



Public Utilities Board

NEWFOUNDLAND & LABRADOR

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

2024-07-30

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 - 2024 Resource Adequacy Plan - Process and Schedule**

Newfoundland and Labrador Hydro (Hydro) has recently filed several significant reports in this matter including: (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 at this time 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 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 immediately 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 a report, "Assessment of Newfoundland and Labrador Hydro's Long-Term Load Forecast Report-2024", on July 26, 2024.

The following are the proposed steps for the process with a preliminary schedule indicated for each step.

1. Presentation by Hydro

The Board has been advised that Hydro has already presented an overview of the 2024 Resource Adequacy Plan to most of the parties on an individual basis. Presentations should be scheduled as soon as possible with those who have not yet participated in this overview presentation.

2. Issues List

The Board will issue by August 23, 2024 a document that frames the key issues for consideration arising from the 2024 Resource Adequacy Plan. The issues will include high-level items, such as "load forecast," "modeling approach," "reliability /planning criteria", "supply resource options", "LIL reliability and potential enhancements" and "other considerations (transmission constraints, etc.) Under those broad topics, the Board may also provide a list of key questions/subtopics, such as "further analysis of LIL reliability" and "load forecast EV assumptions." The parties may provide feedback on the Issues List which will be used to focus the discussion on the 2024 Resource Adequacy Plan. The Issues List may be updated, as necessary, as the review proceeds.

¹ 2024 Resource Plan Overview, Executive summary, page vii

² 2024 Resource Adequacy Plan, executive summary, page ix

3. Reports by Bates White

To assist the review process, Bates White will file initial reports. Bates White has already filed its report on Hydro's Long-Term Load Forecast Report and will by the end of August, 2024 file an initial report on Hydro's 2024 Resource Adequacy Plan.

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 would allow for direct questioning of Hydro and efficient back-and-forth Q&A between Hydro and the parties. This approach is intended to be more structured and focused than those in the past where Hydro presented a high-level slide deck and there were limited questions from the parties. While, the number of conferences and their scheduling will be determined after the Issues List is finalized, it is anticipated that up to four would be required over September and October with a potential of two each month.

5. Written Discovery

The parties will have the opportunity to provide input on the Issues List and on the topics for the technical conferences with the time 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 tentative date for filing RFIs in mid-November with responses from Hydro before Christmas. Expert reports from the parties would then be filed by mid-January with RFIs on the expert reports by the end of January and responses by mid-February, 2025.

6. Settlement/Consensus discussions

A negotiations period will be scheduled to provide for the opportunity for the parties to reach consensus or agreement on issues arising from the 2024 Resource Adequacy Plan. While consensus may be reached on certain issues following each technical conference, it would be beneficial to schedule a formal negotiations period to discuss issues if it appears possible to get agreement. This will be scheduled for early/mid-February, 2025.

7. Public Hearing

Given the significance of the issues for the future of the Island interconnected electrical system and the magnitude of the potential capital expenditures for new generation sources, it is anticipated that a public hearing may be necessary for the Board to hear evidence on the issues. This hearing will be scheduled for early to mid-March, 2025. The Board would then be in a position to issue a report in the spring of 2025 prior to or early in Hydro's capital budget application proceeding for new generation.

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.

Attached is the proposed schedule. Comments on this proposed process and schedule must be filed by August 16, 2025. A counsel meeting will be scheduled, if necessary, following the receipt of comments to discuss the proposed process and schedule.

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



**Newfoundland and Labrador Hydro
Reliability and Resource Adequacy Review
Schedule (Proposed)
Dated: July 30, 2024**

July 2024

July 9 (Tuesday)	Hydro's 2024 Resource Adequacy Plan and Analysis of Recommendations, Mitigations and Enhancement of the Labrador Island Link Reports filed
July 26 (Friday)	Bates White Report on Hydro's Load Forecast Report Filed
July 30 (Tuesday)	Proposed Process and Schedule circulated to the Parties

August 2024

August 16 (Thursday)	Parties' Comments on Process and Schedule
August 23 (Friday)	Issues List
August 30 (Friday)	Bates White Report on Hydro's 2024 Resource Adequacy Plan

September 2024

September	2 Technical Conferences (dates to be scheduled)
-----------	---

October 2024

October	2 Technical Conferences (dates to be scheduled)
---------	---

November 2024

Mid-November	Requests for Information (RFIs)
--------------	---------------------------------

December 2024

Mid-December	Responses to RFIs
--------------	-------------------

January 2025

Mid-January	Expert Reports
January 31 (Friday)	RFIs on Expert Reports

February 2025

Mid-February	Responses to RFIs on Expert Reports
Mid-late-February	Negotiations

March 2025

Hearing
