

1 **Q. Reference: 2024 Resource Adequacy Plan; Technical Conference #4: Expansion Plan, Insights**
2 **and Next Steps, October 29, 2024, Slide 60.**

3 Hydro has issued an EOI for fuel supply to better inform our strategy and the
4 supply risk including the fuel degradation issue.

5 The fuel burn-off issue will not be resolved in time for the build applications.

6 **a)** Please provide a copy of the EOI for fuel supply.

7 **b)** When does Hydro expect to be able to communicate the results of the EOI for the fuel
8 supply?

9 **c)** Did Hydro’s EOI for fuel supply include the potential that Hydro may upgrade the
10 Holyrood Marine Terminal to accept No. 2 Diesel? If not, why not?

11 **d)** Please explain how Hydro’s application for a new 150 MW combustion turbine will
12 address the fuel burn-off issue and the results of the fuel EOI.

13

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15 **A. a)** Please refer to NP-NLH-102, Attachment 1 for a copy of the Expression of Interest (“EOI”)¹
16 “Supply and Delivery of No. 2 Diesel” issued by Newfoundland and Labrador Hydro
17 (“Hydro”).

18 **b)** The fuel supply EOI was issued to potential proponents in late October and closed at the end
19 of November 2024. The structure of the EOI allowed potential fuel suppliers to provide
20 Hydro with information on supply and delivery options, future product and alternative fuel
21 supply, and strategies to optimize fuel inventory management. Hydro received one response
22 to the EOI from NARL Marketing Inc. via Terra Velo Solutions Corp. (“Terra Velo”), a member
23 of the North Atlantic Group of Companies. Terra Velo proposes to deliver fuel by road via
24 bulk transport through loading privileges at various loading racks in Newfoundland and
25 Labrador and out-of-province locations, with adequate notice. For fuel supply demand,

¹ This was issued as a request for information under the public procurement guidelines, an information-gathering tool issued by a public body to learn about the marketplace in advance of issuing a procurement solicitation.

1 Terra Velo is open to working with Hydro to develop an operational plan for future and
2 surge demands, including a standby service, regular 24/7 service, and additional expansion
3 of the road transport fleet. Optimization of inventory management can be coordinated with
4 Hydro to maintain lower product inventory levels during expected low-load seasons and
5 potentially aid in reselling aged inventory. Optimization of fuel inventory and operational
6 use can potentially help mitigate fuel burn-off. Hydro will continue to work with potential
7 fuel suppliers, review and study the results of the EOI submission to determine the next
8 steps regarding fuel management and to best inform potential upgrades to fuel supply
9 infrastructure.

10 **c)** Yes, the EOI specified proponents to provide supply and delivery options by road, marine,
11 pipeline, terminal, etc.

12 **d)** The EOI results provide responses from a fuel supplier regarding supply methods, and
13 possible collaboration or partnerships for fuel management and storage. Optimization of
14 fuel storage and management will be important aspects of managing any fuel burn-off.
15 Hydro will continue to work with potential fuel suppliers to help develop a plan of mitigation
16 or elimination of fuel burn-off; however, given the March 2025 timeline for the combustion
17 turbine (“CT”) application and the critical path schedule for the transformer, the
18 assumptions regarding fuel burn-off and supply will remain the same as the 2024 Resource
19 Adequacy Plan within the capital application. The analysis within the 2024 Resource
20 Adequacy Plan recommended a 150 MW CT with these constraints, and Hydro’s ability to
21 mitigate or eliminate either constraint would further reduce costs associated with the CT.
22 The marine terminal could ensure the long-term fuel security for the proposed CT and any
23 future CTs along with the associated commercial supply agreements.

24 In parallel, Hydro will continue to progress operational plans for fuel supply as a result of the
25 EOI (including reduction of fuel burn-off requirements), and advance feasibility studies,
26 front-end engineering and design, and if justified, would propose to file a separate capital
27 application (if deemed appropriate by the Board of Commissioners of Public Utilities) for the
28 Holyrood Marine Terminal in 2025 to ensure an in-service date in advance of commissioning
29 of the CT.



