

1 Q. Page 5 of the Revised Application, paragraph 21. Please confirm that as a result of the  
2 commissioning of the Labrador Island Link on April 14, 2023, the marginal cost of energy on the  
3 Island Interconnected System is now considered to be the market value of exports going  
4 forward.

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7 A. With the formal commissioning of the Labrador-Island Link, it would be expected that the  
8 marginal cost of energy on the Island Interconnected System would be considered to be the  
9 market value of exports going forward. However, as discussed in Newfoundland and Labrador  
10 Hydro's ("Hydro") response to IC-NLH-004 of this proceeding, the proposed non-firm rate is  
11 based on the estimated incremental cost on the Island Interconnected System at the time of  
12 supply. Market value of exports would be used in computing the non-firm price unless thermal  
13 fuel is the incremental cost of energy supply on the Island Interconnected System. Hydro will  
14 apply thermal fuel cost rates (Holyrood, Gas Turbines, Diesel Generators) if those units are the  
15 incremental cost of supply on the Island Interconnected System (e.g., when the Holyrood  
16 Thermal Generating Station is operating at above minimum capacity levels).