

Office of the Consumer Advocate

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January 13, 2026

Via Email

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

Attention: Jo Galarneau
Executive Director and Board Secretary

Dear Ms. Galarneau:

Re: NLH – Capital Expenditure Application re Bay d'Espoir Hydroelectric Generating Facility
– Requests for Information CA-NLH-001 to CA-NLH-009

Further to the above-captioned, enclosed are the Consumer Advocate's Requests for Information numbered CA-NLH-001 to CA-NLH-009.

If you have any questions regarding the enclosed, please contact the undersigned at your convenience.

Yours truly,



Dennis Browne, KC
Consumer Advocate

Encl.

/jm

cc **Newfoundland & Labrador Hydro**
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IN THE MATTER OF the *Electric Power Control Act*, 1994, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (“Hydro”) for an Order pursuant to Section 41(3) of the Act approving capital expenditures related to the construction of the Bay d’Espoir Hydroelectric Generating Facility (“BDE”) Unit 8 and the Avalon Combustion Turbine (“CT”).

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-NLH-001 to CA-NLH-009**

Issued: January 13, 2026

1 CA-NLH-001 (Reference: 2024 Resource Adequacy Plan: An Update to the Reliability
2 and Resource Adequacy Study: 2024 Resource Plan Overview, p. vii)
3 Regarding the Avalon CT and Bay d'Espoir Unit 8 it was stated that "*Early*
4 *estimates indicate these new assets will require an investment of \$1.2 to*
5 *\$1.6 billion...*" Please provide the associated underlying estimates for each
6 of the two projects that yielded this \$1.2 to \$1.6 billion range.

7 CA-NLH-002 (Reference Cover Letter for Application for Additional Early Execution
8 Capital Work for Bay d'Espoir Unit 8 and Avalon Combustion Turbine
9 ("Application") Reference is made to Order No. P.U. 17(2025) which states
10 that the Board: "*....is satisfied that the proposed capital expenditures for*
11 *the early execution work for the Avalon Combustion Turbine Project, in the*
12 *amount of \$30.7 million, and the proposed capital expenditures for the early*
13 *execution work for the Bay d'Espoir Unit 8 Project, in the amount of \$16.7*
14 *million, should be approved on the basis that these expenditures were shown*
15 *to be reasonable and necessary in the circumstances and will not be*
16 *recovered from customers if the [2025] Build Application is not approved.*"

17 a) Please explain how the expenditures in the Early Execution and the
18 Additional Early Execution Applications are "necessary in the
19 circumstances" given that the need for Bay d'Espoir Unit 8 and the
20 Avalon CT has not yet been established.

21 b) What happens to the capital expended on these two applications if the
22 Build Application is not approved by the Board? Does Hydro guarantee
23 that neither electricity consumers nor taxpayers in the province will
24 cover these costs?

25 CA-NLH-003 (Reference Application, Schedule 1, page 1) It is stated "*For the 2024*
26 *Resource Adequacy Plan, three forecasts were developed to reflect the*
27 *range of forecasted Island Interconnected System load requirements...*"

28 a) Has Hydro updated these forecasts? If so, please provide.

29 b) (i) Has Hydro determined how a move to marginal cost pricing at the
30 retail level, effective January 2027, would affect the forecast
31 increases in island load requirements?

32 (ii) Please provide Hydro's latest estimate of its all-in marginal cost for
33 winter and non-winter seasons.

34 c) What new options is Hydro exploring to reduce load growth as an
35 alternative to adding costly capacity?

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d) Can demand-side measures to reduce energy consumption and system peaks be more economic than adding capacity to the IIS?

e) Does the encouragement and subsidization of electrification help address the energy and capacity challenges faced by the IIS?

