

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 26(2026)

**IN THE MATTER OF the Electrical Power
Control Act, 1994**, SNL 1994, Chapter E-5.1
(the “**EPCA**”) and the **Public Utilities Act**,
RSNL 1990, Chapter P-47 (the “**Act**”), as
amended, and regulations thereunder; and

IN THE MATTER OF an application filed by
Newfoundland and Labrador Hydro for approval
of capital expenditures for additional early
execution work related to the construction
of the Avalon Combustion Turbine,
pursuant to section 41 of the **Act**.

WHEREAS Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
under the **Hydro Corporation Act, 2024**, is a public utility within the meaning of the **Act**, and is
also subject to the provisions of the **EPCA**; and

WHEREAS on March 21, 2025 Hydro applied to the Board for approval of capital expenditures in
the amount of \$891 million to purchase and install the Avalon Combustion Turbine and \$1.08
billion to build Bay d’Espoir Unit 8; and

WHEREAS on April 16, 2026 Hydro revised its requested capital expenditures for the Avalon
Combustion Turbine to \$995.9 million; and

WHEREAS on June 19, 2026 Hydro filed an application for approval of capital expenditures for
additional early execution work in the amount of \$35,407,000 for the Avalon Combustion Turbine
(“Application”); and

WHEREAS the Board has approved a total budget of approximately \$60 million in early execution
expenditures for the Avalon Combustion Turbine project to date;¹ and

¹ The Board approved capital expenditures for early execution work for the Avalon Combustion Turbine in the amount
of \$30.7 million in Order No. P.U. 17(2025) and \$29.3 million in Order No. P.U. 7(2026).

WHEREAS the Application stated that the approved early execution expenditures for the Avalon Combustion Turbine will be depleted before the Avalon Combustion Turbine application process is concluded; and

WHEREAS approval of the proposed additional early execution expenditures for the Avalon Combustion Turbine will allow Hydro to maintain its critical path to completion of the project and to continue with established milestone payments; and

WHEREAS the Application stated that Hydro is not requesting recovery from customers of any expenditures related to the proposed early execution work prior to the conclusion of the overall Avalon Combustion Turbine project process; and

WHEREAS the Application was copied to Newfoundland Power Inc. ("Newfoundland Power"), the Consumer Advocate, Ms. Adrienne Ding ("Consumer Advocate") and the Island Industrial Customer Group;² and

WHEREAS Newfoundland Power and the Consumer Advocate advised on July 21, 2026 and July 22, 2026 respectively, that they did not object to the approval of the Application; and

WHEREAS on July 23, 2026 Hydro noted that no party objected to the Application and requested that the proposed additional early execution expenditures be approved as submitted; and

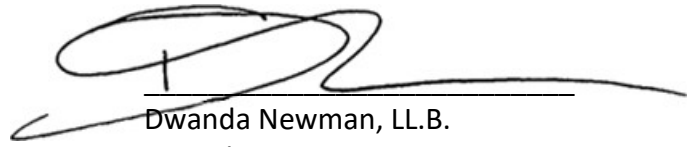
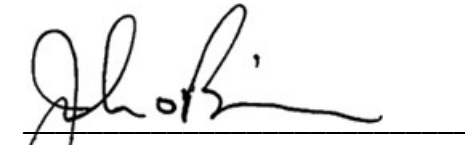
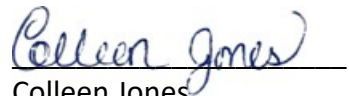
WHEREAS the Board is satisfied that the Application should be approved on the basis that the proposed additional early execution expenditures are reasonable and necessary in the circumstances and will not be recovered from customers if the Avalon Combustion Turbine project is not approved.

IT IS THEREFORE ORDERED THAT:

1. Capital expenditures, in the amount of \$35,407,000, for the proposed additional early execution work for the Avalon Combustion Turbine are approved.
2. Hydro shall pay the expenses of the Board arising from this application.

² The members of the Island Industrial Customer Group are Corner Brook Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) LP, and Vale Newfoundland and Labrador Limited.

DATED at St. John's, Newfoundland and Labrador this 27th day of July, 2026.


Dwanda Newman, LL.B.
Vice-Chair
John O'Brien, FCPA, FCA, CISA
Commissioner
Colleen Jones
Assistant Board Secretary