

QUESTION:

Re: Pages 17 – 19, and page 32, lines 13 – 14. Based on the consultant's knowledge of the experience in other jurisdictions, please provide:

- (a) A list of all likely participants in an integrated resource plan in the Province;
- (b) A representative budget for Hydro's participation in a comprehensive integrated resource plan;
- (c) A similar budget for the participation of all other necessary parties including, but not limited to, the Board and NP; and
- (d) A time schedule for planning for, and completion of, such an IRP.

RESPONSE:

(a) through (d)

In Messrs Bowman and McLaren's view, at this time Hydro's long-term system plan would most suitably be a utility-led exercise.

This would entail Hydro developing a credible range of potential future conditions, including loads and resources available (such as a Labrador infeed and availability of natural gas); portfolios of resource options that should be evaluated; a preferred methodology for evaluation of the alternatives; a description of relevant risks and contingencies as appropriate; and identifying the utility's preferred portfolio and resource acquisition schedule. At this initial stage (Hydro's first major Long-Term System Resource Plan) the focus should be on meeting clear system requirements (such as LOLH) and minimizing rate impacts within a range of traditional utility demand side and supply side resources. To the extent external involvement is included in the exercise, it would preferably be focused on parties who may make a material contribution to information about loads and/or resources (such as major industrial customers or NUGs), rather than a general public involvement program.

This type of practical approach would appropriately fit Hydro's current conditions and experience with system planning, and would allow for subsequent public review by the Board to examine and evaluate Hydro's long-term plan from a regulatory and public interest perspective, including participation by interested parties at that time.

1 Messrs Bowman and McLaren cannot comment on the budgets that would be required for this
2 exercise and may depend, for example, on the degree of internal resources used in the process
3 versus external advisors. In terms of schedule, it would not be unusual to expect a timeframe of
4 perhaps one year to prepare Hydro's first comprehensive long-term plan, to be followed by a
5 regulatory review process thereafter. It would also seem reasonable to expect that the long-term
6 system plan be updated and reviewed at regular intervals, perhaps once every five years. These
7 future plans, once experience is gained, could target incorporation of more comprehensive or
8 refined techniques, such as various levels of general public involvement, recognition of detailed
9 externalities, and potential broader "integrated" issues such as public policy responses (e.g.,
10 options for government policy initiatives to address the growth in electric space heating).