(Reference Application Schedule 1, pages 6 and 7) Hydro states “*the CT market has accelerated even more than anticipated,...*” and “*This unprecedented demand has created multi-year wait times,...*” Hydro also states that it is “*actively working to revise its estimate...*” and it “*will provide an updated cost estimate to the Board once Hydro has fully reviewed vendor pricing and updated its Monte Carlo analysis.*”

- a) Please provide the date that Hydro anticipates providing its updated cost estimate to the Board.
- b) In light of these cost pressures,
 - (i) will Hydro consider delaying the Avalon CT project; and,
 - (ii) will Hydro consider other projects such as wind and battery storage in light of new advances in those technologies?
- c) Is there a cost level greater than the current estimated cost of \$891 million at which Hydro would halt the Avalon CT project?

(Reference Application Schedule 1, page 7) Hydro states that it “*is targeting a partial award in December 2025 to secure a production slot for CT packages and engines...*” Has that award occurred? If not, when is it now anticipated?

(Reference Application) According to Hydro's December 9, 2025 Effective Load Carrying Capacity Study, Attachment 1, page 20, Newfoundland Power has proposed refurbishing its Greenhill and Wesleyville plants in 2028 and 2029, raising their combined capacity from 28MW to 48MW.

- a) If Newfoundland Power proceeds with those refurbishments then how is the rationale for the Avalon CT affected?
- b) In developing its Build Application, what did Hydro assume regarding the future availability of the Greenhill and Wesleyville plants?

c) Have the economics of increasing/decreasing the capacity of these units been studied to determine the optimum level from the perspective of both Newfoundland Power and Hydro customers?

(Reference Application, page 15) Regarding the RFP for EPCM services, it is indicated that three comprehensive proposals were received and that an award is anticipated in December 2025. Has that award now taken place? If not, please clarify its status.

(Reference Hydro's response sent December 16, 2025 to "Follow-up Questions for NL Hydro - Relating to Cost of Service Methodology" posed by the Consumer Advocate) Hydro states (page 9) "*It is important to note that the Final LIL UFLS Scheme was not implemented at this time, which meant that only approximately 387 MW of LIL energy could be sunk on the Island during this peak period. With the implementation of the Final UFLS Scheme, with a LIL capacity of 700 MW, approximately 512 MW can be sunk on the Island Interconnected System; an increase of approximately 125 MW under the same load and system conditions.*"

- a) When was this “Final LIL UFLS Scheme” adopted and implemented as part of Hydro’s planning process?
- b) Does this 125 MW increase in capacity impact the retirement dates of Holyrood TGS, Hardwoods gas turbine or Stephenville gas turbine?
- c) Does this 125 MW increase in capacity delay the need for Bay d’Espoir Unit 8 and/or the Avalon CT?
 - (i) If so, what are the revised need dates for these projects?
 - (ii) If not, why not?
- d) What is the effective capacity of the following? More specifically, how much firm capacity does each of the following facilities add to the system in Hydro’s planning studies used to determine supply adequacy?
 - (i) the LIL/Muskrat Falls;
 - (ii) Holyrood TGS;
 - (iii) Hardwoods gas turbine;
 - (iv) Stephenville gas turbine;

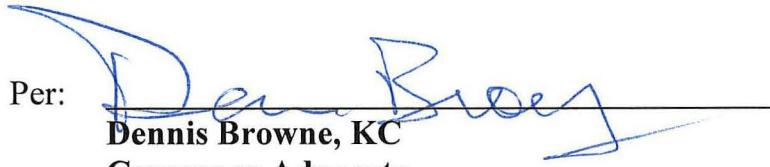
1 (v) Bay d'Espoir Unit 8; and,

2 (vi) the Avalon CT assuming 1 x 150MW units and 6 x 25 MW units.

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5 CA-NLH-009 (Reference Application) When does Hydro require a Board Order on the
6 Build Application if it is to avoid a third early execution application?

DATED at St. John's, Newfoundland and Labrador, this 13th day of January, 2026.

Per:


Dennis Browne, KC

Consumer Advocate

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