

1 Q. **Re: LAB-NLH-021**

2 a) Has Hydro observed any reduction in power consumption by its data centre
3 customers in the last six months? If so, please describe in detail.

4 b) Does Hydro have an idea of the bitcoin price threshold below which bitcoin
5 mining in Labrador would not be cost effective? Please elaborate, and disclose
6 any market studies within Hydro’s possession on the elasticity of demand of
7 data centre customers as it relates to the price of bitcoin.

8 c) Please disclose any forecasts of bitcoin prices that Hydro has in its possession.

9 d) Please state Hydro’s view as to the factors behind the demand for electricity of
10 data centre customers.

11 e) Please disclose any studies Hydro has done or has in its possession regarding the
12 effects of cryptocurrency rates and policies in other jurisdictions (especially
13 North American jurisdictions such as Quebec and New York State) on demand
14 for electricity by cryptocurrency customers in Labrador.

15 f) Please disclose all data that Hydro has in its possession on electricity demand by
16 data centre customers in 2017-18 in other jurisdictions.

17 g) Please disclose any forecasts that Hydro has in its possession of electricity
18 demand by data centre customers in other jurisdictions.

19

20 A.

21 a) Newfoundland and Labrador Hydro (“Hydro”) has tracked the monthly loads of
22 three customers that it understands to be data centre loads. Two of these three
23 customers being tracked indicate increased demand and energy requirements
24 across the last six months. The third customer being tracked has experienced stable
25 demand and energy requirements across the last six months. The other customers
26 that Hydro understands to be data centre loads are in the process of establishing
27 their operations, and Hydro is not able to draw conclusive observations about
28 power consumption levels in the last six months for these customers.

- 1 b) No. Hydro does not have information on the elasticity of demand of data centre
2 customers as it relates to the price of bitcoin.
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- 4 c) Hydro does not have any such forecasts in its possession.
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- 6 d) Hydro has not undertaken a study of the factors behind the demand for electricity
7 of data centre customers. Hydro is generally aware that data centres are attracted
8 to particularly low cost jurisdictions such as Labrador and Quebec.
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- 10 e) Hydro has a legal opinion in its possession regarding the effects of cryptocurrency
11 rates and policies in other jurisdictions that it considers privileged and accordingly,
12 will not be provided. In addition, Hydro has in its possession the “Raphal’s Report”¹
13 filed by the Labrador Interconnected Group on July 23, 2018 in relation to Hydro’s
14 application for temporary load restrictions in Lab East.
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- 16 f) Hydro has no data in its possession on electricity demand by data centre customers
17 in 2017-2018 in other jurisdictions.
18
- 19 g) Hydro has no data in its possession of electricity demand by data centre customers
20 in other jurisdictions.

¹ Philip Raphals, “Moratoria Applied to Cryptocurrency Loads in Low-Cost Jurisdictions,” Helios Centre, Montréal, QC, July 22, 2018.