Q. Please provide a listing of all meetings held with stakeholders since April 7, 2022, including attendees present, dates, and associated meeting minutes as well as all correspondence with stakeholders including the provincial and federal governments.

A. Please refer to PUB-NLH-052, Attachment 1 and associated appendices for a record of discussions with respect with the application for long-term supply for southern Labrador. Please note that Newfoundland and Labrador Hydro ("Hydro") did not take formal meeting minutes; however, Hydro's follow-up correspondence to the parties reflect relevant discussions and action items that arose where appropriate.

Correspondence Type	Stakeholder	Date	Details	Attendees	Appendix or Attachment Link
Email	Yvonne Jones, MP for Labrador; Hon. Lisa Dempster, Minister, Labrador Affairs, Minister, Indigenous Affairs and Reconciliation; Department of Industry, Energy and Technology ("IET"), Gov of NL; Mayors, Town Councilors and Staff for each of the southern Labrador Towns	April 8, 2022	Newfoundland and Labrador Hydro ("Hydro") notified the towns of Charlottetown and Port Hope Simpson, as well as MP for Labrador, Yvonne Jones, MHA Lisa Dempster and IET, that it had received correspondence from the Board on April 7, 2022 requesting additional analysis be undertaken with engagement from external consultants.		Appendix A: Copies of April 8, 2022 Correspondence Link to attachment: http://www.pub.nl.ca/applications/NLH2021Capital/NLH2021Capital_SUPP_Phase1SouthernLabrador/correspondence/To%20NLH%20-%20Further%20Information%20Required%20Before%20Schedule%20is%20Resumed%20-%202022-04-07.PDF
Meeting	Board of Commissioners of Public Utilities ("Board")	June 22, 2022	Hydro meeting with Board staff to review the scope of work Hydro proposed would form the basis of a request for proposals to identify and retain a consultant to carry out the independent analysis requested by the Board.	Shirley Walsh, Sr. Legal Counsel-Regulatory, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro Matthew Carter, Sr. Manager Transmission Planning, Hydro Scott Henderson, Sr. Supervisor Transmission and Resource Planning, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro Gail Randell, Director Engineering, Hydro Rob Collett, VP Engineering & NLSO, Hydro Jacqui Glynn (Board) Mike Janes (Board) Sam Banfield (Board)	
Email	Mayors, Town Councilors and Staff for the Town of Charlottetown	July 2, 2022	Hydro provided the Town of Charlottetown with a status update for Charlottetown supply following the fire at the station that morning.		Appendix B: Copy of July 2, 2022 Correspondence
Email	Mayors, Town Councilors and Staff for the Town of Charlottetown	July 5, 2022	Hydro provided the Town of Charlottetown with a status update for Charlottetown supply. Attached to the email was the latest correspondence from Hydro to the Board regarding long-term supply for southern Labrador.		Appendix C: Copy of July 5, 2022 Correspondence Link to attachment: http://www.pub.nl.ca/applications/NLH2021Capital/NLH2021Capital_SUPP_Phase1SouthernLabrador/correspondence/From%20NLH%20-%20Response%20to%20Board%20Correspondence%20dated%20May%2016%20and%20May%2019,%202022%20-%202022-06-21.PDF
Email	Mayors, Town Councilors and Staff for the Town of Charlottetown	July 7, 2022	Hydro extended an offer to meet with Hydro's CEO Jennifer Williams following the recent fire.		Appendix D: Copy of July 7, 2022 Correspondence
Email	Mayors, Town Councilors and Staff for the Town of Charlottetown	July 8, 2022	Hydro received a response from the town of Charlottetown and proposed a meeting with the CEO on July 15, 2022.		Appendix E: Copy of July 8, 2022 Correspondence
Meeting	Mayors, Town Councilors and Staff for the Town of Charlottetown	July 15, 2022	Hydro met with the Mayor, Town Councilors and Staff for the town of Charlottetown to discuss status relating to the recent fire, the current status for Charlottetown supply and Hydro's current efforts to investigate the possibility of purchasing additional mobile generation.	Mayor Rick Oram, Town of Charlottetown Charlottetown Town Council Jennifer Wiliams, President and CEO, Hydro Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro	
Email	Hon. Lisa Dempster, Minister, Labrador Affairs, Minister, Indigenous Affairs and Reconciliation; Department of IET, Gov of NL	February 1, 2023	Email to Minister Dempster, Deputy Minister, IET, John Cowan, Assistant Deputy Minister, IET, Craig Martin and the Director of Communications, IET, Tansy Mundoon advising that fire occurred in one of the mobile diesel generators supplying Charlottetown and Pinsent's Arm on the night of January 31st and town was currently supplied with backup portable generator.		Appendix F: Copy of February 1, 2023 Correspondence
Letter	Combined councils of Charlottetown and Pinsent's Arm	February 1, 2023	Hydro received letters from the combined councils of Charlottetown and Pinsent's Arm regarding the delayed response on a power plant development for Charlottetown and Pinsent's Arm.		Appendix G: Copies of February 1, 2023 Correspondence
Email	Hon. Lisa Dempster, Minister, Labrador Affairs, Minister, Indigenous Affairs and Reconciliation	February 1, 2023	Hydro provided an update regarding a requested meeting with the Charlottetown Town Council and having a Hydro representative in-person for the meeting.		Appendix H: Copy of February 1, 2023 Correspondence
Meeting	Charlottetown Town Council	February 2, 2023	A Management group with Hydro met with the Town Council of Charlottetown to discuss the current electrical generation arrangement and the latest fire that impacted the town early yesterday morning. Many items were covered and a new course was set on maintaining electrical reliability with the mobile generation until the new Regional Plant is in operation.	Stewart McNab, Town Clerk, Town of Charlottetown Town Councilors, Town of Charlottetown Damian Ryan, LTAP & Equipment Engineer, Hydro Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro Kevin Fagan, VP Regulatory & Stakeholder Relations Mandy Norris, Sr. Communications Advisor, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro Rob Collett, VP Engineering & NLSO, Hydro Rick Kennedy, Sr. Manager, Rural Operations Labrador, Hydro Scott Crosbie, VP Operations, Hydro	
Email	Hon. Lisa Dempster, Minister, Labrador Affairs, Minister, Indigenous Affairs and Reconciliation	February 2, 2023	Hydro emailed the Minister to provide details on the meeting with the Town Council of Charlottetown that morning.		Appendix I: Copy of February 2, 2023 Correspondence
Phone Call	Charlottetown Town Manager	February 10, 2023	Hydro's Sr. Manager of Rural Operations Labrador had a phone call with Charlottetown Town Manager, Stewart McNab to provide an update on the status of the current electricity supply at the mobile diesel generating station in Charlottetown.		
Phone Call	Charlottetown Town Manager	March 7, 2023	Hydro's Director of Public Affairs and Stakeholder Relations held discussions with the Town Clerk to determine if there were specific questions/concerns the town would like addressed in the upcoming meeting with Hydro on March 9, 2023.		

Correspondence Type	Stakeholder	Date	Details	Attendees	Appendix or Attachment Link
Meeting	Charlottetown Town Council	March 9, 2023	Meeting with Charlottetown Town Office to discuss current electricity supply in Charlottetown and the status of Hydro's long-term supply plan for southern Labrador.	Charlottetown Town Council Charlottetown Town Maintenance Charlottetown VFD Council for the Local Service District of Pinsent's Arm Jennifer Williams, CEO, Hydro Rob Collett, VP Engineering & NLSO, Hydro Rick Kennedy, Sr. Manager, Rural Operations Labrador, Hydro Scott Crosbie, VP Operations, Hydro Mark Howell, Engineering Project Manager, Hydro Damian Ryan, LTAP & Equipment Engineer, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro Krista Fowler, Project Lead, Stakeholder Relations, Hydro Sara Sullivan, Communications Advisor, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro	
Letter	Towns of Charlottetown and Pinsent's Arm	March 17, 2023	Hydro issued a letter to the towns of Charlottetown and Pinsent's Arm outlining Hydro's commitments to the needs of residents of those towns for the safety of their community and a safe and reliable electricity supply in the near and long term and providing an update on the current electricity supply in Charlottetown and Hydro's long-term electricity supply plan for the southern Labrador region. The letter was a follow-up to the issues and concerns discussed during the meeting on March 9, 2023. Hydro also provided a handout to the town council that it could use to outline Hydro's commitments to the town of Charlottetown to residents during their upcoming town hall meeting.		Appendix J: Copy of March 17, 2023 Correspondence Copy of Handout Info Sheet
Email	Mayors, Town Councilors and Staff for each of the southern Labrador Towns	March 29, 2023	Hydro sent an email to the mayors, town councilors and staff for each of the southern Labrador towns notifying the towns that Hydro had received Midgard Consulting Inc.'s ("Midgard") report, that a copy of the report and a summary letter would follow shortly, and requesting to set up a time to meet with the town to offer an update on the report's findings and the next steps in the regulatory review process.		Appendix K: Copies of March 29, 2023 Correspondence
Email	Hon. Lisa Dempster, Minister, Labrador Affairs, Minister, Indigenous Affairs and Reconciliation	March 29, 2023	Hydro sent an email to the Minister advising that Hydro had received Midgard's report and that Hydro had reached out to the town of Charlottetown as well as the other towns in southern Labrador requesting to set up a time to meet with the towns to offer an update on the report's findings and the next steps in the regulatory review process.		Appendix L: Copy of March 29, 2023 Correspondence
Email	Department of IET, Gov of NL	March 29, 2023	Hydro sent an email to the Deputy Minister, IET, John Cowan, Assistant Deputy Minister, IET, Craig Martin and the Director of Communications, IET, Tansy Mundoon advising that Hydro had received Midgard's report and that Hydro had reached out to the town of Charlottetown as well as the other towns in southern Labrador requesting to set up a time to meet with the towns to offer an update on the report's findings and the next steps in the regulatory review process.		Appendix M: Copy of March 29, 2023 Correspondence Copy of Attachment Supply Summary
Meeting	Charlottetown Town Council	March 31, 2023	Hydro met with representatives from the town of Charlottetown to provide an overview of the outcome of the analysis by Midgard of Hydro's long-term supply plan for southern Labrador.	Charlottetown Town Council Charlottetown VFD Rob Collett, VP Engineering & NLSO, Hydro Rick Kennedy, Sr. Manager, Rural Operations Labrador, Hydro Mark Howell, Engineering Project Manager, Hydro Damian Ryan, LTAP & Equipment Engineer, Hydro Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro Krista Fowler, Project Lead, Stakeholder Relations, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro	
Email	Mayors, Town Councilors and Staff for each of the southern Labrador Towns	March 31, 2023	Hydro provided a copy of the Midgard report to the southern Labrador towns.		Appendix N: Copies of March 31, 2023 Correspondence Link to Attachment: http://www.pub.nl.ca/applications/NLH2021Capital/NLH2021Capital_SUPP_Phase1SouthernLabrador/reports/From%20NLH%20-%20Midgard%20Consulting%20Inc.%20Report%20-%202023-03-31.PDF
Meeting	NunatuKavut Community Council ("NCC")	April 3, 2023	Hydro met with representatives from the NCC to provide an overview of the outcome of the analysis by Midgard of Hydro's long-term supply plan for southern Labrador.	Jennifer Williams, President & CEO, Hydro Rob Collett, VP Engineering & NLSO, Hydro Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Andy Turnbull, Nunacor Todd Russell, President, NCC Jason Cooke, K.C., Burchell, Wickwire, Bryson, LLP, Legal Counsel for NCC Ashley Gonsalves, Burchell, Wickwire, Bryson, LLP, Legal Counsel for NCC	
Email	NunatuKavut Community Council ("NCC")	April 3, 2023	Hydro provided a copy of the Midgard report to the NCC and their Legal Counsel, Jason Cooke as well as a copy of Hydro's power point presentation summarizing Midgard's findings.		Appendix O: Copy of April 3, 2023 Correspondence Copy of Attachment Southern Labrador Intergrated Resource Plan
Email	Department of IET, Government of NL	April 5, 2023	Hydro emailed the IET to advise that it had received correspondence from the Board on April 5, 2023 indicating that it would set a review schedule as soon as Hydro files its update to the Long-Term Supply for Southern Labrador application.		Appendix P: Copy of April 5, 2023 Correspondence Link to Attachment: http://www.pub.nl.ca/applications/NLH2021Capital/NLH2021Capital_SUPP_Phase1SouthernLabrador/correspondence/To%20NLH%20-%20Schedule%20-%202023-04-05.PDF
Meeting	Department of Labrador Affairs and Department of Indigenous Affairs and Reconciliation, Government of NL.	April 17, 2023	The purpose of the meeting was to provide a status update on the situation in southern Labrador for the Minister. An update on the regulatory process and the findings and recommendations of the Midgard report was provided. Hydro also provided an update on all measures that were being undertaken to ensure safe and reliable supply to the towns of Charlottetown and Pinsent's Arm until a new source of supply is constructed. It was agreed that personnel from Hydro and Minister Dempster would schedule an in-person meeting with town officials in the coming weeks.	Hon. Lisa Dempster, Minister, Labrador Affairs, Minister, Indigenous Affairs and Reconciliation Tracy King, Deputy Minister, Labrador Affairs and Deputy Minister, Indigenous Affairs and Reconciliation Nicole Kieley, Executive Assistant to Minister Dempster Jennifer Williams, President and CEO, Hydro Walter Parsons, VP LIL and Business Development, Hydro Rob Collett, VP Engineering and NLSO, Hydro	

Correspondence Type	Stakeholder	Date	Details	Attendees	Appendix or Attachment Link
Email	NCC	April 19, 2023	Hydro emailed the NCC and their Legal Counsel, Jason Cooke requesting to schedule a meeting the NCC at their earliest convenience to discuss their views on that report, as well as to discuss the next steps in the process to provide reliable service to Southern Labrador.		Appendix Q: Copy of April 19, 2023 Correspondence
Letter	NCC	April 28, 2023	Hydro sent a letter to President Todd Russell of the NCC to advise that Hydro had sent correspondence to the Board, on today's date, advising that while Hydro requires some additional time to engage its stakeholders to ensure that all parties are informed of Hydro's intended filing, Hydro will file the updated application with the Board in May.		Appendix R: Copy of April 28, 2023 Correspondence
Email and Letter	Department of Labrador Affairs and Department of Indigenous Affairs and Reconciliation, Government of NL, and Charlottetown Town Council.	April 28, 2023	Hydro sent an email to various government officials, and a letter to the Town of Charlottetown providing an update regarding Hydro's application to the Board for long-term supply for southern Labrador.		Appendix S: Copies of April 28, 2023 Correspondence Link to Attachment: http://www.pub.nl.ca/applications/NLH2021Capital/NLH2021Capital_SUPP_Phase1SouthernLabrador/correspondence/From%20NLH%20-%20Filing%20Schedule%20for%20Amended%20Application%20and%20Updated%20Information%20Regarding%20Cost%20and%20Schedule%20-%202023-04-28.PDF
Email	Department of IET, Gov of NL	April 28, 2023	Hydro sent an email to IET providing an update regarding Hydro's application to the Board for Long-term Supply for Southern Labrador. Hydro outlined that the CEO and the VP Engineering and NLSO offered an update on Hydro's filing with the Board for long-term supply for southern Labrador, specifically the findings of the Midgard report and outcomes of the meetings with Charlottetown and NCC regarding the report's findings.		Appendix T: Copy of April 28, 2023 Correspondence
Meeting	Town of St. Lewis	May 9, 2023	Hydro met with representatives from the town (virtually) to outline Hydro's proposal to proceed with the regional diesel generating station with immediate interconnection of all four systems, instead of the phased approach proposed in Hydro's original application and to provide the opportunity to provide input on the project and listen to concerns before further decisions were made.	Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro Krista Fowler, Project Lead, Stakeholder Relations, Hydro Sara Sullivan, Communications Advisor, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro Rob Collett, VP Engineering & NLSO, Hydro Rick Kennedy, Sr. Manager, Rural Operations Labrador, Hydro Bradley Curl, St. Lewis Town Council Gerald Chubbs, St. Lewis Town Council Helen Poole, St. Lewis Town Council Wendy Strugnell, St. Lewis Town Council Vanessa Poole, St. Lewis Town Council	
Meeting	Town of Port Hope Simpson	May 10, 2023	Hydro met with representatives from the town (virtually) to outline Hydro's proposal to proceed with the regional diesel generating station with immediate interconnection of all four systems, instead of the phased approach proposed in Hydro's original application and to provide the opportunity to provide input on the project and listen to concerns before further decisions were made.	Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Dana Pope, Sr. Manager, Regulatory Affairs Krista Fowler, Project Lead, Stakeholder Relations, Hydro Sara Sullivan, Communications Advisor, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro Scott Crosbie, VP Operations, Hydro Rick Kennedy, Sr. Manager, Rural Operations Labrador Port Hope Simpson Town Council	
Meeting	Town of Mary's Harbour	May 11, 2023	Hydro met with representatives from the town (virtually) to outline Hydro's proposal to proceed with the regional diesel generating station with immediate interconnection of all four systems, instead of the phased approach proposed in Hydro's original application and to provide the opportunity to provide input on the project and listen to concerns before further decisions were made.	Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro Krista Fowler, Project Lead, Stakeholder Relations, Hydro Sara Sullivan, Communications Advisor, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro Rob Collett, VP Engineering & NLSO, Hydro Rick Kennedy, Sr. Manager, Rural Operations Labrador, Hydro Mary's Harbour Town Council	
Meeting	Town of Charlottetown	May 12, 2023	Hydro met with representatives from the town (in-person) to outline Hydro's proposal to proceed with the regional diesel generating station with immediate interconnection of all four systems, instead of the phased approach proposed in Hydro's original application and to provide the opportunity to provide input on the project and listen to concerns before further decisions were made.	Rob Collett, VP Engineering & NLSO, Hydro Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Matthew Halloran, Manager Regulatory Engineering, Hydro Rick Kennedy, Sr. Manager, Rural Operations Labrador, Hydro Hon. Lisa Dempster, Minister, Labrador Affairs, Minister, Indigenous Affairs and Reconciliation Rick Oram, Mayor, Town of Charlottetown (webex) Stewart McNab, Town Clerk, Town of Charlottetown Osbourne Layden, Councillor, Town of Charlottetown Frank Martin, Co-Chair , Pinsent's Arm Service District Sherri-lee Campbell Oram, Councilor, Town of Charlottetown	
Meeting	NCC	May 29, 2023	Hydro met with representatives from the NCC (virtually) to outline Hydro's proposal to proceed with the regional diesel generating station with immediate interconnection of all four systems, instead of the phased approach proposed in Hydro's original application and to provide the opportunity to provide input on the project and listen to concerns before further decisions were made.	Matthew Halloran, Manager Regulatory Engineering, Hydro Neil Heffern, Nunacor Rob Collett, VP Engineering & NLSO, Hydro Deanne Fisher, Director Public Affairs & Stakeholder Relations, Hydro Shirley Walsh, Sr. Legal Counsel, Regulatory, Hydro Dana Pope, Sr. Manager, Regulatory Affairs, Hydro Regina Foley, NCC Andy Turnbull, Nunacor George Russell, NCC Todd Russell, President, NCC Jason Cooke, K.C., Burchell, Wickwire, Bryson, LLP, Legal Counsel for NCC Ashley Gonsalves, Burchell, Wickwire, Bryson, LLP, Legal Counsel for NCC	
Email	Town of Charlottetown	May 25, 2023	Hydro sent an email to the Town of Charlottetown outlining the provincial government's proposed amendments to the 1) *Electrical Power Control Act ("EPCA")* and 2) the *Public Utilities Act* which were recently introduced in the House of Assembly. The purpose of the email was to advise that the Government introduced some amendments to the *EPCA* and Board Acts. A copy of the news release was included in the email for information.		Appendix U: Copy of May 25, 2023 Correspondence

Correspondence Type	Stakeholder	Date	Details	Attendees	Appendix or Attachment Link
Email	NCC, Mayors, Town Councilors and Staff for each of the southern Labrador Towns	May 31, 2023	Hydro provided a copy of the amended application for its long-term supply plan for southern Labrador that filed with the Board to the southern Labrador Towns and the NCC. The documents included: - Cover Letter for the Revised Application; - Revision History, which details all changes between the Original Application and the Revised Application; - Legal Application for the Revised Application; and - Schedule 2 for the Revised Application.		Appendix V: Copies of May 31, 2023 Correspondence Copy of Attachment Final NLH LT Supply South Lab Cover Letter Rev 1 Copy of Attachment Final NLH LT Supply South Lab Revision History Rev 1 Copy of Attachment Final NLH LT Supply South Lab Legal Application Rev 1 Copy of Attachment Final NLH LT Supply South Lab Sch 2 Rev 1
Email	Department of IET, Gov of NL; for each of the southern Labrador Towns	June 1, 2023	Hydro sent an email to Deputy Minister, IET, John Cowan, Assistant Deputy Minister, IET, Craig Martin and the Director of Communications, IET, Tansy Mundoon to provide a update with respect to the current situation with the southern Labrador supply file noting we submitted our revised application to the Board.		Appendix W: Copy of June 1, 2023 Correspondence Copy of Attachment Southern Labrador Supply - Briefing Deck May 2023
Meeting	Town of Charlottetown Fire Chief and Volunteer Fire Department ("VFD") Members	June 5-8, 2023	Hydro Safety Advisors performed a fire and safety risk assessment for the Charlottetown mobile diesel generating station in May 2023. A key action of that risk assessment was the development of a site-specific Charlottetown diesel generating station Emergency Response Manual ("ERM") for all emergency response personnel and employees of Hydro Charlottetown Mobile Diesel Generating Station. It serves as a reference for proper response procedures and to obtain pertinent information that will ensure a safe, effective and professional emergency response is undertaken. Hydro Safety Advisors were in Charlottetown during the week of June 5, 2023 for fire safety initiatives with the VFD. A detailed site tour of the Charlottetown Mobile Diesel Generating Plant was provided to the Fire Chief and 7 members of the Charlottetown VFD. High risk areas of the site were discussed and the fire response protocols in the draft ERM were reviewed. In addition, the safety advisors delivered an Electrical Safety for Fire Fighters course (Provincial Fire and Emergency Services certificate course) to the Charlottetown VFD members. The delivery of this course also provided the opportunity to discuss fire-fighting tactics and safe response protocols when approaching situations on Hydro's infrastructure.	Ron LeDrew, Safety Advisor, Hydro Gus Loder, Safety Advisor, Hydro Cory Simms, Operations Supervisor, Hydro Charlottetown Mobile Diesel Generating Station Operators, Hydro Town of Charlottetown Fire Chief and VFD Members	
Email	Mayors, Town Councilors and Staff for the Town of Charlottetown	June 14, 2023	Hydro sent an email to the Town Council of Charlottetown to advise them of the schedule that the Board has set out for review and provided a copy of the letter from the Board as well as a copy of the Board's documentation in relation to this file.		Appendix X: Copy of June 14, 2023 Correspondence Link to Attachment: http://www.pub.nl.ca/applications/NLH2021Capital/NLH2021Capital_SUPP_Phase1SouthernLabrador/correspondence/To%20Parties%20-%20Revised%20Review%20Schedule%20-%202023-06-12.PDF

Appendix A

Email to MP Yvonne Jones - April 8, 2022

Email to Minister Dempster - April 8, 2022

Email to IET - April 8, 2022

Email to Port Hope Simpson - April 8, 2022

Email to Town of Charlottetown - April 8, 2022

Hello MP Jones, Bonnie and team,

Advising you all of recent correspondence received from the PUB regarding *Hydro's long-term supply plan for Southern Labrador.* Attached is a copy of the correspondence received yesterday.

As you will see, the PUB has requested additional analysis be undertaken with engagement from external consultants. Hydro is preparing a response to which we expect to send within a week or so. We have also received one media inquiry and will continue to be responsive as inquiries are received. Our approach to media is to confirm receipt of the correspondence and that we intend to prepare a response, respectful of the regulatory processes in place. You may have seen an article in allnl today on this filing.

We firmly believe that the information requested has been presented within our thorough and complete analysis of options available and the cost associated with each technology. That said, we respect there are significant and long-term costs associated with this project and will be

taking several actions in response to the PUB's assertions. We are preparing additional detail in response to the areas noted by the PUB and will seek an external consultant to support assessment of all options.

We are concerned with the PUB's interpretation of several points, notably, Justice LeBlanc's recommendation from the Muskrat Falls inquiry, as well as the Board's capital budget guidelines. We will address these points specifically in our response to the PUB.

As always, our priority is to ensure all customers, including those in Charlottetown, have access to provide safe, reliable service at the lowest possible cost as we manage the provincial electricity system.

Please do not hesitate to reach out if you would like to discuss.

