A Comparative Analysis:

My Action Plan / MOU Assessment

vs

The IRC Report

Comparative Overview

The most striking conclusion from comparing Dr. Doug May's work with the Independent Review Committee (IRC) report is not how different they are — but how much overlap exists in the core structural concerns identified.

Although the tone, framing, and emphasis differ, both analyses converge on several major themes:

• the importance of long-term strategic planning;
• concern about fixed or constrained pricing structures;
• concern over Newfoundland and Labrador assuming disproportionate risk;
• the importance of economic development versus simply exporting electricity;
• the need for better alternatives analysis;
• concern regarding constrained access to Churchill River power after 2041;
• and the need for improved governance and negotiation strategy.

At the same time, there are important differences in philosophy, emphasis, and conclusions regarding:

• whether the MOU is fundamentally flawed or potentially salvageable;
• how "fair value" should be measured;
• the role of market pricing;
• the desirability of long-term contracts;
• the role of Hydro-Québec in future development;
• and the extent to which the MOU should proceed at all.

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1. Core Philosophical Alignment

Shared Broad Objective

Both Doug May and the IRC frame Churchill River development as:

• a multi-generational public policy issue;
• not merely a commercial utility transaction;
• involving long-term provincial well-being;
• requiring strategic planning beyond immediate revenues.

Doug explicitly frames the issue through a "well-being" and public-value lens influenced by Mark Carney's *Value(s)*.

The IRC similarly frames the issue as:

• creating "long-term value" for the people of Newfoundland and Labrador;
• balancing financial and economic value;
• and determining whether the MOU is in the "public interest."

This is a major conceptual overlap.

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2. Areas of Strong Overlap

A. Need for a Long-Term Provincial Strategy

Doug May Position

Doug argues that Newfoundland and Labrador should first establish:

• a proactive Action Plan;
• clear provincial objectives;
• principles for pricing water value;
• risk allocation rules;
• and development priorities

before entering binding agreements.

He repeatedly criticizes reactive negotiation.

IRC Position

The IRC independently reaches a remarkably similar conclusion.

Recommendation #1 states that Government should determine the balance between:

• financial value (export revenues); and
• economic value (industrial development).

Recommendation #5 states that Government should prepare a fully articulated negotiation strategy and governance process before future negotiations.

Comparison

This is one of the strongest overlaps.

Doug's "Action Plan-2041" concept and the IRC's call for:

• long-run planning;
• negotiation strategy;
• and balancing competing objectives

are highly aligned.

B. Concern About Long-Term Contract Duration

Doug May Position

Doug criticizes locking Newfoundland and Labrador into long-term pricing arrangements extending to 2075.

He argues that:

• future electricity markets are highly uncertain;
• electrification and AI may dramatically increase prices;
• and fixed structures risk large opportunity costs.

IRC Position

The IRC similarly questions the 51-year term:

• noting electricity-sector PPAs are often shorter;
• and arguing forecasting conditions over 50 years is extremely uncertain.

Comparison

Both believe:

• the agreement extends too far into an uncertain future;
• and risks limiting future flexibility.

C. Concern About Limited Access to Churchill Power After 2041

Doug May Position

Doug repeatedly argues that Newfoundland and Labrador must retain access to sufficient Churchill power to support:

• industrial development;
• economic diversification;
• and long-term provincial transformation.

IRC Position

The IRC independently concludes that:

• NLH's limited post-2041 power allocation could significantly constrain industrial growth;
• especially mining and energy-intensive industries.

The IRC even quantifies lost GDP opportunity.

Comparison

This is another major convergence.

Doug framed this earlier in conceptual terms.
The IRC formalizes it through economic modeling.

D. BATNA / Alternatives Analysis

Doug May Position

Doug strongly argues the MOU cannot properly be evaluated unless compared against credible alternatives (BATNA).

IRC Position

The IRC effectively performs a similar analysis indirectly by:

• comparing financial vs economic outcomes;
• discussing alternative ownership models for Gull Island;
• questioning transmission access arrangements;
• and evaluating opportunity costs.

Comparison

Doug makes BATNA an explicit framework.

The IRC does not use the term extensively but reaches parallel conclusions.

E. Concern About Hydro-Québec Pricing Structure

Doug May Position

Doug argues Hydro-Québec:

• does not operate a true wholesale market;
• uses internal regulated transfer pricing;
• seeks low-cost electricity for Quebec;
• and therefore is not an objective market benchmark.

