

1 Q: Reference: *Review of Newfoundland and Labrador Hydro Power Supply*
2 *Adequacy and Reliability Prior to and Post Muskrat Falls Final Report, Page ES-*
3 *2.*

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5 *"While it had long been contemplated that Muskrat Falls would preclude the need*
6 *for more supply until the 2030s, this is not likely to be the case. Liberty expects that*
7 *new supply will be needed before Muskrat Falls is in service, to mitigate near-term*
8 *supply issues, and after Muskrat Falls is in service, to mitigate the impact of*
9 *extended outages of the Labrador-Island Link (LIL) ",*

10
11 and;

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13 *"Liberty believes the supply risks are greater than suggested by Hydro's*
14 *assessment and that new generation is likely required prior to the*
15 *interconnection."*

16
17 **Based on Liberty's own knowledge and experience, including information**
18 **received from Hydro, please provide an approximate estimation of the type,**
19 **capacity, and cost of such required new generation.**

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22 A. Regarding the type of new generation, please refer to Page ES-2 of the Liberty report
23 which states that:

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25 *"This additional supply can be sourced through firm purchases, if available, over the*
26 *Maritime Link or additional new generation on the IIS."*

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28 Liberty is not aware of any other credible sources at this time.

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30 Regarding the amount of new capacity, Liberty has recommended that Hydro
31 conduct a new supply review (Recommendation II-1). It is not practical for Liberty
32 to estimate the optimum amount of required new capacity in the absence of such a
33 review. Contributing factors to the amount selected include use of the pre-Muskrat
34 Falls capacity to meet post-Muskrat Falls reliability needs, potential retirement of
35 Hardwoods and Stephenville combustion turbines, and further review of the reduced
36 load forecast recently presented by Hydro.

37
38 Regarding the cost of required new generation reference can be made to, Hydro's
39 installation of a 120 MW CT in 2014. The last reported cost for that unit which we
40 are aware of was C\$109 million, or C\$908/kw. That price, when updated to actual
41 costs, could serve as a credible starting point for a new estimate for new generation
42 on the IIS.

43
44 With respect to the cost of new supply via the Maritime Link, Liberty has no
45 information on the cost or availability of any capacity to be provided from Nova
46 Scotia.