Thanks
Deanne

2022-04-07_PUB_LT Supply for S. Lab - Phase 1_Further Info. Required.pdf

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Director, Public Affairs and Customer Service
Regulatory and Stakeholder Relations
Newfoundland & Labrador Hydro
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e. **DeanneFisher@nalcorenergy.com** | w. **www.nlhydro.com**

Folks,

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Deanne

2022-04-07_PUB_LT Supply for S. Lab - Phase 1_Further Info. Required.pdf

Deanne Fisher
Director, Public Affairs and Customer Service
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we respect there are significant and long-term costs associated with this project and will be taking several actions in response to the PUB's assertions. We are preparing additional detail in response to the areas noted by the PUB and will seek an external consultant to support assessment of all options.

We are concerned with the PUB's interpretation of several points, notably, Justice LeBlanc's recommendation from the Muskrat Falls inquiry, as well as the Board's capital budget guidelines. We will address these points specifically in our response to the PUB.

As always, our priority is to ensure all customers, including those in Charlottetown, have access to provide safe, reliable service at the lowest possible cost as we manage the provincial electricity system.

Please do not hesitate to reach out if you would like to discuss.

Thanks
Deanne

2022-04-07_PUB_LT Supply for S. Lab - Phase 1_Further Info. Required.pdf

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From: Deanne Fisher/NLHydro
To: porthopesimpson@nf.aibn.com
Cc: Jennifer Williams/NLHydro@NLHYDRO, Kevin Fagan/NLHydro@NLHYDRO, Robert Collett/NLHydro@NLHydro
Date: 04/08/2022 01:30 PM
Subject: Update on PUB Correspondence - Southern Labrador Supply Options

Hello Mayor Burden,

Reaching out to advise of some recent correspondence received from the PUB regarding *Hydro's long-term supply plan for Southern Labrador* you will be interested in reviewing, and sharing with Town Council. Attached is a copy of the correspondence received yesterday.

As you will see, the PUB has requested additional analysis be undertaken with engagement from external consultants. Hydro is preparing a response to which we expect to send within a week or so. We have also received one media inquiry and will continue to be responsive as inquiries are received. Our approach to media is to confirm receipt of the correspondence and that we intend to prepare a response, respectful of the regulatory processes in place.

We firmly believe that the information requested has been presented within our thorough and complete analysis of options available and the cost associated with each technology. That said, we respect there are significant and long-term costs associated with this project and will be taking several actions in response to the PUB's assertions. We are preparing additional detail in response to the areas noted by the PUB and will seek an external consultant to support assessment of all options.

We are concerned with the PUB's interpretation of several points, notably, Justice LeBlanc's recommendation from the Muskrat Falls inquiry, as well as the Board's capital budget guidelines. We will address these points specifically in our response to the PUB.

As always, our priority is to ensure all customers, including those in Charlottetown, have access to safe, reliable service at the lowest possible cost as we manage the provincial electricity system. We are happy to share our PUB response with you all, and to answer any questions you and the Town Council may have. You may also wish to send follow-up correspondence to the PUB as well. Please do not hesitate to reach out with questions.

Thanks
Deanne

2022-04-07_PUB_LT Supply for S. Lab - Phase 1_Further Info. Required.pdf

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We are committed to sustaining a diverse and healthy environment for present and future Newfoundlanders and Labradorians .

Hello Stewart,

Reaching out to advise of some recent correspondence received from the PUB regarding *Hydro's long-term supply plan for Southern Labrador* you will be interested in reviewing, and sharing with Mayor Oram and Council. Attached is a copy of the correspondence received yesterday.

As you will see, the PUB has requested additional analysis be undertaken with engagement from external consultants. Hydro is preparing a response to which we expect to send within a week or so. We have also received one media inquiry and will continue to be responsive as inquiries are received. Our approach to media is to confirm receipt of the correspondence and that we intend to prepare a response, respectful of the regulatory processes in place.

We firmly believe that the information requested has been presented within our thorough and complete analysis of options available and the cost associated with each technology . That said,

we respect there are significant and long-term costs associated with this project and will be taking several actions in response to the PUB's assertions. We are preparing additional detail in response to the areas noted by the PUB and will seek an external consultant to support assessment of all options.

We are concerned with the PUB's interpretation of several points, notably, Justice LeBlanc's recommendation from the Muskrat Falls inquiry, as well as the Board's capital budget guidelines. We will address these points specifically in our response to the PUB.

As always, our priority is to ensure all customers in Charlottetown have access to safe, reliable service at the lowest possible cost as we manage the provincial electricity system. We are happy to share our PUB response with you all, and to answer any questions you and the Town Council may have. You may also wish to send follow-up correspondence to the PUB as well. Please do not hesitate to reach out with questions or for a meeting to follow-up.

Thanks
Deanne

2022-04-07_PUB_LT Supply for S. Lab - Phase 1_Further Info. Required.pdf

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Relations
Newfoundland & Labrador Hydro
t. **709 733-5299** | c. **709 697-3418**
e. **DeanneFisher@nalcorenergy.com** | w. **www.nlhydro.com**

Appendix B

Email to Town of Charlottetown - July 2, 2022

From: Deanne Fisher/NLHydro
To: ctown@nf.aibn.com
Cc: Jennifer Williams/NLHydro@NLHYDRO, Kevin Fagan/NLHydro@NLHYDRO, Robert Collett/NLHydro@NLHydro

Date: 07/02/2022 02:23 PM
Subject: Status Update for Charlottetown Supply

Mayor Oram and Stewart,

Touching base with you regarding this morning's fire at the Charlottetown plant. We're very sorry that this has occurred and we are doing everything possible to address the immediate needs of the community, including operation of the shrimp processing facility expected to come online in the coming weeks. We know this is frustrating for you all. Hydro has raised concerns around the sustainability of continuing to use of mobile units to service the communities - we realize that is cold comfort at the moment. Thankfully no one was hurt today.

At the moment, the community is being supplied by two units; however, our teams have been working on ensuring continued supply in the immediate and short term. We have another mobile unit in the community that we will prepare to have hooked up as soon as we are in a position to do so, potentially as early as Monday. We have a spare unit on hand for this very purpose. Based on that, we do not see any issues with continued supply for the community in the short term or when the shrimp processing facility comes online.

In the meantime, we have already begun plans to secure a replacement diesel unit to ensure we have a critical spare on hand for the area.

We will update you if anything changes over the weekend. Otherwise, we will be in touch next week with a status update.

Any questions, please do not hesitate to reach out.

Thanks
Deanne

newfoundland labrador hydro

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Relations
Newfoundland & Labrador Hydro
t. **709 733-5299** | c. **709 697-3418**
e. **DeanneFisher@nlh.nl.ca** | w. **www.nlhydro.com**

Appendix C

Email to Town of Charlottetown - July 5, 2022

From: Deanne Fisher/NLHydro
To: ctown@nf.aibn.com
Date: 07/05/2022 10:51 AM
Subject: Re: Status Update for Charlottetown Supply

Mayor Oran and Stewart,

Attached you will find the latest correspondence from Hydro to the PUB regarding Long -Term Supply for Southern Labrador. Note below are excerpts of the letter related to related to Charlottetown. Please do note hesitate to reach out should you require any further information.

The Board's further correspondence to Hydro, dated May 19, 2022, asked that Hydro confirm whether it had completed all reasonable work to reinforce the mobile generating units in Charlottetown, and to advise whether there are additional steps to be taken considering the Board's continued determination that more information is required before the matter can proceed. The Board requested that Hydro provide an update on the efforts to maintain safe , reliable service to the Town of Charlottetown and Pinsent 's Arm while the application continues to be under review, as well as the of the additional information/expert guidance requested by the Board.

As Hydro noted in its April 26, 2022 correspondence, Hydro has completed all work that can reasonably be undertaken to reinforce the mobile generating units that have been acting as the interim solution for electrical service in Charlottetown since 2019. Although Hydro will continue with any necessary inspections and regular maintenance , including winterization of

the units in advance of any winter season for which they are providing service , a long-term supply solution must be decided upon and implemented to address the remaining concerns associated with the continued use of mobile generation in Charlottetown .

In light of the additional delay in implementation of a long -term solution in the area and the resulting impact on Charlottetown and Pinsent's Arm, Hydro further evaluated whether there were options that would be reasonable in light of the requirement for an extended temporary solution. To this end, Hydro is investigating the possibility of purchasing additional mobile generation. This genset could be used in Charlottetown to further support reliable operation and could then be used for other purposes once the long -term solution for southern Labrador is implemented. Mobile generation is not the ideal solution for medium - or long-term utility power supply, due to safety concerns, such as limited physical space and arc-flash hazards; environmental concerns, such as low fuel efficiency and higher probability of fuel spills ; and reliability concerns, such as limited protection and control as well as lack of condition monitoring. The climate characteristics of the region add additional complexities for mobile generation in Charlottetown. However, with ongoing monitoring to mitigate as much as possible the known concerns, the incremental redundancy provided by additional mobile generation could assist with Hydro's ongoing commitment to provide safe, reliable service to the town. If Hydro determines that purchasing additional mobile generation is an appropriate step to take, Hydro will file a supplemental application setting out the full details and justification for the Board's consideration.

Thanks
Deanne

2022-06-21_NLH_LT Supply for S. Lab_Response to Board Correspondence.pdf

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Relations
Newfoundland & Labrador Hydro
t. **709 733-5299** | c. **709 697-3418**
e. **DeanneFisher@nlh.nl.ca** | w. **www.nlhydro.com**

Appendix D

Email to Town of Charlottetown - July 7, 2022

From: Deanne Fisher/NLHydro
To: ctown@nf.aibn.com
Date: 07/07/2022 04:18 PM
Subject: Follow-up discussion with Jennifer Williams

Hello Stewart,

Deanne Fisher here from NL Hydro. Left you a voicemail also. Wondering if you and the Mayor might have some time next week to connect with our CEO, Jennifer Williams following last weekend's fire.

Please let us know if you're open to that and a time.

Thanks
Deanne

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Relations
Newfoundland & Labrador Hydro
t. **709 733-5299** | c. **709 697-3418**
e. **DeanneFisher@nlh.nl.ca** | w. **www.nlhydro.com**

Appendix E

Email to Town of Charlottetown - July 8, 2022

From: Deanne Fisher/NLHydro
To: ctown@nf.aibn.com
Cc: "Rick Oram" <rickoram@gmail.com>, Bobbi Sheppard/NLHydro@NLHYDRO
Date: 07/08/2022 11:22 AM
Subject: Re: [External] RE: Follow-up discussion with Jennifer Williams

Thanks so much Stewart. We will check into Jennifer's calendar and be in touch.

Sent from my iPhone

On Jul 8, 2022, at 10:42 AM, ctown@nf.aibn.com wrote:

[External Sender: Please use caution when replying, opening attachments, or clicking on links]

Good Morning Deanne,

If we could set something up for Friday July 15th that would probably work the best because after that I will be on vacation. We are putting together a letter for Hydro to outline our councils thoughts on what has taken place regarding the power situation in Charlottetown and our need for a solution now.

Thanks,

Stewart Macnab
Town Clerk/ Manager, Charlottetown Town Council
PO Box 151
Charlottetown (Labrador), NL A0K 5Y0
ctown@nf.aibn.com
Ph: 709-949-0299
Fax: 709-949-0377

Appendix F

Email to Minister Dempster and IET - February 1, 2023

From: Deanne Fisher/NLHydro
To: LisaDempster@gov.nl.ca, AndrewParsons@gov.nl.ca, "John Cowan" <JCowan@gov.nl.ca>, "Craig Martin" <CMartin@gov.nl.ca>, "Tansy Mundon" <tansymundon@gov.nl.ca>
Date: 02/01/2023 07:47 AM
Subject: Fire at Charlottetown Plant

Good morning everyone,

A note to let you all know that we had a fire in the portable generator in Charlottetown last night/early this morning. There was a brief outage of around 30 mins. Customers are currently supplied with our backup generator and there are no issues with supply.

We have our teams working to secure a backup portable generator as well. We will keep you all updated as more information is available.

Thanks
Deanne

Deanne Fisher
Director, Public Affairs & Customer Service
Newfoundland and Labrador Hydro

Appendix G

Letter from Charlottetown - February 1, 2023

Letter from Pinsent's Arm - February 1, 2023

Town of Charlottetown

P.O Box 151
Charlottetown, NL
A0K 5Y0

T: (709) 949-0299/297
F: (709) 949-0377
E: ctown@nf.aibn.com

February 1st 2023

Newfoundland and Labrador Hydro Head Office
Hydro Place, 500 Columbus Drive
P.O. Box 12400
St. John's, NL
A1B 4K7

Re: Immediate Call for Construction of a Powerplant in Charlottetown

To the attention of NL Hydro Board of Directors,

The Charlottetown Community Council has sat idly by awaiting construction of a new regional power plant proposed by NL Hydro for coastal Labrador. With a third fire taking place at the Charlottetown power site, and no ground work started on a new power plant, the Charlottetown Town Council can no longer sit and wait for the proposed regional diesel plant. The Charlottetown Town Council, which originally supported the regional plant, no longer supports the development project and demand development of a new community power plant to begin construction by summer 2023.

NL Hydros decision to supply sustainable power to the communities of Charlottetown and Pinsents Arm by way of a regional diesel plant based out of Port Hope Simpson has been faced with countless opposition. Regional organizations, neighboring communities and government organizations alike have opposed this project as it goes against clean energy initiatives that are becoming the new standard for municipal power. The NL Hydro Board of Directors is failing to understand that the needs of Charlottetown and Pinsents Arm must outweigh the length of time that they are willing to wait to have their proposed regional plant project passed. The Charlottetown Fire Department has made it clear that the current power solution for our communities is dangerous. With 3 fires in 4 years, our communities and residents are in an unsafe situation and NL Hydro must provide sustainable solution now.

Please contact the town office at 709-949-0299 or by email at ctown@nf.aibn.com to set up an immediate meeting with our Town Council. During this meeting we will expect a clear plan in place to have sustainable power in Charlottetown during this construction season.

Thank-you,

Rick Oram, Mayor
On Behalf of Charlottetown Town Council

Local Service District of Pinsent's Arm

P.O. Box 118
Pinsent's Arm, NL A0K 5Y0
Phone No: 709 951 2202
E-mail: localservicepa@yahoo.ca

February 1, 2023

Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
St. John's NL
A1B4K7

Dear Sir or Madam,

On behalf of the residents of Pinsent's Arm, I'm writing this letter in support of the Town of Charlottetown Labrador in their request to have a new Power Plant constructed in their town.

The Community of Pinsent's Arm receive power from the Plant at Charlottetown and has been having issues with unreliable Power due to Power outages every sense temporary power units have been in operation after the main Hydro Power Plant was destroyed by fire in 2019.

February 1, 2023 another fire was reported and another power outage in -25 C. temperatures.

Pinsent's Arm is a fishing community and the Local Fish plant is the main source of employment in our community and the fish plant relies on the Charlottetown Power plant to keep the Freezers in the Fish Plant operating so product can be keep frozen, and the power is not reliable at times and with power outages the Fish plant cannot operate and fish products is a risk of spoilage.

Along with the request for a New Power Plant at Charlottetown, we are requesting 3 Phase power for the Community of Pinsent's Arm.

So, we are requesting that immediate attention be given to this important request and that you consider replacing the existing Power System with a New power System in the Town of Charlottetown.

Thank you for your time in this matter.

Regards

Mildred Clark
Secretary/treasurer LSD

Appendix H

Email to Multiple Parties - February 1, 2023

On Feb 1, 2023, at 4:29 PM, DeanneFisher@nlh.nl.ca wrote:

Hello Minister Dempster,

I'm following up on your email to Jennifer from this morning regarding a meeting with the Town Council and having a Hydro representative in-person for the meeting. We will certainly do that and can work with you and your office to schedule that meeting.

In the meantime, Stewart McNab from Charlottetown reached out this morning to Hydro folks on the

ground to request a meeting asap with Town Council. We coordinated with Stewart and are scheduled to meet with them tomorrow morning at 10am via Webex. Stewart has asked that we have a some follow-up meetings with folks from Pinsents Arm as they are not available tomorrow am.

We also want to reiterate that we have an additional backup to the current 'backup' unit we are currently using to supply customers. And as you know, Charlottetown has the highest usage in summer when the fish plant is in operation, so we have plenty of ability to supply customers. I understand the fire is concerning, and we do not want to minimize that; however, we would not want residents to be concerned that we are without a further contingency plan.

Please let me know if there is someone in your office we should work with to coordinate a meeting with you and the Town and our representatives for a time when we can come to Labrador.

Thanks
Deanne

Forwarded by Jennifer Williams/NLHydro on 02/01/2023 12:50 PM -----

From: "Dempster, Lisa" <LisaDempster@gov.nl.ca>
To: Jennifer Williams <JenniferWilliams@nlh.nl.ca>
Date: 02/01/2023 12:03 PM
Subject: [External] Fwd: Letter of support

[External Sender: Please use caution when replying, opening attachments, or clicking on links]

Sending as an fyi & Id like to request a mtg with the Town. Is there anyone from Hydro available to come into the community to talk about where things are?

Lisa Dempster, MHA

Cartwright-L'Anse au Clair
Minister Responsible for Indigenous Affairs & Reconciliation,
Minister Responsible for Labrador Affairs, & Deputy Government House Leader

Constituency 1 (800) 286-9118
Departmental 1 (709) 729-2073

Sent from my iPhone

Begin forwarded message:

From: ctown@nf.aibn.com
Date: February 1, 2023 at 11:46:11 AM NST
To: localservicepa@yahoo.ca, Margaret Rumbolt <execdir@combinedcouncils.ca>, "Ryland, Michelle" <MichelleRyland@gov.nl.ca>, "Dempster, Lisa" <LisaDempster@gov.nl.ca>, Yvonne.Jones.C1a@parl.gc.ca
Cc: andy@nunacor.com, trussell@nunatukavut.ca, executiveasst@nunatukavut.ca, amyh@nunatukavut.ca
Subject: Letter of support

Good Morning,

The town of Charlottetown requires the support of your organization for the immediate need for a new power plant to be constructed in Charlottetown. With a third fire taking at the power site in Charlottetown the Charlottetown Town Council can no longer wait for the proposed regional diesel plant.

The community is sending the drafted letter by no later then Friday and seek a support letter from you, drafted to NL Hydro, outlining your support.

Thank-you,

Stewart Macnab
Town Clerk/ Manager, Charlottetown Town Council
PO Box 151
Charlottetown (Labrador), NL A0K 5Y0
ctown@nf.aibn.com
Ph: 709-949-0299
Fax: 709-949-0377

Appendix I

Email to Minister Dempster - February 2, 2023

From: Rick Kennedy/NLHydro
To: "Dempster, Lisa" <LisaDempster@gov.nl.ca>
Cc: Deanne Fisher/NLHydro@NLHYDRO, Scott Crosbie/NLHydro@NLHydro, Robert Collett/NLHydro@NLHydro
Date: 02/02/2023 02:43 PM
Subject: Follow up item from CHT town council meeting

Hi Minister,

A Management group with NL Hydro met with the Town Council of Charlottetown this morning (via Webex) to discuss the current electrical generation arrangement and the latest fire that impacted the town early yesterday morning.

We covered many items and have a set a new course on maintaining electrical reliability with the mobile generation until the new Regional Plant is in operation.

One item that was discussed that you maybe able to help direct the community with was the concern over the loss of water (and Sewer) supply during a power outage. The councilors explained that the towns fire fighting capability is dependent on the maintaining water pressure, so therefore they were inquiring about a separate generator to supply power to the Water and Sewer system. I explained that these requests are better directed to The Department of Municipalities and/or to Fire and Emergency Services as this is more in line with a Community Emergency Contingency Plan. I sort of expect you may heard from the town shortly on this issue.

If you have any questions related to this matter, please reach out.

Thanks

Rick Kennedy
Sr Mgr, TROL
TRO Labrador
Newfoundland & Labrador Hydro
t. 709 896-2525(EXT7250) | **c.** 709 897-5218 | **f.** 709 896-8948
e. RickKennedy@nlh.nl.ca | **w.** www.nlhydro.com

Appendix J

Letter to Town of Charlottetown and Pinsent's Arm - March 17, 2023

Info Sheet for Town of Charlottetown

Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
nlhydro.com

March 17, 2023

Charlottetown Town Council
PO Box 151
Charlottetown, NL A0K 5Y0

Attention: Rick Oram
Mayor, Town of Charlottetown

Dear Mayor Oram,

Thank you for your letter, dated February 1, 2023, regarding the provision of electricity to the Towns of Charlottetown and Pinsent's Arm.

Let me start by reiterating our commitment to the needs of residents of Charlottetown and Pinsent's Arm. Newfoundland and Labrador Hydro's ("Hydro") mandate and commitment, as regulated by the Board of Commissioners of Public Utilities ("PUB"), is to provide a safe, reliable supply of electricity in a least-cost fashion. Hydro recognizes that in the case of southern Labrador, due to its remoteness and the weather conditions experienced, the safety and reliability of the electricity supply are paramount.

Hydro acknowledges your concern regarding the length of time to construct a regional diesel generating station for southern Labrador, as well as your concern for the safety of your communities, as discussed during our meeting on March 9, 2023. Enclosed is information regarding Hydro's approach to long-term electricity supply for the southern Labrador region and highlights Hydro's commitments to the more near-term issues discussed in the meeting.

Hydro is also committing to meeting with town officials as required and providing written quarterly updates on the status of the supply of electricity for the near and long term.

1.0 Fire Safety

Town representatives and members of the Volunteer Fire Department have expressed their concern for the safety of the communities given the fires that have occurred. We understand these concerns and assure the towns that we are committed to managing and maintaining our sites, and working in partnership with you, to ensure a safe and reliable supply of power to the communities.

Hydro will work with the town and its Volunteer Fire Department to develop protocols in case of fire at Hydro's site. These protocols will clarify the expectations of the fire department at Hydro's site, as well as cover associated hazards. These protocols will allow appropriate access to ensure public safety, protect town equipment, and protect town infrastructure.

Hydro will contact the Town Manager to arrange a meeting to kick off the development of fire safety protocols.

Hydro is currently reviewing the orientation and spacing of the mobile generation units located on the concrete floor of the former generating station. Hydro is scheduled to make modifications to this setup in May 2023 when the newest, largest unit (Unit 2108) is installed. Hydro will rearrange the physical layout of the mobile units on site to further mitigate the risks associated with fire spreading.

Hydro will also ensure that the doors on the mobile units are kept closed during operation to guard against the possibility of fire spreading outside the container. Engineering solutions are being implemented to address coolant issues that have caused the previous fires. In addition, Hydro is working with several vendors to determine whether a suitable fire suppression product is available on the market that could be placed inside the containers that house the generators. Fire suppression systems are used to extinguish, control, or in some cases, entirely prevent fires from occurring or spreading.

Hydro commits to continuing to update the town on initiatives such as these in its quarterly written updates and during the process of the development of fire safety protocols.

2.0 Recent Mobile Generator Steam Release Update

Hydro's Operations team reviewed the recent observation of steam coming from a mobile generator at the site. Operations crews confirmed that it was steam, not smoke from a fire, as had been the query of concerned residents.

Due to cold temperatures on the morning of February 23, 2023, Hydro experienced a freeze-up on rental Unit 820 in Charlottetown, which resulted in the release of steam from the unit. There were no safety-related issues or concerns with generating capacity on site because of this event. After the installation of Unit 2108 in May 2023, rental Unit 820 will be returned to its owner, as it is not considered a core winter operation unit.

3.0 Current Power Solution and Capacity

As noted, Hydro will provide quarterly updates to the town on all matters of concern regarding electricity supply and want to assure residents that they, and their businesses, have a reliable supply of power today and until a permanent solution is in place.

Hydro acknowledges that a fixed and permanent generating station is preferable to mobile generators; however, Hydro is ensuring that multiple redundant units, i.e. backups to backups, are available to minimize the risk of customer impact. As such, there is sufficient excess capacity on site in Charlottetown to meet peak community load forecasts even if multiple units are unavailable, as shown in Figure 1.

During Winter 2023 (i.e., present day to May 2023), with the units installed on site, there is enough generation to meet the forecasted peak community load (highest usage over this period in the community) of 756 kW if three of the largest units were out of service. Winter 2024 will be evaluated further throughout the upcoming months; however, generation availability should at minimum mirror that of Winter 2023.

During Summer 2023 (i.e., June 2023 to October 2023), with units that will be installed on site, there is enough generation to meet a forecasted peak community load (highest usage over this period in the community) of 1,547 kW if two of the largest units were out of service.

