

1 Q. **Re 2010 Capital Plan, pages 17-20**

2 Hydro in the 2010 Capital Plan notes that: "*The Province's Energy Plan indicated*
3 *that should the Lower Churchill Project not be sanctioned, the emissions issues at*
4 *the Holyrood Generating Station would be improved by the installation of scrubbers*
5 *and precipitators.*" The Industrial Customers have several related questions in
6 relation to this statement:

7 At page 18 of the 2010 Capital Plan, Hydro refers to "Install Low NOx Burners" and
8 "Upgrade Sootblowing Controls" as 2014 Projects "required to ensure continued
9 environmental compliance until completion of the HVDC infeed". Will these
10 requirements be in effect if in service of the HVDC infeed is anticipated for
11 2015/2016? Is there an existing regulatory condition or order with which Hydro will
12 be in non-compliance if the "Install Low NOx Burners" and "Upgrade Sootblowing
13 Controls" Projects do not proceed by 2014?

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16 A. Please refer to the response to IC-NLH-2. Although there is no current regulatory
17 requirement to address NOx emissions, the low NOx Burners project has been
18 included because such a requirement may emerge within the five-year planning
19 horizon. In the event that the HVdc project proceeds and a regulatory requirement
20 to address NOx becomes effective prior to the project's in-service date, Hydro
21 would likely pursue a variance from the regulator so that it could avoid incurring the
22 costs of installing low NOx burners in that intervening period.

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24 Hydro has documented and reported exceedances of opacity emission restrictions
25 in the *Air Pollution Control Regulations, 2004* associated with Holyrood sootblowing
26 operations, however, the regulator has not imposed fines or amended the
27 Certificate of Approval in this regard. Therefore, Hydro has not initiated the

- 1 Upgrade Sootblowing Controls project to reduce these excursions. Should the
- 2 regulator impose corrective actions during the interim period (i.e. before the in
- 3 service date of the HVdc infeed,) Hydro will consider the financial, environmental
- 4 and regulatory implications when assessing the need for this project.