

1 Q. In Hydro’s 2021 Annual Performance Report, Hydro advised that it received applications for
2 8,000 MW of new load under the heading “advanced planned initiatives to reliably meet
3 growing customer needs in Labrador”. Please identify all projects included in Hydro’s five-year
4 capital plan intended to address potential load growth in Labrador.

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7 A. As per Newfoundland and Labrador Hydro’s (“Hydro”) correspondence to the Board of
8 Commissioners of Public Utilities,¹ following approval of the Network Additions Policy, Hydro
9 received formalized customer requests for incremental firm load in Labrador. This process included
10 reaching out to customers whose applications were previously denied, as well as those that had
11 informally advised of interest in obtaining service in Labrador but had yet to formally apply.

12 Hydro received requests for approximately 8,000 MW of firm load on the Labrador Interconnected
13 System. Hydro then completed a high-level system impact analysis to determine cost estimates for
14 the transmission and generation additions required to serve certain incremental loads for each of
15 the three regions in Labrador. Once Hydro communicated the results of this analysis to applicants,
16 Hydro received confirmation from 25 customers for an estimated 2,000 MW. This requested
17 capacity on the Labrador Interconnected System exceeds the amount of generation currently
18 available. It was advised in this update that, to be fully transparent with these customers, Hydro
19 would inform the customers of the magnitude of generation investment anticipated to be required
20 to serve the total requested firm load and the projected cost expectations and associated rates
21 that would be incurred. Since providing that information to the applicants, Hydro has received
22 confirmation of service from 21 customers totaling approximately 1,300 MW.

23 It is noted that Hydro’s Five-Year Capital Plan² does not include generation projects to address
24 these potential requests in Labrador. Rather, Hydro is currently performing system impact studies
25 to understand the transmission and supply upgrades that would be required. Once the analysis is
26 complete and estimates are available, Hydro will continue to work with proponents and determine

¹ “Network Additions Policy – Implementation Update,” Newfoundland and Labrador Hydro, February 3, 2022.

² “2023 Capital Budget Application,” Newfoundland and Labrador Hydro, July 13, 2022, vol. I, sch. 2.

1 if they plan to continue with the process to the point of signing interconnection agreements. As this
2 process is advanced (in coordination with the Reliability and Resource Adequacy Study proceeding),
3 expansion plans will be updated, as required.

4 In response to more conventional load growth, Hydro includes placeholder projects in each year of
5 the Five-Year Capital Plan. In consideration of distribution systems, these projects are identified as
6 Additions for Load Growth – Isolated Generation and Additions for Load Growth – Distribution
7 System with estimates based on historical trends. From a transmission system perspective, Hydro
8 performs load studies as part of its annual planning process to confirm if load growth projects are
9 required. If system upgrades are required, the place holder is replaced with the proposed
10 investment. In the 2023 Capital Budget Application, there was a load growth project identified on a
11 transmission system which was filed as the Additions for Load Growth – Upgrade Transformer
12 Capacity – Jean Lake Terminal Station.³

13 There are currently no projects in Hydro’s Five-Year Capital Plan to address load growth in Labrador
14 resulting from customer requests being considered through the Network Additions Policy described
15 above.

³ “2023 Capital Budget Application,” Newfoundland and Labrador Hydro, July 13, 2022, vol. II, sch. 6, proj. 1.