Why not wait until 2041 to reach a deal on Churchill Falls?

This agreement is about capturing opportunities while they exist. It delivers greater value, greater certainty, and greater economic opportunity for Newfoundland and Labrador today.

Capturing Significant Value Before 2041

The 2026 agreement provides $10.4 billion in net present value (NPV) or $18.4 billion in nominal value to Newfoundland and Labrador before 2041. These revenues and economic benefits would not be realized by simply waiting for the current contract to expire.

Overall, the agreement is valued at $49 billion (2026 NPV) for Newfoundland and Labrador, up from the $36 billion (2024 NPV) promised in the previous 2024 MOU. In nominal dollars, the value is $273 billion, compared to the previous government's estimate of $225 billion under the old MOU.

Securing Access to New Markets

The new agreement (DCIA) gives Newfoundland and Labrador the ability to access other markets, including New England and New York. When we access these markets, we will receive the same price that Hydro-Québec receives. There will be no discounts and no markups.

Creating Jobs and Economic Growth

The agreement establishes a clear path for the Gull Island project, creating thousands of jobs and significant business opportunities while limiting provincial financial risk.

The agreement provides that 85 per cent of all person-hours worked during Gull Island construction will remain in Newfoundland and Labrador, with priority given to qualified Labrador Innu, qualified Labradorians and qualified Newfoundlanders, in that order. At peak construction, the project could employ as many as 5,000 workers. Additional jobs will be created on transmission; Churchill Falls upgrades and wind when it proceeds.

Supporting the Innu Nation

The agreement creates new opportunities for the Labrador Innu Nation through future royalty revenues and equity participation opportunities in upcoming energy developments, as well as hiring priority.

Powering Labrador's Future Development

The agreement supports construction of the Labrador West transmission line, providing the infrastructure needed to support mining expansion and industrial growth in Labrador. It also helps unlock opportunities tied to critical minerals, clean energy development, and broader regional economic growth through power availability.

Significant Federal Government Support

The agreement includes $3.5 billion NPV in federal support for Newfoundland and Labrador through financial support, investments and tax credits/equivalent supports. A new 2,000 Megawatt wind development with Canada taking up to 40 per cent equity position.

More Flexibility and Premium Pricing

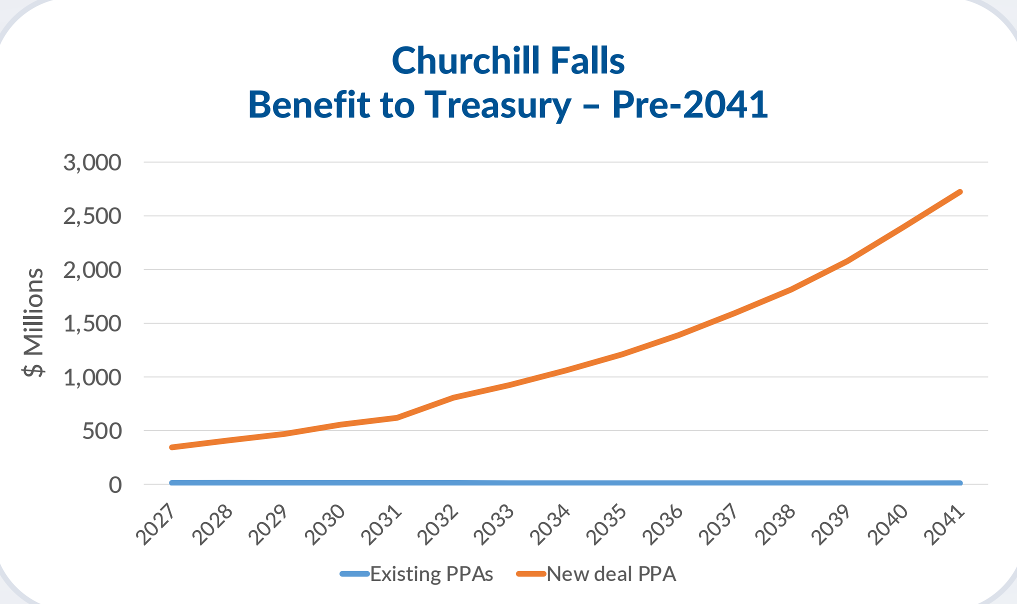
The agreement provides Newfoundland and Labrador with greater flexibility over its Churchill Falls power. The province will first encourage as much economic development from its use as possible. If we do have excess, we can profit by selling to HQ at 150 per cent of contract value. Or, we can choose to receive New York or New England prices or a basket of market prices.

Waiting Until 2041 Does Not Remove Hydro-Quebec's Role

Even after the 1969 contract expires, Churchill Falls will continue to be owned by Churchill Falls (Labrador) Corporation, in which Hydro-Quebec maintains a 35 per cent ownership interest. Any future decisions regarding Churchill Falls will still require consideration of Hydro-Quebec's role and interests.

Why Now?

The choice is not between this agreement and a guaranteed better outcome in 2041. The choice is between securing billions in value, jobs, infrastructure, market access, and development opportunities today, or taking the risk that those opportunities may no longer exist in the future.



a better deal for all of us

Newfoundland & Labrador | newfoundland labrador hydro