

1 Q. Please confirm that new peaking capacity costs are assumed by Hydro to be
2 \$100/kW/year for units that are only designed to provide capacity benefits
3 (no material energy benefits) as per page 13 of exhibit JRH-3. If not, please
4 provide the cost/kW that Hydro normally uses in assessing the value of
5 capacity.

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8 A. The peaking capacity cost of approximately \$100/kW/yr is based on the
9 estimated capital cost for a new simple-cycle combustion turbine. Hydro
10 does not assume any firm energy capability for simple-cycle combustion
11 turbines in its generation expansion planning analyses.