Request for Information
for
Supply and Delivery of No. 2 Diesel

Request for Information No.: **2024-100589 DS**

Issued: **18-Oct-2024**

Submission Deadline: **12-Nov-2024 3:00 PM local time**

1. Introduction

This Request for Information (“RFI”) is issued by Newfoundland and Labrador Hydro (“Hydro”) for the purposes of gathering information about the marketplace in order to assist in the determination of future purchasing and/or supply options or requirements. Respondents are asked to respond to Hydro and provide the information requested below.

2. RFI Timetable

a) Key Dates

Issue Date of RFI	18-Oct-2024
Deadline for Questions	1-Nov-2024 11:59:59 PM local time
Deadline for Addenda	6-Nov-2024 11:59:59 PM local time
Submission Deadline	12-Nov-2024 3:00 PM local time

The RFI timetable is tentative. It may be changed by Hydro at any time, and Hydro may choose to waive or extend the Deadline for Questions, Deadline for Addenda, and/or the Submission Deadline.

b) Not Used

3. Background

Newfoundland and Labrador Hydro (Hydro) is part of a group of utility companies which own and operate facilities for the generation, transformation and distribution of electricity to utility, industrial and residential customers in the Province of Newfoundland and Labrador. Hydro is a body incorporated pursuant to the laws of the Province of Newfoundland and Labrador, and having its head office at the City of St. John’s, in the Province of Newfoundland and Labrador.

Hydro is the people’s Crown utility – providing safe, cost-effective, reliable electricity that our customers can count on. We have operations across the province including major generation and transmission assets. Our provincial transmission system spans thousands of kilometers, and includes dozens of high-voltage terminal stations and lower-voltage distribution stations. We power our families, friends, and neighbours in 200+ communities across the province, and approximately 80 per cent of our provincial energy comes from clean hydroelectric generation. Hydro harnesses energy opportunities to benefit the people of Newfoundland and Labrador.

Our organization, after much consultation, recently launched our new strategic plan which is defined by three overarching themes – Serving Our Province, Working Together, and Enabling Sustainable Growth. These represent the foundational principles on which our organization will deliver for the people of the province.

Further information about Hydro can be attained at <https://nlhydro.com>

Project Information

Hydro currently operates three (3) combustion turbine arrangements on the Island and are evaluating the viability of adding one (1) additional combustion turbine arrangement at the

Holyrood Thermal Generating Station located in Holyrood, Newfoundland and Labrador, herein referred to as the Site.

The approximate coordinates of the Site are 47.27074 N, 53.54160 W. Refer to Figure 1 for the approximate location and overview of existing property and infrastructure. Note that property boundaries are not identified and are shown below for illustration purposes only.



Figure 1: location and overview of existing property and infrastructure.

4. Information Requested

Hydro invites responses to this RFI (each a “Response”) from interested suppliers (the “Respondents”).

The purpose of this RFI is to:

- ✚ Determine the level of interest and capacity in the market to perform the scope of work as described below;
- ✚ Draw industries attention to a potential forthcoming Request for Proposal (RFP);
- ✚ Engage with Respondents to increase the chance of receiving more competitive proposals upon issuance of an RFP;

- ✚ Gather feedback on Hydro's requirements, to assist in both RFP and Project planning and development;
- ✚ Engage with Respondents to gather information on all supply and delivery options, such as road, marine, pipeline, terminal, etc.;
- ✚ Engage with Respondents to gather information about future Product supply and alternative fuels supply, such as renewables, natural gas, hydrogen, or other suitable alternatives; and
- ✚ Engage with Respondents to gather information on strategies to optimize inventory management and minimize stale Product.

a) Scope of Work

Hydro is currently exploring solutions for the supply and delivery of No. 2 Diesel Fuel, herein referred to as the Product, to the Site.

