

# **Mission, Goals and Role of the Coalition**

## **Mission of the Muskrat Falls Concerned Citizens' Coalition (The Coalition)**

The role of the Coalition is to support the objectives of the Inquiry as described in the Interpretation of the Terms of Reference issued by the Commissioner on March 14, 2018. <https://www.muskratfallsinquiry.ca/files/20180314-Interpretation-of-The-Terms-of-Reference-Final.docx.pdf>

The Inquiry is expected to find out the reasons why such a seriously flawed project received Sanction, examine if the damage can be minimized, identify how the benefits of the project can be maximized and make recommendations to government on how the public interest can be advanced by changes in public policy. The Coalition will assist the Inquiry find the truth around all facets of project sanction, implementation, cost overruns and other issues within the Commission's scope. The Coalition will use the expertise of the founding members and others who have knowledge of the Muskrat Falls project as well as experience in public service and public policy who have volunteered their time.

The Coalition has retained legal counsel who will be entitled to participate in the examination of evidence and research presented during the Inquiry.

## **Role of Coalition**

The Coalition should undertake the following roles:

1. If the Commission decides not to appoint a public interest advocate the Coalition will by default be left to play that role.
2. The Coalition will mobilize its members and other resources in the community to provide insights. To this end the Coalition will create technical committees dealing with matters such as a) energy policy and markets, b) safety, social and environmental impacts including the North Spur, c) public utility regulation and d) engineering design, e) project management and f) Coalition communications with the public.
3. Advise the Commission on how its deliberations can become fully transparent and how the public can become more fully engaged. Resist any inclination by the Commission to withhold information from the public and advocate that the Commission's default position should be one of absolute transparency from which any departure must be granted only after damage is demonstrated with specific evidence. The Commission should not be guided in its disclosure policies by any potential "commercial sensitivity" which is used by Nalcor when invoking the Energy Corporation Act to withhold information.
4. Identify witnesses within Nalcor could can provide information to the Commission.
5. Identify themes and projects for which the Commission should retain external experts and advise as to how such experts might be selected.
6. Encourage the Commission to give environmental, safety (including the North Spur) and social impact no less attention than economic and financial impact.
7. Report to the public on the progress of the Inquiry

## **How the Coalition perceives the goals of the Inquiry**

On February 9, 2018 the Coalition presented its interpretation of the terms of reference of the Muskrat Falls Inquiry, including 40 questions that need to be answered. One of the principal goals of the Coalition is to ensure that the Inquiry deals fully with these 40 questions relating to various aspects of the Muskrat Falls project. In addition there are certain other goals that are no less important which we believe should be adopted by the Commission-. These include the following:

1. Providing a full explanation of the financial arrangements underlying the project in simple language that is easily understood by the public. The financial models used by Nalcor should be tabled with the Inquiry, making them available for the first time for public examination, and should be subject to review by the Inquiry's technical experts and to cross examination during Inquiry hearings. Examinations and presentations by Inquiry experts should be designed to inform the public and to ensure that citizens can become informed of the key elements of the project, the assumptions made, the forecasts, risk assessments and options considered.
2. Providing the public through the Commission with an assessment of the many agreements, contracts and commitments conducted by Inquiry staff and advisors in a format which will allow citizens to be informed of the scope and magnitude of the commitments made and the penalties to the province for non-compliance.
3. Consider whether best practices were followed in the steps leading up to the sanctioning of Muskrat Falls and the extent to which departure from best practices in energy planning, public policy design, and regulatory oversight contributed to the present situation. To this end we recommend that the Commission engage technical experts on the following issues:
  - a. Public utility regulation, including integrated resource management, rate design, return on investment, load growth planning, and demand side management.
  - b. Environmental assessments, including management of contaminants and evaluation of risks associated with liquefaction of glacio-marine clays.
  - c. Energy marketing and transmission costs.
4. Consider the extent to which energy planning, public policy decision-making and regulatory oversight were manipulated or contrived to advance sanctioning of Muskrat Falls without due consideration of options.
5. Consider whether best practices were followed in project management, once the project was sanctioned, and the extent to which departure from best practices in project management contributed to the high risk position in which the province finds itself. To this end we recommend the Commission engage technical experts dealing with the following:
  - a. Engineering design
  - b. The North Spur
  - c. Project management
  - d. Project financing
  - e. Procurement
6. Consider the extent to which best practices in project management were subverted or manipulated in order to execute the project and to resist its reconsideration in light of changed circumstances.

7. Identify the decisions, both prior to sanctioning and during construction, which contributed to the high risk exposure facing the province and advise on the public policy decisions which can be taken to mitigate the risks, including, inter alia, decisions relating to rate design and options to recover costs which cannot be recovered through increased power rates.
8. In addition to completing its final report on or before December 31, 2019 the Commission should produce interim reports on a timely basis to allow project management changes and to advise on policy and regulatory decisions which need to be taken well in advance of full power.