Q. **Reference: Response to Request for Information PUB-NLH-001, Attachment 1, Page 9 of 10, Lines 9 - 14**

On Page 9 of 10 at Lines 9 - 14, Hydro states:

> The Labrador Interconnection Option Study demonstrates that connecting isolated systems in groups allows development of larger scale wind turbines and battery energy storage systems that have a lower levelized cost of energy. These studies show that the single, larger regional diesel generation source supplying the four southern Labrador communities would be a more favorable and cost-effective configuration for maximizing renewable energy potential in the region.

Is the single, larger regional diesel generation source supplying the four southern Labrador communities the basis for a more favorable and cost-effective configuration for maximizing renewable energy potential in the region, or is it the interconnection of the four southern Labrador communities that maximizes the renewable energy potential?

A. Interconnection of the four southern Labrador communities would allow development of larger-scale wind turbines and battery energy storage systems that potentially have a lower levelized cost of energy and allows access to a larger geographic area that could potentially provide a better topography for renewable energy installations. In comparison to the alternatives involving continued use of community-based diesel generation sources with no interconnection between existing systems, the larger regional diesel generation source with optimized unit sizes will reduce the impact that minimum diesel engine loading constraints have on the amount of potential renewable energy penetration.