

*Requests for Information*

1 NP-CA-015            **Newfoundland and Labrador Hydro’s *Reliability and Resource***  
2                            ***Adequacy Study – 2019 Update in the Planning for Today, Tomorrow,***  
3                            ***and the Future* summary identifies capacity shortfalls on the Island**  
4                            **Interconnected System requiring additional resources within the next**  
5                            **10 years. In light of this need for additional resources, please elaborate**  
6                            **on the prudence of removing existing energy and capacity from the**  
7                            **system and replacing it with DER projects. Would it not be more**  
8                            **beneficial to use DER project potential (if it can be proven to be**  
9                            **economic) to delay the need for these additional resources and leaving**  
10                           **the existing economic generation like Sandy Brook in place?**

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12 RESPONSE:            As discussed in NP-CA-013 and NP-CA-014, as well as throughout the  
13                            Elenchus Report and other responses to RFIs, prudence requires  
14                            identification of a range of reasonable alternatives, the identification of  
15                            relevant information and a comparison of alternatives, preferably within the  
16                            context of an IRP when it is supply options that are being considered. Until  
17                            a fulsome economic analysis of the available options has been completed,  
18                            a determination cannot be made as to whether DER projects should be used  
19                            to replace traditional projects, used to delay traditional projects, or should  
20                            themselves be delayed until the economics are more favourable.

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22                            Elenchus is not aware of any rationale for not replacing existing energy and  
23                            capacity with DER assets if the result is a lower cost in the future to meet  
24                            the province’s future electricity requirements. This concept is no different  
25                            than the rationale used by NP to replace vehicles that are still operational,  
26                            but excessively expensive to maintain. Generation and grid assets, like any  
27                            other assets, deserve to be abandoned when they are no longer economic.  
28                            Hence, caution must be used in projecting the costs and benefits of  
29                            extending the life of an asset like Sandy Brook to ensure that the projected  
30                            future costs to keep a 60 year old asset in service for another 50 years have  
31                            been realistically assessed.