2026 Churchill Falls Agreement

A new agreement with Quebec and the federal government to develop Churchill Falls and Gull Island, the largest clean energy investment in North American history – delivering more power, more value, more transmission and more jobs for Newfoundland and Labrador.

- More value to Newfoundland and Labrador with deal value totaling $49 billion (2026 Net Present Value (NPV)
- Largest clean energy investment in North American history, with over $50 billion capital spend in Newfoundland and Labrador on a suite of hydro, wind and transmission developments
- $3.5 billion (2026 NPV) in federal support for Newfoundland and Labrador through financial support, investments and tax credits/equivalent supports
- $10.4 billion NPV or $18.4 billion in nominal value in earlier cashflows to Newfoundland and Labrador prior to 2041 under new Churchill Falls contract
- More power and transmission before 2041 to serve Labrador mining and industry needs:
    - Total of 2,750 Megawatts (including wind) - a total increase of 760 Megawatts
- Opportunity for Labrador Innu participation in new transmission and wind assets in Labrador

ECONOMIC IMPACTS

Hydro, Transmission & Wind

- $16 billion in Gross Domestic Product (GDP) during construction
- Thousands of jobs expected through all developments:
    - Almost 15,000 jobs at peak construction
    - Annual average of 5,500 jobs
- Billions expected to be spent directly with Newfoundland and Labrador-based companies for Gull Island, transmission, wind development, and Churchill Falls upgrades

Mining Opportunity*

- Projected $19 billion in GDP during construction
- Projected almost 16,000 jobs at peak construction

*Analysis based on potential mining development aligned with power availability

New Churchill Falls Contracts

- New Churchill Falls Contracts
- Higher effective price of 7.4 cents/kWh (2027) for Churchill Falls electricity sold to Hydro-Quebec (includes all new NLH volumes sold at premium tranche)
- Premium pricing option of 150 per cent for Churchill Falls base plant volumes not needed in Newfoundland and Labrador
- $10.4 billion NPV or $18.4 billion in nominal value in earlier cashflows to Newfoundland and Labrador prior to 2041 under new contract
- Straight forward pricing model for Churchill Falls contract with built-in escalation and further price increases if inflation is higher than expected
- $38.6 billion NPV

Gull Island

- More power – 2,700 Megawatts, six units
- Over 5,000 jobs at peak construction
- Estimated capital cost $29.1 billion, with federal loan guarantee and Investment Tax Credits (ITCs) to 2040
- Removal of 2 per cent escalator and debt balloon
- Hydro-Quebec constructs, Newfoundland and Labrador Hydro operates
- Full in-service by 2037

Churchill Falls Upgrades

- Targeting 23.5 per cent increase at Churchill Falls through upgrades to existing units
- Additional 1,275 Megawatts
- Estimated capital cost $4.8 billion, federal ITCs to 2040
- One unit upgraded/year (2032-2042)

Labrador Transmission

- Gull Island – 735 kV lines to Churchill Falls, and border; 100 per cent owned by Newfoundland and Labrador Hydro, built by Hydro-Quebec
- NL Transmission in Labrador – $5.9 billion, 100 per cent Newfoundland and Labrador ownership
- Labrador West – 735 kV line from Churchill Falls to serve mining customers, future growth:
  - Est. $2.6 billion
  - $1 billion (2026 NPV) federal support, investments, ITCs or equivalent support
  - 100 per cent Newfoundland and Labrador ownership
  - In service no earlier than 2032

Wind Development

- Estimated capital cost of $8 billion
- Feasibility study for 2,000 Megawatt development
- Potential for Indigenous participation
- Hydro-Quebec, as majority off-taker, prepays $400,000 per megawatt upfront payment to the Government of Newfoundland and Labrador
- Federal material ownership, ITCs to 2040 and $1 billion investment or equivalent

a better deal for all of us

Newfoundland & Labrador | newfoundland labrador hydro