

MINUTES

Muskrat Falls Project Oversight Committee

MEETING NO. 79 – September 16, 2020

Committee Members Present	Regrets
Mr. Gary Norris, Clerk of the Executive Council	
	Ms. Krista Quinlan, Deputy Clerk of the Executive Council
Mr. John Cowan, Assistant Secretary to Cabinet for Economic Policy	
	Mr. Craig Martin, Associate Deputy Minister, Industry, Energy and Technology
	Ms. Jennifer Mercer, Deputy Minister, Justice and Public Safety
	Ms. Denise Hanrahan, Deputy Minister, Finance
Mr. Ted Lomond, Deputy Minister, Industry, Energy and Technology	
Mr. Corey Snook, Director, Industry, Energy and Technology	
Mr. Cory Grandy, Deputy Minister, Transportation and Infrastructure	
Mr. Randy Pelletier, Solicitor, Justice and Public Safety	
Ms. Lynn Zurel, Independent	
Ms. Judy Morrow, Independent	
Mr. Paul Snelgrove, Independent	
Mr. Dave Billard, Independent	

Committee Support:

Mr. Paul Carter, Executive Director, (Chair)

Ms. Michelle Jewer, Assistant Deputy Minister, Finance, alternate for Denise Hanrahan

Time: 2:00 p.m.

Place: Meeting held via teleconference

1. Progress Update

Paul Carter welcomed and introduced Gary Norris, the newly appointed Clerk of the Executive Council to Committee members and Nalcor officials. The purpose of the meeting was to review Nalcor's revised project budget and schedule and receive project updates for the reporting period ending July 2020.

2. Nalcor Project Updates

Nalcor officials presented a revised project budget and schedule forecast and reporting period ending July Power Supply and Power Development project updates.

Nalcor Officials Present:

Mr. Jim Haynes, Executive Vice President, Power Supply
 Mr. Gerard Dunphy, Vice President and Project Director – Transmission
 Ms. Rosanne Williams, Strategy and 3rd Party Coordination Manager
 Mr. Paul Harrington, Project Director
 Mr. Stephen Pellerin, Special Projects & 3rd Party Coordination Manager
 Ms. Tanya Power, Project Controls Manager
 Mr. James Meaney, Vice-President, Finance, Power Supply

2.1 Revised Project Budget and Schedule Forecast

Project budget and schedule forecast and financing and other costs update including; discussion on summary of facilities capital cost requirements, key project schedule milestone forecast dates, risks not included in the revised facilities capital cost request, financing and other costs inputs, project in-service costs, and COVID-19 versus non COVID-19 costs. The revised project budget and schedule is pending the Lower Churchill Project Companies and Nalcor Board approval, following which time Nalcor's CEO will provide a public update.

2.2 Power Supply (Transmission)

Project update including; discussion on safety performance, Soldiers Pond and Muskrat Falls converter station valve hall flash over incidents which occurred during LITL commissioning, root cause investigation ongoing, residue observed on beams, schedule impact unknown at this time, bipole software development status including; Factory Acceptance Testing (FAT) for Version B software to commence on September 21, 2020, resumption of LITL commissioning is pending resolution of valve hall incident, following release of Version B focus will be on final bipole software, schedule for final bipole is expected in October 2020, synchronous condenser status including; updates on all three units, unit 2 hydrogen detection system modification ongoing with unit expected to start running in late September, unit 2 elliptical bearings have been installed and auxiliary systems have been connected, initial rotation of the unit was unsuccessful, seal and thrust clearances being investigated, commissioning on unit 2 expected to commence in mid-October, unit 1 bearing installation pending results of unit 3 restart, lateral vibration foundation remediation including 60 per cent design review expected in the near term, earliest construction start date for unit 1 foundation remediation is early November 2020, cost risks within and above the proposed project budget, and project issues and challenges.

2.3 Power Development (Generation)

Project update including; discussion on safety performance, turbine and generators update including; unit 1 inspections now complete following mechanical overspeed testing; intake concrete spalling remediation complete, commercial power expected in late October 2020, water up of unit 2 completed in late August, an oil leak occurred from its bearing which was isolated to the tailrace, cleanup is now complete, commercial power expected in December 2020, units 3 and 4 assembly ongoing and commercial power expected in May and September 2021 respectively, balance of plant update including; completing priority systems, clearing punch list items on unit 1, cost risks within and above the proposed project budget, Astaldi arbitration, and project issues and challenges.

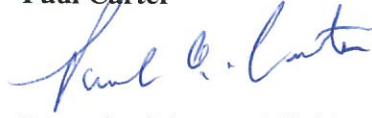
3. Committee Business

The Committee discussed Nalcor's revised project budget and schedule and project updates, project risks not included in the revised budget and schedule uncertainty, project Date Certain, project team size, Liberty's August 5, 2020 report, and arranging a future meeting with the Independent Engineer.

4. Adjournment

The meeting was adjourned at approximately 5:15 p.m.

Paul Carter



Executive Director, (Chair)

Muskrat Falls Project Oversight Committee

