

Appendix M

Email to IET - March 29, 2023
Charlottetown Supply Summary



From: Deanne Fisher/NLHydro
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Cc: Robert Collett/NLHydro@NLHydro, Krista Fowler/NLHydro@NLHYDRO
Date: 03/29/2023 02:04 PM
Subject: Update on Charlottetown and Next Steps

Folks,

A brief update on Charlottetown and electricity supply for southern Labrador communities , specifically completion of the the consultant 's report on Hydro's preferred option, and some support from an EA perspective .

Apologies for the lengthy email, but its a fulsome update on a few issues .

We have been working closely with the Mayor and Town Manager over the past few months to address the Town's concerns related to their interim supply . As you are likely aware, the Town has concerns related to the fires they have experienced . We are working with the Town to mitigate these issues, and are committed to supplying a larger unit to the Town this spring which will help alleviate those situations .

We will be seeking support from IET, to coordinate with the DOE, on the EA process in order for us to put this larger unit in service in the Town of Charlottetown . This unit - Unit 2018 on the attache diagram - is a much better service; however, it requires some environmental permitting etc. We hope to have this in place as soon as possible and hope that IET might be able to assist us in our request to the Department , once the application is submitted , to ensure we can adhere to the 45 day timeline and alleviate these issues for the Town as best we can .

With respect to the consultant 's report and next steps in for stakeholder engagement : You may recall that in April of 2022, the PUB requested that Hydro complete additional analysis assessing all reasonable options for the provision of service in the region . Hydro underwent a Request for Proposals process and subsequently engaged Midgard Consulting Inc . ("Midgard") to complete that additional , independent analysis .

- Midgard undertook that analysis over many months in order to evaluate the numerous alternative long-term supply solutions for southern Labrador . It considered the viability of using battery energy storage systems and multiple options to account for different reliability criteria, development timing, and other factors. The scenarios aimed to satisfy three supply criteria—capacity, energy, and reliable backup. The alternatives considered

ranged from refurbishing existing stations and maintaining isolated community services to constructing new regional generating stations (thermal or hydraulic) with full interconnections or interconnection with the Labrador Interconnected System .

- Midgard's independent assessment has been completed and will be tabled with the PUB on March 31, 2023. The report provides the PUB with detailed information regarding the suggested long-term solution.
- Hydro has committed to provide a copy of this report to the Towns at the same time . We have scheduled a stakeholder meeting for Friday , followed by an update with President Todd Russell on April 3rd, and are scheduling other updates with Minister Dempster . The remaining communities will get notice of the report in the coming days and an offer for a follow-up session if needed.

Confidentially: We are hoping this info doesn't get leaked before we have the opportunity to meet with Charlottetown Town Council to provide them with the findings and our next steps and assure them that we are reviewing Midgard's findings so we can have an updated filing to the PUB by the end of April.

- Midgard's overall recommendation is for Hydro to proceed with the interconnection of the communities of southern Labrador and the establishment of a regional diesel generating station, based on its conclusion that it is the most cost -effective and reliable solution for the provision of service to the communities . This is consistent with Hydro's analysis; however, Midgard's recommendation differs from the proposal Hydro put forth in its original capital application in that Midgard's recommendation is for Hydro to proceed with the full interconnection rather than a phased implementation , with the regional diesel generating station outfitted to provide N -1 reliability, rather than N-2 as Hydro proposed. Hydro is considering Midgard's recommendations as it prepares to update its application to the PUB no later than the end of April 2023.

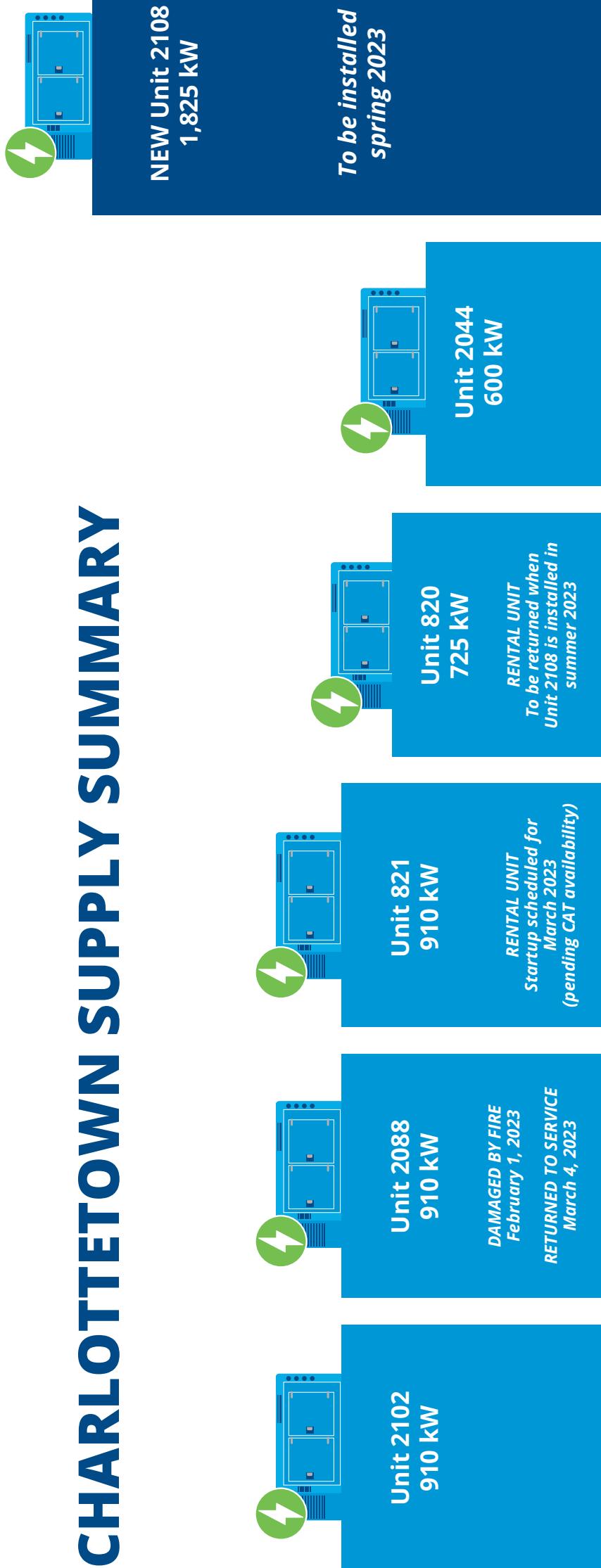
Any questions or concerns, please do not hesitate to reach out . Otherwise, we will provide an update following the session with Charlottetown on Friday .

Thanks

Deanne

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CHARLOTTETOWN SUPPLY SUMMARY



WINTER 2023

- Winter Peak Load Forecast = 756 kW
- Available Units: 2102, 2088, 821, 820, and 2044
- Total Capacity = 4,055 kW
- Firm Capacity*= 3,145 kW

SUMMER 2023

- Summer Peak Load Forecast = 1,547 kW
- Available Units: 2102, 2088, 821, 2044, and 2108
- Total Capacity = 5,155 kW
- Firm Capacity*= 3,330 kW

*Firm capacity assumes the largest unit (Unit 2108) is not available

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