

1 Q. CDM

2 Re: Exhibit 9 Addendum, p. 20

3 Citation:

4 While the focus of Hydro's current CDM programs is to achieve fuel oil
5 savings, it is possible that future CDM program measures could focus on peak
6 demand reduction. Also, while the terms of the Labrador in-feed remain
7 uncertain at this time, peak demand might also impose an operational or
8 economic constraint in the future.

9 Please explain in what way "the terms of the Labrador in-feed remain uncertain at
10 this time", and describe Hydro's progress in designing CDM measures focused on
11 peak demand reduction.

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14 A. As the the terms of the Labrador-Island Interconnection are now known, Hydro will
15 complete a marginal cost study in 2015 reflecting the interconnection. The
16 transition from an isolated system to a system connected to the North America
17 grid requires a review of the marginal energy costs and marginal capacity costs for
18 both planning and pricing purposes.

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20 Please refer to Hydro's response to IC-NLH-083 (Revision 1, Feb 17-15) regarding
21 current CDM work related to peak demand reduction.