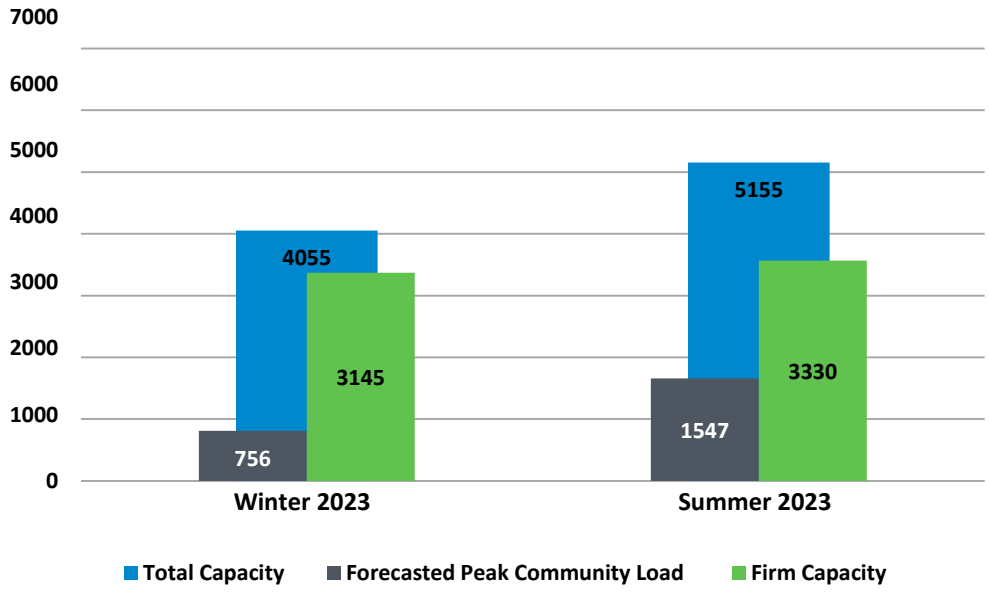


Figure 1: Charlottetown Excess Capacity by Season (kW)[1]

Please see Attachment 1 for an illustration of the generation and further details on each unit.

4.0 Response Times

With respect to the response to generating station maintenance issues, Hydro has staff strategically stationed in Labrador that are able to respond in a timely manner.

Hydro will ensure open communication with the town and management personnel will be available to support with enquiries.

[1] Total capacity is defined as the total available generation, while firm capacity is defined as the available generation with the largest unit out of service.

Rick Oram 4
Charlottetown Town Council

5.0 Emergency Power Supply for Fire Hydrant Pumps during Power Outages

Hydro will work with the town to understand options for backup generation for critical facilities. While Hydro cannot buy, own, or operate town infrastructure, such as backup generators, Hydro will provide reasonable support, including working with government agencies, to aid in the determination of what is needed and, when possible, implementation.

6.0 Status of Proposed Regional Diesel Generating Station and Regulatory Process Update

Hydro continues to work through the regulatory process with the PUB to support a decision as soon as possible. Midgard Consulting Inc.'s ("Midgard") independent assessment will be complete by the end of March 2023 and will provide the PUB with detailed information regarding the suggested long-term solution. Hydro will provide the report to the PUB and will provide a copy of this report to the town at the same time. Hydro will also provide an overview session to town representatives and will work with the town's schedule to hold this session at the town's convenience.

Hydro anticipates submitting Midgard's report to the PUB on March 31, 2023, at which time Hydro will ensure that the results are also shared with southern Labrador stakeholders. Hydro will request that the PUB resume the regulatory review process and will express the need for urgency in proceeding with the review. Hydro will make any updates to its application and evidence that may be necessary due to the passage of time, and the receipt of Midgard's report, to enable the review process to proceed without further delay.

Hydro anticipates that the PUB will set a review schedule, which may include any combination of additional rounds of requests for information ("RFI"), technical conferences, or a formal hearing. As part of that review process, generally as the final step, intervenors, such as Newfoundland Power Inc. and the Consumer Advocate, are provided with the opportunity to file a written submission outlining their position on any outstanding issues, provide any additional context for consideration by the PUB, and indicate their support or opposition to the project. Hydro is then afforded the opportunity to file a written submission addressing any outstanding issues or concerns.

The PUB then considers all available information and evidence to come to a decision regarding project approval. After deliberation, the PUB will then issue a "Board Order" outlining its decision.

Hydro is unable to speculate on the timeframe for a Board Order; however, as stated, Hydro will continue to advocate for expediency. Following the filing of the Midgard report with the PUB and the subsequent resumption of the regulatory review process, Hydro is committed to working with the PUB, intervenors, and stakeholders to ensure timely approval of this project and allow Hydro to move forward with the implementation of a long-term solution for the residents of Charlottetown and Pinsent's Arm, as well as the southern Labrador region.

Once approved, Hydro will work to construct the proposed project as expeditiously as possible. The early stages of project execution mostly include procurement activities. An update on the schedule and status will be provided to the towns once the regulatory process has resumed. In the unlikely event that the project is not approved, Hydro will work urgently with all stakeholders to propose an alternative solution that can be executed as quickly as possible.

Hydro will continue to update the town on the status of the regulatory process in its quarterly written updates and in any subsequent meetings with town officials.

The sections that follow provide a high-level view of the activities completed to-date as well as the activities remaining after the project is approved by the PUB and are organized to ensure construction of the long-term solution is as expedited as possible. Please see Attachment 2 for an illustration of the timeline of activities.

6.1 Phase 1

- October 2019:
  - The Charlottetown Diesel Generating Station is lost due to a fire. Hydro implements an interim supply solution for the Charlottetown system using mobile diesel generators and immediately begins planning a long-term solution to replace the Charlottetown Diesel Generating Station.
- Late 2020:
  - Hydro finalizes the Labrador Interconnection Options Study to assess the requirements to connect communities to the existing electricity grid. This study investigates interconnection options in terms of cost, opportunities for renewable integration, and opportunities for fuel displacement. The estimated cost to interconnect all of southern Labrador is estimated at $545 million.

6.2 Phase 2

- July 2021:
  - Hydro files its capital application with the PUB for the construction of a regional diesel generating station and the interconnection of communities in southern Labrador, enabling increased renewable energy projects and significantly reduced diesel consumption.
- September 2021:
  - Hydro submits responses to the first round of RFIs from the PUB and interveners regarding its capital application.
- October 2021:
  - The PUB receives written correspondence from the public and community stakeholders; and
  - Regulatory review paused to allow for additional stakeholder engagement.
- April to December 2022:
  - The PUB informs Hydro that the review schedule would remain paused until Hydro completes an additional analysis in the form of a planning study, including an integrated resource plan, assessing all reasonable options for the provision of service in the region;

- Hydro engages Midgard to complete an additional analysis; and
- Midgard undertakes an analysis of options for supply for the southern Labrador region with a report delivery date of March 2023.

- January to March 2023:
  - Hydro continues to advance activities that support its proposal should it be approved, including:
    - Completion of a review of the preliminary diesel generating station and substation design;
    - Completion of a review of the preliminary major equipment selection and sizing;
    - Update of overall project estimate, as the original project estimate was completed in 2021;
    - Overall project schedule will be dictated by equipment lead times and construction windows due to the location of the site and harsh winter conditions (late May to November will be a constraint for the majority of outside work); and
    - The project must be approved by the PUB before any project-related design/procurement activates progressing.

6.3 Phase 3: Anticipated Milestones

- March 2023:
  - File the Midgard Report with the PUB by end of March 2023.

- April 2023:
  - Hydro anticipates the resumption of regulatory review.

- 2023:
  - Building on the actions already taken to be ready to proceed:
    - Issue tender for the consultant design contract to allow for expedited design and procurement, which is required due to significantly increased equipment delivery timelines in recent years. This process will be expedited but a detailed and thorough design is critical to the timely and cost-effective completion of the project;
    - Order equipment identified as a long delivery (generally includes gensets, switchgear, power transformers and pre-engineered building) when design progresses as 24+-month deliveries are anticipated;
    - Order long delivery equipment (generally includes gensets, transformers, switchgear and pre-engineered building);
    - Expedite design activities to issue, award, and complete site works with a Year 2 start date;

- Explore options to complete site-clearing activities if they are considered a benefit to the overall schedule;
- Complete geotechnical testing and reporting to finalize civil and structural design;
- Investigate distribution line routing—geotechnical investigations and the start of detailed design; and
- Progression of the detailed design packages by the consultant.

6.4 Phase 4

- 2024:
  - Finalize the design required to proceed with the site works contract;
  - Tender and award site works contract to ensure the earliest possible start date due to winter conditions;
  - Commence site work and complete foundations;
  - Tender, award, and commence distribution line contract starting with distribution line clearing;
  - Complete detailed design of diesel generating station building layout, including mechanical and electrical details and power generating systems; and
  - Tender construction contract for building and equipment installation.

6.5 Phase 5

- 2024–2025:
  - Commence building construction contract;
  - Install a pre-engineered building, which must be weather-tight by winter to receive equipment and start installation;
  - Receive long lead time equipment ordered in Year 1 (e.g., pre-engineered building, gensets, switchgear, transformers);
  - Complete distribution line contract; and
  - Commence installation of equipment in the diesel generating station building along with auxiliary systems including fuel, compressed air, ventilation, fuel supply, etc.

6.6 Phase 6

- 2026:
  - Complete installation of equipment in the diesel generating station building along with auxiliary systems including fuel, compressed air, ventilation, fuel supply, etc.;
  - Complete substation work; and
  - Progress equipment commissioning and testing.

6.7 Phase 7

- 2027:
  - Complete commissioning and testing of power generating equipment and distribution lines;
  - Place the regional diesel generating station into service; and
  - If PUB approval is obtained in this summer for this project, and considering the activities and schedule noted in Section 6.0, a permanent diesel generating station can be in service in 4 years.

7.0 Timeline for Proposed Regional Diesel Generating Station

Hydro understands that the progression of a resolution to supply the towns and the southern Labrador region has taken a significant amount of time. This is due to several factors; however, it does not diminish the town's frustration with the process.

Some stakeholders, including the Charlottetown Town Council, are questioning Hydro's approach to supply the towns via a regional diesel generating station in Port Hope Simpson and feel it is more effective to rebuild the diesel generating station in Charlottetown. The direct rebuild of the Charlottetown Diesel Generating Station to the same specifications that existed before the 2019 fire might appear to be the straightforward approach; however, there are limitations with that design and it is not appropriate for long-term supply for Charlottetown. For example, the previous diesel generating station did not have adequate capacity to meet Hydro's firm capacity criteria without the support of mobile units to support peak summer loading conditions. It is Hydro's view that it would be imprudent to rebuild the exact facility that previously existed without consideration for the current and future needs of the facility and community.

Hydro also notes that, due to the required regulatory process and the delivery lead times of equipment, the timeframe for the construction of a replacement diesel generating station in Charlottetown would be equivalent to the timeframe for the regional diesel generating station.

8.0 Conclusion

As a regulated utility, Hydro must demonstrate to the PUB and other regulatory stakeholders that its proposals are necessary to reliably and safely supply electricity to its customers and that the project is the least-cost solution to achieve that reliable and safe supply. Hydro is confident that its proposed regional diesel generating station would result in the lowest total lifecycle cost for all generating assets in southern Labrador. Hydro will continue to work with the PUB to get the proposed project approved as quickly as possible.

Hydro is also committed to providing a written update to the town every quarter, or more frequent as may be required, as the project advances. The format and content will likely evolve as the file advances over time.

Rick Oram 9
Charlottetown Town Council

We sincerely appreciate the town's continued willingness to engage with us as we work to manage this challenging situation.

NEWFOUNDLAND AND LABRADOR HYDRO

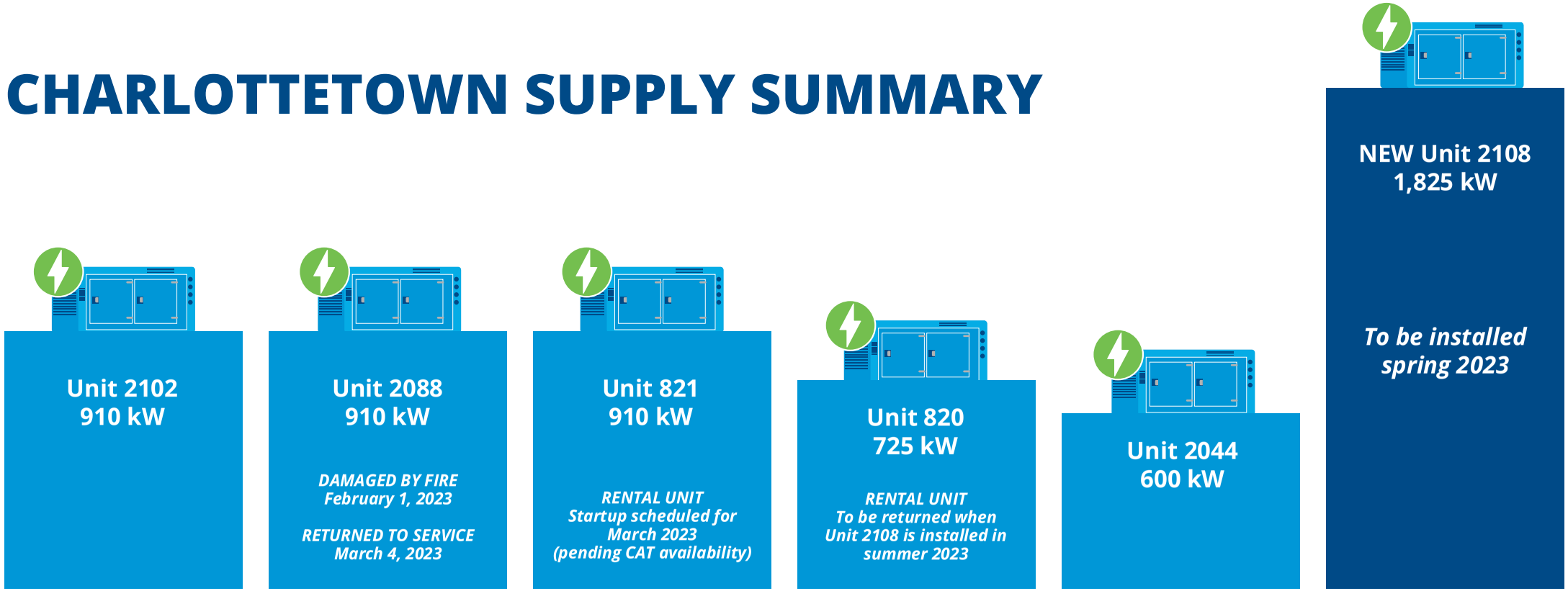
Jennifer Williams
President
JW/sk

Encl.

Attachment 1

Charlottetown Supply Summary

CHARLOTTETOWN SUPPLY SUMMARY



WINTER 2023

- Winter Peak Load Forecast = 756 kW
- Available Units: 2102, 2088, 821, 820, and 2044
- Total Capacity = 4,055 kW
- Firm Capacity*= 3,145 kW

*Firm capacity assumes the largest unit (Unit 2102) is not available

SUMMER 2023

- Summer Peak Load Forecast = 1,547 kW
- Available Units: 2102, 2088, 821, 2044, and 2108
- Total Capacity = 5,155 kW
- Firm Capacity*= 3,330 kW

*Firm capacity assumes the largest unit (Unit 2108) is not available

Attachment 1, Appendix A

Charlottetown Supply Details

Charlottetown Supply Details

1.0 Current Power Solution

Hydro acknowledges that a fixed and permanent generating station is preferable to mobile generators. However, Hydro is ensuring that multiple redundant units, i.e., backups to backups, are available to minimize the risk of customer impact. To further address the situation, Units 2102 and 2088 have been retrofitted for full winter operation and have adequate capacity for the communities. The sections that follow provide additional detail on each unit.

1.1 Unit 2102

Unit 2102 (910 kW) has been providing reliable service since early 2020. The upgrades completed in 2022 have increased unit reliability for winter usage through a reduction of cold air being introduced to the container.

This unit has been critical to continued service in the community and has performed very well through the recent extreme cold temperatures experienced in the region.

Further upgrades are planned for 2023 to ensure optimal operation during winter conditions.

1.2 Unit 2088

Unit 2088 (910 kW) was winterized as a part of the response to the original diesel generating station fire in 2019/2020. The unit experienced a fire in early February 2023. It was returned to service on March 4, 2023.

Further upgrades are being completed in 2023 to address the issues that lead to the February 2023 fire, which will increase reliability and ensure optimal operation during winter service.

1.3 Unit 2044

Unit 2044 (600 kW) is available for generation and connected for operation if preferred Units 2102 and 2088 are unavailable or undergoing maintenance as required. It is equipped with a remote radiator and can be relied upon in most winter conditions if required.

1.4 Rental Units

Two rental mobile units are available and connected for operation if preferred Units 2102 and 2088 are unavailable or undergoing maintenance. These units can be relied upon throughout the majority of the year; however, during harsh winter conditions, other options are preferred.

Rental Unit 820 (725 kW) is currently experiencing issues that are planned to be addressed by Toromont CAT. Hydro expects that this unit will be returned to the vendor upon installation of the larger unit, Unit 2108, in May/June 2023.

Rental Unit 821 (910 kW) was shipped to the site in early March 2023 and is expected to be available for service by March 24, 2023.

1.5 Unit 2108

Unit 2108 (1,825 kW) is a mobile genset that was purchased from Muskrat Falls. It is currently in St. John's for refurbishment and preventative maintenance work. Hydro expects this unit to be on site in Charlottetown in late April 2023 in preparation for installation in May 2023, prior to the opening of the fish processing facility.

Attachment 2

Regional Diesel Generating Station Timeline

TOWN OF CHARLOTTETOWN

REGIONAL DIESEL GENERATING STATION TIMELINE

Charlottetown Town Hall Information Sheet

1. Fire Safety

Hydro will work with the town and its Volunteer Fire Department to develop protocols in case of fire at Hydro's site. These protocols will clarify the expectations of the fire department at Hydro's site, as well as cover associated hazards. These protocols will allow appropriate access to ensure public safety, protect town equipment, and protect town infrastructure.

Hydro is currently reviewing the orientation and spacing of the mobile generation units located on the concrete floor of the former generating station. Hydro is scheduled to make modifications to this setup in May 2023 when the newest, largest unit (Unit 2108) is installed. Hydro will rearrange the physical layout of the mobile units on site to further mitigate the risks associated with fire spreading.

Hydro will also ensure that the doors on the mobile units are kept closed during operation to guard against the possibility of fire spreading outside the container. Engineering solutions are being implemented to address coolant issues that have caused the previous fires. In addition, Hydro is working with several vendors to determine whether a suitable fire suppression product is available on the market that could be placed inside the containers that house the generators. Fire suppression systems are used to extinguish, control, or in some cases, entirely prevent fires from occurring or spreading.

Hydro commits to continuing to update the town on initiatives such as these in its quarterly written updates and during the process of the development of fire safety protocols.

2. Current Power Solution

As noted, Hydro will provide quarterly updates to the town on all matters of concern regarding electricity supply and want to assure residents that they, and their businesses, have a reliable supply of power to today and until a permanent solution is in place.

Hydro acknowledges that a fixed and permanent generating station is preferable to mobile generators; however, Hydro is ensuring that multiple redundant units, i.e., backups to backups, are available to minimize the risk of customer impact. As such, there is sufficient excess capacity on site in Charlottetown to meet peak community load forecasts even if multiple units are unavailable, see Figure 1.

During Winter 2023 (i.e., present day to May 2023), with the units installed on site, there is enough generation to meet the forecasted peak community load (highest usage over this period in the community) of 756 kW with three of the largest units out of service. Winter 2024 will be evaluated further throughout the upcoming months; however, generation availability should at minimum mirror of Winter 2023.

During Summer 2023 (i.e., June 2023 to October 2023), with units that will be installed on site, there is enough generation to meet a forecasted peak community load (highest usage over this period in the community) of 1,547 kW with two of the largest units out of service.

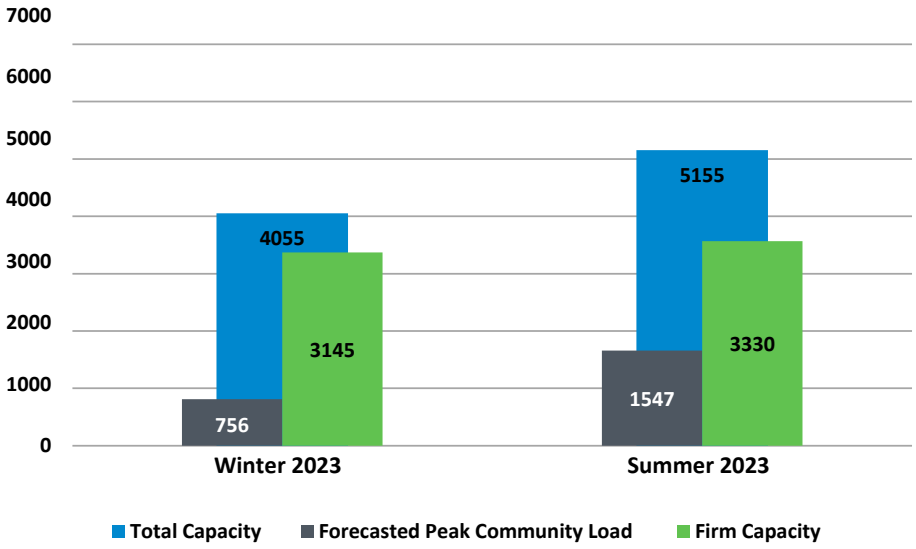


Figure 1: Charlottetown Excess Capacity by Season (kW)[1]

3. Response Times

With respect to the response to generating station maintenance issues, Hydro has staff strategically stationed in Labrador that are able to respond in a timely manner.

Hydro will ensure open communication with the town and management personnel will be available to support with enquiries.

4. Emergency Power Supply for Fire Hydrant Pumps during Power Outages

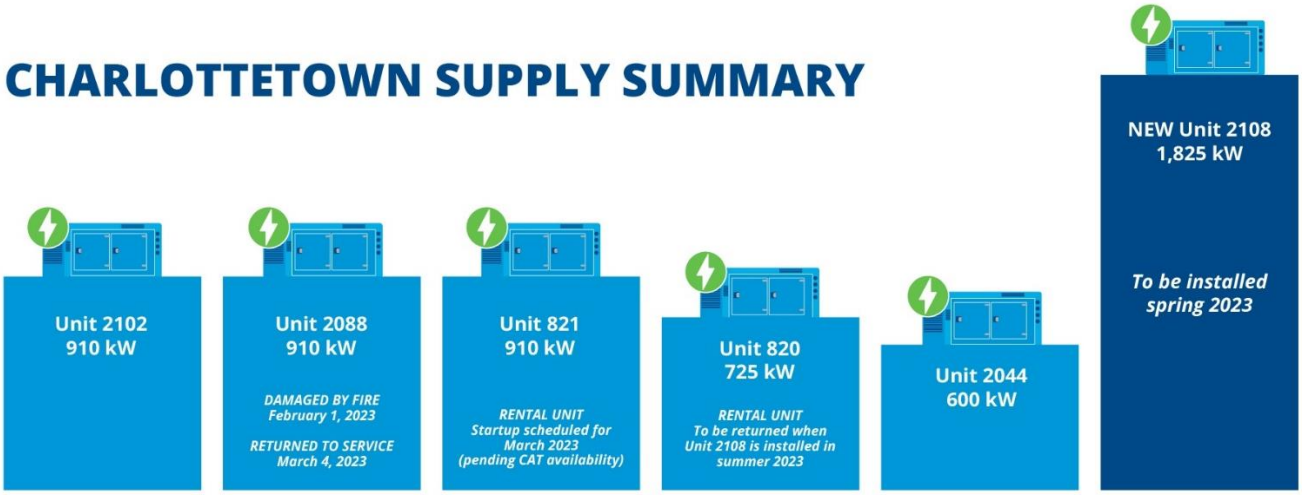
Hydro will work with the town to understand options for backup generation for critical facilities. While Hydro cannot buy, own, or operate town infrastructure, such as backup generators, Hydro will provide reasonable support, including working with government agencies, to aid in the determination of what is needed and, when possible, implementation.

[1] Total capacity is defined as the total available generation, while firm capacity is defined as the available generation with the largest unit out of service.

5. Status of Proposed Regional Diesel Generating Station and Regulatory Process Update

Hydro continues to work through the regulatory process with the regulator to support a decision as soon as possible. Hydro has solicited a third-party consultant to review the proposed project. The third-party assessment will be completed by the end of March 2023 and will be provided to the PUB as well as the town. This assessment will provide the regulator with detailed information regarding the suggested long-term solution.

Hydro will also provide an overview session to the town representatives and will work with the town's schedule to hold this session at the town's convenience.



Hydro anticipates submitting this third-party assessment to the regulator on March 31, 2023, at which time Hydro will ensure that the results are also shared with the southern Labrador stakeholders. Hydro will request that the regulator resume the review process and will express the need for urgency in proceeding with the review.

Following the filing of the third-party assessment with the regulator and the subsequent resumption of the review process, Hydro is committed to working with the regulatory, intervenors, and stakeholders to ensure timely approval of this project and allow Hydro to move forward with the implementation of a long-term solution for the residents of Charlottetown and Pinsent's Arm, as well as the southern Labrador region.

Once approved, Hydro will work to construct the proposed project as expeditiously as possible. The early stages of project execution mostly include procurement activities. An update on the schedule and status will be provided to the towns once the regulatory process has resumed.

In the unlikely event that the project is not approved, Hydro will work urgently with all stakeholders to propose an alternative solution that can be executed as quickly as possible.

