

1 Q. **Reference: 2024 Resource Adequacy Plan**

2 Please explain in detail why Hydro decided to pursue at this time the Minimum Investment  
3 Required Expansion Plan as defined in the 2024 Resource Adequacy Plan rather than the  
4 Reference Plan.

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7 A. Newfoundland and Labrador Hydro's ("Hydro") approach within its 2024 Resource Adequacy  
8 Plan sought to de-risk the initial investment decision. Hydro recognizes that the Minimum  
9 Investment Required Expansion Plan does not fully meet the reliability requirements of the  
10 Reference Case (i.e., the Expected Case); however, it does identify resource options that should  
11 be immediately pursued for advancement in the regulatory process, as **these resources are**  
12 **common to all scenarios considered in the 2024 Resource Adequacy Study**. The need for  
13 additional resources, including what has been identified in the Minimum Investment Required  
14 Expansion Plan, is substantial and Hydro considers this a significant first step.

15 System reliability (particularly Labrador-Island Link ["LIL"] reliability), retirement of aging assets,  
16 and load growth are the main drivers of capacity and energy requirements in Hydro's Expansion  
17 Plans. Recognizing the uncertainties that remain for each, Hydro's strategy in this filing is to  
18 recommend an expansion plan that meets reliability criteria under the Minimum Investment  
19 Required scenario while balancing cost and environmental considerations. This strategy  
20 considers a highly reliable LIL (1% LIL bipole equivalent forced outage rate ["EqFOR"]) and Slow  
21 Decarbonization load forecast, versus the expected case, which considers a 5% LIL bipole EqFOR  
22 and Reference Case load forecast. Should the load grow beyond the Slow Decarbonization load  
23 forecast and/or LIL bipole EqFOR be greater than 1%, the Minimum Investment Required  
24 Expansion Plan alone will not meet reliability requirements on the Island Interconnected  
25 System.

26 As discussed in the 2024 Resource Adequacy Plan, the electricity landscape is in transition. The  
27 evolving needs of the electrical system will become clearer over time as new policies and  
28 programs take effect, customer behaviours change, LIL reliability is better understood, and the

1 potential of new technologies becomes feasible. However, immediate decisions are necessary to  
2 advance the planning, construction, and integration of new supply resources to ensure the  
3 retirement of aging thermal assets and to maintain the reliability of the Island Interconnected  
4 System.

5 The Minimum Investment Required Expansion Plan being put forward includes Bay d’Espoir  
6 Unit 8 and a combustion turbine coming into service in 2031 and up to 400 MW of wind energy  
7 by 2034 to meet firm energy planning criteria requirements, resulting in approximately an  
8 additional 385 MW of capacity and 1.4 TWh of energy added to the Island Interconnected  
9 System within the next ten years. Therefore, Hydro is proposing this significant first step while  
10 continuing to study additional requirements beyond what is proposed in the Minimum  
11 Investment Required Expansion Plan. The resource adequacy plan to meet the Reference Case  
12 requirements, which build upon Hydro’s Minimum Investment Required Expansion Plan, will be  
13 presented in the 2026 Resource Adequacy Plan.