

1 Q. Regulated Activities, page 30: Please confirm Hydro expects to purchase
2 wind energy at a price “comparable with the marginal costs of electricity at
3 Hydro’s Holyrood thermal plant”. Does this apply to marginal costs at
4 Holyrood today, or would the rates for purchase of wind ensure the wind
5 developed remained at risk for price variances in Holyrood production in
6 future. If prices reflect the marginal cost of fuel at Holyrood, please indicate
7 what benefits exist for ratepayers under such a scenario (if costs would not
8 be lower than simply burning oil).

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11 A. The pricing structure for wind power outlined in the *Requests For Proposals*
12 *for a Wind Generation Project* is not linked to marginal costs of electricity at
13 Holyrood.

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15 Due to the competitive and on-going nature of the RFP process, it would be
16 inappropriate for Hydro to comment further at this time.