Please refer to the Regional Diesel Generating Station Timeline, which outlines the activities completed to date and the remaining activities to be completed after the project is approved by the regulator to ensure as expedited as possible construction of the long-term solution.

TOWN OF CHARLOTTETOWN

REGIONAL DIESEL GENERATING STATION TIMELINE

Hydro will continue to update the town on the status of the regulatory process in its quarterly written updates and in any subsequent meetings with town officials.

Appendix K

Emails to Southern Labrador Towns - March 29, 2023

From: Deanne Fisher/NLHydro
To: stlewisadmin@nf.aibn.com
Date: 03/29/2023 02:34 PM
Subject: Update from NL Hydro re: supply for Southern Labrador

Hello Mayor Poole, Town Councillors and Staff,

We're reaching out today with a brief update regarding Hydro's application to the Public Utilities Board for long-term supply for southern Labrador.

Early in 2022, Hydro Executive met with representatives from most of the southern Labrador communities to provide an overview of Hydro's application for a regional plant to serve the southern Labrador communities with power. At those meetings, Hydro discussed the rationale for its proposal and answered questions from representatives. Following these sessions, in April of 2022, the PUB requested that Hydro complete additional analysis assessing 'all reasonable options for the provision of service in the region'. Subsequently, Hydro underwent a Request for Proposals process and subsequently engaged Midgard Consulting Inc. ("Midgard") to complete that additional, independent analysis.

Midgard undertook that analysis over many months in order to evaluate the numerous alternative long-term supply solutions for southern Labrador. It considered the viability of using battery energy storage systems and multiple options to account for different reliability criteria, development timing, and other factors. The scenarios aimed to satisfy three supply criteria—capacity, energy, and reliable backup. The alternatives considered ranged from refurbishing existing stations and maintaining isolated community services to constructing new regional generating stations (thermal or hydraulic) with full interconnections or interconnection with the Labrador Interconnected System.

Midgard's independent assessment has been completed and will tabled with the PUB on March 31, 2023. The report provides the PUB with detailed information regarding the suggested long-term solution.

Hydro has committed to provide a copy of this report to the communities and will do so once it has been tabled with the PUB. Please stay tuned for a copy of that report and a summary letter.

Following receipt of the report, we are checking in with you to set up a time to offer an update on the report's findings and the next steps in the regulatory review process.

Any questions or concerns, please do not hesitate to reach out.

Thanks

Deanne

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

From: Deanne Fisher/NLHydro
To: stlewistownoffice@nf.aibn.com
Date: 03/29/2023 02:32 PM
Subject: Update from NL Hydro re: supply for Southern Labrador

Hello Mayor Poole, Town Councillors and Staff,

We're reaching out today with a brief update regarding Hydro 's application to the Public Utilities Board for long-term supply for southern Labrador.

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Deanne

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t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

From:	Deanne Fisher/NLHydro
To:	maryshbr@nf.aibn.com
Date:	03/29/2023 02:30 PM
Subject:	Update from NL Hydro re: supply for Southern Labrador

Hello Mayor Rumbolt, Town Councillors and Staff,

We're reaching out today with a brief update regarding Hydro 's application to the Public Utilities Board for long-term supply for southern Labrador.

Early in 2022, Hydro Executive met with representatives from most of the southern Labrador communities to provide an overview of Hydro 's application for a regional plant to serve the southern Labrador communities with power. At those meetings, Hydro discussed the rationale for its proposal and answered questions from representatives. Following these sessions, in April of 2022, the PUB requested that Hydro complete additional analysis assessing 'all reasonable options for the provision of service in the region'. Subsequently, Hydro underwent a Request for Proposals process and subsequently engaged Midgard Consulting Inc. ("Midgard") to complete that additional, independent analysis.

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Any questions or concerns, please do not hesitate to reach out.

Thanks

Deanne

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

From: Deanne Fisher/NLHydro
To: porthopesimpson@nf.aibn.com
Date: 03/29/2023 02:27 PM
Subject: Update from NL Hydro re: supply for Southern Labrador

Hello Mayor Margaret Burden, Town Councillors and Staff,

We're reaching out today with a brief update regarding Hydro 's application to the Public Utilities Board for long-term supply for southern Labrador.

Early in 2022, Hydro Executive met with representatives from most of the southern Labrador communities to provide an overview of Hydro 's application for a regional plant to serve the southern Labrador communities with power. At those meetings, Hydro discussed the rationale for its proposal and answered questions from representatives. Following these sessions, in April of 2022, the PUB requested that Hydro complete additional analysis assessing 'all reasonable options for the provision of service in the region'. Subsequently, Hydro underwent a Request for Proposals process and subsequently engaged Midgard Consulting Inc. ("Midgard") to complete that additional, independent analysis.

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Midgard's independent assessment has been completed and will tabled with the PUB on March 31, 2023. The report provides the PUB with detailed information regarding the suggested long-term solution.

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Any questions or concerns, please do not hesitate to reach out.

Thanks

Deanne

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e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

Appendix L

Email to Minister Dempster - March 29, 2023

From: Deanne Fisher/NLHydro
To: LisaDempster@gov.nl.ca, NicoleKieley@gov.nl.ca
Date: 03/29/2023 02:15 PM
Subject: Update on Charlottetown supply and Regulatory Process

Hello Minister Dempster,

Reaching out today with a brief update regarding Hydro 's work with Charlottetown and its application to the PUB for supply to the southern Labrador communities .

We have been working with the Mayor and Town Manager over the past few months to address the Town's concerns related to their interim supply . As you are likely aware, the Town has concerns related to the fires they have experienced . This is extremely unfortunate and we are working with the Town to mitigate these issues , and are committed to supplying a larger unit to the Town this spring which will help alleviate those situations . We are committed to doing whatever we can to alleviate the concerns of residents of Charlottetown and Pinsent 's Arm.

With respect to the regulatory process : In April of 2022, the PUB requested that Hydro complete additional analysis assessing 'all reasonable options for the provision of service in the region'. Hydro underwent a Request for Proposals process and subsequently engaged Midgard Consulting Inc. (“Midgard”) to complete that additional , independent analysis .

Midgard undertook that analysis over many months in order to evaluate the numerous alternative long-term supply solutions for southern Labrador . It considered the viability of using battery energy storage systems and multiple options to account for different reliability criteria, development timing, and other factors . The scenarios aimed to satisfy three supply criteria—capacity, energy, and reliable backup . The alternatives considered ranged from refurbishing existing stations and maintaining isolated community services to constructing new regional generating stations (thermal or hydraulic) with full interconnections or interconnection with the Labrador Interconnected System .

Midgard’s independent assessment has been completed and will tabled with the PUB on March 31, 2023. The report provides the PUB with detailed information regarding the suggested long-term solution.

Hydro has committed to provide a copy of this report to the Charlottetown and Pinsent 's Arm

and have a stakeholder meeting scheduled for Friday am .

We are checking in with you to set up a time to offer an update on the report 's findings and the next steps in the regulatory review process . We're happy to meet at your convenience and look forward to hearing from you .

Any questions or concerns , please do not hesitate to reach out .

Thanks

Deanne

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
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t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

Appendix M

Email to IET - March 29, 2023

Charlottetown Supply Summary

From:	Deanne Fisher/NLHydro
To:	JCowan@gov.nl.ca, "Martin, Craig" <CMartin@gov.nl.ca>, coreysnook@gov.nl.ca, TansyMundon@gov.nl.ca
Cc:	Robert Collett/NLHydro@NLHydro, Krista Fowler/NLHydro@NLHYDRO
Date:	03/29/2023 02:04 PM
Subject:	Update on Charlottetown and Next Steps

Folks,

A brief update on Charlottetown and electricity supply for southern Labrador communities , specifically completion of the the consultant 's report on Hydro's preferred option, and some support from an EA perspective .
Apologies for the lengthy email, but its a fulsome update on a few issues .

We have been working closely with the Mayor and Town Manager over the past few months to address the Town's concerns related to their interim supply . As you are likely aware, the Town has concerns related to the fires they have experienced . We are working with the Town to mitigate these issues, and are committed to supplying a larger unit to the Town this spring which will help alleviate those situations .

We will be seeking support from IET, to coordinate with the DOE, on the EA process in order for us to put this larger unit in service in the Town of Charlottetown . This unit - Unit 2018 on the attache diagram - is a much better service; however, it requires some environmental permitting etc. We hope to have this in place as soon as possible and hope that IET might be able to assist us in our request to the Department , once the application is submitted , to ensure we can adhere to the 45 day timeline and alleviate these issues for the Town as best we can .

With respect to the consultant 's report and next steps in for stakeholder engagement : You may recall that in April of 2022, the PUB requested that Hydro complete additional analysis assessing all reasonable options for the provision of service in the region . Hydro underwent a Request for Proposals process and subsequently engaged Midgard Consulting Inc . (“Midgard”) to complete that additional , independent analysis .

- Midgard undertook that analysis over many months in order to evaluate the numerous alternative long-term supply solutions for southern Labrador . It considered the viability of using battery energy storage systems and multiple options to account for different reliability criteria, development timing, and other factors. The scenarios aimed to satisfy three supply criteria—capacity, energy, and reliable backup. The alternatives considered

ranged from refurbishing existing stations and maintaining isolated community services to constructing new regional generating stations (thermal or hydraulic) with full interconnections or interconnection with the Labrador Interconnected System .

- Midgard's independent assessment has been completed and will tabled with the PUB on March 31, 2023. The report provides the PUB with detailed information regarding the suggested long-term solution.

- Hydro has committed to provide a copy of this report to the Towns at the same time . We have scheduled a stakeholder meeting for Friday , followed by an update with President Todd Russell on April 3rd, and are scheduling other updates with Minister Dempster . The remaining communities will get notice of the report in the coming days and an offer for a follow-up session if needed.

Confidentially: We are hoping this info doesn't get leaked before we have the opportunity to meet with Charlottetown Town Council to provide them with the findings and our next steps and assure them that we are reviewing Midgard's findings so we can have an updated filing to the PUB by the end of April.

- Midgard's overall recommendation is for Hydro to proceed with the interconnection of the communities of southern Labrador and the establishment of a regional diesel generating station, based on its conclusion that it is the most cost-effective and reliable solution for the provision of service to the communities. This is consistent with Hydro's analysis; however, Midgard's recommendation differs from the proposal Hydro put forth in its original capital application in that Midgard's recommendation is for Hydro to proceed with the full interconnection rather than a phased implementation , with the regional diesel generating station outfitted to provide N-1 reliability, rather than N-2 as Hydro proposed. Hydro is considering Midgard's recommendations as it prepares to update its application to the PUB no later than the end of April 2023.

Any questions or concerns, please do not hesitate to reach out. Otherwise, we will provide an update following the session with Charlottetown on Friday .
Thanks

Deanne

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
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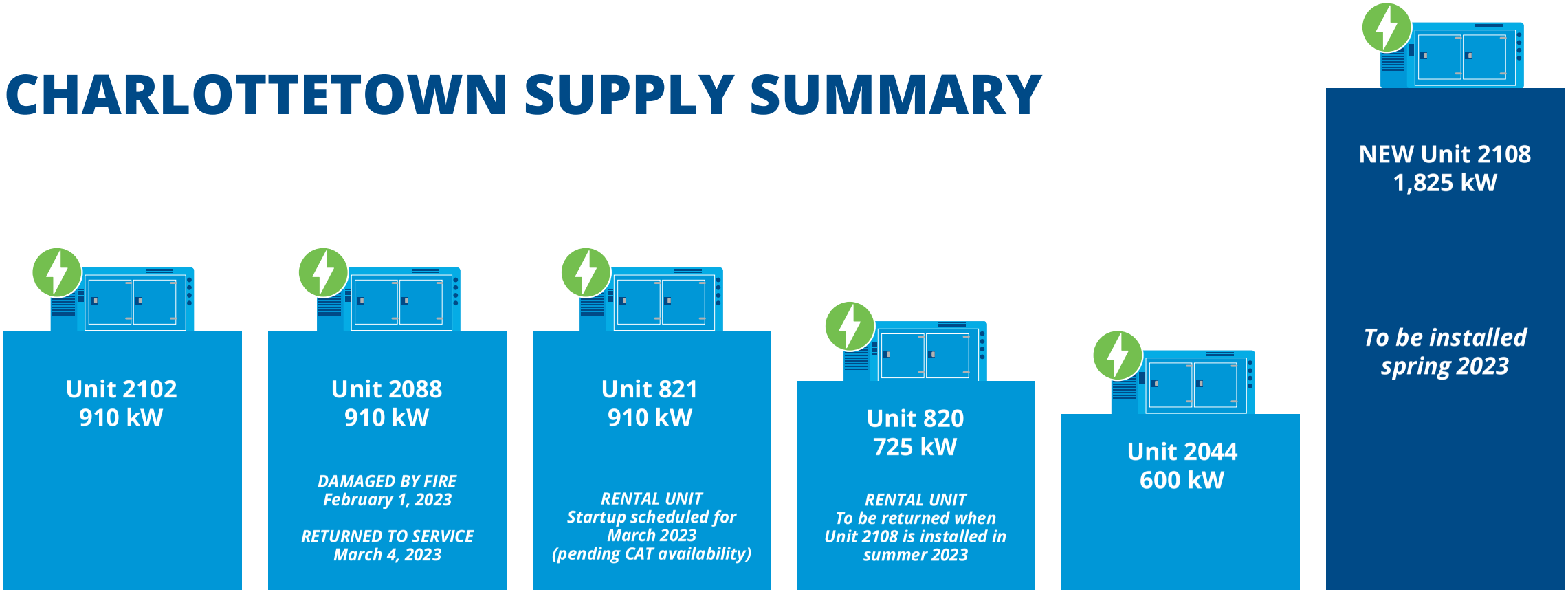
CHARLOTTETOWN SUPPLY SUMMARY



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*Firm capacity assumes the largest unit (Unit 2108) is not available

Appendix N

Letter to Charlottetown Town Council - March 31, 2023

Letter to Mary's Harbour Town Council - March 31, 2023

Letter to Port Hope Simpson Town Council - March 31, 2023

Letter to St. Lewis Town Council - March 31, 2023

Jennifer Williams
President and
Chief Executive Officer

Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
nlhydro.com

March 31, 2023

Charlottetown Town Council
PO Box 151
Charlottetown, NL
A0K 5Y0

Attention: Rick Oram, Mayor, Town of Charlottetown

Dear Mayor Oram,

In our recent letter to the Town of Charlottetown dated March 17, 2023, Newfoundland and Labrador Hydro ("Hydro") committed to providing updates to the town on the status of the regulatory process in written updates and subsequent meetings with town officials.

Midgard's independent assessment has been completed and Hydro has provided a copy of this report the Board of Commissioners of Public Utilities ("PUB"). Hydro is honoring its commitment to provide a copy of the report to the Towns at the same time. Attachment 1 includes Midgard Consulting's report and Hydro's letter to the PUB which provides a summary of Midgard's analysis and recommendation.

Hydro intends to file an update with the PUB before the end of April 2023, detailing any revisions in cost, schedule, or scope resulting from consideration of Midgard's recommendation and the passage of time since the original application.

Hydro will request that the PUB resume the regulatory review process and will express the need for urgency in proceeding with the review. Hydro will make any updates to its application and evidence that may be necessary due to the passage of time, and the receipt of Midgard's report, to enable the review process to proceed without further delay.

Hydro anticipates that the PUB will set a review schedule, which may include any combination of additional rounds of requests for information ("RFI"), technical conferences, or a formal hearing. As part of that review process, generally as the final step, intervenors, such as Newfoundland Power Inc. and the Consumer Advocate, are provided with the opportunity to file a written submission outlining their position on any outstanding issues, provide any additional context for consideration by the PUB, and indicate their support or opposition to the project. Hydro is then afforded the opportunity to file a written submission addressing any outstanding issues or concerns.

The PUB then considers all available information and evidence to come to a decision regarding project approval. After deliberation, the PUB will then issue a "Board Order" outlining its decision.

Hydro is unable to speculate on the timeframe for a Board Order; however, as stated, Hydro will continue to advocate for expediency. Following the filing of the Midgard report with the PUB and the subsequent resumption of the regulatory review process, Hydro is committed to working with the PUB, intervenors, and stakeholders to ensure timely approval of this project and allow Hydro to move forward with the implementation of a long-term solution for the residents of Charlottetown and Pinsent's Arm, as well as the southern Labrador region.

Once approved, Hydro will work to construct the proposed project as expeditiously as possible. The early stages of project execution mostly include procurement activities. An update on the schedule and status will be provided to the towns once the regulatory process has resumed. In the unlikely event that the project is not approved, Hydro will work urgently with all stakeholders to propose an alternative solution that can be executed as quickly as possible.

Hydro is committed to providing written updates to the town as the project advances. We sincerely appreciate the town's continued willingness to engage with us as we work to manage this challenging situation.

Sincerely,

Jennifer Williams

enclosure

newfoundland labrador hydro

Jennifer Williams
President and
Chief Executive Officer

Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
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t. 709.737.1400 I f. 709.737.1800
nlhydro.com

March 31, 2023

Mary's Harbour Town Council
PO Box 134
Mary's Harbour, NL
A0K 3P0

Dear Mayor,

In July of 2021, Hydro filed its capital application with the PUB for the construction of a regional diesel generating station and the interconnection of the communities of the Charlottetown, Lodge Bay, Mary's Harbour, Pinsent's Arm, Port Hope Simpson and St. Lewis as the proposed option to supply southern Labrador. In April of 2022, the PUB requested that Hydro complete additional analysis assessing all reasonable options for the provision of service in the region. Hydro engaged Midgard Consulting Inc. ("Midgard") to complete that additional, independent analysis.

Midgard's independent assessment has been completed and Hydro has provided a copy of this report the Board of Commissioners of Public Utilities ("PUB"). Hydro is honoring its commitment to provide a copy of the report to the Towns at the same time. Attachment 1 includes Midgard Consulting's report and Hydro's letter to the PUB which provides a summary of Midgard's analysis and recommendation.

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Hydro will request that the PUB resume the regulatory review process and will express the need for urgency in proceeding with the review. Hydro will make any updates to its application and evidence that may be necessary due to the passage of time, and the receipt of Midgard's report, to enable the review process to proceed without further delay.

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Hydro is committed to providing written updates to the town as the project advances.

Sincerely,

Jennifer Williams

enclosure

newfoundland labrador hydro

Jennifer Williams
President and
Chief Executive Officer

Newfoundland and Labrador Hydro
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nlhydro.com

March 31, 2023

Port Hope Simpson Town Council
PO Box 130
Port Hope Simpson, NL
A0K 4E0

Dear Mayor,

In July of 2021, Hydro filed its capital application with the PUB for the construction of a regional diesel generating station and the interconnection of the communities of the Charlottetown, Lodge Bay, Mary's Harbour, Pinsent's Arm, Port Hope Simpson and St. Lewis as the proposed option to supply southern Labrador. In April of 2022, the PUB requested that Hydro complete additional analysis assessing all reasonable options for the provision of service in the region. Hydro engaged Midgard Consulting Inc. ("Midgard") to complete that additional, independent analysis.

Midgard's independent assessment has been completed and Hydro has provided a copy of this report the Board of Commissioners of Public Utilities ("PUB"). Hydro is honoring its commitment to provide a copy of the report to the Towns at the same time. Attachment 1 includes Midgard Consulting's report and Hydro's letter to the PUB which provides a summary of Midgard's analysis and recommendation.

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Hydro is committed to providing written updates to the town as the project advances.

Sincerely,

Jennifer Williams

enclosure

newfoundland labrador hydro

Jennifer Williams
President and
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nlhydro.com

March 31, 2023

St. Lewis Town Council

Dear Mayor,

In July of 2021, Hydro filed its capital application with the PUB for the construction of a regional diesel generating station and the interconnection of the communities of the Charlottetown, Lodge Bay, Mary's Harbour, Pinsent's Arm, Port Hope Simpson and St. Lewis as the proposed option to supply southern Labrador. In April of 2022, the PUB requested that Hydro complete additional analysis assessing all reasonable options for the provision of service in the region. Hydro engaged Midgard Consulting Inc. ("Midgard") to complete that additional, independent analysis.

Midgard's independent assessment has been completed and Hydro has provided a copy of this report the Board of Commissioners of Public Utilities ("PUB"). Hydro is honoring its commitment to provide a copy of the report to the Towns at the same time. Attachment 1 includes Midgard Consulting's report and Hydro's letter to the PUB which provides a summary of Midgard's analysis and recommendation.

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Hydro is committed to providing written updates to the town as the project advances.

Sincerely,

Jennifer Williams

enclosure

Appendix O

Email to NCC and Legal Council - April 3, 2023

Southern Labrador Integrated Resource Plan April 2023

From:	Deanne Fisher/NLHydro
To:	jcooke@bwbllp.ca, AGeorge@bwbllp.ca, dpoole@nunatukavut.ca, AHampGonsalves@bwbllp.ca, jholwell@nunatukavutcouncil.ca, bturnbull@nunatukavutcouncil.ca, trussell@nunatukavut.ca
Cc:	Jennifer Williams/NLHydro@NLHYDRO, Robert Collett/NLHydro@NLHydro
Date:	04/03/2023 03:54 PM
Subject:	Midgard Consulting's report and Summary Powerpoint

Hello President Russell and others,

Thanks for taking the time to meet with us this morning. As promised, attached is a copy of the final PUB filing for your information, as well as a copy of Hydro's powerpoint summarizing Midgard's findings as requested.

Please let us know if we can be of assistance with another meeting to walk through the findings in more detail. We're happy to do so.

Thanks
Deanne

Southern Labrador Integrated Resource Plan April 2023.pptx

2023-03-31_NLH_LT Supply for S. Lab_Midgard Report.pdf

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
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e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

Long Term Supply for Southern Labrador

Overview of Midgard Consulting's Report

Background

- July 2021 - Hydro files capital application with the PUB for construction of a regional plant with interconnection of communities in southern Labrador as the proposed option to supply southern Labrador.
- April 2022 - the PUB requested that Hydro complete additional analysis assessing “all reasonable options” for the provision of service in the region.
- Hydro engaged Midgard Consulting Inc. to complete that additional, independent analysis. Over many months, they evaluated:
  - the viability of using battery energy storage systems
  - alternatives considered ranged from refurbishing existing stations; maintaining isolated community services; constructing new regional generating stations (thermal or hydraulic); full interconnections or interconnection with the Labrador Interconnected System.

Midgard's Assessment

- Midgard considered a wide variety of alternatives for long-term supply for Charlottetown and Pinsent's Arm, including but not limited to:
  - Construction of a diesel plant in Charlottetown
  - Renewable Energy (wind, solar, hydro) with Battery Storage
  - Regional Plant
    - Phased Interconnection
    - Full Interconnection now

- Midgard considered cost, reliability, economics, and environment in its assessment.

Midgard's Overall Recommendation

- Hydro should **proceed with the interconnection of the communities of southern Labrador with a regional plant with the full interconnection immediately rather than a phased implementation.**
- The most cost-effective and reliable solution:
  - Operational savings due to reduced fuel consumption
  - Improved system reliability
  - Reduced capital costs
  - Greater potential for renewable penetration
- Hydro is considering Midgard's recommendations as it prepares to update its application to the PUB no later than the end of April 2023.

Next Steps

- Hydro intends to file an update with the PUB before the end of April 2023
- Hydro will request that the PUB resume the regulatory review process
- Hydro anticipates that the PUB will set a review schedule
  - May include any combination of additional rounds of requests for information ("RFI"), technical conferences, or a formal hearing.
  - Generally as the final step, intervenors, are provided with the opportunity to file a written submission outlining their position on any outstanding issues, provide any additional context for consideration by the PUB, and indicate their support or opposition to the project.
  - Hydro is then afforded the opportunity to file a written submission addressing any outstanding issues or concerns.

Regulatory Review Process

- The PUB then considers all available information and evidence to come to a decision regarding project approval.
- After deliberation, the PUB will then issue a “Board Order” outlining its decision.
- Once approved, Hydro will work to construct the proposed project as expeditiously as possible.

An update on the schedule and status will be provided to the towns once the regulatory process has resumed.

Summary of Midgard's Independent Assessment

Analysis of Alternatives

Midgard evaluated numerous alternative long-term supply solutions for southern Labrador.

- **Viability of using battery energy storage systems**
  - Range of alternatives considered
    - Refurbishing existing stations and maintaining isolated community services
    - Constructing new regional generating stations (thermal or hydraulic) with full interconnections or interconnection with the Labrador Interconnected System.
  - Regarding the future cost-effectiveness of battery energy storage systems, Midgard concluded that renewable energy sources with sufficient battery storage to provide firm capacity remains cost prohibitive at this time.

Analysis of Alternatives

- **Interconnecting the communities**
  - Report highlighted several benefits:
    - Operational savings due to reduced fuel consumption
    - Improved system reliability
    - Reduced capital costs
    - Greater potential for renewable penetration
    - The interconnected system will enable greater use of renewable energy to offset diesel fuel usage.
  - Proceeding with the full interconnection, rather than phased interconnection, is more cost-effective and may enable greater renewable penetration sooner.

