

Section 2: Customer Operations/Capital Expenditures

Q. (Section 2, page 2-37) It is stated “Increased Generation capital expenditures reflect forecast requirements to refurbish existing hydro plants and replace Newfoundland Power’s aging thermal units used for emergency backup purposes.”

a) What will the thermal units be replaced with in light of government net-zero emissions initiatives?

b) Will Newfoundland Power consider replacement with generation technologies that use environmentally friendly fuels, solar/wind generation, fuel cells, battery storage, both utility and customer-owned, etc?

c) How are environmentally friendly generation alternatives being incorporated in Newfoundland Power’s planning process?

A. a) Proposed government net-zero emissions initiatives specifically exclude thermal plants smaller than 25MW.¹ As Newfoundland Power’s existing thermal fleet consists of plants smaller than this threshold, the proposed government net-zero emissions initiatives are not expected to interfere with replacing these units for emergency backup purposes, should their replacement be determined to be least-cost.

b) The Company is actively assessing generation technologies that use environmentally friendly fuels, as well as other innovative and sustainable technologies, as potential means to reduce demand during peak periods, as well as for emergency backup purposes. Newfoundland Power has engaged a consultant to consider potential replacement alternatives for the Company’s aging thermal fleet, and has requested that the consultant provide commentary surrounding the possibility of retro-fitting new units with hydrogen fuel cells or other environmentally friendly alternatives in the future.

Newfoundland Power also evaluates the potential use of utility-scale battery storage devices as an alternative when assessing load growth projects. For example, as part of the *Feeder Additions for Load Growth* project in Newfoundland Power’s *2024 Capital Budget Application*, battery storage options were considered as alternatives to upgrading overloaded sections of distribution feeders. While the battery storage options have so far proved to be cost prohibitive, Newfoundland Power will continue to assess their viability in the future.

Newfoundland Power’s Net Metering Service Option provides interested customers with the option to generate electricity from small-scale renewable sources. As of February 2024, there are 42 Newfoundland Power customers who have availed of the Net Metering Service Option. Combined, these customers have an installed capacity of 0.47MW.

c) See the response to Request for Information PUB-NP-044.

¹ See Government of Canada. *Canada Gazette, Part I, Volume 157, Number 33: Clean Electricity Regulations*. Retrieved February 23, 2024 from <https://www.gazette.gc.ca/rp-pr/p1/2023/2023-08-19/html/reg1-eng.html>