion debt financing was funded through a series of long term bonds, all issued by Funding Trusts on a single financial close date, that carry the Government of Canada's AAA credit rating based on the FLG.
- The debt financing is split into the two major project components:
  - Muskrat Falls / Labrador Transmission Assets ($2.6 billion)
  - Labrador-Island Link ($2.4 billion)
- The financing agreements put in place the financing and guarantee arrangements between Canada, the Funding Trusts and the Nalcor special purpose entities created to facilitate the financing, and consist of two distinct pieces:
  - Arrangements with the external bond holders through Funding Trusts, and
  - Internal arrangements between MF/LTA and LIL with Canada, the Project Finance Agreements ("PFA")
FLG Transaction Structure

Govt of Canada

AAA Debt Guarantee

Bond Holders

Debt Financing

MF/LTA or LIL Funding Trust

Management of the Financing Arrangements

Collateral Agent

Equity Guarantee

Contractors & Suppliers

Payment under Contracts

MFCo/LTACo or LIL LP

Nalcor

Govt of NL

1 During the construction period for LIL, an Intermediary Trust is in place between the LIL Funding Trust and LIL LP
CURRENT FLG
Key Terms of Current Financing/FLG

- The PFA’s represent the limited recourse financing arrangements that were agreed to by Nalcor and Canada as part of the FLG Agreement.

- Key terms of the guaranteed financing are as follows:
  - **Maximum debt** of $5.0 billion - $2.6 billion for MF/LTA and $2.4 billion for LIL
  - **Term** of 35 years for MF/LTA and 40 years for LIL achieved through the issuance of 6 tranches of bullet bonds bearing semi-annual interest payments
  - **Sinking funds** associated with each bond tranche that must be contributed to on a semi-annual basis over the repayment term starting in December 2018 to create an amortizing debt profile.
  - Prior to December 2013 Financial Close all project expenditures were funded by equity; following Financial Close 100% debt funding until **Target Debt-to-Equity** (“DER”) ratios of 65:35 for MF/LTA and 75:25 for LIL achieved; once target DER’s achieved pro rata debt/equity funding until debt fully exhausted, at which time 100% equity funding until project completion.
  - **Cost Overruns** above the baseline budget set at Financial Close will be pre-funded with 100% equity through annual installment payments based on the number of years remaining until commissioning; once the debt is fully exhausted these funds, which have been set aside in Cost Overrun Escrow Accounts (“COREA”), can be accessed to fund construction activities.
  - Canada has a **Security** interest over all Project assets and a direct, absolute and unconditional **Equity Guarantee from NL** with direct access to the Consolidated Revenue Fund - in a situation where events of default are triggered and not cured, Canada can step in and take over the LCP assets while continuing to call on NL for equity to complete the Project (or provide funds on its own if NL defaults on the equity guarantee) and the full cost will still be recovered from Island ratepayers.
Key Terms of Current Financing/FLG (cont’d…)

- In its role as the Guarantor, Canada has rights to supervise the advances, has consent rights over matters such as change orders and material contracts, has supervision rights through the Independent Engineer as to budget, cost overruns, quality and progress; Canada must review and approve several aspects of the project as it progresses.

- At commissioning Debt Service Reserve and Liquidity Reserve Accounts must be pre-funded to support debt service coverage of at least 1.4x during the repayment period.

- Until full Commissioning of all three components of the Project is achieved, NLH’s payment obligations under the NL Revenue Agreements do not take effect and Nalcor/NL must continue to fund all LCP expenditures with equity.

- Provision exists whereby if Commissioning has not been achieved by “Date Certain” (currently February 2019, but can be extended by up to 1 year), an Event of Default has occurred.

- While the entire $5.0 billion in guaranteed debt was secured at Financial Close, the LCP subsidiaries are only able to access the funds, along with any pro rata equity amounts, through a monthly funding request (cash call) process outlined in the PFA’s.
  - At Financial Close proceeds from debt financing were invested in structured deposit notes (“SDN”) earning ~ 1.6% to offset negative carry on the 3.8% bonds; the SDN’s payout monthly principle and interest amounts based on a forecasted spend profile to make funds available to the LCP subsidiaries.

- The PFA’s are structured in manner consistent with what would be seen in a traditional project financing with third party secured lenders.
ENHANCED FLG
Enhanced FLG – Background

- NL is seeking an Enhanced FLG as part of its actions in addressing the Province’s current fiscal challenges. An Enhanced FLG would:
  - Allow NL/Nalcor to leverage the Federal Government’s AAA credit rating, resulting in lower financing costs for the capital necessary to complete the Project.

Note: page 12 has been redacted in full under sections S. 29(1)(a), 34(1)(a)(i), 35(1)(f), 35(1)(g).
Marshall, Andrea

From: Noseworthy, Tanya
Sent: Monday, January 16, 2017 2:56 PM
To: Marshall, Andrea
Subject: FW: draft briefing for tomorrow
Attachments: LCP Financing & FLG Overview for Canada Sept 2016 v2.pptx

Note: information in attachment "LCP Financing....v2" is identical to that in PowerPoint presentation on pages 2.-12.

Tanya Noseworthy
Executive Director
Strategic Planning & Policy Coordination
Department of Natural Resources
Government of Newfoundland and Labrador
Ph: 729-1466, fax: 729-2871

From: JamesMeaney@lowerchurchillproject.ca
Sent: Thursday, September 22, 2016 4:22 PM
To: Bown, Charles W.
Cc: AuburnWarren@nalcorenergy.com; Martin, Craig; Brewer, Donna; Bates, Robert S.; Parsons, Walter
Subject: Re: draft briefing for tomorrow

Generic version attached

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
Lower Churchill Project
t. 709 737-4860 c. 709 727-5283 f. 709 737-1901
e. JamesMeaney@lowerchurchillproject.ca
w. muskratfalls.nalcorenergy.com

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

From: James Meaney/NLHydro
To: "Bown, Charles W." <cbown@gov.nl.ca>
Cc: Auburn Warren/NLHydro@nlhydro, "Martin, Craig" <CMartin@gov.nl.ca>, "Brewer, Donna" <dbrewer@gov.nl.ca>, James Meaney/NLHydro@nlhydro, "Bates, Robert S." <robertbates@gov.nl.ca>, "Parsons, Walter" <walterparsons@gov.nl.ca>
Date: 09/22/2016 02:25 PM
Subject: Re: drafting briefing for tomorrow

Will do

Sent from my iPhone
On Sep 22, 2016, at 2:19 PM, Bown, Charles W. <cbown@gov.nl.ca> wrote:

Jim
Please put a generic face on the deck and we will add Craig’s slides

From: JamesMeaney@lowerchurchillproject.ca [mailto:JamesMeaney@lowerchurchillproject.ca]
Sent: Thursday, September 22, 2016 1:44 PM
To: Bown, Charles W.
Cc: Auburn Warren/NLHydro; Martin, Craig; Brewer, Donna; JamesMeaney@nalcorenergy.com; Bates, Robert S.; Parsons, Walter
Subject: drafting briefing for tomorrow

Still under review internally, but in the interest of time wanted to pass along for comments.

James Meaney
General Manager, Finance
PROJECT DELIVERY TEAM
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