

QUESTION:

Re: Page 32, lines 12 – 14

Please indicate the scope of the integrated resource plan considered appropriate for the Province of Newfoundland and Labrador with respect to:

- (a) Fuel substitution for competitive end use energy demands such as space and water heating;
- (b) Environmental externalities; and
- (c) Socio-environmental values.

RESPONSE:

With respect to fuel substitution, it would be reasonable for NLH's long-term system plan to acknowledge and evaluate fuel switching options that the company can undertake as DSM for a regulated electricity utility within the confines of current policy constraints (such as levelized rural rates). One of the portfolios evaluated in the long-term system plan could be developed to examine the costs, benefits and feasibility of a fuel-switching program aimed at reducing electric heating loads.

With respect to environmental externalities and socio-environmental values, these may prove to be reasonable and useful criteria to build towards, for evaluation in future of different resource portfolios. For example, BC Hydro includes as planning objectives, in addition to traditional system planning objectives of maximizing reliability and minimizing costs over a 20-year planning horizon, minimizing environmental risks as a planning objective (including impacts to air, land and water as well as minimizing greenhouse gas emissions). However, this may prove to be a more complicated and nuanced planning framework that may not yet be appropriate for NLH to address in its first major Resource Plan.