Q. Hydro's correspondence dated October 5, 2023, Attachment 1, Midgard Consulting Inc's Report, pages 23 of 74, Figure 2, outlines a comparison of the project schedules for the various alternatives reviewed by Midgard.

a) The 'environmental assessment' process is shown as 15 months for all scenarios. Please explain why the environmental assessment process timeline for a replacement of the Charlottetown diesel generating plant would take the same amount of time as Hydro's proposed solution that would involve a new centralized diesel generating station as well as the interconnection of four communities.

b) The 'preliminary engineering and project approval' process is shown as 15 months for all scenarios except Hydro's proposed solution. Given the technical complexity associated with the interconnection of existing plants alternative (Option 6) and the 2-Community alternative (Option 7) in comparison to that of replacing the Charlottetown DGS (Option 2), please explain why an equivalent amount of time is allocated for each.

A. **a)** The schedule provided for these scenarios indicates that the environmental assessment process will start in the first quarter of 2025 with anticipated release in the first quarter of 2026, which was intended to provide a range of anywhere from 12 to 15 months. Past experience has shown that 12 months is a standard planning timeline for the preparation for, registration of, and release from an environmental assessment— with aspects of this process being out of the control of Newfoundland and Labrador Hydro ("Hydro") once the project is registered. Hydro does not anticipate that the timeframe for an environmental assessment would materially differ between diesel generating station alternatives, with or without the interconnection. Although it is possible that the Charlottetown Diesel Generating Station could be released earlier without the distribution phase, that is not anticipated to impact the overall completion date in the outlined scenario, as Hydro would still require approximately six months to prepare for the environmental assessment registration after Board of Commissioners of Public Utilities approval. This would result in completion by the end of the second quarter of 2025, assuming an immediate first quarter

of 2025 start of preparation activities; therefore, not allowing sufficient time to progress site work in the 2025 construction season. Even with a timely release from the process, construction would be constrained by a short construction season window, which would close early in the fourth quarter of 2025 and open again late in the second quarter or early third quarter of 2026.

b) Engineering design and project plans for Hydro's proposed regional diesel generating station solution have been progressed enough that the environmental assessment process, as well as design and procurement activities, can start immediately upon project approval and is, therefore more advanced than the other alternatives.

While the design complexity of the other alternatives vary, much of the complexity is related to the protection and controls ("P&C") design for a system interconnecting multiple diesel generating stations. P&C engineering design can progress in parallel to other design elements, such as the civil and mechanical components; therefore, Hydro has allocated equivalent time for engineering design for each of the alternatives. Hydro notes that these schedules are based on the Class 4 estimates provided and would be subject to change as front-end engineering design progresses.