

1 **Q. Reference: “2022 Capital Budget Application,” Newfoundland Power, May 18,**  
 2 **2021, Volume 1, Section 1.2, Sandy Brook Plant Penstock Replacement, Appendix A**  
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4 **The justification of the project indicates it is supported by an assessment of the**  
 5 **benefits associated with sale of the energy to export markets. In 2020, as reported in**  
 6 **Nalcor Energy’s Annual Financial Statements, Nalcor Energy Marketing stated its**  
 7 **realized electricity price was \$23 CDN per MWh for its export sales. Please provide**  
 8 **a cost-benefit analysis for this project assuming an electricity price of \$23 CDN per**  
 9 **MWh.**

10  
 11 **A.** Table 1 summarizes the results of the economic analysis utilizing export energy pricing  
 12 of \$23 per MWh.

**Table 1**  
**Economic Evaluation Results**  
**Export Energy Price set at \$23/MWh for 2022 and Inflated into Future Years<sup>1</sup>**

	<b>50 Year Levelized Value</b>	<b>Net benefit</b>
Cost of Plant Production	<b>3.22 ¢/kWh</b>	
Benefits of Production (Run of River)		
Value of Energy	3.21 ¢/kWh	
Value of Capacity	<u>4.59 ¢/kWh</u>	
<b>Total</b>	<b>7.80 ¢/kWh</b>	<b>4.58¢/kWh</b>
Benefits of Production (Fully Dispatchable)		
Value of Energy	3.21 ¢/kWh	
Value of Capacity	<u>7.76 ¢/kWh</u>	
<b>Total</b>	<b>10.97 ¢/kWh</b>	<b>7.75 ¢/kWh</b>

<sup>1</sup> The export energy price was increased into the future based on the Escalation Factors described in the 2022 Capital Budget Application, Report 1.2 Sandy Brook Plant Penstock Replacement, Appendix A, page A-18.