

1 Q. Confirm that Hydro does not use the average annual energy in evaluating its
2 firm energy criterion for generation planning purposes (Production evidence,
3 page 29, lines 1 to 2).
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6 A. In carrying out the long term planning function Hydro uses both firm and
7 average annual energy capability estimates. In assessing the capability of
8 the Island Interconnected System to meet future load requirements, Hydro
9 uses firm annual energy estimates as stated in its Energy criteria (Production
10 evidence, page 36, lines 11 through 14). The planning criteria essentially set
11 the timing of resource additions.
12

13 When estimating future costs of production, Hydro uses estimates of average
14 annual energy.