IRC Position

The IRC similarly criticizes the proposed pricing model for being heavily tied to:

• Hydro-Québec regulated rates;
• and Hydro-Québec replacement costs,

rather than broader market prices.

Comparison

Strong overlap again.

Doug framed this as a structural pricing asymmetry.
The IRC validates many of the same concerns in more technical language.

F. Concern About Risk Allocation

Doug May Position

Doug argues Newfoundland and Labrador assumes:

• debt risk;
• pricing risk;
• long-term opportunity cost risk;

while Hydro-Québec retains major structural advantages.

IRC Position

The IRC similarly criticizes:

• misaligned financing structures;
• deferred payment schedules;
• transmission restrictions;
• downward allocation risks;
• and governance asymmetries.

Comparison

Again, substantial overlap.

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3. Major Differences

A. Doug Is More Skeptical of the MOU Overall

Doug's Position

Doug's assessment is substantially more critical and cautionary.

He repeatedly implies:

• the MOU may fundamentally entrench historical structural disadvantages;
• and may not represent Newfoundland and Labrador's best long-term option.

IRC Position

The IRC takes a more balanced institutional approach:

• acknowledging significant benefits;
• while concluding the MOU "in its current form" is not in the public interest.

The IRC leaves open the possibility of a revised agreement.

Difference

Doug's analysis trends toward:

• structural skepticism;
• rethinking the framework itself.

The IRC trends toward:

• revising and renegotiating.

B. Doug Places Much Greater Emphasis on Market-Based Water Value

Doug's Position

Doug advocates:

• market-referenced water rents;
• seasonal pricing;
• scarcity pricing;
• transparent external benchmarks;
• and competitive-market references.

His framework is explicitly economic and rent-based.

IRC Position

The IRC critiques the current pricing model but does not go nearly as far toward:

• explicit market-based water rent pricing;
• or dynamic scarcity pricing.

Difference

Doug advances a more developed alternative pricing philosophy.

C. Doug Places Greater Emphasis on Water Ownership and Resource Rents

Doug consistently reframes the issue as:

• valuation of water;
• public ownership of natural resources;
• and capture of Ricardian rents.

The IRC discusses pricing and value but less explicitly through:

• resource economics;
• or water-rent theory.

D. IRC More Explicitly Supports Some Development Projects

The IRC:

• supports transmission expansion;
• sees substantial near-term economic benefit;
• and accepts that revised agreements may still be beneficial.

Doug is more cautious regarding:

• debt-financed expansion;
• long-term export lock-in;
• and infrastructure sequencing.

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4. Perhaps the Most Important Observation

One of the most significant findings from this comparison is:

Many issues Doug raised independently were later validated — at least partially — by the IRC.

Examples include:

• constrained post-2041 power access;
• excessive contract duration;
• pricing concerns;
• need for alternatives analysis;
• need for provincial strategy;
• governance concerns;
• economic-development trade-offs;
• and risk allocation concerns.

This does not mean the IRC fully agrees with Doug's conclusions.

But it does indicate:

• many of the structural concerns raised in the Action Plan were not fringe concerns;
• they became central themes in the official review itself.

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5. High-Level Comparative Summary Table

Theme	Doug May Action Plan / Assessment	IRC Report
Long-term provincial strategy	Central emphasis	Strongly supported
BATNA / alternatives	Explicit framework	Implicitly supported
Public well-being focus	Central	Present but less explicit
Concern about 51-year term	Strong	Strong
Concern about constrained NL access post-2041	Strong	Strong
Concern about HQ pricing structure	Strong	Strong
Dynamic market pricing	Strong advocacy	Limited support
Water-rent/resource-rent theory	Central	Secondary
Concern about debt/risk allocation	Strong	Strong
Need for transmission strategy	Present	Strong
MOU salvageable?	More skeptical	Potentially yes, if revised
Emphasis on industrial development	Strong	Strong
Governance reform	Important	Important

Concluding Assessment

At a strategic level, the IRC report can almost be read as partial institutional validation of many of the concerns and themes developed earlier in Doug's work.

The largest difference is probably not diagnosis — but remedy.

Doug's work leans toward:

• rethinking the overall framework around water value, market access, and provincial strategy.

The IRC leans toward:

• revising and improving the negotiated structure while preserving the possibility of a future agreement with Hydro-Québec.

Both, however, appear to agree on a fundamental point:

The Churchill River should not simply be treated as a narrow electricity sales arrangement. It should be viewed as a strategic, multi-generational provincial development issue requiring deliberate long-term planning and careful balancing of financial and economic objectives.