

July 14, 2026

Hon. Tim Hodgson
Minister of Energy and Natural Resources
House of Commons
Ottawa, ON K1A 0A6

Minister Hodgson,

As Newfoundland and Labrador's (NL) industry association dedicated to advancing environmentally sustainable economic growth, econext welcomes the opportunity to comment on the 'Powering Canada Strong National Strategy for an Electrified Canadian Economy' released in May 2026.

With a network of 200 member businesses, research institutions, governments, and organizations, econext serves as a leading voice for the province's green economy. Our members are engaged across the economic spectrum in NL, including: mining, oil and gas, forestry, fisheries and aquaculture, renewable energy, cleantech, waste management, environmental services, and more.

We believe that NL can play a significant role in helping Canada meet the two core challenges identified in its strategy: (1) doubling of electricity supply by 2050 to meet growing demand; and (2) accelerating electrification across the economy to support competitiveness and address climate change.

As electrification is Canada's path to affordability, competitiveness, and sustainability, NL can be a vital contributor in powering Canada's way to a stronger, more resilient, and more independent country.

NL features:

- An electricity grid that is already 90%+ renewable
- The continent's most attractive undeveloped hydro resources in Gull Island (2.5 GW)
- Opportunities for upgrades at Churchill Falls facilities to add more than 1.5 GW of capacity to a resource that is already Canada's second-largest hydroelectric plant
- Sustained, strong onshore wind speeds (annual averages reported at 9.18 m/s) with significant Crown lands available for development
- The largest salt cavern formations in Eastern Canada with the potential for large-scale energy storage
- An abundance of critical minerals located within Labrador, including some of the highest-quality iron ore in the world.

Strategic investments are required in transmission infrastructure. Similar to Alberta's oil and gas resources needing pipelines to get to market, NL's vast clean energy resources require transmission corridors to electrify Canada.

econext is making five recommendations that represent major advancements aligned with the national electricity strategy, will help make Canada Strong, and will reinvent NL's economy.

Recommendations for Projects of National Interest:

1. Support the Expansion of the Churchill Falls Electricity System

The expansion of the Churchill Falls generation station and development of a new hydroelectric facility at Gull Island will increase Canada's generation capacity by approximately 3.9 GW. Momentum is building towards an agreement between NL and Quebec to jointly invest in these resources. Help from the federal government in brokering an agreement between the two provinces can result in a near-term win-win-win for all parties, serve as a model for future inter-provincial electricity cooperation in other regions, and kickstart the National Strategy for an Electrified Canadian Economy. This development will benefit NL, Quebec, and Canada at-large while enabling defence investment and operations in Canada's North.

2. Invest in Subsea Transmission Links from Newfoundland to Mainland Canada

With the best onshore wind resource in North America, and an abundance of Crown lands for development, the island of Newfoundland can make a significant contribution to the build-out of Canada's electricity system. However, the development of these resources is constrained by the lack of transmission infrastructure that can bring the energy to parts of Canada that need it. Subsea transmission links are the norm in Europe, and Canada has proven the concept with the recent construction of the Maritime Link – featuring the longest subsea electricity cables in North America. The further development of a transmission corridor can also enhance regional integration throughout Atlantic Canada and enable offshore wind development in NL and NS, but federal government partnership will be required for its advancement.

3. Invest in Transmission Infrastructure to Unlock Labrador's Critical Minerals Potential

Western Labrador features significant critical minerals development potential, and existing mining operations have the potential for growth. The primary constraint for the advancement of these projects is access to electricity. A 210km, 735 kV transmission line from Churchill Falls has been identified as the preferred solution. The expansion of the Churchill Falls electricity system (see recommendation #1) is required as there is minimal surplus capacity at present. A new transmission line has the potential to advance Canada's critical minerals strategy and significantly decarbonize existing mining operations.

4. Invest in Regional Energy Storage Capacity

NL is home to rare geological formations with potential to support large-scale underground salt cavern storage. Salt caverns are used worldwide for energy storage, including electricity, oil and gas, or alternative fuels such as hydrogen. Salt domes in NL can greatly enhance energy security for Canada as is the approach in other nations. While Canada is an energy exporter at-large, our country still relies on energy imports and is greatly impacted by geopolitical events. Large-scale energy storage can temper the effects of such events and protect national interests. Paired with new transmission infrastructure between Newfoundland and mainland Canada, energy storage can significantly enhance grid stability and efficiency – enabling the production of more intermittent sources of clean energy and economic development in Eastern Canada (i.e., mining).

econext believes that the four projects outlined above are in Canada's national interest and should be treated as such by the federal government, including fast-tracked permitting, federal coordination support, priority access to financing programs, and dedicated support from the Major Projects Office. These projects represent NL's greatest future contributions to Canada's electricity strategy and are directly related to its critical minerals, energy security, and defence objectives.

From ITCs, to the CIB, to the Canada Strong Fund, NL needs assistance from the federal government and its Major Projects Office to understand and navigate options to finance the build. In each case, there are business models where the private sector (including investor-owned utilities) can lead in development so that utilities and their ratepayers are not burdened by development costs. Models that attract and deploy private investment should be prioritized.

In addition to the major projects outlined above, there are targeted interventions which can improve regulatory processes and modernize the system. Both are necessary to achieve the greater objectives of the national strategy.

5. Invest in Electricity Grid Innovation

NL's electricity regulatory ecosystem – like many others in Canada – is framed within the context of ensuring investments are the 'least cost' choices for ratepayers. At a time when affordability is a primary concern, this priority is important, yet this approach also plays a role in constraining economic development. When electricity investments are tied to demand increases only where they are certain, there is a disincentive to ensure supply is available for investment attraction, industrial growth, and/or electrification. Utilities are not currently empowered to build electricity systems that meet possible future demands. NL needs federal leadership to assist with:

- (a) Regulatory reform, such as *Bill 40* in Ontario, which ensures economic development is a priority in the planning and implementation of the provincial electricity grid;
- (b) Investing in programs that support the modernization of electricity infrastructure. This is important in NL which has a large geography, but a small population, where expenditures can have a large impact on the rate base;
- (c) Providing utilities, regulators, and governments the tools that they need to invest in, and enable, innovation within the electricity sector (i.e., a regulatory sandbox)
- (d) Supporting the implementation of smart metres within the province. This technology is key to enabling energy efficiency and more sophisticated demand management, yet it does not meet the least-cost mandates of utilities or the regulator in the province; and
- (e) Ensuring that revisions to the Clean Electricity Regulations (CER) use existing emissions reduction funds (authorized under the Clean Fuel Regulations) to allow for more flexible compliance through existing frameworks.

We appreciate the opportunity to provide feedback on Canada's electricity strategy. The focus must be on advancing specific projects that will contribute to supply and electrification objectives in the near term – and avoid becoming engrossed in long-term regional planning structures which may or may not have impact. These projects should advance through meaningful Indigenous partnership and participation opportunities, creating long-term economic benefits for Indigenous communities in NL.

We welcome the Government of Canada's continued recognition of clean energy as a driver of economic growth and climate policy as Canada works towards greater energy security and achieving net zero by 2050. We believe that NL can be a major contributor to these national objectives.

Thank you,



Laura Barron
CEO

Cc: *Prime Minister Mark Carney*
Hon. Joanne Thompson

Premier Tony Wakeham
Hon. Lloyd Parrot