There is currently one (1) combustion turbine arrangement located at the Site, which is supported with a complement of four (4) storage tanks with a total storage capacity of five-million (5,000,000) liters.

In addition to the existing assets, Hydro are currently evaluating the viability of adding one (1) additional combustion turbine arrangement, and two (2) additional storage tanks which would increase the total storage capacity by ten-million (10,000,000) liters.

By issuing this RFI, Hydro is exploring solutions related to the supply and delivery of the Product to the two (2) combustion turbine arrangements located at the Site with a focus on optimizing inventory management while considering management options of any unused Product.

By 2028 NL Hydro anticipates that it will have Product storage capacity at the Site of an estimated fifteen million (15,000,000) liters over six (6) tanks.

By 2028, Hydro anticipates that it will require the supply and delivery of an estimated fifteen million (15,000,000) liters of Product annually under non-emergency/peak operating conditions.

The combustion turbine arrangements located at the Site are operated by Hydro as an emergency and peak power provider. During an emergency situation requiring continuous plant operation, stored Product will be depleted in approximately one (1) week assuming tanks are at full capacity and no deliveries. The Product supplier must have the capability to ensure the supply of Product to Hydro's Site to support a continuous and uninterrupted operation of both combustion turbine arrangements. During such an emergency situation, Hydro may require supply and delivery of up to ninety million (90,000,000) liters of Product. This volume assumes 42 days of continuous combustion turbine arrangement operation during the winter season.

The estimated supply and delivery Product volumes indicated in this RFI are estimates and shall not be interpreted as a guarantee or limitation.

Respondents shall assume that Hydro will have, or will configure, the facilities, infrastructure and/or interface required to receive the Product.

Respondents are advised that all delivery of Product options will be considered which include, but is not limited to, road, marine, etc.

Hydro has several other assets across Newfoundland and Labrador requiring the Product, however, this RFI is focused specifically on the Site located in Holyrood, Newfoundland and Labrador.

b) Product Quality

Product shall:

- be as per the latest edition of ASTM D2880; and
- meet the following requirements:

PROPERTY	VALUE	ASTM TEST METHOD
Flash Point (oC)	40 min	D93
Pour Point (oC)	D97-02 or D5949	
Winter Island (April 1 – Sept.30)	-28 max	
Summer Island (Oct. 1 - Mar. 31)	-10 max	
Cloud Point (oC)	D97-02 or D5949	
Winter Island (April 1 – Sept. 30)	-25 max	
Summer Island (Oct. 1 – Mar. 31)	-5 max	
Free Water (% by vol)	0.05 max	D1796
Sediment (mg/l)	2.7 max	D2709-96(2001)e1
Carbon Residue (% by weight) (Micro Method)	0.15 max	D4530
Ash (% by weight)	0.005 max	D482
Particulate Contamination, mg/l	7 max	ASTM D6217
10% Distillation Temp. (oC)	250 max	D86
90% Distillation Temp. (oC)	357 max	D86
Kinematic Viscosity at fuel inlet temperature of 40oC (centistokes - mm ² /sec)	1.9 min 4.1 max	D445-03
Copper Corrosion	No. 1 max	D130
Sulfur (% by wt)	0.05 max	D5453
Cetane Number	40 min	D613
Acid number (mg KOH per g)	0.1 max	D 664
Electrical Conductivity, pS/m	25 min	D2624
Hydrogen (% by wt)	12.5 min	D1018 or D3343
Vanadium (ppm by wt)	0.2 max	D3605-00
Sodium + Potassium (ppm by wt)	0.2 max	D3605-00
Calcium (ppm by wt)	2.0 max	D3605-00
Lead (ppm by wt)	0.1 max	D3605-00
Copper (ppm by wt)	0.02 max	D3605-00
Chlorides (ppm by wt)	6 max	D4929M
Fuel Bound Nitrogen (% by wt)	0.015 max	D4629, D5762 or D3228
Barium (ppm by wt)	2 max	D3605-00
Manganese (ppm by wt)	2 max	D3605-00
Phosphorus (ppm by wt)	2 max	D3605-00