Analysis of Alternatives

- **Use of Diesel Gensets**
  - The use of diesel gensets in Hydro's proposed approach is consistent with practices in other similar jurisdictions across Canada.
  - Diesel generation remains a common solution for remote communities due to its reliability, ease of installation, and cost-effectiveness.
  - Midgard's analysis of similar jurisdictions provides context for the proposed approach and supports its suitability for the southern Labrador system.
- **Cost-Benefit Analysis**
  - Midgard conducted a cost-benefit analysis considering both direct costs, such as capital investments and operational expenses, and indirect costs, such as environmental impacts and potential economic benefits.
  - Midgard's analysis suggests that the upfront capital costs of interconnecting the four systems and six communities will be offset by operational savings over a 25-year period.

Requirement for Diesel Generation

- Midgard's assessment emphasized the importance of maintaining reliable back-up generation to ensure the continuous supply of electricity for southern Labrador communities.
- Regardless of the alternative chosen, Midgard notes that a dependable diesel generation solution is required to provide capacity and energy during emergencies or periods of high demand.

Integration of Renewables

- Midgard recommends that Hydro pursue Power Purchase Agreements ("PPA"), particularly through partnerships with Indigenous stakeholders, to integrate renewable energy sources into the system.
  - Help offset diesel fuel usage
  - Reduce greenhouse gas emissions
  - Provide potential economic benefits to the communities
- Midgard emphasizes the importance of Indigenous involvement in renewable energy projects and recommends that Hydro actively support and engage Indigenous groups in the procurement of renewable energy supplies.
  - Aligns with federal policies that favor Indigenous-led development of renewable energy projects, contributing to the growth of Indigenous communities and fostering a more inclusive energy sector.

Provision of Reliable Service in the Interim Period

Current Power Solution and Capacity

- All residents and their businesses have a reliable supply of power today and until a permanent solution is in place
- Hydro is ensuring that multiple redundant units, i.e. backups to backups, are available to minimize the risk of customer impact.

There is sufficient excess capacity on site in Charlottetown to meet peak community load forecasts even if multiple units are unavailable.

Next Steps

Regulatory Review Process

- Hydro intends to file an update with the PUB before the end of April 2023
- Hydro will request that the PUB resume the regulatory review process and will express the need for urgency in proceeding with the review.
- Hydro anticipates that the PUB will set a review schedule
  - May include any combination of additional rounds of requests for information ("RFI"), technical conferences, or a formal hearing.
  - Generally as the final step, intervenors, such as Newfoundland Power Inc. and the Consumer Advocate, are provided with the opportunity to file a written submission outlining their position on any outstanding issues, provide any additional context for consideration by the PUB, and indicate their support or opposition to the project.
  - Hydro is then afforded the opportunity to file a written submission addressing any outstanding issues or concerns.

Regulatory Review Process

- The PUB then considers all available information and evidence to come to a decision regarding project approval.
- After deliberation, the PUB will then issue a “Board Order” outlining its decision.
- Once approved, Hydro will work to construct the proposed project as expeditiously as possible.

An update on the schedule and status will be provided to the towns once the regulatory process has resumed.

nlhydro.com

newfoundland labrador hydro

Appendix P

Email to IET - April 5, 2023

From: Deanne Fisher/NLHydro
To: "Martin, Craig" <CMartin@gov.nl.ca>, coreysnook@gov.nl.ca, TansyMundon@gov.nl.ca
Date: 04/05/2023 04:13 PM
Subject: Fw: NLH - Long-Term Supply for Southern Labrador - Phase 1 - Pending Schedule - Internal Distribution

FYI

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

----- Forwarded by Deanne Fisher/NLHydro on 04/05/2023 04:13 PM -----

From: NLH Regulatory/NLHydro
To: CBA and Supps (Internal), GovNL (Labrador)
Date: 04/05/2023 03:18 PM
Subject: NLH - Long-Term Supply for Southern Labrador - Phase 1 - Pending Schedule - Internal Distribution
Sent by: Samantha Keats

Good day,

Please see attached correspondence from the Board advising it will set a review schedule as soon as Newfoundland and Labrador Hydro files its update to the Long -Term Supply for Southern Labrador - Phase I application.

Keep safe in all you do.

Samantha

2023-04-05_PUB_LT Supply for Lab South_Pending Schedule.pdf

Samantha Keats (she/her)
Regulatory Coordinator
Regulatory Compliance Team, Regulatory Affairs
Newfoundland & Labrador Hydro
c. 709 765-1750
e. SamanthaKeats@nlh.nl.ca | **w.** www.nlhydro.com

Appendix Q

Email to NCC - April 19, 2023

From: Sara J Sullivan/NLHydro
To: jcooke@bwbllp.ca, AGeorge@bwbllp.ca, dpoole@nunatukavut.ca, AHampGonsalves@bwbllp.ca, jholwell@nunatukavutcouncil.ca, bturnbull@nunatukavutcouncil.ca, trussell@nunatukavut.ca
Cc: Jennifer Williams/NLHydro@NLHYDRO, Robert Collett/NLHydro@NLHydro, Kevin Fagan/NLHydro@NLHYDRO
Date: 04/19/2023 05:17 PM
Subject: Follow-up: Midgard Report

President Russell,

Further to our correspondence on April 3 and 11, we hope you have had the opportunity to review the Midgard report, and to consider the recommendations made by Midgard in that report. We would like to schedule a meeting with you, and your representatives, at your earliest convenience to discuss your views on that report, as well as to discuss the next steps in the process to provide reliable service to Southern Labrador. Discussions with you, and with the southern Labrador communities, are necessary in order to move the process forward in a timely fashion. Due to the amount of time involved in the regulatory process required for approval of the work necessary, and the urgent need to provide reliable service to Charlottetown and Pinsent's Arm, we hope to hear from you soon.

Kind regards,
Sara

Sara J Sullivan
Communications Advisor
Regulatory and Stakeholder Relations
Newfoundland & Labrador Hydro
t. **709 737-4834** | c. **709 687-1169**
e. **SaraJSullivan@nlh.nl.ca** | w. **www.nlhydro.com**

Appendix R

Letter to NCC - April 28, 2023

Jennifer Williams
President and
Chief Executive Officer

Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
nlhydro.com

28 April 2023

President Todd Russell
NunatuKavut Community Council
200 Kelland Drive,
PO Box 460, Stn. C,
Happy Valley-Goose Bay, NL
A0P 1C0

Via email: trussell@nunatukavut.ca
executiveasst@nunatukavut.ca

RE: Long Term Supply for Southern Labrador, Phase 1 Update

Dear President Russell,

On March 31, 2023,[1] Newfoundland and Labrador Hydro ("Hydro") provided correspondence to the Board of Commissioners of Public Utilities ("Board") with respect to the outcome of the analysis by Midgard Consulting Inc. ("Midgard") of Hydro's long-term supply plan for southern Labrador.[2] In its correspondence, Hydro stated that it expected to file an update with the Board before the end of April 2023, detailing any revisions in cost, schedule, or scope resulting from consideration of Midgard's recommendations and the passage of time since the original application in 2021.

Hydro is conscious of the time that is necessary to obtain regulatory approval by the Board, as well as the other lengthy approvals required, such as environmental assessment, to proceed with the implementation of capital projects, especially larger projects such as the long-term supply for southern Labrador. It is also incumbent on Hydro to work expeditiously to ensure that the issues surrounding the provision of service to Charlottetown and Pinsent's Arm can be addressed, and a long-term, safe and reliable supply solution put in place for those communities and for the region. Therefore, Hydro intends to file with the Board, an updated application reflecting the recommendations in Midgard's report. Hydro has sent correspondence to the Board, on today's date, advising that while Hydro requires some additional time to engage its stakeholders to ensure that all parties are informed of Hydro's intended filing, Hydro will file the updated application with the Board in May. Hydro must move forward with providing this update to enable the Board to expeditiously establish a schedule and

[1] "Long-Term Supply for Southern Labrador – Phase 1 – Midgard Consulting Inc. Report," Newfoundland and Labrador Hydro, March 31, 2023.
[2] "Long-Term Supply for Southern Labrador – Phase 1," Newfoundland and Labrador Hydro, July 16, 2021.

process for the continued regulatory review, to work toward decisions and implementation of a long-term, safe, and reliable supply solution for Charlottetown and Pinsent's Arm.

Hydro believes it would be of great benefit to the NunatuKavut Community Council ("NCC"), Hydro, the Board and intervening parties, if the NCC were to apply to become an intervener in the proceeding before the Board. This would allow the NCC to have the opportunity to examine all of the proposals and evidence filed with the regulator in support of Hydro's application, as well as formally ask questions and make submissions. Hydro would support NCC's application to intervene in the process and with the process surrounding the project about to begin again with a revised application, the opportunity exists. Hydro would be pleased to discuss the process to become an intervener with your legal counsel, should you wish.

Further to this, Hydro acknowledges the statements made during the April 3, 2023 meeting between representatives of Hydro and the NCC, in which legal counsel for the NCC asserted that Hydro has a duty to consult with the NCC regarding this project. Hydro agrees that it has a duty to consult with NCC in this matter. As Hydro noted in its emails on April 3, 2023 and April 11, 2023, Hydro is available to meet with you to discuss the project and the Midgard report and answer any questions you may have. In addition, Hydro would appreciate the opportunity to meet to discuss and determine the steps necessary to address and meet the duty to consult. Hydro's legal counsel will also contact NCC's legal counsel to discuss. Additionally of course, Hydro is engaged in the ongoing discussions surrounding the opportunity for the renewal of the Community Development Agreement.

We look forward to hearing from you, and to further discussions regarding this matter and Hydro's goal of providing safe, reliable service to the communities in the southern Labrador region.

If you have any feedback or questions on the above, please do not hesitate to contact me directly.

Sincerely,

Jennifer Williams

Appendix S

Email to Minister Dempster and Staff - April 28, 2023

Letter to Charlottetown - April 28, 2023

From: Deanne Fisher/NLHydro
To: LisaDempster@gov.nl.ca, NicoleKieley@gov.nl.ca
Cc: TracyKing@gov.nl.ca, MichelleWatkins@gov.nl.ca
Date: 04/28/2023 05:02 PM
Subject: Update on PUB filing for Southern Labrador

Hello Minister Dempster, Tracy, Nicole and Michelle,

Minister, I'm sorry to have missed you on April 11 when you met with Jennifer Williams and Rob Collett; however, I was away at that time. Reaching out today with a brief update regarding Hydro's application to the PUB for Long-term Supply for Southern Labrador.

I understand that Jennifer and Rob offered an update on Hydro 's filing with the PUB for long-term supply for Southern Labrador, specifically the findings of the Midgard report and outcomes of the meetings with Charlottetown and NCC regarding the report 's findings. We also advised that as part of the engagement process for this filing, we were successful in meeting with those groups but were still working to get feedback from the other impacted communities to update them on Midgard 's findings. We had reached out to Towns and sent copies of the report and offered meetings, but were not receiving feedback. At that time, our plan was to file an updated application to the PUB taking into consideration the findings of the Midgard report by the end of April.

Since we have not been able to complete those meetings thus far, we are notifying the PUB today that we intend to file the amended application in May. Our goal is mid-May but it is dependent on a few factors. We have since been able to tentatively schedule some times to meet with Port Hope Simpson, Mary's Harbour, Charlottetown (regular update), and are working on others. Rob has also committed to travel to Charlottetown, along with you I understand, as well as with our Senior Manager in Labrador, Rick Kennedy, and maybe others if needed, to meet with residents at a Town Hall meeting. We're attempting to schedule that for May as well.

Today I spoke to Stewart McNab, Town Clerk for Charlottetown, to advise of the revised timeframe for our PUB application, and we followed up with a letter to the Mayor. We also followed up with NCC today with a letter advising them of our intentions to file in May, and also suggested they seek application as an intervenor in the PUB process to ensure they can have insight and input to the regulatory review process. Attached is a copy of that letter, as well as the PUB letter.

We're sending this along as an FYI. If you have any questions, please do not hesitate to reach out. We're happy to meet or answer any questions you folks might have.

Thanks
Deanne

President Russell letter 28 April 2023.pdf Mayor Oram letter 28 April 2023.pdf

2023-04-28_NLH_LT Supply for S. Lab_Update.pdf

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
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newfoundland labrador hydro

Jennifer Williams
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April 28, 2023

Charlottetown Town Council
PO Box 151
Charlottetown, NL
A0K 5Y0

Attention: Rick Oram, Mayor
Town of Charlottetown

Via email: ctown@nf.aibn.com

Dear Mayor Oram,

On March 31, 2023, Newfoundland and Labrador Hydro ("Hydro") met with representatives from the Town of Charlottetown to provide an overview of the outcome of the analysis by Midgard Consulting Inc. ("Midgard") of Hydro's long-term supply plan for southern Labrador. Hydro also provided the Town with a copy of its correspondence to the Board of Commissioners of Public Utilities ("PUB") which included a copy of Midgard's report. In its correspondence to the PUB and during the meeting, Hydro stated that it expected to file an updated application for the long-term supply for southern Labrador with the PUB before the end of April 2023, detailing any revisions in cost, schedule, or scope resulting from consideration of Midgard's recommendations and the passage of time since the original application in 2021.

Hydro intends to file this update application with the PUB reflecting the recommendations in Midgard's report; however, Hydro has sent correspondence to the PUB, on today's date, advising that Hydro requires some additional time to engage its stakeholders to ensure that all parties are informed of Hydro's intended filing. Hydro will file the amended application, along with updated information regarding cost and schedule, with the PUB in May.

Hydro must move forward with providing this update to enable the PUB to expeditiously establish a schedule and process for the continued regulatory review, to work toward decisions and implementation of a long-term, safe and reliable supply solution for Charlottetown and Pinsent's Arm.

Hydro remains committed to ensuring safe and reliable supply to its customers in Charlottetown and Pinsent's Arm, and recognizes the need to obtain approval and begin the implementation of a long-term supply solution for the community as urgently as possible. Hydro continues to monitor

...2

the performance and reliability of its mobile diesel gensets to ensure it has sufficient redundancy and operational support to enable reliable service. Further, Hydro will continue to engage with the town and officials and keep you informed on additional actions we are taking to support the safety of the town during this interim period of supply in advance of the long term solution completion.

Hydro senior leadership is currently scheduling a visit to your town to discuss further, and in addition, Hydro is available to meet with you to discuss the project and the Midgard report, and answer any questions you may have. We look forward to hearing from you, and to further discussions regarding this matter and Hydro's goal of providing safe, reliable service to the communities in the southern Labrador region.

Sincerely,

Jennifer Williams

Appendix T

Email to IET - April 28, 2023

From:	Deanne Fisher/NLHydro
To:	JCowan@gov.nl.ca, "Martin, Craig" <CMartin@gov.nl.ca>, TansyMundon@gov.nl.ca, coreysnook@gov.nl.ca
Cc:	Jennifer Williams/NLHydro@NLHYDRO, Robert Collett/NLHydro@NLHydro, Kevin Fagan/NLHydro@NLHYDRO
Date:	04/28/2023 04:52 PM
Subject:	Update - Southern Labrador Filing

Hello folks,

An update regarding the PUB filing for Southern Labrador , and some stakeholder communications.

As you may be aware, Jennifer and Rob met with Minister Dempster on April 11 to provide her with an update regarding the Hydro 's filing with the PUB for long-term supply for Southern Labrador, specifically the findings of the Midgard report and outcomes of the meetings with Charlottetown and NCC regarding the report 's findings. During that meeting, we also advised Minister Dempster of the status of negotiations with the NCC , and reiterated the importance of getting an amended application to the PUB for this project as time is of the essence for Charlottetown. We also advised that as part of the engagement process for this filing , we were successful in meeting with Charlottetown and NCC but were still working to get feedback from the other impacted communities to update them on Midgard 's findings. We had reached out to Towns with the report findings and offered meetings , but were not receiving feedback. At that time, our plan was to file an updated application to the PUB taking into consideration the findings of the Midgard report by the end of April .

Since we have not been able to complete those meetings thus far , we are notifying the PUB today that we intend to file the amended application in May . Our goal is mid-May but it is dependent on a few factors. We have since been able to tentatively schedule some times to meet with Port Hope Simpson, Mary's Harbour, Charlottetown (regular update), and are working on others. Rob has also committed to travel to Charlottetown, along with our Senior Manager in Labrador, Rick Kennedy, and maybe others if needed, to meet with residents at a Town Hall meeting. We're attempting to schedule that for May as well . Minister Dempster advised that she would also like to attend that as well .

Today I spoke to Stewart McNab, Town Clerk for Charlottetown, to advised of the revised timeframe for our PUB application, and we followed up with a letter to the Mayor . We also followed up with NCC to advise of them of our intentions to file in May , and also suggested they seek application as an intervenor in the PUB process to ensure they can have insight and

input to the regulatory review process. Attached is a copy of that letter, as well as the PUB letter.

We're sending this along as an FYI. If you have any questions, please do not hesitate to reach out. We'll be sure to advise Minister Dempster as well.

Thanks
Deanne

President Russell letter 28 April 2023.pdf Mayor Oram letter 28 April 2023.pdf

2023-04-28_NLH_LT Supply for S. Lab_Update.pdf

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
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e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

Appendix U

Email to Town of Charlottetown - May 25, 2023

From:	Deanne Fisher/NLHydro
To:	ctown@nf.aibn.com, rickoram@gmail.com
Cc:	Robert Collett/NLHydro@NLHydro, Kevin Fagan/NLHydro@NLHYDRO, Krista Fowler/NLHydro@NLHYDRO, Dana Pope/NLHydro@NLHYDRO, Matthew Halloran/NLHydro@NLHYDRO, Rick Kennedy/NLHydro@NLHYDRO, Scott Crosbie/NLHydro@NLHydro
Date:	05/25/2023 04:43 PM
Subject:	Update regarding amendments to Hydro's legislation

Hello Mayor Oram and Stewart,

As discussed in my phone call with Stewart yesterday, I'm following up with an email which can be shared with the Town Council and others as you see fit. Apologies for the lengthy email; however, I want to ensure we cover everything.

This week Government proposed some amendments to the the 1) Electrical Power Control Act (EPCA) and 2) the Public Utilities Act. These were introduced in the House of Assembly on Tuesday.

During most of our meetings, you have heard Hydro talk about the legislation that we must follow when determining how to provide electricity service i.e. it must be least-cost, reliable power. This is specifically outlined in the EPCA. You've also heard us reference the Public Utilities Board legislation, and how the PUB is responsible for regulating utilities, Hydro and Newfoundland Power, by approving/not approving our applications for how we spend our money to ensure that the rates charged to customers in the province are just and reasonable.

My point in highlighting the above is to advise you that this week, Government introduced some amendments to the EPCA and PUB Acts. The one of importance to Hydro and Charlottetown is an amendment to the EPCA, which now says a utility must ensure power is being provided in "an environmentally responsible manner, in addition to least cost, reliable service." The news release is added below for your information.

I want to assure you and the residents that this addition to the legislation will not change our proposal for servicing Charlottetown and Southern Labrador. We intend to move forward with the 'same application' and proposal to build a regional plant and interconnect all communities in Southern Labrador. And that application will go to the PUB by the end of May.

We are confident that our proposed approach meets the criteria of balancing least-cost, reliable and environmental responsibility power. As we know, Midgard Consulting, the independent third-party consultant's report, stated that "Hydro should **proceed with the interconnection of the communities of southern Labrador with a regional plant with the full**

interconnection immediately rather than a phased implementation'. And that this option is not only the most cost-effective and reliable solution but also has "greater potential for renewable penetration".

We expect that some communities will feel that the addition of 'environmentally responsible' to the EPCA language could mean that Hydro should proceed with building the transmission line to Goose Bay; however, as has been pointed out by Midgard, this is not least-cost, even when considering the cost of emissions. Our VP Rob Collett has pointed out in our meetings that the carbon price needed to justify the transmission line to Happy Valley - Goose Bay is roughly $4000 per tonne, which is well above the Government of Canada's proposed 2030 cost of carbon pollution of $170 per tonne. In addition, as we've noted in our meetings, a transmission line to Goose Bay is over 400 kms. In order to ensure reliable service to remote communities, this length of transmission line requires backup generation, which would in fact be the regional plant with interconnection as proposed. Therefore, our proposed alternative for supplying Southern Labrador does not negate the potential for the transmission line, should it be decided upon in the future, but in fact supports it as a backup source would already be in place.

We also intend to send a similar message to all communities in Southern Labrador to advise of the changes and Hydro's intent to continue with our existing proposal.

If you have any questions, please do not hesitate to reach out.

Thanks
Deanne

Industry, Energy, and Technology

Justice and Public Safety

May 23, 2023

Amendments Being Introduced Following Review of Public Utilities Legislation; Ministers Available to Media

The Provincial Government is introducing amendments today to the Electrical Power Control Act and the Public Utilities Act that, if passed, will increase transparency and strengthen the Board of Commissioners of Public Utilities (PUB).

The Honourable Andrew Parsons, KC, Minister of Industry, Energy and Technology and the Honourable John Hogan, KC, Minister of Justice and Public Safety, will be available to the media today (Tuesday, May 23) at 10:30 a.m. to discuss the amendments. The availability will take place in front of the House of Assembly, East Block, Confederation Building. A technical briefing for media will be held in the Media Centre at 10:00 a.m.

The amendments are being recommended following a review of Public Utilities legislation announced last year.

Amendments to the Electrical Power Control Act would require a utility to ensure that power is being provided in an environmentally responsible manner, in addition to least cost, reliable service. Further, the Lieutenant-Governor in Council may direct the Public Utilities Board to hold an in-person hearing with respect to any matter, including capital budget applications.

Amendments to the Public Utilities Act are intended to balance appointment terms and the PUB's operational requirements. The changes would ensure that knowledge and experience are retained within the Board. The amendments are outlined in detail in the backgrounder below.

The PUB is responsible for the regulation of the electric utilities in the province to ensure that the rates charged are just and reasonable, and that the service provided is safe and reliable. The PUB is also responsible for the supervision of rates charged by automobile insurers for the various automobile insurance coverages under the Automobile Insurance Act; limited regulation of the motor carrier industry in relation to certain passenger and ambulance operations under the Motor Carrier Act; as well as conducting hearings and other required activities under the Expropriation Act. Since 1994, the PUB has been responsible for the regulation of maximum prices for petroleum products in the province in accordance with the Petroleum Products Act.

The latest amendments follow changes in 2022 to the Petroleum Products Act and Regulations that allowed for improved transparency within the fuel pricing process regulated by the PUB, requiring the PUB to make more information available to the public. The amendments also provided opportunities for Newfoundlanders and Labradorians to express opinions directly to the PUB on the fuel pricing process, through public hearings, and allowed the Minister of Digital Government and Service NL to direct the PUB to review all fuel-pricing components, which she did on June 7, 2022. That review is ongoing.

Quotes

"Given our commitment to net zero, amendments to the Electrical Power Control Act will now provide the Public Utilities Board with the ability to consider environmentally responsible decisions related to all sources and facilities for the production, transmission and distribution of power in the province, in addition to the lowest cost option. In addition, the Provincial Government now has the authority to direct the Public Utilities Board as to whether a hearing is required in relation to a matter before the Public Utilities Board. This matter has been raised by the Consumer Advocate and is an important change to the Act."

Honourable Andrew Parsons, KC

Minister of Industry, Energy and Technology

"The Board of Commissioners of Public Utilities does important work that impacts all residents of the province. These amendments ensure the board can operate effectively to achieve its objectives in the best interests of the people of Newfoundland and Labrador . I want to thank the project team and all those that participated in the review for their work ensuring Public Utilities legislation is effective and based on best practices ."

Honourable John Hogan, KC

Minister of Justice and Public Safety

-30-

Learn more

New Petroleum Products Act Increases Transparency of Fuel Costs

Provincial Government to Review Public Utilities Legislation ; Ministers Available to Media

Follow us on Twitter @GovNL, @IET_GovNL and @JPS_GovNL

BACKGROUNDER

Amendments to the Electrical Power Control Act, 1994 and Public Utilities Act

This Bill would amend the **Electrical Power Control Act, 1994** to:

- Expand the power policy of the province ;
- Allow the Lieutenant-Governor in Council to direct the Public Utilities Board as to whether a hearing is required in relation to a matter before the Public Utilities Board ;
- Clarify that an exemption order under the Act is subordinate legislation ;
- Replace the reference "Trial Division" with the reference "Supreme Court"; and
- Incorporate gender-neutral language.

