Q. Further to PUB-Nalcor 51, in what year would the annual load decrease of 880 GWh have to be extended to for the CPW for the two options to be equal?

A. In the response to PUB-Nalcor-51, the results from Strategist demonstrate a CPW preference for the Interconnected Island alternative of $545 million. This CPW difference is comparable with the load sensitivity result (MHI-Nalcor-41 Rev. 1) which shows a CPW preference for the Interconnected Island alternative of $408 million. This load sensitivity dealt solely with reducing fuel costs as a result of the decrease in load; however, the Strategist results incorporate the changes to fuel costs plus changes arising from capital additions. For the base case, the sensitivity, and the full Strategist run, the table on the following page shows CPW differences between the two generation expansion alternatives. Positive differences indicate a preference for the Interconnected Island alternative. Negative differences indicate a preference for the Isolated Island alternative.

Unexpectedly, the Strategist run produced a more favorable impact for the Interconnected Island alternative than the load sensitivity did, increasing the CPW preference for the Interconnected Island alternative by $138 million. This result is primarily due to fuel impacts associated with delaying hydro-electric projects and new wind purchase contracts, causing an increase in Holyrood production in the years 2014 to 2023.

The increased CPW preference for the Interconnected Island alternative demonstrates that the load decrease would not need to be extended.

	2010 Cumulative Present Worth ($ M)								
	Base Case (Exhibit 99)			Load Reduction 880 GWh Sensitivity (Exhibit 43 Rev. 1)			Load Reduction 880 GWh Full Strategist Run (PUB-Nalcor-51)		
	Isolated Island	Interconnected Island	Difference	Isolated Island	Interconnected Island	Difference	Isolated Island	Interconnected Island	Difference
Fuel impact - load	6,049	1,170	4,879	3,864	735	3,129	3,890	736	3,153
Fuel impact - Deferral of small hydro and wind projects [1] [2]	0	0	0	0	0	0	342	50	292
Fixed charges	1,402	1,750	(348)	1,402	1,750	(348)	1,179	1,636	(458)
Power purchases	743	3,358	(2,615)	743	3,358	(2,615)	716	3,358	(2,642)
Operating	616	374	242	616	374	242	558	358	200
	8,810	6,652	2,158	6,625	6,217	408	6,684	6,138	546

[1] A 25 MW wind project is deferred from 2014 to 2023.
Island Pond is deferred from 2015 to 2022.
Portland Creek is deferred from 2018 to 2023.
Round Pond is deferred from 2020 to 2023.

[2] Results have been estimated using comparsions against base case hydraulic production.