

1 **Q. Reference: Power Sales – General**

2 Has Hydro or any of its related corporations, including NEMC, lost money on Export Power
3 Sales? What were the reasons for the losses? What are the fixed costs of export sales? How
4 much Export Power has to be sold and at what assumed price(s) to break even?

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7 A. Yes, Nalcor Energy Marketing Corporation (“NEM”) has lost money on export power sales. The
8 financial highlights from NEM are provided in Table 1.

**Table 1: Export Market Financial Highlights
(\$ Million CDN)**

Nalcor Energy Marketing Financial Highlights	2020	2021	2022¹
Revenue	29	57	96
Power Purchase	4	4	19
Operating Costs	5	5	4
Transmission Rental	24	26	14
Other (incoming) Expense	1	(4)	(7)
Profit (loss) for the Period	(5)	26	66

9 The reasons for the losses in 2020² were a combination of: (i) the approximate \$20 million fixed
10 cost for deliveries through Québec; (ii) low average export prices; and (iii) less available
11 Recapture Energy for export due to supply of Recapture Energy to the Island.

12 The fixed costs of export sales in 2020 included \$20.91 million CDN for transmission, and
13 \$4.98 million CDN for operations and maintenance.

14 Assuming forecasted 2023 annual export volumes of 2,045 GWh,³ for example, export prices
15 would have to average at least \$27.60 CDN per MWh to break even.

¹ Results for the first nine months.

² Financial results are reported in Nalcor Energy’s 2020 Annual Report.
<<https://www.gov.nl.ca/iet/files/Nalcor-Energy-2020-Annual-Report.pdf>>

³ Includes forecast of Muskrat Falls exports.