

**THE
LIBERTY
CONSULTING GROUP**

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August 30, 2023

Ms. Cheryl Blundon
Board Secretary and Executive Director
Board of Commissioners of Public Utilities
120 Torbay Road, Prince Charles Building, Suite E-210

St. John's, NL A1A 5B2

Dear Ms. Blundon:

Please let me begin by expressing my heartfelt thanks both personally and professionally for what we at Liberty universally consider a rewarding and productive relationship over the now many years we have worked with Staff and the Board to date. Changes come, however, as we are experiencing, and, of course extend as the Board is experiencing as well. Sadly, change requires me to inform you that the time has come for a transition to alternate sources of support in your endeavors to complete the province's profound transition to a hopefully secure and affordable electric energy future.

As you know, I have been concerned for some time about the pace that Hydro has kept in addressing solutions that can contribute to that future, a pace that the Board has been trying to increase. In reflecting on what that pace means, I have come to see two important things - - the long road that unfortunately still lies ahead in addressing long term reliability makes me no longer comfortable that I can keep together the team that has been assisting in addressing that subject. My assessment of where we stand in terms of life and career stages does not allow me the confidence you deserve and that I need in this regard. However, what is now a fairly long gap in the schedule of critical activities recently laid out for finally getting to a supply alternative application from Hydro appears to offer a time window that can mitigate any disruption from making a transition to other resources. While unfortunate overall, Hydro's recently announced delay in making a key submission tends to underscore the long time that awaits that application.

Consequently, as we have discussed, I would like to assist you in making that transition, by supporting your efforts to bring on board resources to replace those we have been offering. Let me assure you that this change comes from no dissatisfaction with our relationship with the Board and its Staff to date; we continued to have the highest regard for all with whom we have had the opportunity to serve and to work to this point.

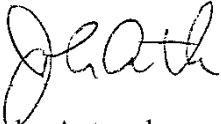
We are prepared to continue to perform those tasks that can be accomplished while the Board secures other support. Moreover, I give you my commitment that we will work with new resources for as long as they may need to absorb fully historical matters that continue to have

some relevance and to share our views with them and you as they come up to speed on short and long term reliability questions and issues that need answer and disposition.

In particular, for example, as we have stressed, the promptest possible yet adequately informed decisions about adding gas turbine capacity is critical - - if proven feasible, the timing for installing such a resource may have the potential to avoid hundreds of millions of dollars from extending Holyrood. This may, subject to completing the needed analysis and permitting Board review, prove true, even if current federal thinking on decarbonization timelines holds and requires shutdown well before such a source reaches the end of its normal operating life. With what appears to me to be growing concern among provinces that have much further to go than Newfoundland and Labrador, it may well be that a gas turbine may have utility for an even longer period.

Again, let me express my thanks for the chance to work together over the years and to state that we will continue to hope for the best as the board, under new leadership and with new membership, will land upon a solution that is the best for the residents, businesses, and institutions of the province.

Sincerely,

A handwritten signature in black ink, appearing to read "John Antonuk". The signature is written in a cursive, flowing style.

John Antonuk
President
The Liberty Consulting Group