



Nalcor Energy releases independent review of Muskrat Falls development

September 15, 2011, *St. John's, NL* – Nalcor Energy today released an independent review of the Muskrat Falls development. The review, conducted by Navigant Consulting, validated the proposed development of Muskrat Falls and the Labrador-Island Link as the long-term, least-cost supply option for electricity consumers on the island of Newfoundland.

“For this report we asked Navigant, industry experts, to review Nalcor’s analysis used in making the decision,” said Ed Martin, President and CEO, Nalcor Energy. “Navigant’s initial report based on Nalcor’s Decision Gate 2 analysis, confirms Muskrat Falls is the best option for the future energy supply of the island and provides the best value for electricity consumers.”

One of the key principles and practices which Nalcor follows as part of its best practice approach to megaproject management is to conduct independent or “cold-eyes” reviews at key decision points throughout the gateway process. These reviews serve as a means of quality assurance for key decisions at crucial points in a project's lifecycle.

“We are following a proven process for large project development. These types of reviews are important and fundamentally mean a better process and project,” said Martin. “Navigant validated Nalcor’s Decision Gate 2 analysis as part of their preparation for their further analysis and final report required as input to Decision Gate 3 - Project Sanction.”

To date, the project has received endorsement from the Innu Nation and in August 2011 the Government of Canada and the Government of Newfoundland and Labrador signed a Memorandum of Agreement for a loan guarantee. As well, the Board of Commissioners of Public Utilities is currently conducting a review of Muskrat Falls as the lowest-cost option for supplying power to the island.

A final decision on the project will be made in 2012 upon completion of commercial arrangements, confirmation of project cost and schedule and after the federal and provincial Environment Ministers make a final decision on the environmental assessment for the generation project.

“The development of Muskrat Falls is a very important project for all Newfoundlanders and Labradorians,” added Martin. Nalcor continues to welcome input from the public and external consultants and as we move toward a final sanction decision on this development.”

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NOTE TO MEDIA:

Ed Martin will be available to the media today, Thursday, September 15 at 11:30 a.m. at Hydro Place, 500 Columbus Drive.

About Navigant Consulting

Navigant (NYSE: NCI) is a specialized, global expert services firm dedicated to assisting clients in creating and protecting value in the face of critical business risks and opportunities. Through senior level engagement with clients, Navigant professionals combine technical expertise in Disputes and Investigations, Economics, Financial Advisory and Management Consulting, with business pragmatism in the highly regulated Construction, Energy, Financial Services and Healthcare industries to support clients in addressing their most critical business needs.

Navigant’s Energy Practice offers a wide range of services including business planning, performance improvement and benchmarking services, renewable energy, energy efficiency, emerging technology, natural gas and energy generation, smart grid and transmission.

Navigant Scope of Work Summary of Work

Nalcor asked Navigant to review and assess the reasonableness of: 1) the long-term island supply options considered by Nalcor; 2) Nalcor’s assumptions associated with island supply options; and 3) the process followed to screen and evaluate the supply options.

Based on this review, Navigant was to provide an opinion on: 1) whether the Interconnected Island alternative represents the least-cost option that also fulfills the additional criteria requirements of security of supply and reliability, environmental responsibility, and risk and uncertainty; and 2) the accuracy of rate projections.

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