Total acidity (mg KOH required to titrate 1 gram sample)	0.5 max	D3242
Aromatic Content (% by volume)	5 - 40	D1319-03
Olefin (by volume, %)	5 max	D1319-03
Oxidation Stability, mg per 100 ml (16 hours @ 95° C)	2.5 max	D 2274
API gravity	---	D 1298
Aniline Point	---	D611
Diesel Index = 0.01 x (API Gravity) x (Aniline Point in Deg. F)	45 min	Calculated Value
Existing Gum (mg per 100 ml)	7 max	D381
Vapor pressure (psia)	2 max	D 323
Water reaction test for surfactants	2 max	D 1094
Strong acid number (mg KOH per g)	0.0 max	D 664

5. Submission Instructions

Respondents are asked to submit their information, signed Respondent Submission Form and Respondent Questionnaire electronically through the bidding system by 12-Nov-2024 at 3:00 PM local time.

All Respondents must have a vendor account with Hydro's electronic bidding system and must be registered as a plan taker at <https://nlhydro.bidsandtenders.ca/Module/Tenders/>

For the purposes of this process, the "RFI Contact" will be:

Danielle Saunders
DanielleSaunders@nlh.nl.ca

Respondents should direct any questions on this RFI process to the same RFI Contact. All other communication in relation to this RFI, up to and including the submission of the Response, must be through the bidding system, as described above. In the event of any technical issues, Respondents should contact support@bidsandtenders.ca.

Submissions should include a completed and signed Respondent Submission Form (Appendix A) that acknowledges, among other things, that this RFI and any Respondent submissions will not create a legal relationship or obligation regarding the procurement of any good or service.

Submission should include a completed Respondent Questionnaire (Appendix B) which will demonstrate that Respondents proposed supply and delivery solution(s) are both proven and reliable. Respondents are advised that as this is a market sounding issued for information gathering purposes, extensive marketing information is discouraged.

a) Timing of Submission

Responses must be finalized and fully uploaded in the bidding system on or before the Submission Deadline. The time of receipt of responses shall be determined by the bidding system web clock. Late submissions will not be accepted by the bidding system.

Respondents are cautioned that the timing of submission is based on when the response is received by the bidding system, not when a response is submitted by a Respondent. As transmission can be delayed due to file transfer size, transmission speed, or other technical factors, Respondents should plan to submit its Response well in advance of the Submission Deadline to avoid submitting late due to technical issues.

The bidding system will send a confirmation email to the Respondent advising when the response was submitted successfully. If you do not receive a confirmation email, contact the bidding system's technical support immediately.

APPENDIX A – RESPONDENT SUBMISSION FORM

1. Respondent Information

Please fill out the following form, naming one (1) person to be the Respondent's contact for the RFI process and for any clarifications or communication that might be necessary.	
Full Legal Name of Respondent:	
Any Other Relevant Name under which Respondent Carries on Business:	
Street Address:	
City, Province/State:	
Postal Code:	
Phone Number:	
Company Website (if any):	
Respondent Contact Name and Title:	
Respondent Contact Phone:	
Respondent Contact Email:	

2. Terms of Reference

In responding to this RFI, the Respondent acknowledges its acceptance of the following RFI Terms of Reference:

a) RFI Not a Formal Competitive Bidding Process

This RFI is issued for information-gathering purposes and is not intended to be a formal legally binding "Contract A" bidding process. Without limiting the generality of the foregoing, this RFI will not necessarily result in any subsequent negotiations, direct contract award, invitational tendering process, or open tendering process, and does not constitute a commitment by Hydro to procure any goods or services.