This Bill would amend the **Public Utilities Act** to:

· Remove references to services related to water and sewage from the definition of "public utility" and from other provisions of the Act;

· Add definitions for "minister" and "temporary commissioner";

· Clarify that an exemption order under the Act is subordinate legislation for greater transparency;

· Increase the maximum number of full-time commissioners that may be appointed to the Public Utilities Board;

· Decrease the term of full-time commissioners from the current 10 year term appointments;

· Allow full-time commissioners to be appointed for a first 7 year term with up to 2 additional 5 year terms;

· Allow a commissioner whose term expires to continue unfinished matters before the panel;

· Allow the appointment of temporary commissioners;

· Establish the terms on which a temporary commissioner may be appointed;

· Allow the amounts for construction, purchases or leases by a public utility that require approval of the board to be prescribed in regulations;

· Clarify that the public utilities board may relieve a public utility from the requirement to supply electrical power to one customer or a group of customers;

· Replace the reference "Trial Division" with the reference "Supreme Court";

· Replace the reference "power company" with the reference "public utility';

· Replace the reference "Summary Proceedings Act" with the reference "Provincial Offences Act";

· Add regulation making authority; and

· Incorporate gender-neutral language.

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

Appendix V

Email to NCC - May 31, 2023

Email to Southern Labrador Towns - May 31, 2023

Cover Letter, Legal Application, Revision History and Schedule 2 for Revised Application

From: Deanne Fisher/NLHydro
To: ageorge@bwbllp.ca, executiveasst@nunatukavut.ca, jcooke@bwbllp.ca, trussell@nunatukavut.ca, SLMacLeod@bwbllp.ca, andy@nunacor.com, communications@nunatukavut.ca, grussell@nunatukavut.ca, neil@nunacor.com, dpoole@nunatukavut.ca, rfoley@nunatukavut.ca, Shirley Walsh/NLHydro@NLHYDRO
Date: 05/31/2023 12:05 PM
Subject: Hydro's application

Folks,

As per our meeting on Monday, attached you will find Hydro's revised application of Newfoundland and Labrador Hydro's Long-Term Supply for Southern Labrador Application for distribution to the NunatuKavut Community Council. The revised portions include:

- Cover Letter for the Revised Application;
- Revision History, which details all changes between the Original Application and the Revised Application;
- Legal Application for the Revised Application; and
- Schedule 2 for the Revised Application

We have also included the link to the PUB's website for additional documentation related to this application that was previously filed and will still form part of this proceeding. Due to the large file size, we cannot send all documents via email. The Original Application can be found on the Board of Commissioners of Public Utilities Site HERE and the full proceeding HERE. The application will be filed with the PUB later today.

Once the PUB has finalized NCC's intervenor application, the NCC will be copied on any correspondence/documentation between the PUB, Hydro, other Intervenors and the Consumer Advocate as part of this regulatory filing.


Final_NLH_LT Supply S. Lab_Cover Letter_Rev 1.pdf

Final_NLH_LT Supply S. Lab_Revision History_Rev 1.pdf

Final_NLH_LT Supply S. Lab_Legal Application_Rev 1.pdf

Final_NLH_LT Supply S. Lab_Sch 2_Rev 1.pdf

Please reach out if you have any issues accessing any of the the information.

Thanks
Deanne

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

From:	Deanne Fisher/NLHydro
To:	stlewisadmin@nf.aibn.com
Cc:	Sara J Sullivan/NLHydro@NLHYDRO, Krista Fowler/NLHydro@NLHYDRO
Date:	05/31/2023 03:46 PM
Subject:	Re: Update from NL Hydro re: supply for Southern Labrador

Hello Mayor Poole, Town Councillors and Staff,

As per our meetings in May, we are following up to provide you all with a copy of Hydro's revised application of Newfoundland and Labrador Hydro's Long-Term Supply for Southern Labrador Application. The revised portions include:

- Cover Letter for the Revised Application;
- Revision History, which details all changes between the Original Application and the Revised Application;
- Legal Application for the Revised Application; and
- Schedule 2 for the Revised Application

We have also included the link to the PUB's website for additional documentation related to this application that was previously filed and will still form part of this proceeding. Due to the large file size, we cannot send all documents via email. The Original Application can be found on the Board of Commissioners of Public Utilities Site HERE and the full proceeding HERE. The application will be filed with the PUB later today.


Final_NLH_LT Supply S. Lab_Cover Letter_Rev 1.pdf


Final_NLH_LT Supply S. Lab_Revision History_Rev 1.pdf


Final_NLH_LT Supply S. Lab_Legal Application_Rev 1.pdf


Final_NLH_LT Supply S. Lab_Sch 2_Rev 1.pdf

Please reach out if you have any issues accessing any of the the information.

Thanks
Deanne

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

From: Deanne Fisher/NLHydro
To: maryshbr@nf.aibn.com
Date: 05/31/2023 03:53 PM
Subject: Re: Update from NL Hydro re: supply for Southern Labrador

Hello Mayor Rumbolt, Town Councillors and Staff,

As per our meetings in May, we are following up to provide you all with a copy of Hydro's revised application of Newfoundland and Labrador Hydro 's Long-Term Supply for Southern Labrador Application. The revised portions include:

- Cover Letter for the Revised Application;
- Revision History, which details all changes between the Original Application and the Revised Application;
- Legal Application for the Revised Application; and
- Schedule 2 for the Revised Application

We have also included the link to the PUB 's website for additional documentation related to this application that was previously filed and will still form part of this proceeding . Due to the large file size, we cannot send all documents via email. The Original Application can be found on the Board of Commissioners of Public Utilities Site HERE and the full proceeding HERE. The application will be filed with the PUB later today.

Final_NLH_LT Supply S. Lab_Cover Letter_Rev 1.pdf Final_NLH_LT Supply S. Lab_Revision History_Rev 1.pdf

Final_NLH_LT Supply S. Lab_Legal Application_Rev 1.pdf Final_NLH_LT Supply S. Lab_Sch 2_Rev 1.pdf

Please reach out if you have any issues accessing any of the the information .

Thanks
Deanne

Deanne Fisher
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From: Deanne Fisher/NLHydro
To: porthopesimpson@nf.aibn.com
Date: 05/31/2023 03:54 PM
Subject: Re: Update from NL Hydro re: supply for Southern Labrador

Hello Mayor Margaret Burden, Town Councillors and Staff,

As per our meetings in May, we are following up to provide you all with a copy of Hydro's revised application of Newfoundland and Labrador Hydro's Long-Term Supply for Southern Labrador Application. The revised portions include:

- Cover Letter for the Revised Application;
- Revision History, which details all changes between the Original Application and the Revised Application;
- Legal Application for the Revised Application; and
- Schedule 2 for the Revised Application

We have also included the link to the PUB's website for additional documentation related to this application that was previously filed and will still form part of this proceeding. Due to the large file size, we cannot send all documents via email. The Original Application can be found on the Board of Commissioners of Public Utilities Site HERE and the full proceeding HERE. The application will be filed with the PUB later today.

Final_NLH_LT Supply S. Lab_Cover Letter_Rev 1.pdf Final_NLH_LT Supply S. Lab_Revision History_Rev 1.pdf

Final_NLH_LT Supply S. Lab_Legal Application_Rev 1.pdf Final_NLH_LT Supply S. Lab_Sch 2_Rev 1.pdf

Please reach out if you have any issues accessing any of the the information.

Thanks
Deanne

Deanne Fisher
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e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

From: Deanne Fisher/NLHydro
To: ctown@nf.aibn.com
Date: 05/31/2023 03:52 PM
Subject: Update on Hydro's Application to the PUB for Southern Labrador

Good afternoon Mayor Oram, Stewart, Town Councillors and Staff,

I'm following up today with an update on Hydro's revised application for Long-Term Supply for Southern Labrador Application. Attached is a copy of the revised application for your information. The revised portions include:

- Cover Letter for the Revised Application;
- Revision History, which details all changes between the Original Application and the Revised Application;
- Legal Application for the Revised Application; and
- Schedule 2 for the Revised Application

We have also included the link to the PUB's website for additional documentation related to this application that was previously filed and will still form part of this proceeding. Due to the large file size, we cannot send all documents via email. The Original Application can be found on the Board of Commissioners of Public Utilities Site HERE and the full proceeding HERE. As committed, the application was filed with the PUB today.

Final_NLH_LT Supply S. Lab_Cover Letter_Rev 1.pdf Final_NLH_LT Supply S. Lab_Revision History_Rev 1.pdf

Final_NLH_LT Supply S. Lab_Legal Application_Rev 1.pdf Final_NLH_LT Supply S. Lab_Sch 2_Rev 1.pdf

Please reach out if you have any issues accessing any of the the information.

Thanks
Deanne

Deanne Fisher
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newfoundland labrador hydro

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May 31, 2023

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Cheryl Blundon
Director of Corporate Services & Board Secretary

Re: Long-Term Supply for Southern Labrador – Revision 1

Please find enclosed Newfoundland and Labrador Hydro's ("Hydro") revised application for approval of the construction of Hydro's long-term supply plan for southern Labrador pursuant to Section 41(3) of the *Public Utilities Act*.[1]

Hydro proposes to proceed with the regional diesel generating station with immediate interconnection of all four systems, instead of the phased approach proposed in Hydro's original application.[2] Hydro believes this proposal meets Hydro's mandate to provide power at the lowest possible cost, consistent with reliable service, and does so in an environmentally responsible manner.

The proposed project has a total budget of $86.4 million with completion estimated for 2027. Hydro notes that this is an aggressive timeline and that certain aspects of the schedule, such as the regulatory and environmental assessment approval, are outside of Hydro's control. However, Hydro is committed to bringing reliable service to Charlottetown and the other communities in southern Labrador as expeditiously as possible.

Revisions to the application have been shaded grey for ease of reference.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/sk

Encl.

[1] *Public Utilities Act*, RSNL 1990, c P-47, s41(3).
[2] "Long-Term Supply for Southern Labrador – Phase 1," Newfoundland and Labrador Hydro, July 16, 2021.

ecc:

Board of Commissioners of Public Utilities
Jacqui H. Glynn
PUB Official Email

Island Industrial Customer Group
Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Dean A. Porter, Poole Althouse

Labrador Interconnected Group
Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate
Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Newfoundland Power Inc.
Dominic J. Foley
Lindsay S.A. Hollett
Regulatory Email

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

IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("Hydro") for an order approving the construction of [] Hydro's long-term supply plan for southern Labrador, pursuant to Section 41(3) of the *Act*.

To: The Board of Commissioners of Public Utilities ("Board")

THE APPLICATION OF HYDRO STATES THAT:

A. Background

1. Hydro is a corporation continued and existing under the *Hydro Corporation Act, 2007*,[1] is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.

2. Since the early 2000s, Hydro has studied the long-term supply options for certain communities in southern Labrador. In particular, Hydro has examined the possibility of interconnection due to the potential for reductions in operating and maintenance costs and improved reliability in the region.

3. There are six neighbouring communities in southern Labrador that are currently supplied by four separate isolated diesel systems: (a) Charlottetown and Pinsent's Arm, (b) Mary's Harbour and Lodge Bay, (c) Port Hope Simpson, and (d) St. Lewis ("Southern Labrador Communities").

4. Hydro's consideration of the possibility of interconnection of the Southern Labrador Communities has been expedited due to an October 2019 fire at the Charlottetown Diesel Generating Station that left it inoperable. Customers previously served by the Charlottetown Diesel Generating Station were then served by three mobile gensets,[ ] a temporary configuration that is considered an interim solution. Since that time, there have been further complications with the service configuration in Charlottetown; a long-term solution is required

[1] *Hydro Corporation Act, 2007*, SNL 2007 c H-17.

to address reliability, safety, and environmental concerns associated with the long-term use of mobile generation in a prime power application.

B. Application

5. A number of options were considered as part of Hydro's evaluation of potential long-term solutions, including (a) the addition of infrastructure to improve reliability for the continued operation of the mobile gensets, (b) the direct replacement of the Charlottetown Diesel Generating Station, [ ] (c) the interconnection of the Southern Labrador Communities with supply provided by a single regional diesel generating station in Port Hope Simpson, and (d) interconnection to the Labrador Interconnected System.

6. Schedule 1 to this application provides an overview of Hydro's planned approach to long-term supply for southern Labrador at the time of filing its application "Long-Term Supply for Southern Labrador – Phase 1" ("Original Application") in July 2021.[2] The economic and technical assessment of the various alternatives that were considered to address the long-term firm supply needs for the Southern Labrador Communities is provided in Attachment 1 to Schedule 1.

7. Hydro [ ] considered the potential role of renewable energy resources in its isolated systems. To date, renewable energy technologies, with the exception of hydro generation with reservoir storage, present challenges that limit their viability as primary sources of capacity in isolated systems. While renewable energy sources in their current state are not viable for the provision of firm capacity, these sources can be used to provide energy on an isolated system, reducing the energy required from diesel generation and thereby reducing operating costs such as diesel fuel consumption.

8. The alternatives [ ] considered by Hydro, and discussed in Schedule 1, included provisions for future infrastructure required to integrate renewable sources. Alternatives involving the interconnection of multiple isolated systems are expected to further facilitate the integration of renewable energy in the future, as such systems are better suited to absorb fluctuations in supply that are commonly experienced from renewable generation, allowing for a greater penetration of renewable energy on the system.

[2] "Long-Term Supply for Southern Labrador – Phase 1," Newfoundland and Labrador Hydro, July 16, 2021.

9. Hydro's initial analysis determined that a phased approach to interconnection with a single regional diesel generating station in Port Hope Simpson is the least-cost option. That proposed long-term solution was to be phased in over an approximate 20-year period to align with the replacement schedule of the existing assets. Phase 1 of the originally proposed solution included the construction of a regional diesel generating station in Port Hope Simpson with four diesel gensets and the construction of 50 kilometres of 25 kV distribution line to connect the existing Charlottetown Distribution System. The estimated cost for Phase 1, at the time of filing the Original Application, was $1.1 million in 2021, $15.8 million in 2022, $20.3 million in 2023, and $12.7 million in 2024, for a total of $49.9 million.

10. The future phases to interconnect the communities of Mary's Harbour (including Lodge Bay, which is served on the Mary's Harbour Distribution System) in 2030 and St. Lewis in 2045 were estimated to cost an additional $15.2 million and $7.5 million, respectively. [ ]

11. In correspondence from the Board on April 7, 2022[3] and May 16, 2022,[4] Hydro was requested to provide additional information and analysis to supplement the information that had been filed with its Original Application. The Board also required Hydro to engage an independent expert to assist in the analysis of the options and approach for the provision of service in southern Labrador. Hydro selected Midgard Consulting Inc. ("Midgard") to carry out this analysis. Hydro received the, "Southern Labrador Communities - Integrated Resource Plan," ("Midgard IRP")[5] on March 28, 2023; the report was filed with the Board on March 31, 2023.

12. Midgard's analysis largely confirmed the conclusions of Hydro's study, as detailed in Schedule 1. Midgard recommended proceeding with the construction of a regional diesel generating station and interconnection of the communities of southern Labrador.

13. Midgard's recommendation differed from Hydro's original proposal in that Midgard suggested full, immediate interconnection of all six communities instead of using a phased approach, as

[3] "Newfoundland and Labrador Hydro - 2021 Capital Budget Supplemental Application Approval of the Construction of Phase 1 of Hydro's Long-term Supply Plan for Southern Labrador - To NLH - Further Information Required Before Schedule is Resumed," Board of Commissioners of Public Utilities, April 7, 2022.
[4] "Newfoundland and Labrador Hydro - 2021 Capital Budget Supplemental Application Approval of the Construction of Phase 1 of Hydro's Long-term Supply Plan for Southern Labrador – Response to Hydro's Letter dated April 26, 2022," Board of Commissioners of Public Utilities, May 16, 2022.
[5] "Southern Labrador Communities - Integrated Resource Plan," Midgard Consulting Inc., March 28, 2023.

well as the design of the regional diesel generating station with N-1 reliability, rather than designing conservatively with N-2 reliability, as initially proposed by Hydro. Hydro's review of the Midgard IRP and recommendations is detailed in Schedule 2 to this Revised Application.[6]

14. Hydro has accepted the recommendations provided in the Midgard IRP and as a result Hydro is revising its proposal regarding the provision of service to the Southern Labrador Communities. Hydro proposes to proceed with the regional diesel generating station to an N-1 planning standard with immediate interconnection of all four systems, instead of the phased approach proposed in Hydro's Original Application.

15. Hydro's Original Application provided an estimated cost for the proposed construction of Phase 1 totalling $49.9 million. The additional stages had an estimated cost, at the time of filing of the Original Application, of $22.7 million; the original total cost of all phases was an estimated $72.6 million. The current estimate, including the additional distribution infrastructure and the fourth genset associated with the advancement of the full interconnection of all Southern Labrador Communities, is $86.4 million; the increase is primarily due to inflationary pressures on the cost of labour and materials as well as increases in material lead times resulting in a longer project duration and interest period during construction.

16. Hydro's acceptance of Midgard's recommendations has no net impact on the proposed design of the regional diesel generating station. While the scope change from N-2 to N-1 redundancy results in one less unit required for the generating station, it is counteracted by the additional unit required for the immediate connection of all communities, originally planned for Phase 2, maintaining the initial design plan of four diesel units.

17. Additionally, maintaining the initial design plan for the regional diesel generating station with six engine bays will ensure sufficient footprint to accommodate future load growth and allow for N-2 redundancy if deemed necessary. While the provision of an extra engine bay to accommodate N-2 redundancy has an incremental cost of approximately $500,000, this is significantly less than the cost of expanding the building footprint in the event that an additional

[6] "Long-Term Supply for Southern Labrador," Newfoundland and Labrador Hydro, rev. May 31, 2023 (originally filed as "Long-Term Supply for Southern Labrador – Phase 1" on July 16, 2021), ("Revised Application").

engine bay is required. This additional footprint could also be utilized for equipment to support the integration of renewable energy or storage technologies in the future.

18. The detailed scope of the revised proposal is provided in Section 4 of Schedule 2 to this Revised Application, including the project schedule indicating estimated completion in 2027. Hydro notes that this is an aggressive timeline, which is necessary to bring reliable service to Charlottetown and the other Southern Labrador Communities as expeditiously as possible.

C. Reasons for Approval

19. The revised proposal for the interconnection of the Southern Labrador Communities, based on Midgard's analysis and Hydro's review of same, is the least-cost option to provide reliable service to those communities, while also being environmentally responsible. Midgard's conclusions, noted by Hydro at Section 3.7.1 of Schedule 2, reference the passage of time since the prior analysis and the resultant reduction in any cost benefit attributable to deferral of the costs related to the planned replacement of the Mary's Harbour Diesel Generating Station. Midgard's report also discusses the impact of increased forecast diesel costs, in favouring scenarios with higher efficiency and increased renewable procurement, which a regional diesel generating station would provide. Additionally, Midgard noted that the fully interconnected system configuration facilitates increased penetration of incremental renewable energy resources. Hydro agrees with Midgard's analysis and believes that Midgard's recommendation is consistent with Hydro's legislated mandate to provide reliable service at least-cost, in an environmentally responsible manner.

20. The Midgard IRP highlighted several benefits of interconnecting the communities to a regional diesel generating facility, including operational savings due to reduced fuel consumption, improved system reliability, reduced capital costs, and greater potential for renewable penetration. Midgard noted that completing the interconnected system in full, instead of in stages, would allow for greater penetration of renewable energy, and therefore greater opportunity to offset diesel fuel usage.

21. Midgard's cost-benefit analysis considered both direct costs, such as capital investments and operational expenses, and indirect costs, such as environmental impacts and potential economic benefits. Midgard also carried out a sensitivity analysis considering the impacts of ten variables,

including carbon and diesel fuel costs. The resulting analysis suggested that the upfront capital costs of interconnecting the four systems and six communities will be offset by operational savings over a 25-year period, which is consistent with Hydro's Original Application and the analysis detailed in Schedule 2.

22. As noted in Midgard's IRP, their study period was 25 years and indicated that the full immediate interconnection provides savings compared to a long-term mobile option or a community-based diesel generating station of $16.3 million and $24.1 million, respectively.

23. The proposed full interconnection, as compared to [] continued isolated systems operation, results in an incremental increase in revenue requirement in 2030 but is anticipated to generate revenue requirement savings [] from 2035 onwards.

24. The reliability assessment completed by Hydro determined that a large interconnection would increase the overall system reliability compared to the status quo or to a scenario where each community is supplied by its own individual diesel generating station. This assessment is supported by the findings detailed in the Midgard IRP. It was also concluded that a solution involving the interconnection of Charlottetown, Mary's Harbour, (including Lodge Bay, which is served on the Mary's Harbour Distribution System), Port Hope Simpson, and St. Lewis provides increased flexibility for more renewable energy penetration, therefore providing more potential to offset fuel consumption in the future. This potential was initially discussed in Schedule 1 to the Original Application and was also noted in the Midgard IRP. Indeed, Midgard noted that proceeding with the full interconnection may enable greater renewable penetration sooner than phased interconnection.

D. Hydro's Request

25. Hydro requests that the Board make an Order pursuant to Section 41(3) of the *Act* approving the capital expenditures of $1,834,700 in 2023; $17,811,700 in 2024; $40,116,300 in 2025; $23,327,400 in 2026; and $3,304,100 in 2027 for the construction of [ ] Hydro's long-term supply plan for southern Labrador.

E. Communications

26. Communications with respect to this application should be forwarded to Shirley A. Walsh, Senior Legal Counsel, Regulatory for Hydro.

DATED at St. John's in the province of Newfoundland and Labrador this 31st day of May, 2023.

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Counsel for the Applicant
Newfoundland and Labrador Hydro,
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Revision History

Revision No.	Revision Date	Location	Reason
1	31-May-2023	Legal Application, p. 1, Style of Cause	Updated to reflect revisions made to the application's request.
1	31-May-2023	Legal Application, para. 1, including f.n. 1	Added citation.
1	31-May-2023	Legal Application, para. 3	Update to clarify the number of communities supplied by the proposed project.
1	31-May-2023	Legal Application, para. 4	Updated to reflect past tense and reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 5	Updated to reflect additional options considered as part of the revised application.
1	31-May-2023	Legal Application, para. 6, including f.n. 2.	Updated to reflect past tense.
1	31-May-2023	Legal Application, para. 7	Removed "also."
1	31-May-2023	Legal Application, para. 8	Updated to reflect past tense.
1	31-May-2023	Legal Application, para. 9	Updated to reflect past tense.
1	31-May-2023	Legal Application, para. 10	Updated to reflect past tense. Removal of language no longer relevant to the revised application.
1	31-May-2023	Legal Application, para. 11, including f.n. 3, 4, and 5.	Added to reflect history of proceeding.
1	31-May-2023	Legal Application, para. 12	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 13, including f.n. 6.	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 14	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 15	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 16	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 17	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 18	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 19	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 20	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 21	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 22	Added to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 23	Updated to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 24	Updated to reflect evidence discussed in Schedule 2.
1	31-May-2023	Legal Application, para. 25	Updated to reflect evidence discussed in Schedule 2.
1	31-May-2023	Schedule 2	Schedule 2 added to application package as evidence supporting the revised application.
1	31-May-2023	Affidavit, Style of Cause	Updated to reflect revisions made to the application's request.

Long-Term Supply for Southern Labrador

Evidence Supporting the Revised Application

newfoundland labrador hydro

Executive Summary

On July 16, 2021, Newfoundland and Labrador Hydro ("Hydro") filed its application for approval of Phase 1 of Hydro's long-term supply plan for southern Labrador ("Original Application").[1] The Phase 1 proposal included the construction of a regional diesel generating station in Port Hope Simpson and distribution infrastructure to interconnect the communities of Port Hope Simpson, Charlottetown, and Pinsent's Arm. Phases 2 and 3 of Hydro's long-term plan supply plan for southern Labrador would see the interconnection of the communities of Mary's Harbour (including Lodge Bay, which is served on the Mary's Harbour Distribution System) and St. Lewis, respectively, coinciding with the expected retirement dates for the diesel generating stations located in those communities in 2030 and 2045. Upon completion in 2045, Hydro's long-term supply plan for southern Labrador would see the interconnection of four systems through the construction of the regional diesel generating station, meeting Hydro's mandate to provide safe, least-cost, environmentally responsible, and reliable power to these six communities.

