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July 19, 2018

The Board of Commissioners of Public Utilities
Ms. G. Cheryl Blundon, Board Secretary
Prince Charles Building
210 - 120 Torbay Road,
St. John's, NL, A1A 2G8

Re: NL Hydro Applications – further evidence from Labrador Interconnected Group (“LIG”)

Dear Ms Blundon,

On June 28, 2018, we wrote on behalf of the LIG to inquire as to the possibility of filing expert evidence in the current General Rate Application (“GRA”) in which Newfoundland and Labrador Hydro (“NLH” or “Hydro”) is an Applicant before the Board. The LIG consists of the communities of Sheshatshiu, Happy Valley-Goose Bay, Wabush, and Labrador City.

As the Board and the parties are well aware, data centres and cryptocurrency mining has had significant effects on service to the communities in the Labrador Interconnected System. Demand from cryptocurrency customers, at currently projected rates of demand, may necessitate upgrades to transmission and generation infrastructure in the Province’s electrical system. The cryptocurrency mining industry is a global one and the rates charged to cryptocurrency miners in other jurisdictions, as well as the regulatory environment in other jurisdictions, will affect the attractiveness of the Labrador market for these customers, and are relevant to potential solutions in this jurisdiction.

The LIG had originally filed expert evidence on December 4, 2017. Since then, there have been major developments related to cryptocurrency miners. The LIG proposed to file additional expert evidence, which would have dealt with topics including:

- strategies used and considered in other jurisdictions for dealing with cryptocurrency miners
- implications of these strategies for the Newfoundland and Labrador system

It is the LIG’s understanding that the Board prefers that such evidence be filed in other relevant proceedings, rather than in the GRA. The LIG would therefore be pleased to file further expert evidence in the following proceedings:

1. In Hydro’s Application for Temporary Load Restriction, the LIG proposes to file a report regarding restrictions on cryptocurrency miners that have been applied and considered in other jurisdictions. The LIG can be ready to file this evidence as soon as July 24.

2. In Hydro's 2018 Capital Budget Application, the LIG understands that *per* the terms of PU(9) 2018 that Hydro must file a network addition policy. Hydro, in correspondence dated April 30, 2018, has committed to filing this policy by October 1, 2018. The LIG proposes to file further expert evidence subsequent to Hydro's filing to address whether any additional measures are required to arrive at a comprehensive strategy for dealing with cryptocurrency miners.

The LIG would be pleased to respond to any reasonable requests for information arising out of both pieces of additional evidence.

The LIG would also request that the schedule for these proceedings to be set to permit Hydro and the parties' experts to discuss proposals to be put into evidence so that the parties can explore whether it is possible to arrive at mutually agreeable solutions.

Should you have any questions, please be sure to contact me.

Respectfully,
Olthuis, Kleer, Townshend LLP
PER:



SENWUNG LUK
PARTNER

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