b) RFI Not to Limit Hydro's Pre-Existing Rights

This RFI will not limit any of Hydro's pre-existing rights. Without limiting the generality of the foregoing, Hydro expressly reserves the right, at its discretion, to:

- (i) seek subsequent information or initiate discussions with any potential supplier, including potential suppliers that did not respond to this RFI;

- (ii) initiate direct negotiations for the procurement of any good or service with any potential supplier or suppliers, regardless of whether the potential supplier or suppliers responded to this RFI;
- (iii) contact a limited number of potential suppliers, which may include only those that responded to this RFI or may include potential suppliers that did not respond to this RFI, for the purpose of a competitive process for the procurement of any good or service;
- (iv) elect to proceed by way of open tender call where all potential respondents, including those that did not respond to this RFI, are eligible to compete for the award of a contract for the supply of any good or service; and
- (v) elect not to procure the good or service that is the subject of this RFI.

These expressly reserved rights are in addition to any and all other rights of Hydro that existed prior to the issuance of this RFI.

c) Pricing Information for General Information Purposes Only

Any pricing information provided by Respondents is for general information purposes and is not intended to be binding on Respondents. Any legally binding pricing or purchasing commitments will be established only where specified by the express terms of a subsequent tender call process or where established through the execution of a written agreement.

d) Information in RFI Only an Estimate

Hydro and its advisers make no representation, warranty, or guarantee as to the accuracy of the information contained in the RFI or issued by way of addenda. Any quantities shown or data contained in this RFI, or provided by way of addenda, are estimates provided only as general background information.

e) Parties to Bear Their Own Costs

Hydro will not be liable for any expenses incurred by a Respondent, including the expenses associated with the cost of preparing responses to this RFI. The parties will bear their own costs associated with or incurred through this RFI process, including any costs arising out of, or incurred in, (i) the preparation and issuance of this RFI; (ii) the preparation and making of a submission; or (iii) any other activities related to this RFI process.

f) Accuracy of Responses

The Respondent acknowledges that the information provided is, to the best of its knowledge, complete and accurate.

g) Submissions Will Not Be Returned

Except where set out to the contrary in this RFI or expressly requested in the Respondent's submission, the submission and any accompanying documentation provided by a Respondent will not be returned.

h) Confidential Information of Hydro

All information provided by or obtained from Hydro in any form in connection with this RFI either before or after the issuance of this RFI (i) is the sole property of Hydro and must be treated as confidential; (ii) is not to be used for any purpose other than replying to this RFI; (iii) must not be disclosed without prior written authorization from Hydro; and (iv) must be returned by the Respondent to Hydro immediately upon the request of Hydro.

The Respondent may not, at any time directly or indirectly, communicate with the media in relation to this RFI without first obtaining the written permission of Hydro.

i) Confidentiality and Access to Information

Hydro and its Affiliates are subject to provisions of Newfoundland and Labrador legislation, including, but not limited to, the Access to Information and Protection of Privacy Act, 2015, SNL 2015 c.A-1.2 ("ATIPP Act"), including any amendments or replacements thereto, and consequently the public may have a right of access to the records of Hydro and its Affiliates, which records may include the Respondent's submission.

Hydro shall not be liable for any claims, costs, losses, or damages experienced by a Respondent as a result of Hydro's release of a Respondent's information to a third party pursuant to the provisions of the ATIPP Act. Respondent should familiarize itself with the provisions of the ATIPP Act and its obligations under the ATIPP Act.

