

1 Q. For the years 2023 to 2034, what is Hydro’s estimate of the annual marginal cost and average  
 2 fixed cost of the surplus energy once the Muskrat Falls project is fully operating?

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5 A. For Newfoundland and Labrador Hydro's ("Hydro") estimate of the annual marginal cost, please  
 6 refer to Hydro's response to TC-IC-NLH-001. Table 1 provides the forecast opportunity costs  
 7 associated with the export of Schedule II energy from the Muskrat Falls Generation Station that  
 8 is excess to Hydro’s domestic requirements for the years 2023–2032. A forecast for the years  
 9 2033 and 2034 is not available at this time; however, it is not anticipated that the average value  
 10 would be materially different in those years from the information provided for 2023–2032.

**Table 1: Forecast Opportunity Costs in External Markets  
 2023–2032**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total (2023–2032)
Excess Schedule II Energy (GWh)	540	312	325	383	460	510	404	340	410	501	<b>4,185</b>
Excess Schedule II Value (\$ Million)	14,132	7,282	7,221	8,538	11,011	12,461	11,002	9,044	10,279	12,454	<b>103,424</b>
Average \$/MWh	26.18	23.37	22.19	22.32	23.96	24.42	27.20	26.61	25.07	24.85	<b>24.72</b> <sup>1</sup>

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<sup>1</sup> Average may not compute due to rounding.