

1 Q. With regard to the Haynes/Henderson/Cater evidence (page 30, lines 2 to 6),
2 what are Hydro's "own power supply options", and what process would be
3 followed in the competitive bidding process? Would Hydro be required to submit a
4 bid in the competitive bidding process, or would Hydro's "own power supply
5 options" be sole-sourced? If so, what protections would Hydro's customers
6 receive; i.e., relating to construction delays, cost over-runs, etc?
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9 A. Hydro has a number of its own power supply options. These include:
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- 11 • Island Pond
- 12 • Round Pond
- 13 • Portland Creek
- 14 • Wind Generation Projects
- 15 • Holyrood Combined Cycle Plant
- 16 • Holyrood Unit IV
- 17 • Combustion Turbine Units
- 18 • Labrador Infeed
- 19 • Natural Gas
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21 It is anticipated that generation source selection might involve a competitive
22 bidding process whereby Hydro's projects would compete with projects from
23 the private sector. Measures would be implemented to ensure that all
24 projects are given a fair and impartial review.
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26 Under the Electrical Power Control Act, 1994, the Public Utilities Board has
27 the authority and responsibility to ensure that proper planning of generation
28 sources occurs. If a public utility as defined by the Public Utilities Act

1 proposed to build or acquire a generation source, approval by the Board for
2 that capital addition would be required. If a public utility makes energy
3 purchases from an unregulated entity, those energy purchases would
4 normally be subject to the Board's consideration of the public utility's
5 operating expenses.

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7 The Lieutenant-Governor in Council can exempt public utilities from certain
8 requirements under the Electrical Power Control Act (EPCA), 1994 and
9 under the Public Utilities Act, and, under the EPCA, 1994, can direct the
10 Board with respect to rates policies.