



120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

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Newfoundland and Labrador Hydro

Shirley Walsh
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7
E-mail: shirleywalsh@nlh.nl.ca

Newfoundland Power Inc.

Dominic Foley
55 Kenmount Road
P.O. Box 8910
St. John's, NL A1B 3P6
E-mail: dfoley@newfoundlandpower.com

Industrial Customer Group

Paul Coxworthy
Stewart McKelvey
Cabot Place, 100 New Gower Street
P.O. Box 5038
St. John's, NL A1C 5V3
E-mail: pcoxworthy@stewartmckelvey.com

Consumer Advocate

Dennis Browne, KC
Browne Fitzgerald Morgan & Avis
Terrace on the Square, Level 2
P.O. Box 23135
St. John's, NL A1B 4J9
E-mail: dbrowne@bfma-law.com

Labrador Interconnected Group

Senwung Luk
Olthuis Klear Townshend LLP
250 University Ave, 8th Floor
Toronto, ON M5H 3E5
E-mail: sluk@oktlaw.com

Dear Madam/Sirs:

Re: Newfoundland and Labrador Hydro - Reliability and Resource Adequacy Study Review To Parties - Process

Newfoundland and Labrador Hydro (Hydro) has filed the following reports in this matter: (i) the *Long-term Load Forecast Report*, dated March 28, 2024; (ii) the *2024 Resource Adequacy Plan*, dated July 9, 2024; and (iii) the *Analysis of Recommendations, Mitigations, and Enhancements of the Labrador-Island Link*, dated July 9, 2024.

Hydro, in its 2024 Resource Adequacy Plan, focuses on the Island interconnected system and identifies the need for new on-Island generation to meet load growth and provide reliable backup generation to enable the planned retirement of fossil-fuel based assets, including the

Holyrood thermal generating plant and certain combustion turbines. Hydro's 2024 Resource Adequacy Plan does not identify the need for additional generation at this time for the Labrador interconnected system.

Hydro proposes moving forward with a plan for the Island interconnected system involving the Minimum Investment Required while continuing to progress planning for its Reference Case. This Minimum Investment Required plan would require a significant investment with a preliminary estimate of capital costs of \$ 1.2-\$1.6 billion dollars for the construction of additional hydroelectric and thermal generation.¹ Hydro currently plans on filing a capital budget application in late 2024 or early 2025 seeking approval of new generation sources.²

The Board has decided, in light of Hydro's proposed imminent capital budget application for new generation sources and the implications of the analysis and findings in Hydro's 2024 Resource Adequacy Plan, to commence the process to review the 2024 Resource Adequacy Plan and related filings. The Board has engaged Bates White as its consultant for this review. Bates White has already filed two reports, "Assessment of Newfoundland and Labrador Hydro's Long-Term Load Forecast Report-2024", on July 26, 2024 and "Assessment of Newfoundland and Labrador Hydro's 2024 Resource Adequacy Plan" on August 30, 2024.

A proposed process for the review was circulated on July 30, 2024 and comments were requested from the parties. No changes in the process were requested by the parties. The following sets out the final process which is not changed from the proposed process but is updated.

The following are the steps for the process. A copy of the schedule is attached.

1. Presentation by Hydro

The Board has been advised that Hydro has already presented an overview of the 2024 Resource Adequacy Plan to the parties on an individual basis.

2. Issues List

The Board issued a final Issues List on September 3, 2024, after receiving comments from the parties. The Issues List frames the key issues for consideration arising from the 2024 Resource Adequacy Plan and may be updated, as necessary, as the review proceeds.

3. Reports by Bates White

To assist the review process, Bates White has already filed reports on Hydro's Long-Term Load Forecast Report and its 2024 Resource Adequacy Plan.

¹ 2024 Resource Plan Overview, Executive summary, page vii

² 2024 Resource Adequacy Plan, executive summary, page ix

4. **Technical Meetings/Conferences**

Technical conferences will be scheduled on the topics in the Issues List. The purpose of these technical conferences is to provide an opportunity for the Board's consultant and the parties to ask specific questions to Hydro about its 2024 Resource Adequacy Plan, related filings, plans, and analyses. These could be in the form of specific questions about any filings to date, as well as questions about Hydro's upcoming filings. This will allow for direct questioning of Hydro and efficient back-and-forth Q&A between Hydro and the parties.

5. **Written Discovery**

The parties will have the opportunity to ask specific, focused questions at the technical conferences. This then will be followed with the opportunity for the parties to ask formal Requests for Information (RFIs) after the conclusion of the technical conferences, with a date for filing RFIs in mid-November with responses from Hydro before Christmas. Expert reports from the parties will be filed by mid-January with RFIs on the expert reports by the end of January and responses by mid-February, 2025. The schedule already circulated sets the specific dates for these activities, and is attached again.

6. **Settlement/Consensus discussions**

A negotiations period has been scheduled for February 26-28, 2025 to provide for the opportunity for the parties to reach consensus or agreement on issues arising from the 2024 Resource Adequacy Plan.

7. **Public Hearing**

A public hearing may be necessary for the Board to hear evidence on the issues. If it is required, this hearing will be scheduled later.

The above proposed process and schedule is ambitious but necessary in the context of the significant issues raised by Hydro's 2024 Resource Adequacy Plan, the requirement for and timing of new generation sources identified by Hydro, and the implications for the future of the Island interconnected electrical system raised in this proceeding. The cooperation of all the parties will be required for this process and schedule to work.

If you have any questions, please do not hesitate to contact the Board's counsel in this matter, Ms. Maureen Greene, KC, by email mgreene@pub.nl.ca or telephone (709)726-3175.

Sincerely,



Jo-Anne Galarneau
Board Secretary

JG/cj

ecc **Newfoundland and Labrador Hydro**
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Consumer Advocate
Stephen Fitzgerald, KC, E-mail: sfitzgerald@bfma-law.com
Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com
Bernice Bailey, E-mail: bbailey@bfma-law.com
Public Utilities Board
Maureen Greene, KC, E-mail: mgreene@pub.nl.ca

Newfoundland Power Inc.
NP Regulatory, E-mail: regulatory@newfoundlandpower.com
Industrial Customer Group
Dean Porter, E-mail: dporter@poolealthouse.ca
Denis Fleming, E-mail: dfleming@coxandpalmer.com
Labrador Interconnected Group
Nick Kennedy, E-mail: nkennedy@oktlaw.com