Q. The Application states on page 1 of Schedule 1 that the estimated load associated with the Valentine Gold Interconnection project is in excess of 20 MW for a ten-year period beginning in 2027. Other than the immediate capital work identified within the Application, will this incremental load increase the potential requirement for additional infrastructure (e.g., generation, transmission, or transformation) or accelerate any planned introduction of such infrastructure to the overall Island Interconnected system? If so, how are the costs associated with new or accelerated infrastructure incorporated into the estimated costs for this project?

A. From a generation infrastructure perspective, an incremental load of 20 MW would result in an advancement of the generation requirements that were determined using a forecast that did not include the identified 20 MW; however, the degree by which timing is advanced depends on a number of factors including the growth in the underlying base forecast and the approved planning criteria. Assuming approval of the application, the load associated with this project will form part of Newfoundland and Labrador Hydro's ("Hydro") base load forecast and be reflected in any assessments of resource adequacy, including Hydro's next update of the Reliability and Resource Adequacy Study, planned for 2022. Given the timing of the 2022 Reliability and Resource Adequacy Study Update, at this time Hydro believes there is sufficient time to assess the requirements and plan for resource additions, if required.

Hydro notes that all generation assets are assigned as common assets from a cost of service perspective and, as such, the requirement for incremental generation does not impact the estimated cost of this project or the related customer contribution.

From a transmission and transformation perspective, a detailed system impact study process was performed, as referenced in Hydro's response to PUB-NLH-004 of this proceeding. No new requirement or acceleration of system upgrades was identified.