

1 Q. Please identify all public policy initiatives, directives and decisions that influence the
2 CPW analysis of the two alternatives under review.

3

4

5 A. The following public policy initiatives, directives, and decisions are relevant to the
6 CPW analysis of the two alternatives under review:

7

8 Public Policy: Install pollution controls on Holyrood in the event that
9 Muskrat Falls/Gull Island and the Labrador Island Link do not
10 proceed.

11 Source: Government of Newfoundland and Labrador Energy Plan

12 Impact: Capital cost of scrubbers and electrostatic precipitators
13 (ESP's) included in Island Isolated alternative.
14 Holyrood production adjusted for energy for scrubbers and
15 ESP's.

16 2% sulfur heavy fuel oil used for Holyrood fuel supply for
17 remaining life of plant.

18

19 Public Policy: GHG Restrictions on Large Final Emitters

20 Source: Government of Canada Greenhouse Gas Framework

21 Impact: No cost for carbon associated with Holyrood GHG emissions
22 in either alternative.

23 Holyrood units will be permitted to operate unfettered from
24 a carbon emissions perspective until they retired.

25 No cap on GHG emission intensity for combined cycle or gas
26 turbine emissions in either alternative. As the Isolated Island
27 alternative is heavily influenced by thermal production, this

1 assumption benefits the Isolated Island alternative more than
2 the Labrador Interconnected alternative.

3

4 Public Policy: Hydro's return on equity is to be commensurate with that of
5 other Canadian regulated utilities.

6 Source: Government of Newfoundland and Labrador

7 Impact: Long term weighted average cost of capital (WACC) for Hydro
8 regulated assets used in CPW analysis was 8.0%.

9

10 Public Policy: Tshash Petapen Agreement with Innu Nation

11 Source: Government of Newfoundland and Labrador

12 Impact: Costs associated with the implementation of the Lower
13 Churchill Impacts and Benefits Agreement with the Innu of
14 Labrador has been included in project costs.