

1 Q. At Section 3.7.4 on page 9 of Schedule 2, Hydro states that it “is committed to continuing to  
2 work with its community and Indigenous partners to support the development of renewable  
3 energy sources and maximize the penetration of renewable energy on the interconnected  
4 system.”

5 a) Does an independent power producer (IPP) have to wait for regional diesel project  
6 completion until renewable energy systems can be interconnected to the regional grid?  
7 If not, please outline the capacity limitations and other important considerations  
8 relevant to IPP project development.

9 b) How does Hydro envision the working relationship with an Indigenous IPP throughout  
10 the regional diesel development stages? Would the Indigenous IPP representative have  
11 the opportunity to provide input at the project development stage to address items,  
12 such as value engineering opportunities, that best suit renewable energy development?

13 c) Please provide details on what support will be available to Indigenous partners and how  
14 it will be accessed.

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17 A. a) An independent power producer (“IPP”) does not have to wait for completion of the  
18 regional interconnection for renewable energy systems to be interconnected to the regional  
19 grid. The primary technical limitation on integrating renewable energy projects is that there  
20 must be load that can be served by this renewable energy. As long as the load in a given  
21 community is above the minimum level at which the connected diesel plant can reliably  
22 operate, there is potential to use renewable energy to serve a portion of this community  
23 load and reduce diesel plant output correspondingly. For the estimated amount of  
24 renewable energy potential in southern Labrador, please refer to Newfoundland and  
25 Labrador Hydro’s (“Hydro”) revised application.<sup>1</sup>

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<sup>1</sup> “Long-Term Supply for Southern Labrador – Revision 1,” Newfoundland and Labrador Hydro, rev. May 31, 2023 (originally filed July 16, 2021), sch. 1, att. 1, app. B, p. 3, table 1.

1           **b)** Hydro is willing to engage with IPPs at any time, and if such engagement results in a  
2           confirmed renewable energy development prior to completion of the regional  
3           interconnection, Hydro would evaluate opportunities to adapt the design, if needed, to  
4           accommodate the development. Despite having no confirmed renewable energy  
5           developments at this time, Hydro anticipates these will arise in the future, and therefore  
6           intends to design and build the regional interconnection with provisions for future  
7           infrastructure required to integrate such developments.

8           **c)** Hydro will lead the studies that are necessary to safely and reliably integrate renewable  
9           energy developments, and will execute any capital projects that may be required to  
10          interconnect such developments, including any regulatory applications which may be  
11          required as a result. Hydro will undertake these activities in coordination with IPPs after a  
12          specific project is proposed and there is clarity on the scope of these activities.