On April 7, 2022[2] and May 16, 2022,[3] the Board of Commissioners of Public Utilities ("Board") provided correspondence to Hydro with respect to the Original Application. In its correspondence, the Board requested that Hydro provide additional information and analysis to supplement the information that had been filed. The correspondence also stated that Hydro should engage an independent expert to assist in the analysis of the options and approach for the provision of service in southern Labrador.[4] Hydro selected Midgard Consulting Inc. ("Midgard") to carry out this analysis. The "Southern Labrador Communities – Integrated Resource Plan" ("Midgard IRP") was filed with the Board on March 31, 2023.[5]

As described in the Midgard IRP, Midgard's analysis largely confirmed Hydro's conclusions provided within the Original Application, with the recommendation to proceed with the construction of a regional

[1] "Long-Term Supply for Southern Labrador – Phase 1," Newfoundland and Labrador Hydro, July 16, 2021.
[2] "Newfoundland and Labrador Hydro - 2021 Capital Budget Supplemental Application Approval of the Construction of Phase 1 of Hydro's Long-term Supply Plan for Southern Labrador - To NLH - Further Information Required Before Schedule is Resumed," Board of Commissioners of Public Utilities, April 7, 2022.
[3] "Newfoundland and Labrador Hydro - 2021 Capital Budget Supplemental Application Approval of the Construction of Phase 1 of Hydro's Long-term Supply Plan for Southern Labrador – Response to Hydro's Letter dated April 26, 2022," Board of Commissioners of Public Utilities, May 16, 2022.
[4] "Newfoundland and Labrador Hydro - 2021 Capital Budget Supplemental Application Approval of the Construction of Phase 1 of Hydro's Long-term Supply Plan for Southern Labrador - To NLH - Further Information Required Before Schedule is Resumed," Board of Commissioners of Public Utilities, April 7, 2022.
[5] "Southern Labrador Communities - Integrated Resource Plan," Midgard Consulting Inc., March 28, 2023.

diesel generating station and interconnection of the communities of southern Labrador—Charlottetown, Pinsent's Arm, Mary's Harbour, Lodge Bay, Port Hope Simpson, and St. Lewis ("Southern Labrador Communities"). Midgard's recommendation differed from the proposal put forth in Hydro's Original Application in suggesting full, immediate interconnection of all six communities instead of using a phased approach. Another difference is the recommendation to design the regional diesel generating station with N-1 reliability, rather than designing conservatively with N-2 reliability as initially proposed by Hydro.[6] An N-1 reliability design is consistent with Hydro's planning standards for its other isolated systems and is consistent with good utility practice.

Hydro generally agreed with Midgard's recommendations and has adjusted the project scope, estimated cost, and schedule accordingly. The revised total project cost is $86.4 million, reflecting increases from Hydro's original proposal due to escalation and the additional distribution infrastructure. As a result of increased equipment lead times, the estimated duration of the project has increased from three to four years, with the regional diesel generating station and full interconnection expected to enter service in 2027, assuming project approval in the fall of 2023. Hydro will seek all opportunities to advance work whenever practical.

Hydro believes a regional diesel generating station that interconnects the Southern Labrador Communities is the appropriate least-cost solution to providing safe and reliable service to those communities, based on the acceptance of Midgard's recommendations and the subsequent updates to the project scope, estimated cost, and schedule. This evidence provided as Schedule 2, presents the revised long-term supply plan for southern Labrador based on the acceptance of Midgard's recommendations and includes the regional diesel generating station as well as the advanced timeframe for construction of additional distribution lines for full interconnection of all communities.

[6] N-1 redundancy refers to the capacity to support full system load with the largest generating unit out of service. N-2 redundancy refers to the ability to serve full system load with the two largest generating units out of service.

Contents

1.0 Introduction

Hydro filed its Original Application for approval of the construction of Phase 1 of its long-term supply plan for southern Labrador on July 16, 2021. Hydro proposed the construction of a regional diesel generating station located in Port Hope Simpson and distribution infrastructure to interconnect the communities of Port Hope Simpson, Charlottetown, and Pinsent's Arm. Phases 2 and 3 of Hydro's long-term supply plan for southern Labrador would see the interconnection of the communities of Mary's Harbour (including Lodge Bay, which is served on the Mary's Harbour Distribution System) and St. Lewis, respectively, coinciding with the expected retirement dates for the diesel generating stations located in those communities in 2030 and 2045.

The Board's subsequent correspondence, on April 7, 2022 and May 16, 2022, requested that Hydro provide additional information and analysis to supplement the information provided in the Original Application and stated that Hydro should engage an independent expert to assist in the analysis of the options and approach for the provision of service in southern Labrador. On June 22, 2022, Hydro met with Board staff to review the scope of work Hydro proposed would form the basis of a request for proposal ("RFP") to identify and retain a consultant to carry out the independent analysis requested by the Board. Hydro subsequently issued the RFP and selected Midgard to carry out this analysis.

On March 28, 2023, Hydro received the Midgard IRP, which largely confirmed the conclusions of Hydro's study.[7] The Midgard IRP recommended to proceed with the construction of a regional diesel generating station and interconnection of the Southern Labrador Communities, based on the conclusion that interconnection is the most cost-effective and reliable solution for the provision of service to these communities. As described in the Midgard IRP, six recommendations were provided by Midgard for consideration, including:

1) The least-cost alternative for Hydro to reliably serve the region is to proceed with the regional diesel generating station to an N-1 planning standard with immediate interconnection of all four systems, upgraded to 25 kV, instead of the phased approach proposed in the Original Application.

[7] "Long-Term Supply for Southern Labrador – Phase 1," Newfoundland and Labrador Hydro, July 16, 2021, sch. 1.

2) Hydro should minimize future reliance on mobile gensets to supply base load energy and capacity.[8]

3) Hydro should design the regional diesel generating station with N-1 redundancy, instead of N-2 as proposed in the Original Application.

4) Hydro should continue to support and procure incremental low-cost renewable energy through power purchase agreement ("PPA") partnerships with community and Indigenous partners.

5) Hydro should study opportunities for further customer demand management, such as the conversion of resistive electric heat to high-efficiency heat pumps.

6) While renewable energy technologies are not currently technically or economically feasible for the provision of firm capacity, it is recommended that Hydro evaluate new technologies as diesel units come due for replacement.[9]

Following its review of the Midgard IRP, Hydro accepted the recommendations provided. Schedule 2 provides an overview of the proposed recommendations, support for Hydro's acceptance of Midgard's recommendations, and details changes in the project scope, estimated cost, and schedule since the Original Application.

Since 2021, Hydro has experienced cost pressures and increased equipment lead times due to heightened inflation and global supply chain constraints; the associated impacts on project cost and schedule are discussed and reflected herein.

2.0 Background

2.1 Original Application

Hydro's Original Application sought approval for the construction of Phase 1 of Hydro's long-term supply plan for southern Labrador at an estimated cost of $49.9 million. The scope of Phase 1 of the long-term supply plan, planned for commissioning in 2024, included:

- The construction of a regional diesel generating station in Port Hope Simpson;

[8] An engine coupled with an electric generator is referred to as a "genset."
[9] Installed capacity refers to the total installed generation capacity whereas firm capacity refers to the total installed capacity without the largest unit in service.

- The construction of 53 kilometres of 25 kV distribution lines interconnecting the communities of Port Hope Simpson, Charlottetown, and Pinsent's Arm to the regional diesel generating station; and
- 25 kV voltage conversion of the Port Hope Simpson and Charlottetown Distribution Systems, the latter of which serves the communities of Charlottetown and Pinsent's Arm.

The scope of Phase 2, planned for commissioning in 2030 at an estimated cost of $15.2 million, included:

- The addition of one 1,800 kW genset at the regional diesel generating station in Port Hope Simpson;
- The construction of an additional 50 kilometres of 25 kV distribution line interconnecting the communities of Mary's Harbour and Lodge Bay; and
- 25 kV voltage conversion of the Mary's Harbour Distribution System, which serves the communities of Mary's Harbour and Lodge Bay.

The scope of Phase 3, planned for commissioning in 2045 at an estimated cost of $7.5 million, included:

- The construction of a 30 kilometre distribution line interconnecting the St. Lewis Distribution System to the regional diesel generating station in Port Hope Simpson; and
- 25 kV voltage conversion of the St. Lewis Distribution System.

The proposed regional diesel generating station would be designed with six engine bays,[10] four of which would be in use in Phase 1 and the fifth utilized for the addition of one genset in Phase 2. The sixth engine bay would be reserved to accommodate potential future load growth.

Hydro's analysis included the proposed phased approach to interconnection, as well as an alternative that would see the full interconnection of the four southern Labrador systems at once. Hydro's analysis determined that these alternatives were equivalent from a net present value perspective. Hydro opted to propose the phased interconnection to allow for flexibility in the timing of future phases. Table 1 outlines the interconnection costs by phase from the Original Application.

[10] The engine bay is the space inside the diesel generating station reserved for the installation of a genset.

Table 1: 2021 Interconnection Costs by Phase ($ Millions)

Project Phase	In-Service Year	Capital Costs (2021 Estimate)
Phase 1	2024	49.9
Phase 2	2030	15.2
Phase 3	2045	7.5
	Total	**72.6**

In its analysis, Hydro assessed the expected reliability impacts of the studied alternatives for each system. Based on this analysis, Hydro proposed that the regional diesel generating station be designed to an N-2 reliability standard, to ensure that the interconnected system would provide the same or better reliability than the status quo. Hydro estimated that N-2 redundancy would provide an 18% improvement in both all-cause unavailability and a reduction in expected unserved energy.[11]

3.0 The Midgard IRP

Midgard made a number of findings and recommendations that relate to the concerns outlined by the Board. A summary of these findings and recommendations follows.

3.1 Analysis of Alternatives

Midgard evaluated numerous alternative long-term supply solutions for southern Labrador. It considered the viability of ten different resource technologies, the practicality of using Battery Energy Storage Systems as a source of firm capacity, and numerous detailed alternatives based on eight base scenarios and multiple sub-variations to account for different reliability criteria, development timing, and other factors. The scenarios aimed to satisfy three supply criteria—capacity, energy, and reliable backup. The alternatives that were considered ranged from refurbishing existing stations and maintaining isolated community services to constructing new regional generating stations (thermal or hydraulic) with full interconnections and voltage conversions or interconnection with the Labrador Interconnected System.

Midgard acknowledged that intermittent renewable energy sources, such as wind and solar generation, might be viable for the provision of energy; however, to provide firm capacity, intermittent resources must be paired with energy storage with the capacity to supply the system for several days in the event of low renewable generation. Regarding the future cost-effectiveness of Battery Energy Storage

[11] All-cause unavailability refers to unavailability caused by generation- or distribution-related outages.

Systems, Midgard concluded that renewable energy sources with sufficient battery storage to provide firm capacity remains cost-prohibitive at this time. The Midgard IRP indicated that based on the most optimistic projections, battery prices may drop by up to 70% over the next 25 years, with the largest price drops expected in the next 10 years being approximately 55%. Despite these potential price reductions, Midgard concluded that it is unlikely for renewable systems with Battery Energy Storage Systems to become cost-competitive with thermal generation systems within the next decade.

The Midgard IRP highlighted several benefits of interconnecting the Southern Labrador Communities to a regional generating station, including operational savings due to reduced fuel consumption, improved system reliability, reduced capital costs, and greater potential for renewable penetration. Midgard noted that the interconnected system would allow for greater penetration of renewable energy and therefore greater opportunity to offset diesel fuel usage. Midgard also found that proceeding with the full interconnection, rather than phased interconnection, is more cost-effective and will likely enable greater renewable penetration sooner.

Midgard noted that the use of diesel gensets in Hydro's proposed approach is consistent with practices in other similar jurisdictions across Canada. Diesel generation remains a common solution for remote communities due to its reliability, ease of installation, and cost-effectiveness. Midgard's analysis of similar jurisdictions provides context for the proposed approach and supports its suitability for the southern Labrador system.

Midgard conducted a cost-benefit analysis considering both direct costs, such as capital investments and operational expenses, and indirect costs, such as environmental impacts and potential economic benefits. Midgard also carried out a sensitivity analysis considering the impacts of ten variables, including carbon and diesel fuel costs. Midgard's analysis suggested that the upfront capital costs of interconnecting the four systems and six communities would be offset by operational savings over a 25-year period, which is consistent with Hydro's Original Application.

3.2 Requirement for Backup Generation

Midgard's assessment emphasized the importance of maintaining reliable backup generation to ensure the continuous supply of electricity for the Southern Labrador Communities should regional or community-based renewable energy solutions advance or a larger interconnection to the Labrador Interconnected System come to fruition. Regardless of the alternative chosen, Midgard notes that a

dependable capacity resource, such as diesel gensets, is required to provide capacity and energy during emergencies or periods of high demand.

3.3 Reliability

Based on its findings, Midgard noted that an N-2 planning standard provides marginal benefits in overall customer reliability and may not warrant the additional cost.[12] Midgard recommends immediate construction of a regional diesel generating station to an N-1 planning standard, interconnecting all four systems and upgrading to 25 kV service in each community.

3.4 Integration of Renewables

Midgard recommends that Hydro pursue PPAs, particularly through partnerships with Indigenous stakeholders, to integrate renewable energy sources into the system. This approach will help offset diesel fuel usage, reduce greenhouse gas emissions, and provide potential economic benefits to the communities. By considering a different amount of displaced energy (25% to 50%) from renewables depending on the scenario, Midgard acknowledges the role of renewable energy in enhancing the overall sustainability of fossil fuel alternatives. Midgard emphasizes the importance of Indigenous and community involvement in renewable energy projects and recommends that Hydro actively support and engage Indigenous groups in the procurement of renewable energy supplies. This approach aligns with federal policies that favor Indigenous-led development of renewable energy projects, contributing to the growth of Indigenous communities and fostering a more inclusive energy sector.

3.5 Demand-Side Management

Midgard assessed the viability of demand-side management ("DSM") for load reduction in southern Labrador. It concluded that, while there may be opportunities for further demand reduction, DSM is unlikely to be effective in eliminating the need for additional firm capacity in southern Labrador, as Hydro has already availed of most opportunities to incentivize energy efficiency and manage customer demand. Midgard notes that by interconnecting multiple communities with non-concurrent peak loads, Hydro will be able to avail of many of the benefits typically achieved through DSM. Midgard notes that DSM may improve the ability to accommodate load growth. Midgard does note that there may be limited potential for load reduction through conversion from resistive electric heat to heat pumps;

[12] Expected unserved energy for N-1 planning criteria is estimated to be 33 MWh, or 0.2% of energy served, compared to 18 MWh for N-2 redundancy.

however, Midgard notes that care must be taken to not incentivize conversion from other fuel sources to electric heating.

Midgard's recommendation is that Hydro undertakes further study in this regard.

3.6 Alternative Fuels

Midgard assessed options such as compressed natural gas, liquefied natural gas, biodiesel, and hydrogen. It concluded that these alternatives are not currently cost-effective for the southern Labrador diesel generation systems. Midgard also noted that alternative fuels might present technical or logistical challenges, such as cold weather performance, that preclude their use at this time. However, Midgard notes that Hydro should continue to monitor developments in these areas as emerging technologies may become more favorable in the future. Hydro notes that a regional diesel generating station would not preclude it from availing of alternative fuels, should they become technically and economically feasible in the future.

3.7 Recommendations

The recommendations made by Midgard for Hydro's consideration follow.

3.7.1 Proceed with Regional Diesel Generating Station and Advance Full Interconnection

Midgard determined that interconnection of the Southern Labrador Communities with a regional diesel generating station is the least-cost alternative to reliably serve the region. Midgard concluded that immediate interconnection is lower cost, on a cumulative present worth basis, than the originally proposed phased interconnection for the following reasons:

1. Time has passed since the prior analysis was completed and the planned replacement of the MSH[13] plant is closer than when initially modelled. This reduces any cost benefit attributable to deferral of those costs.
2. Further unplanned deterioration of the plant at MSH necessitates material capital spending to extend the life of that facility through to 2030.

[13] Mary's Harbour ("MSH").

3. Increased forecast diesel costs favour scenarios with higher efficiency, such as a regional plant, and increased renewable procurement. The fully interconnected system configuration facilitates increased penetration of incremental renewable energy resources.[14]

Following a review of Midgard's analysis, Hydro accepts Midgard's recommendation to advance the interconnection of all four systems in southern Labrador and to construct a regional diesel generating station. Hydro notes that Midgard's recommendation is consistent with Hydro's legislated mandate to provide reliable service at least-cost, in an environmentally responsible manner. Hydro also notes that the Government of Canada has engaged stakeholders as part of its process to develop the forthcoming Clean Electricity Regulations; through this engagement, the Government of Canada has acknowledged that available technologies do not enable the transition to fully renewable power systems in isolated communities and these systems are therefore expected to be exempt from the standard. The regional diesel generating station provides base-load power to ensure reliable service while enabling the integration of intermittent renewable resources or the interconnection to the Labrador Interconnected System, should such an interconnection become viable in the future. Any potential additional execution risk associated with undertaking the regional interconnection at this time will be offset by the economic benefits associated with interconnection.

3.7.2 Minimize Future Reliance on Mobile Gensets for Base Load

Midgard notes that mobile gensets are not suitable for permanent base-load application, given their lower reliability than fixed diesel generating units, and recommends that Hydro not rely on mobile gensets as a planning resource for base load. Hydro accepts Midgard's recommendation, noting that following the construction of the regional diesel generating station, it would no longer rely on mobile gensets to supply base load in Charlottetown or Mary's Harbour. Customers previously served by the Charlottetown Diesel Generating Station are currently served by mobile gensets—a temporary configuration and interim solution due to an October 2019 fire that left the Charlottetown Diesel Generating Station inoperable.

3.7.3 Design Regional Diesel Generating Station for N-1 Reliability

Midgard analyzed the expected benefits of designing the regional diesel generating station to an N-2 standard rather than N-1, Hydro's standard redundancy criteria for diesel generating stations. Midgard

[14] "Southern Labrador Communities - Integrated Resource Plan," Midgard Consulting Inc., March 28, 2023,sec. 7.4, p. 85/3–10.

notes that, while N-2 provides marginal reliability benefits, it is Midgard's opinion that the marginal improvement in reliability does not merit the cost required to achieve this standard. Therefore, Midgard recommends that Hydro design the regional diesel generating station with N-1 redundancy, with reference to the suggestion that Hydro's mobile diesel unit fleet could be utilized to provide redundancy in the event of a unit failure at the regional diesel generating station.

Hydro has accepted Midgard's recommendations regarding generating unit redundancy and has revised the design of the regional diesel generating station to N-1 redundancy. Hydro decided to retain the regional diesel generating station footprint as originally proposed, with the additional engine bay available to establish N-2 redundancy if required. This approach ensures that the regional diesel generating station meets standard redundancy criteria while providing the option for N-2 redundancy if necessary in the future. Hydro will monitor the reliability of the interconnected system to determine if N-2 redundancy is required to ensure reliable service.

3.7.4 Support and Procure Incremental Low-Cost Renewable Energy

Midgard recommends that Hydro continue to support and procure incremental low-cost renewable energy through PPAs with community and Indigenous partners to offset diesel fuel usage therefore reducing emissions and costs. Midgard notes that Hydro's existing approach to PPA partnerships is likely to provide favourable economics for such community-led projects, made even more economically viable through newly announced federal programs.[15]

Hydro notes that Midgard's recommendations regarding the support and procurement of low-cost renewable energy is consistent with Hydro's current practices and has been successfully implemented on other isolated systems. Hydro is committed to continuing to work with its community and Indigenous partners to support the development of renewable energy sources and maximize the penetration of renewable energy on the interconnected system.

[15] "Budget 2023: A Made-in-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future," Government of Canada, March 28, 2023.

3.7.5 Consider a Deeper Study of Customer Demand Management

Midgard notes that while Hydro has availed of most of the opportunities to manage customer demand and incentivize energy efficiency, Hydro should continue to study opportunities for further customer demand management, such as the conversion of resistive electric heat to high-efficiency heat pumps.

Hydro notes that since 2021, it has implemented pilot programs assessing the viability of cold-climate heat pumps and shifted energy technology for demand management. These ongoing pilot programs will provide Hydro with the data to inform a decision regarding the broader implementation of the programs. Additionally, Hydro will continue to work with community stakeholders to explore the use of alternative fuels, such as wood heat, to offset electricity usage on isolated systems. Hydro is also exploring other DSM initiatives for future consideration, such as commercial energy audits.

3.7.6 Evaluate New Technologies

Midgard notes that while renewable energy technologies are not currently technically or economically feasible for the provision of firm capacity, Hydro should evaluate new technologies as diesel units come due for replacement.

Hydro has accepted this recommendation and will evaluate available technologies as diesel units come due for replacement. Hydro notes that the construction of the regional diesel generating station does not preclude it from availing of new technologies in the future.

4.0 Project Description

Following Hydro's review of the recommendations provided by Midgard, impacts to the project scope, cost estimate, and schedule provided in Hydro's Original Application are summarized in Table 2.

Table 2: Key Revisions between Original Application and Revised Application

Application	Interconnection	Redundancy	Cost ($ Millions)	Schedule Closeout
Original (2021)	Phased Approach	N-2	49.9 (Phase 1)	Fourth Quarter 2024 (Phase 1)
Revised (2023)	Full	N-1	86.4 (Full)	Third Quarter 2027 (Full)

4.1 Impact to Project Scope

4.1.1 Regional Diesel Generating Station

Hydro's Original Application for Phase 1 of its long-term supply plan for southern Labrador included the construction of a regional diesel generating station designed with N-2 redundancy. In Phase 1, Hydro proposed to equip this generating station with four diesel units and would have two additional engine bays—one for an additional unit to be installed in Phase 2 and the other to accommodate load growth. Hydro's acceptance of Midgard's recommendations has no net impact on the design of the regional diesel generating station.

The new regional diesel generating station will be constructed on land owned by Hydro adjacent to the existing diesel generating station in Port Hope Simpson. The site will contain a fuel storage area, powerhouse, switchyard, laydown area, septic system, water well, access roads, and a perimeter fence. The fuel storage area will include two 80,000 L and two 60,000 L double-walled horizontal tanks (total storage 280,000 L).[16] The powerhouse will be a single-story building of steel and concrete construction, with a mezzanine housing the control room, office, kitchenette, and washrooms. The ground floor will contain the engine hall, electrical/motor control center room, battery room, mechanical room, fire suppression room, and fuel storage room. The building will have fire and sound separations between the engine room, battery room, fuel storage room, and other areas; the building will mainly be heated by a heat recovery system from the generating units. The control room/office area and electrical/motor control center room will be cooled with split system air conditioning units and the engine room will be cooled with mechanical ventilation. An overhead crane will be located in the engine hall to support maintenance activities. Generating units will have remote radiators and exhaust stacks.

The 25 kV substation yard in Port Hope Simpson will include two 5 MVA 25 kV/4.16 kV transformers, oil containment, a wood pole structure supporting reclosers, motorized disconnect switches, a 25 kV tension bus, yard lighting, and a 300 kVA 25-0.6 kV station service transformer bank. Unit switchgear, remote unit protection and control panels, black start panel, uninterruptible power supply, battery chargers, and arc-rated motor control centers will be located within the electrical room. Power cables

[16] The two 60,000 L tanks are existing tanks that were recently installed at the Charlottetown Diesel Generating Station and will be relocated for use at Port Hope Simpson.

from the generating units to switchgear will be in floor trenches, will travel overhead from the switchgear to the exterior powerhouse wall, and will continue to each transformer in trenches.

While the scope change from N-2 to N-1 redundancy results in one less unit required for the regional diesel generating station, an additional unit is required for the immediate connection of all communities, which was originally planned for Phase 2. As a result, Hydro will maintain the initial design plan for the regional diesel generating station with six engine bays, to ensure sufficient footprint to accommodate future load growth, and to allow for N-2 redundancy if deemed necessary. While the provision of an extra engine bay to accommodate N-2 redundancy has an incremental cost of approximately $700,000, this is significantly less than the cost of expanding the building footprint in the event that an additional engine bay is required. Hydro notes that this additional footprint could also be utilized for equipment to support the integration of renewable energy or storage technologies in the future. The installed capacity for the regional diesel generating station will be approximately 6,300 kW, derived from four gensets of the following general sizes: (i) one 1,200 kW unit, (ii) one 1,500 kW unit, and (iii) two 1,800 kW units. This would translate into a firm capacity of 4,500 kW, which can accommodate the forecasted peak demand of all Southern Labrador Communities, as shown in Hydro's Original Application. Sizing of the gensets varied slightly since Hydro's Original Application based on updated information from Hydro's Long-Term Asset Planning group; however, this change does not account for a significant price increase.

4.1.2 Distribution Infrastructure

Hydro's Original Application included the construction of 53 kilometres of 25 kV distribution lines interconnecting the communities of Charlottetown, Pinsent's Arm, and Port Hope Simpson and 25 kV voltage conversion in those communities. There is no change to these proposed distribution lines. The 25 kV interconnection will include the construction of a new 25 kV distribution line, comprised of 477 aluminum-stranded conductors, along highway Routes 510 and 514 between Port Hope Simpson and Charlottetown. A short segment of 25 kV line will also be constructed to connect to the existing distribution system in Port Hope Simpson. In addition, a fibre optic line will be installed for communication purposes. Also included are 25 kV voltage conversions for the existing distribution systems in each community and the installation of a 200 A voltage regulator at the Charlottetown end of the 25 kV interconnection.

With Hydro's acceptance of Midgard's recommendation to advance the full interconnection of all communities, the project scope (originally planned for Phases 2 and 3) now also includes the construction of an additional 80 kilometres of 25 kV distribution lines interconnecting the communities of Mary's Harbour, Lodge Bay, and St. Lewis and 25 kV voltage conversion in those communities.

4.2 Impact to Project Cost Estimate

Hydro's Original Application sought approval of the construction of Phase 1 of its long-term supply plan for southern Labrador to be completed in 2024 at an estimated cost of $49.9 million. Since this time, escalation has resulted in an estimated cost increase for the original project scope of approximately $14.1 million. This cost increase is primarily due to inflationary pressures on the cost of labour and materials as well as increases in material lead times resulting in a longer project duration and interest period during construction.

