

1 **Q. With reference to Lines 1 through 6 on page 13 of Mr. Brockman's Pre-Filed**  
2 **Evidence (August 5, 2019), what approach, if any, does Mr. Brockman suggest for**  
3 **addressing the issues related to cost uncertainty for the costing of peaker units as**  
4 **discussed at lines 16 on page 34 through line 2 on page 35 of the Brattle Group**  
5 **report?**  
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7 A. In order to resolve any cost uncertainty, it is Mr. Brockman's view that Hydro should  
8 provide a detailed justification of the equivalent peaker cost estimates upon which the  
9 split between demand and energy in the classification of the Muskrat Falls Project is to be  
10 based.  
11

12 Mr. Brockman would recommend that the Board ask Hydro to provide information  
13 comparing its estimates of equivalent peaker costs to commonly-used planning estimates  
14 from industry sources, such as the EPRI Technical Assessment Guide (TAG) and the  
15 Energy Information Administration assumptions used in the Annual Energy Outlooks in  
16 the US. Such comparisons should reconcile the published industry estimates to the size  
17 and location of the proposed equivalent peaker. In addition, comparisons of the proposed  
18 equivalent peaker to recently-constructed units of similar size, preferably in Canada and  
19 adjusted for location characteristics, may be included.  
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21 If available, vendor fixed-price quotes for similar units may also be considered for cost  
22 comparison purposes.