Q. **a)** What type of heating system is planned for the building and what amount of the forecast load is attributable to the heating system?

b) Has Hydro discussed with the customer opportunities to incorporate alternate heating systems (i.e. other than electric) or CDM initiatives into their facilities to minimize the maximum demand requirements. If no, why not?

c) Has Hydro discussed with the customer possible funding opportunities (i.e. government contribution}? If no, why not?

A. **a)** Based on the Request for Service and the associated drawing package received from the building design consultant, the connected load of the new facility's heating system will be 120 kW. The heating system planned for the facility is an air-source heat pump with electric baseboard backup.

Newfoundland and Labrador Hydro ("Hydro") does not calculate forecasted load growth in its isolated systems using individual load types (e.g., lighting, heating, etc.). Instead, the load forecast is based on additional energy sales in MWh and estimated based on the total energy use of similar facilities located in similar environments. The sales are then added to the whole system and an appropriate load factor is used to determine the peak demand requirements.

b) Through the joint load growth working group, Hydro is discussing opportunities to minimize maximum demand requirements with the Nunatsiavut Government as outlined in Hydro's response to PUB-NLH-015 of this proceeding.

Hydro has had substantive discussions with the customer regarding general energy efficiency and alternative heating opportunities for Nunatsiavut Government facilities. Hydro understands that the Nunatsiavut Government is looking to move away from fossil fuel-based heating sources, which is a trend Hydro is seeing throughout the province.

While the development of the Department of Health and Social Development facility was sufficiently advanced to the point that significant design changes were not practical, Hydro has worked with the Nunatsiavut Government to study the potential for biomass heating for other facilities in the region. It is Hydro's understanding that if biomass heating were to be considered, it would require electric backup which would primarily provide fuel savings rather than providing a capacity benefit.

Ultimately, Hydro has an obligation under section 3(b)(ii) of the *Electrical Power Control Act, 1994* to ensure all consumers in the province have equitable access to an adequate supply of power.

c) Hydro and the Nunatsiavut Government have discussed funding available from Hydro for energy efficiency programming for residential and commercial customers, as outlined in Hydro's response to PUB-NLH-015 of this proceeding. Hydro is not aware of any other funding for this facility, including plant upgrades, greenhouse gas emissions or alternative heating sources, being pursued by the Nunatsiavut Government at this time.