

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

AN ORDER OF THE BOARD

NO. P.U. 37(2025)

**IN THE MATTER OF the Electrical Power
Control Act, 1994**, SNL 1994, Chapter E-5.1
(the “**EPCA**”) and the **Public Utilities Act**,
RSNL 1990, Chapter P-47 (the “**Act**”), as
amended, and regulations thereunder; and

IN THE MATTER OF an application by
Newfoundland and Labrador Hydro for
approval of an extension of the Third
Amended and Restated Pilot Agreement
for the Optimization of Hydraulic Resources,
pursuant to section 3(b)(iii) of the **EPCA** and
sections 70 and 76 of the **Act**.

WHEREAS Newfoundland and Labrador Hydro (“Hydro”) is a corporation continued and existing
under the **Hydro Corporation Act, 2024**, SNL 2024, Chapter H-18, is a public utility within the
meaning of the **Act**, and is also subject to the provisions of the **EPCA**; and

WHEREAS in Order No. P.U. 49(2018) the Board approved a Pilot Agreement for the Optimization
of Hydraulic Resources (“Pilot Agreement”) between Hydro and Nalcor Energy Marketing
(“NEM”); and

WHEREAS in Order No. P.U. 38(2020) the Board approved an Amended and Restated Pilot
Agreement for the Optimization of Hydraulic Resources with an expiration date of the earlier of
(i) the commissioning date as defined in the Power Purchase Agreement between Hydro and the
Muskrat Falls Corporation; or (ii) the date that a final agreement for the optimization of hydraulic
resources is executed and approved by the Board; and

WHEREAS in Order No. P.U. 31(2021), Order No. P.U. 35(2022), Order No. P.U. 30(2023) and Order
No. P.U. 29(2024) the Board approved extensions to the Amended and Restated Pilot Agreement
for the Optimization of Hydraulic Resources, with the most recent agreement having an expiry of
the earlier of (i) December 31, 2025; (ii) approval by the Board of an agreement to replace the
Third A&R Pilot Agreement; or (iii) agreement by the parties to discontinue the Third A&R Pilot
Agreement; and

1 **WHEREAS** on November 27, 2025 Hydro filed an application for approval of another extension to
2 the Third Amended & Restated Pilot Agreement with an expiration of the earlier of (i) December
3 31, 2026; (ii) approval by the Board of an agreement to replace the Third Amended & Restated
4 Pilot Agreement; or (iii) agreement by the parties to discontinue the Third Amended & Restated
5 Pilot Agreement, with all other terms remaining the same (the "Application"); and

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7 **WHEREAS** the Application stated that Hydro continues to consider the type of agreement that
8 should follow the pilot agreement; and

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10 **WHEREAS** the Application stated that the approval of this Application will enable Hydro to
11 continue to capture opportunities to create value for its customers from ponding and the sale of
12 spill energy on a pilot basis while considering what future agreements may be necessary; and

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14 **WHEREAS** the Application was copied to: Newfoundland Power Inc. ("Newfoundland Power");
15 the Consumer Advocate, Dennis Browne, KC; a group of Island Industrial customers: Corner Brook
16 Pulp and Paper Limited, Braya Renewable Fuels (Newfoundland) GP Inc. and Vale Newfoundland
17 & Labrador Limited; Teck Resources Limited; and Linde Canada Inc.; and

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19 **WHEREAS** on December 8, 2025 Newfoundland Power advised that they did not have any
20 comments on the Application; and

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22 **WHEREAS** the Board received no other comments in relation to the Application; and

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24 **WHEREAS** on December 9, 2025 Hydro filed a reply requesting that the Board approve the
25 Application as submitted; and

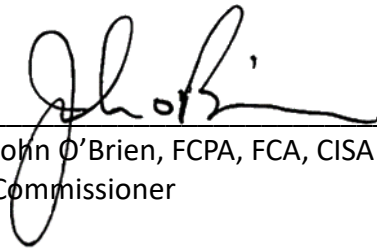
26
27 **WHEREAS** the Board is satisfied that a further extension of the Third Amended and Restated Pilot
28 Agreement should be approved to enable Hydro to continue to capture opportunities to create
29 value for customers from its ponding and spill energy activities.

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32 **IT IS THEREFORE ORDERED THAT:**


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34 1. The extension of the Third Amended and Restated Pilot Agreement for the Optimization of
35 Hydraulic Resources to the earlier of (i) December 31, 2026; (ii) approval by the Board of an
36 agreement to replace the agreement; or (iii) agreement by the parties to discontinue the
37 agreement, is approved.
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39 2. Hydro shall continue to provide updates on its ponding and spill energy activities as part of its
40 monthly reporting to the Board during the period that the extended Third Amended and
41 Restated Pilot Agreement for the Optimization of Hydraulic Resources is in effect.

- 1 3. Hydro shall file, as part of its application for approval of a final agreement for the optimization
2 of hydraulic resources or upon discontinuance of the agreement, a report summarizing its
3 experience related to ponding and spill energy activities during the pilot period as well as any
4 measures taken to enhance the effectiveness of these activities.
5
- 6 4. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 15th day of December 2025.



John O'Brien, FCPA, FCA, CISA
Commissioner



Christopher Pike, LL.B., FCIP
Commissioner



Colleen Jones
Assistant Board Secretary