

Government of Canada Announces Additional Loan Guarantee Support for Lower Churchill Projects

OTTAWA, Nov. 3, 2016 /CNW/ - Working with provincial and territorial partners is key to the Government of Canada's approach to developing clean, renewable and reliable sources of electricity, creating jobs for Canadians and reducing greenhouse gas emissions.

Today, the Honourable Jim Carr, Canada's Minister of Natural Resources, announced that the Government of Canada will provide additional loan guarantee support for the Lower Churchill projects in Newfoundland and Labrador. Canada will guarantee up to an additional \$2.9 billion in debt for the portion of the Lower Churchill projects led by Newfoundland and Labrador Crown corporation Nalcor Energy.

The specific conditions of this support will be negotiated with the Government of Newfoundland and Labrador and Nalcor Energy in the near future with provisions for commercial terms, including a guarantee fee of 0.5 percent above the federal rate. The Government of Canada will also work with the province to provide immediate relief for its escrow account obligations as well as an extension to the timeline for debt repayment.

The Government of Canada will continue to monitor the projects and work closely with the Government of Newfoundland and Labrador to protect the interests of Canadian taxpayers. In keeping with the Government of Canada's long-term plan for infrastructure – including the new commitments of \$81 billion announced in the Fall Economic Statement – and in the context of the Pan-Canadian Framework on Clean Growth and Climate Change, the Government continues to work with provinces and territories to bring more clean and reliable energy on a smarter, better connected electricity grid, creating jobs for middle-class Canadians and providing a healthier environment for future generations.

Quote

"The Lower Churchill projects will make a major contribution to meeting Atlantic Canada's future energy needs by providing a long-term, reliable and abundant source of clean energy. The Lower Churchill projects are helping the people of Newfoundland and Labrador and will contribute to the achievement of Canada's carbon emissions reduction targets."

Jim Carr

Canada's Minister of Natural Resources

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