

1 Q. Re: Recommendation 2.16 (Liberty Report, p. 36)

2 Citation:

3 **2.16 Complete planned demand management analysis on a**
4 **Hydro/Newfoundland Power jointly scoped, conducted, and**
5 **developed basis and report to the Board a structured cost/benefit**
6 **analysis of short term program alternatives by September 15, 2015.**
7 *(Conclusion No. 2.21)*

8 The most essential elements of this recommendation are:

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- 10 • Ensuring, in the event that Hydro and Newfoundland Power do not agree on
 - 11 a range of new capacity timing and cost assumptions to consider, that the
 - 12 work planned incorporates a range of assumptions that is sufficiently broad
 - 13 to encompass those of both entities.
 - 14 • Ensuring methods and perspectives broad enough to provide for a full
 - 15 identification and analysis of the short-term costs and benefits (both
 - 16 economic and with respect to improving reserves) of options for the period
 - 17 leading up to the introduction of Muskrat Falls

17 Is Hydro confident that it and NP will be able to develop a suitable framework,
18 jointly scope, conduct and develop a demand reduction plan, and report it to the
19 Board by September 15, 2015? If not, how does Hydro propose that these issues be
20 managed in order to lead to the approval and implementation of new CDM
21 programs as promptly as possible?

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24 A. Hydro is confident that by September 15, 2015, Hydro and Newfoundland Power
25 will be able to develop a suitable framework, jointly scope, conduct and develop
26 any necessary demand reduction plan that is required of short term program
27 alternatives and report it to the Board. The current conservation and demand

1 management study being undertaken by Hydro and Newfoundland Power is
2 scheduled to be completed around mid-year and will facilitate meeting this
3 deliverable.