The additional distribution infrastructure and the fourth genset associated with the advancement of the full interconnection of all Southern Labrador Communities results in a further cost increase of approximately $22.4 million, bringing the project total to $86.4 million, as outlined in Chart 1. Hydro's revised project estimate is provided in Table 3.

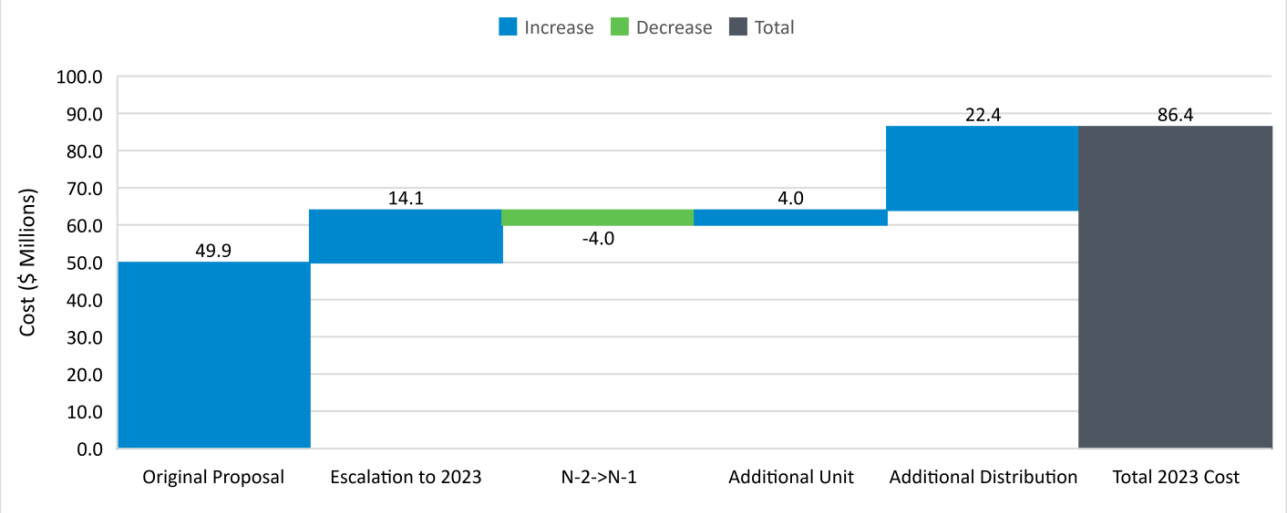

Chart 1: Cost Changes from 2021 Proposal to 2023

Table 3: Project Estimate ($000)[17]

Project Cost	Previous	2023	2024	2025	2026	2027	Total
Material Supply	0.0	2.1	1,728.3	15,700.4	13,065.7	1,042.4	31,538.7
Labour	0.0	1,053.7	1,868.9	1,959.3	702.7	414.0	5,998.5
Consultant	0.0	538.5	1,871.1	996.2	776.5	287.3	4,469.6
Contract Work	0.0	0.0	8,663.4	13,360.9	3,573.9	226.8	25,825.0
Other Direct Costs	0.0	73.0	1,161.6	2,232.0	606.2	119.5	4,192.3
Interest and Escalation	0.0	46.2	758.8	2,363.5	2,742.1	998.9	6,909.5
Contingency	0.0	121.2	1,759.6	3,504.0	1,860.5	215.2	7,460.5
Total	**0.0**	**1,834.7**	**17,811.7**	**40,116.3**	**23,327.4**	**3,304.1**	**86,394.2**

4.3 Revenue Requirement Impact

Hydro has forecasted the net impact of the selected alternative to its revenue requirement in comparison to the reconstruction of the Charlottetown Diesel Generating Station with continued operation as isolated systems. Compared to the isolated systems option, the interconnection of the Southern Labrador Communities is expected to generate an incremental revenue requirement increase of $2.3 million in 2030, due to higher upfront capital costs. As a result of decreased operating, maintenance, fuel, and sustaining capital costs, Hydro forecasts a reduction in net incremental revenue requirements of $1.1 million in 2035 and $6.2 million by 2050.[18] The incremental revenue requirement impacts for the interconnected system supplied by a regional diesel generating station compared to isolated systems served by individual plants are presented in Chart 2.

[17] Numbers may not add due to rounding.
[18] Hydro's insurance claim relating to the 2019 fire at the Charlottetown Diesel Generating Station is ongoing. Should this claim result in a payment to Hydro, such payment will be applied to reduce the revenue requirement associated with this project.

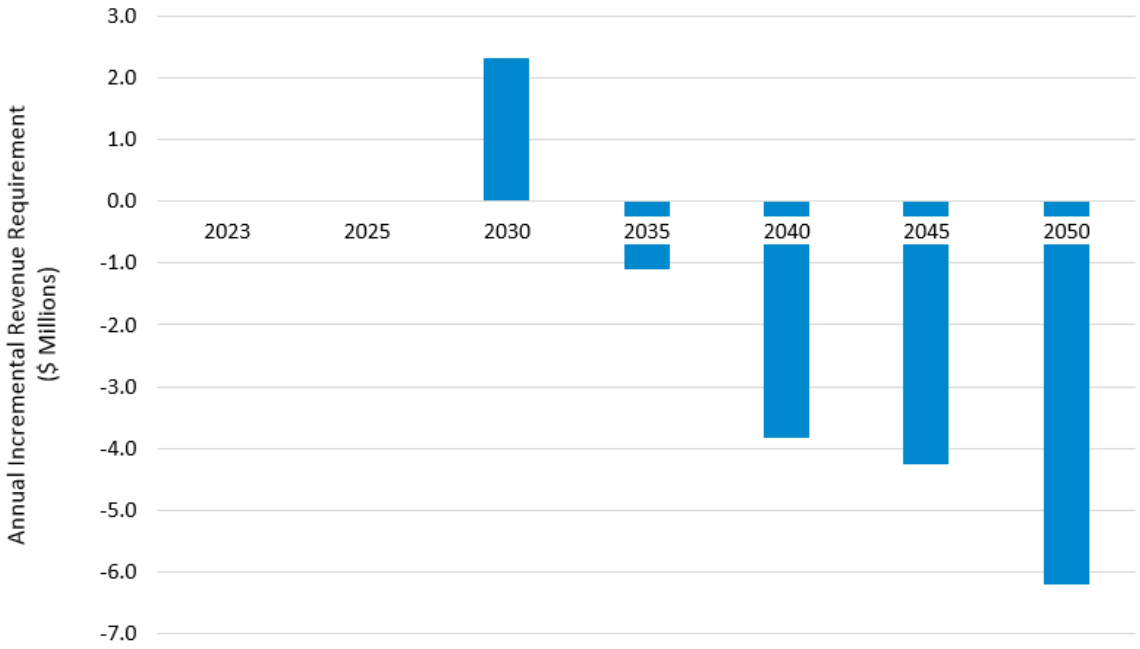

Chart 2: Incremental Revenue Requirements for Interconnection vs Isolated

Forecast rate impacts associated with changes in the incremental revenue requirements are presented in Table 4. The forecast is in comparison to the 2019 Test Year and assumes the incremental revenue requirements will be shared between Newfoundland Power Inc. and Rural Labrador Interconnected customers in the same proportion in which the rural deficit was allocated in the 2019 Cost of Service Study.[19]

Table 4: Forecast Incremental Rate Impacts (%)[20]

Impact on Revenue Requirement	2030	2035	2040	2045	2050
Newfoundland Power	0.3%	-0.2%	-0.6%	-0.6%	-0.9%
End Consumer[1]	0.2%	-0.1%	-0.4%	-0.4%	-0.6%
Labrador Interconnected	0.3%	-0.2%	-0.5%	-0.6%	-0.9%

[19] Newfoundland Power 96.1% and Rural Labrador Interconnected 3.9%.
[20] The forecast rate impact of the total project is approximately 1.5% for the end consumer on the Island Interconnect System and 2.0% for consumers on the Labrador Interconnected System. Assumes the average revenue to cost ratio for customers on the Labrador Isolated System in the 2019 Test Year is 24%, which represents their portion of costs recovered through rates.

The interconnection of the southern Labrador distribution systems and implementation of a regional diesel generating station is expected to facilitate the potential future integration and penetration of renewable energy versus an approach that features individual isolated systems. Should any such opportunities arise in the future, it is anticipated that such integration could produce further reduction in revenue requirements due to decreased fuel and maintenance costs.

4.4 Impact on Project Schedule

As a result of increased material lead times, the estimated duration of the project has increased from three to four years. Assuming project approval in the fall of 2023, Hydro estimates that the operation of the regional diesel generating station and full interconnection of all six communities will enter service in 2027.[21] Hydro understands the importance and urgency of this project and has therefore proposed an aggressive schedule for project execution. Hydro acknowledges that this schedule may be impacted by external factors, such as regulatory and environmental approval and equipment lead times; however, Hydro will make every reasonable effort to expedite project completion.

The anticipated project schedule is shown in Table 5.

Table 5: Project Schedule

Activity	Start Date	End Date
Planning:		
Front-end engineering and project approval	First Quarter 2020	Third Quarter 2023
Environmental assessment	Third Quarter 2023	Second Quarter 2024
Design:		
Detailed design of diesel generating station and distribution	Third Quarter 2023	Fourth Quarter 2024
Procurement:		
Major equipment and construction contracts	Third Quarter 2023	Second Quarter 2026
Construction:		
Regional diesel generating station and distribution	Second Quarter 2024	First Quarter 2027
Commissioning:		
Commissioning of equipment	Fourth Quarter 2026	Second Quarter 2027
Closeout:		
Contract and project closeout	Second Quarter 2027	Third Quarter 2027

[21] This schedule requires environmental approval by mid-2024. Hydro is investigating opportunities to initiate portions of the environmental assessment process as quickly as possible in order to meet this timeline.

5.0 Stakeholder Consultations

Following its receipt, Hydro shared the Midgard IRP with the Southern Labrador Communities and offered to meet to discuss the intended path forward. To date, Hydro has met with community representatives in Charlottetown and Pinsent's Arm as well as Mary's Harbour, Port Hope Simpson, and St. Lewis; the NunatuKavut Community Council ("NCC"); the Minister of Labrador Affairs; the Minister Responsible for Indigenous Affairs and Reconciliation; and the Member of the House of Assembly for the region. Hydro will continue to inform and consult with these stakeholders throughout the approval and execution process. Hydro is also committed to working with the NCC to ensure Hydro has met its Duty to Consult. Hydro has met with the NCC over the course of the regulatory process to share information. During these meetings, the NCC has expressed that they will not support the application based on the information provided and discussions to date.

Hydro will consult with the NCC as part of the Environmental Assessment process to address its stated concerns. These concerns include the integration of renewable sources in southern Labrador to ensure that the solution is environmentally responsible, as well as commercial considerations for the NCC relating to construction, ownership, and benefits associated with Hydro projects such as the proposed Southern Labrador Interconnection. Hydro is committed to working with the NCC to enable them to develop and maximize renewable sources of supply in southern Labrador. Hydro is also committed to supporting the advancement of NCC initiatives that align with Hydro's mandate to provide power at the lowest possible cost, in an environmentally responsible manner, consistent with reliable service.

Hydro notes that a number of other towns have expressed opposition to the use of diesel generation and would prefer solutions involving a transmission interconnection. Customers in these communities are concerned with isolated rates that are prohibitive to electricity-based home heating. They also expressed frustration that Island customers can avail of renewable generation from Labrador but they do not have this option. Further, they presented perspectives that a transmission interconnection would be the preferred solution from an environmental standpoint.

Both Hydro and Midgard have assessed the use of renewable energy sources for the provision of firm capacity on isolated systems and have each concluded that transmission connections to interconnected systems do not meet the criteria of least cost. Additionally, due to the distance (over 400 kilometres) of the line required to interconnect the Southern Labrador Communities with the Labrador Interconnected System, backup generation would be required in the form of diesel generation. Finally, renewable

energy resources with Battery Energy Storage Systems are technically and economically prohibitive and are expected to remain so for the foreseeable future. The use of diesel generation remains the only viable solution that is consistent with Hydro's legislated mandate. Full regional interconnection enables Hydro to ensure that power is being provided in an environmentally responsible manner in addition to least-cost, reliable service. While the regional diesel generating station and the firm capacity it provides is necessary to ensure reliable service for the region, Hydro is fully committed to fostering and supporting the development of renewable energy projects in the region to enable a reduction in diesel fuel usage in partnership with its community and Indigenous partners.

6.0 Conclusion

In July 2021, Hydro proposed Phase 1 of its long-term supply plan for southern Labrador, which included the construction of a regional diesel generating station and the interconnection of the communities of Charlottetown, Pinsent's Arm, and Port Hope Simpson, with the interconnection of Mary's Harbour (including Lodge Bay, which is served on the Mary's Harbour Distribution System) and St. Lewis to follow in Phases 2 and 3, respectively. In response to the Board's direction for Hydro to provide additional information and analysis to supplement the information that has been filed and engage an independent expert to assist in the analysis, Hydro selected Midgard to complete an independent assessment of Hydro's plan and develop an integrated resource plan for the region. The Midgard IRP recommended that Hydro proceed with its plan to construct a regional diesel generating station, albeit with scope changes to design with N-1 redundancy and advancement of the interconnection of Mary's Harbour and St. Lewis. Hydro has accepted Midgard's recommendations and has revised its project scope, estimated cost, and schedule accordingly to reflect the passage of time since its Original Application and its support of Midgard's recommendations.

Hydro believes its revised proposal to construct a regional diesel generating station and interconnect the Southern Labrador Communities meets Hydro's mandate to provide power at the lowest possible cost, in an environmentally responsible manner, consistent with reliable service.

Appendix W

Email to IET - June 1, 2023

Slide Deck for IET

From: Deanne Fisher/NLHydro
To: JCowan@gov.nl.ca, "Martin, Craig" <CMartin@gov.nl.ca>, TansyMundon@gov.nl.ca, coreysnook@gov.nl.ca
Date: 06/01/2023 02:48 PM
Subject: Fw: NLH - Long-Term Supply for Southern Labrador Application - Revision 1

Folks,

An update with respect to the current situation with the Southern Labrador supply file . We have submitted our revised application to the PUB as of yesterday . Below is an update on actions since the last update to you folks :

- PUB requested Hydro seek the views of an external consultant to review all options available and offer their recommendation . Hydro hired Midgard Consulting Group who delivered their report on March 31, 2023.
- Midgard's assessment found that Hydro's recommendation for the regional interconnection of the Southern Labrador Communities was the recommended approach ; however, they suggested Hydro undertake the interconnection as quickly as possible vs a phased approach (Hydro's original proposal). See attached deck for more information .
- Hydro met with Stakeholders to update them on Midgard 's findings and committed to submitting its revised application with timing , costs etc. to the PUB by end of May given the urgency of the situation in Charlottetown .
- Hydro filed its application yesterday as planned , and copies of the revised application were submitted to Stakeholders on May 31st.

With respect to NCC: Hydro has had several meetings with NCC to review the application and the findings of Midgard's assessment and to provide information related to next steps . NCC has engaged its legal team to participate in these information sharing sessions to ensure Hydro is aware of the Duty to Consult on this project is understood . Hydro's legal team is engaged and analyzing the Duty to Consult requirements and where this duty may be managed - via the regulatory or through the EA process. The EA process is clear on expectations around consultation, and this is likely the right avenue for ensuring a Duty to Consult is met ; however, this is a new process for the PUB, and we are unsure how this will impact the approval process . In the meantime, to ensure adequate information sharing through this process , Hydro recommended to NCC that it apply for Intervenor status with the PUB for this file , which they have subsequently done . We expect the ruling on that to happen very soon .

Any questions, please do not hesitate to reach out .

Thanks
Deanne

Southern Labrador Supply - Briefing Deck May 2023.pptx

----- Forwarded by Deanne Fisher/NLHydro on 06/01/2023 12:17 PM -----

From:	NLH Regulatory/NLHydro
To:	Public Utilities Board
Cc:	Newfoundland Power, Consumer Advocate, Island Industrial Customer Group, Labrador Interconnected Group
Date:	05/31/2023 02:11 PM
Subject:	NLH - Long-Term Supply for Southern Labrador Application - Revision 1
Sent by:	Samantha Keats

Good day all,

An electronic copy of Revision 1 of Hydro's Application for Long-Term Supply for Southern Labrador is available on the Stranded Website, accessible via the link below.

Long-Term Supply for Southern Labrador Application - Revision 1

username: nlhpubdata
password: Regulatory1210!

In order to save these files to your hard drive, you have two alternatives:
1. Open the files from the website and then select save.
2. Right click on the files on the website and select "save target as."

Note: Some files with large attachments may take a little longer to open.

****
We have selected a web based transfer site in an effort to:
1. Minimize the size and frequency of email.
2. Avoid exceeding your Internet Service Provider email capacity.
3. Avoid burning compact disks which travel via snail mail.
4. Provide you with one central location for retrieving files.

This is a stranded site. This means that only you know that it exists. (This webpage is accessible to the world only through the above link.) We have chosen this design to meet the needs of a transfer point only. The PUB website will remain the official source for the public and, as such, we have no desire to duplicate that effort.

Should you experience any issues, please contact Samantha Keats and Kimberley Duggan directly at **RegulatoryCoordinators@nlh.nl.ca**.

Keep safe in all you do.

Samantha

Samantha Keats (she/her)
Regulatory Coordinator
Regulatory Compliance, Regulatory Affairs
Regulatory & Stakeholder Relations
Newfoundland & Labrador Hydro
t. 709 778-6608 | **c.** 709 765-1750
e. SamanthaKeats@nlh.nl.ca | **w.** www.nlhydro.com

Long Term Supply for Southern Labrador

Overview of Midgard Consulting's Report

Background

- July 2021 - Hydro files capital application with the PUB for construction of a regional plant with interconnection of communities in southern Labrador as the proposed option to supply southern Labrador.
- April 2022 - the PUB requested that Hydro complete additional analysis assessing “all reasonable options” for the provision of service in the region.
- Hydro engaged Midgard Consulting Inc. to complete that additional, independent analysis. Over many months, they evaluated:
  - the viability of using battery energy storage systems
  - alternatives considered ranged from refurbishing existing stations; maintaining isolated community services; constructing new regional generating stations (thermal or hydraulic); full interconnections or interconnection with the Labrador Interconnected System.

Midgard's Overall Recommendation

- Hydro should **proceed with the interconnection of the communities of southern Labrador with a regional plant with the full interconnection immediately rather than a phased implementation.**
- The most cost-effective and reliable solution:
  - Operational savings due to reduced fuel consumption
  - Improved system reliability
  - Reduced capital costs
  - Greater potential for renewable penetration (up to 50% renewable penetration, compared to 25% for individual isolated systems
- Hydro is considering Midgard's recommendations as it prepares to update its application to the PUB no later than the end of May 2023.

Next Steps

- Hydro intends to file an updated application with the PUB before the end of May 2023 reflecting the recommendations in Midgard's report for the Long Term Supply Plan for Southern Labrador.
- The PUB will resume the regulatory review process after the updated application is filed.
- Hydro anticipates that the PUB will set a review schedule
  - May include any combination of additional rounds of requests for information ("RFI"), technical conferences, or a formal hearing.
  - Generally as the final step, intervenors are provided with the opportunity to file a written submission outlining their position on any outstanding issues, provide any additional context for consideration by the PUB, and indicate their support or opposition to the project.
  - Hydro is then afforded the opportunity to file a written submission addressing any outstanding issues or concerns.

Regulatory Review Process

- The PUB then considers all available information and evidence to come to a decision regarding project approval.
- After deliberation, the PUB will then issue a “Board Order” outlining its decision.
- Once approved, Hydro will work to construct the proposed project as expeditiously as possible.

An update on the schedule and status will be provided to the towns once the regulatory process has resumed.

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9

Appendix X

Email to Town of Charlottetown – June 14, 2023

From: Deanne Fisher/NLHydro
To: <ctown@nf.aibn.com>
Date: 06/14/2023 11:01 AM
Subject: RE: [External] NL Hydro's Long-term Supply Plan for Southern Labrador - Revision 1

Hello Stewart,

Yes, we have received some information from the PUB as to their schedule. First, a note to advise that NCC has been accepted as an intervenor in this process. In short, they are now a part of the regulatory process. They will be represented by legal counsel and can ask questions of Hydro (referred to as Requests for Information) and we are obligated to reply within a set time frame. We must do the same for all other parties who are intervenors in all applications put forward to the Public Utilities Board. These include the Consumer Advocate, who represents the best interests of all customers in the Province; Newfoundland Power of behalf of their customers on the Island; Island Industrial Customers, who represent large-scale business customers on the island; and, the Labrador Interconnected Group, who represents large-scale business customers in Labrador.

Below is the schedule that the PUB has set out. I'm also sending you, separately, a copy of the PUBs documentation in relation to this file. Any intervenor can ask a question, and all parties will receive those questions and Hydro's answers as part of this process. We can work with Charlottetown to ensure you're made aware of the types of questions asked. Many times, there are very technical and engineering questions, so you may not want to know about all of them. But we can offer you briefings as to general theme of the inquiries.

As part of this project, Hydro has a legal Duty to Consult with NCC as we are undertaking a project in an area where there are asserted rights. Being part of the regulatory process does not satisfy that; however, it does aid NCC and their legal counsel getting access to information as part of the regulatory process.

Any other questions, please do not hesitate to reach out.

Thanks
Deanne

The Board has revised its schedule in relation to Revision 1 Hydro's Application for Long-Term

Supply for Southern Labrador.

Filing	**Revised Due Date**
Requests for Information ("RFI")	Tuesday, June 20, 2023
RFI Responses	Wednesday, July 5, 2023

Keep safe in all you do.

Samantha

2023-06-12_PUB_LT Supply for Lab South_Schedule_Revised.pdf

So, all that to say, Hydro's legal Duty to Consult; however,

Deanne Fisher
Director, Public Affairs and Customer Service
Regulatory and Stakeholder Engagement
Newfoundland & Labrador Hydro
t. 709 733-5299 | **c.** 709 697-3418
e. DeanneFisher@nlh.nl.ca | **w.** www.nlhydro.com

[External Sender: Please use caution when reply... 06/14/2023 10:00:31 AM

From: <ctown@nf.aibn.com>
To: <DeanneFisher@nlh.nl.ca>
Date: 06/14/2023 10:00 AM
Subject: RE: [External] NL Hydro's Long-term Supply Plan for Southern Labrador - Revision 1

[External Sender: Please use caution when replying, opening attachments, or

clicking on links]
Thank-you Deanne,

I have reviewed the correspondence and will table to the Charlottetown Town Council tonight during our meeting. Does your office have any idea on when the PUB is going to meet to discuss this topic?

Thankyou,

Stewart Macnab
Town Clerk/ Manager, Charlottetown Town Council
PO Box 151
Charlottetown (Labrador), NL A0K 5Y0
ctown@nf.aibn.com
Ph: 709-949-0299
Fax: 709-949-0377

From: DeanneFisher@nlh.nl.ca <DeanneFisher@nlh.nl.ca>
Sent: June 13, 2023 5:33 PM
To: ctown@nf.aibn.com
Subject: Fwd: [External] NL Hydro's Long-term Supply Plan for Southern Labrador - Revision 1

Hello Stewart,

Please see below correspondence sent ti the PUB from the Mary's Harbour.

Please let us know if you have any questions.
Thanks
Deanne
Deanne Fisher
Director, Public Affairs & Customer Service
Newfoundland and Labrador Hydro

Begin forwarded message:

----- Forwarded by Shirley Walsh/NLHydro on 06/13/2023 03:25 PM -----

From: <admin@mhtc.ca>
To: <skean@pub.nl.ca>
Cc: <IETMinister@gov.nl.ca>, "'Dempster, Lisa'" <LisaDempster@gov.nl.ca>, "'Jones, Yvonne - Personal'" <Yvonne.Jones.P9@parl.gc.ca>, "'Jones, Yvonne - Riding 3'" <Yvonne.Jones.C3@parl.gc.ca>, <trussell@nunatukavut.ca>, "Executive Director" <execdir@combinedcouncils.ca>, <shirleywalsh@nlh.nl.ca>, <ctown@nf.aibn.com>, <porthopesimpson@nf.aibn.com>, <stlewisadmin@nf.aibn.com>
Date: 06/13/2023 02:57 PM
Subject: [External] NL Hydro's Long-term Supply Plan for Southern Labrador - Revision 1

[External Sender: Please use caution when replying, opening attachments,

or clicking on links]

Good morning, Ms. Kean:

Please see the attached from the Town of Mary's Harbour.

Thanks,

Glenys

Glenys D. Rumbolt
Town Clerk/Manager
Mary's Harbour Town Council
60 Hillview Road
P.O. Box 134
Mary's Harbour, NL A0K 3P0

phone: 709 921 6281
fax: 709 921 6255
email: admin@mhtc.ca

(See attached file: NL Hydro Long-term Supply Plan - Rev. 1.pdf)