

1 **Q. In Mr. Brockman’s opinion, is the need for new on-island generation sufficiently**
2 **likely in the next five years such that beginning the planning process for such a unit**
3 **at this time would be a prudent “no regrets” strategy?**
4

5 A. The need for, and amount of, on-island generation in the next five years is not yet clear.
6 It depends on a number of factors including (i) the availability of import power over the
7 Maritime Link (“ML”), (ii) the availability of recall power over the Labrador Island Link
8 (“LIL”), and (iii) the reliability of Hydro’s existing generation resources.
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10 Mr. Brockman recommended that “if there is any likelihood that the LIL or ML may not
11 be available as scheduled, the preliminary work required to acquire a new combustion
12 turbine should commence as soon as possible.”¹ Preliminary work associated with a new
13 combustion turbine includes, amongst other things, determining the appropriate capacity
14 and fuel storage, identifying a suitable location, estimating costs and timelines, assessing
15 market availability, and commencing initial engineering work. This work takes time but
16 typically accounts for only a small portion of the total cost associated with a new
17 combustion turbine. Moving forward with this preliminary work can therefore shorten
18 the time required to place new combustion turbines in service at a relatively low cost.
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20 The most recent information available to Mr. Brockman indicates that the LIL and ML
21 will both be available to provide import power to the Island Interconnected System
22 (“IIS”) by winter 2018/2019.² This coincides with the earliest date by which a new
23 combustion turbine could be in service if preliminary work were to be commenced at
24 once.³ It is Mr. Brockman’s opinion that, unless Hydro can provide reasonable assurance
25 before the end of 2016 that import power from the LIL and ML will be available in
26 accordance with this timeline, commencing preliminary work on a new combustion
27 turbine would be a prudent “no regrets” strategy for managing reliability risk on the IIS
28 in the near term.

¹ See Page 24, Lines 8-10 of the *Prefiled Evidence of Larry Brockman*.

² According to Emera Newfoundland and Labrador, commissioning and first power on the ML is expected by the end of 2017 (http://www.emeranl.com/site/media/emeranl/Documents/Project%20Timeline_Board%203.pdf). Nalcor Energy currently anticipates the LIL to be to be completed by Q2 2018 (http://muskatfalls.nalcorenergy.com/wp-content/uploads/2013/03/MF-Cost-Schedule-Infographic_Web_24Jun2016.pdf).

³ See Page 22, Line 20 of the *Prefiled Evidence of Larry Brockman*.