

1 Q. (Finance Evidence page 3.2, lines 17 to 24)

2 What is the impact on proposed rates of the Exploits generation initiative, both in
3 total dollars and percentage terms?
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6 A. Section 1.1.1, Page 1.2, lines 10 to 12 notes that it is estimated that in 2015 the new
7 wind and hydraulic renewable energy sources will result in approximately \$74
8 million in fuel savings and reduced power purchase costs, with a reduction in
9 greenhouse emissions (GHGs) of 555,000 tonnes. As detailed in Hydro's response
10 to PUB-NLH-1, of this amount, approximately \$60 million relates to the availability
11 of the new Exploits generation (i.e. Exploits Base Generation) and the impact of the
12 lower 4¢/kWh rate for the energy from the former Exploits River Partnership and
13 Star Lake Partnership. In the absence of the Exploits generation initiative, Hydro's
14 revenue requirement for the Island Interconnected System would be more than
15 10% higher due to higher fuel costs and power purchase costs.