Hydro may be required to share the Response, in whole or in part, with key stakeholders including but not limited to the Public Utilities Board (PUB), Interveners, and the Government of Newfoundland and Labrador as part of normal regulated utility reporting processes or as otherwise required by law. Hydro shall not require Respondent's consent to share the Response with key stakeholders. Further, Hydro shall not be liable for any claims, costs, losses, or damages experienced by a Respondent as a result of Hydro's release of information to these stakeholders as part of a stakeholder engagement process. The Respondent shall identify any proprietary or third-party information that is commercially sensitive and Hydro will work with the Respondent to limit the disclosure of commercially sensitive information as much as possible.

j) Disclosure of Information

The Respondent consents to Hydro's collection of information as contemplated under the RFI for the uses contemplated under the RFI. Respondents should not include information in their response that is proprietary or confidential. Information provided by a Respondent may be released in accordance with governing laws. To the extent that a Respondent does include confidential or proprietary information, the Respondent should identify any information in its submission or any accompanying documentation supplied in confidence for which confidentiality is to be maintained by Hydro. The confidentiality of such information will be maintained by Hydro, except where an order by a tribunal or court requires Hydro to do otherwise. The Respondent consents to the disclosure, on a confidential basis, of this submission by Hydro to advisers retained by Hydro for the purpose of reviewing this submission.

The Respondent acknowledges that Hydro may make public the name of any and all Respondents.

k) Governing Law

This RFI process will be governed by and construed in accordance with the laws of the province of Newfoundland and Labrador and the federal laws of Canada applicable therein.

l) Public Procurement Act

This RFI process will be subject to the Public Procurement Act, SNL 2016, c P-41.001 (the "PPA"), including its regulations and policies, as may be amended. The evaluation of Responses may be impacted by the requirements of the PPA, some of which may not be identified in this RFI.

Signature of Respondent Representative

Name of Respondent Representative

Title of Respondent Representative

Date

APPENDIX B – RESPONDENT QUESTIONNAIRE

Respondents are requested to demonstrate that the proposed supply and delivery solution is both proven and reliable and are requested to support such claims with relevant material to fully illustrate their level of experience and success with the proposed solution.

Respondents are requested to provide responses to the questions below to the best of its knowledge and ability, providing examples where appropriate.

Hydro is providing this Questionnaire in Microsoft Word format for ease of completion. The tables below are expandable. Answers to the below can be submitted as an attachment to this Questionnaire where necessary.

RESPONDENT QUESTIONNAIRE	
Q1. Please provide the proposed solution(s) for the supply and delivery of the Product to the Site.	
Response:	
Q2. Please provide a description of the facilities and infrastructure that Respondent would utilize to perform the scope of work.	
Response:	
Q3. Please advise if there are any infrastructure requirements to facilities and/or infrastructure required to execute the proposed solution(s) in order to perform the scope of work.	
Response:	
Q4. Respondent is requested to provide an itemized list of fixed and variable considerations related to the proposed solution(s) and the estimated cost for each.	
Response:	
Q5. Please advise if there are any known or potential barriers related to the proposed solution(s) for the supply and delivery of the Product in accordance with the scope of work. This may include, but not be limited to, infrastructure, interface, transportation, delivery, etc.	
Response:	

Q6. Respondent to advise its delivery time of Product under proposed solution(s).
Response:
Q7. Respondent to advise its maximum delivery volume capabilities during an emergency event requiring continuous plant operation on a per hour and per day basis. Respondent should include in its response its execution strategy and associated lead times.
Response:
Q8. Respondent to confirm if it is capable of supply and delivery of Product twenty-four hours per day year-round. If no, Respondent to comment on any limitations it foresees.
Response:
Q9. Please advise proposed solution(s) for optimizing inventory management and minimizing stale Product.
Response:
Q10. Please confirm that Respondent can meet the Product Quality specifications noted in this RFI.
Response:
Q11. Please confirm that Respondent can deliver the estimated volumes of Product in year 2028 and beyond. Response shall include any potential risk related to long-term Product availability.
Response:
Q12. Please advise Respondents options and timelines with respect to other product alternatives such as renewable diesel, natural gas, hydrogen, or other suitable alternatives that meet Product quality requirements as specified in this RFI.
Response:

Q13. Respondent to advise if there are any assumptions, exceptions or qualifications to Hydro's scope of work requirements.

If yes, please include a list.

Response: