

## BACKGROUNDER

### Highlights of Federal Loan Guarantee for the Maritime Link

The federal government has agreed to provide the loan guarantee based on three criteria: the project had to have national and regional significance, economic and financial merit and significantly reduce greenhouse gas emissions.

The \$1.3-billion loan guarantee for the Maritime Link will lower borrowing costs by more than \$100 million over the life of the project. The loan guarantee is for a 40-year term – the estimated five-year construction period plus the 35-year life of the power deal.

The debt/equity ratio for the financing – the amount of debt Emera can have related to the equity it brings to the project – is 70/30, unless the Nova Scotia Utility and Review Board sets it differently.

The loan guarantee is subject to a number of conditions, including:

- Sanctioning of all projects associated with the Lower Churchill Project, including the Maritime Link.
- Formal interprovincial agreement where Nova Scotia promises Ottawa that it won't take any actions to undermine the financial viability of a project that has been approved by the Utility and Review Board.
- Regulatory framework for the project put in place by the Province of Nova Scotia by legislation and/or regulations. (*Maritime Link Act and Regulations*)
- Completion of all required Aboriginal consultation responsibilities.
- Satisfaction of all environmental conditions attached to the project and the required approvals, permits, land use agreements and required authorizations be in place.
- Confirmation from an independent engineer that project execution plans are commercially reasonable, that due diligence has been done and all parties are in compliance.

A complete list of the terms and conditions can be at

<http://www.gov.ns.ca/energy/renewables/current-activity/lower-churchill-project.asp>

Emera will soon file the Maritime Link project with the Utility and Review Board for a full and transparent hearing, including alternatives. The Utility and Review Board will determine whether the project is the lowest-cost option for Nova Scotia ratepayers to meet federal coal and greenhouse gas emission requirements.

