



Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
P.O. Box 12400, St. John's, NL
Canada A1B 4K7
t. 709.737.1400 | f. 709.737.1800
nlhydro.com

January 10, 2025

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Reliability and Resource Adequacy Study Review – Request for Additional Information – Reply

Newfoundland and Labrador Hydro (“Hydro”) received correspondence from the Board of Commissioners of Public Utilities (“Board”) on December 19, 2024, requesting confirmation by January 10, 2025, as to whether the proposals outlined in Hydro’s 2024 Resource Adequacy Plan are impacted by the recent Memorandum of Understanding (“MOU”) between Hydro and Hydro-Québec announced on December 12, 2024.

The recently announced MOU between Hydro and Hydro-Québec and associated new developments will enable an increase in capacity in Labrador by 3,900 MW. This does not impact Hydro’s recommendation for the proposed generation within the Minimum Investment Required Expansion Plan for the Island Interconnected System.

Hydro's current project schedules indicate that critical work for both the Bay d’Espoir Unit 8 (“BDE8”) and the Avalon Combustion Turbine (“CT”) is set to be completed ahead of the MOU-related projects, and Hydro remains confident that, if these timelines are maintained, project costs will not be adversely impacted.

Hydro is conscious of the potential implications the projects associated with the new MOU could have if the project timelines overlap as a result of schedule delays. Hydro has reviewed the key risk factors impacting the BDE8 and CT projects to determine the potential cost pressures arising from both economic and resource-related challenges in the event of the overlap of timelines and will continue to monitor risks to cost and schedule through the life of the projects. Hydro recognizes the importance of maintaining the current schedule to avoid overlap with the MOU-related projects, as this will result in material cost increases.

As noted above, the MOU has no impact on Hydro’s recommendations for the Island Interconnected System within the 2024 Resource Adequacy Plan. Hydro is working to file a fulsome application to allow for expeditious review and approval and remains confident that, if current timelines are maintained, project costs will not be adversely impacted.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/kd

ecc:

Board of Commissioners of Public Utilities

Jacqui H. Glynn
Katie R. Philpott
Maureen Greene, KC
Board General

Island Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Labrador Interconnected Group

Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate

Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, KC, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Newfoundland Power Inc.

Dominic J. Foley
Regulatory Email