

3.1 Gander-Twillingate Transmission System Planning Study

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3 **Q. a) Please provide in detail the environmental assessments conducted in**
4 **planning the project and the types of environmental costs reflected in the**
5 **projected costs.**
6 **b) Please explain whether potential environmental costs were a relevant**
7 **consideration in evaluating project alternatives and provide details.**
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- 9 A. a) Newfoundland Power does not conduct environmental assessments in advance of
10 seeking project approvals. The Company conducts environmental assessments when
11 required as outlined in the *Environmental Assessment Regulations 2003* under the
12 *Environmental Protection Act* (the "EPA"), and includes costs associated with any
13 anticipated environmental assessments within project estimates.
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15 With respect to the *Gander-Twillingate Transmission System Planning Study*,
16 environmental costs, including those associated with conducting environmental
17 assessments, were considered across each alternative and were included as part of
18 the project estimate.
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20 For example, rebuilding Transmission Line 108L, as per Alternatives 1 and 3, or
21 constructing a new transmission line between Lewisporte ("LEW") and Boyd's Cove
22 ("BOY") substations, as per Alternative 2, would each require environmental
23 assessments to be completed and submitted to the Provincial Government pursuant
24 to the EPA. In addition to costs associated with completing environmental
25 assessments, transmission-related costs also include provisions for unforeseen
26 environmental-related expenditures. As a result, transmission-related environmental
27 costs are consistent across each project alternative, totaling approximately
28 \$125,000.
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30 In addition to budgeting for costs associated with environmental assessments, the
31 *Gander-Twillingate Transmission System Planning Study* includes provisions for other
32 necessary environmental costs, such as those pertaining to spill-containment
33 systems for power transformer installations. All three alternatives assessed within
34 the referenced study would require new transformer spill-containment systems
35 costing approximately \$101,000, which were also included in the project costs for
36 each alternative.
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- 38 b) As described in the response to part a), environmental costs associated with each
39 alternative were included within the economic analyses of the *Gander-Twillingate*
40 *Transmission System Planning Study*. Due to the similarities in these costs across
41 each alternative, environmental costs were essentially irrelevant to the evaluation of
42 the project alternatives. In the case of Alternative 3, which included the construction
43 and installation of a utility-scale battery system, further environmental-related costs
44 that may be associated with the technology, such as the disposal of batteries, were
45 not considered. Due to the large difference in cost between this Alternative and
46 Alternatives 1 and 2, excluding these potential additional costs would not impact the
47 results of the study.