

1 Q. In the Final Report of the Commission of Inquiry Respecting the Muskrat Falls Project, Key
2 Recommendation 1 states:

3 The Government of Newfoundland and Labrador should never undertake, on its
4 own or through one of its Crown corporations or agencies, the planning,
5 approval or construction of any large project (meaning a project with a budget
6 of \$50 million or more) without:

7 *****

8 b. Providing well-defined oversight after consideration of oversight processes
9 instituted in other jurisdictions.

10 Please provide details on how Hydro intends to provide “well-defined oversight” during this
11 project, including but not limited to, all contingencies in place to continually assess, mitigate,
12 reduce, and manage any risk, particularly with the proposed non-phased approach.

13

14

15 A. Newfoundland and Labrador Hydro (“Hydro”) adheres to external and internal measures and
16 processes to ensure oversight of its projects. This oversight exists regardless of the size or
17 budget of the work being completed. In the case of long-term supply for southern Labrador, the
18 following contingencies will help and/or have helped mitigate, reduce, and manage risk:

- 19 ● The various reporting and review requirements of the Board of Commissioners of Public
20 Utilities (“Board”) ensure a visible, robust application and reporting process. Prior to a
21 project being approved, there are considerable questions and other inputs from the
22 Board and other intervenors that ensure all legal requirements are met, professional
23 standards and guidelines are followed, and community or ethical considerations are
24 understood. The project will not proceed until the Board is satisfied that Hydro has
25 properly considered all options and alternatives, and has selected the option that best
26 balances the delivery of least-cost, reliable power, in an environmentally responsible
27 manner.

- 1 ● The original application for this project was submitted in 2021; since that time, through
2 requests for information and correspondence from the Board and intervenors, further
3 analysis and consultation has been conducted, including from an independent expert
4 (Midgard Consulting Inc.) as requested by the Board.
- 5 ● As is further detailed Hydro’s response to PUB-NLH-001, Attachment 1 of this
6 proceeding, Hydro completed a thorough analysis of risks for the project and its
7 alternatives. In that analysis, Hydro determined revenue requirements and rate impacts,
8 conducted a sensitivity analysis, reviewed project impacts, forecasted load changes, and
9 discussed climate policies, technological advances, and integration of renewables. This
10 was in addition to any and all other risk mitigation, analysis and planning noted in the
11 application.
- 12 ● Hydro has also met with a number of stakeholders in advance of filing both the
13 application, and its revision. The community, regulatory and government stakeholders
14 Hydro met with shared their thoughts and concerns, giving Hydro an opportunity to
15 learn about potential issues, as well as to openly discuss the details of the project being
16 considered. Please refer to Hydro’s responses to PUB-NLH-016 and PUB-NLH-052 of this
17 proceeding for further details on this process.