

1 Q. Consumer Question: See p 196, volume 2 p196, MHI states, "It is noteworthy that  
2 Nalcor has incorporated a large investment programme in the isolated island  
3 Option for reducing the environmental footprint of Holyrood. The question arises  
4 as to whether or not this is necessary as switching to 0.7 sulphur fuel has  
5 accomplished as much as is necessary to meet Provincial environmental targets for  
6 SO". The cost of the Holyrood environmental upgrade is approximately \$600m.  
7 The impact on the CPW would be to reduce the CPW by \$400m from \$2.2b to \$1.8b  
8 if this was not done.

9 (a) The in service date is 2015 per table 35. p 196 for the \$600m  
10 Holyrood environmental upgrade. Why is the CPW only reduced by  
11 \$400m for a \$600M 2015 expenditure?

12 (b) If this \$600m is not an environmental or a legislative requirement, why  
13 is Nalcor including the \$600m as a cost in the isolated island option?  
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15 A. (a) In order to arrive at a 2010 \$ CPW, costs incurred for the Holyrood  
16 environmental upgrade are discounted from later years back to \$2010. As a  
17 result, the 2010\$ CPW will be less than the 2015\$ in service costs.  
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19 (b) The installation of emissions controls at Holyrood is an *Energy Plan* policy  
20 commitment. Emissions from the Holyrood plant are an ongoing community  
21 concern, and the Government of Newfoundland and Labrador has committed  
22 to resolve these issues by either displacing production with energy from  
23 Labrador or by installing pollution controls.  
24

25 Consistent with the policy direction provided in the *Energy Plan*, Nalcor has  
26 included these costs in the Isolated Island alternative.