

1 Q. **Reference: Schedule 1 – Long-Term Supply for Southern Labrador – Phase 1: Appendix A**
2 **Stakeholder Engagement**

3 Please provide a general overview of the feedback offered at the stakeholder meetings,
4 including any concerns. Were any changes/suggestions incorporated in this application as a
5 result of the stakeholder feedback?

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8 A. In advance of filing its application, Newfoundland and Labrador Hydro (“Hydro”) met with
9 community, regulatory, and government stakeholders to provide an overview of the long-term
10 plan for supply of the southern Labrador region, and the underlying analysis supporting this
11 plan. In general, stakeholders were supportive of the anticipated reliability benefits offered by
12 an interconnected solution. The following concerns were raised by stakeholders during
13 consultation:

14 i) Some parties expressed concerns regarding the high capital cost associated with the
15 proposed interconnected option. As demonstrated through Hydro’s economic and technical
16 analysis, the proposed alternative involving a phased approach to supply an interconnected
17 regional distribution system with a single diesel plant delivers operational savings which
18 result in this alternative being the least-cost option for supply to the region, while delivering
19 reliability benefits and enabling greater potential for penetration of renewable energy
20 sources on the system.

21 ii) Some parties inquired about options to interconnect the southern Labrador region with the
22 Labrador Interconnected System, including interconnection with the Labrador-Island Link
23 which passes through the region, enabling customers in the region to avail of lower rates
24 paid by customers on the Labrador Interconnected System. Through its economic and
25 technical analysis, Hydro considered options to interconnect the region with the Labrador
26 Interconnected System, and determined that such an approach is not economically feasible.

- 1 iii) Some parties inquired about Hydro’s consideration of opportunities to displace diesel
2 generation in the region with renewable energy sources. While Hydro’s analysis included
3 consideration of renewable energy sources in advance of its stakeholder consultations,
4 Hydro recognized that the integration of renewable energy sources is of particular interest
5 to stakeholders, and therefore ensured that its application addresses the limitations of
6 current renewable energy technologies for the provision of firm capacity on isolated
7 systems, as outlined in the application.¹ As discussed in this section, an interconnected
8 system supplying the southern Labrador region will enable greater penetration of renewable
9 energy, potentially resulting in additional operational savings. Hydro will continue to assess
10 emerging renewable energy and storage technologies for the provision of firm capacity as
11 these technologies become available and proven reliable.
- 12 iv) Some parties expressed concern about the reliability of an interconnected system. Hydro
13 conducted reliability analyses of the proposed project, and it is expected to result in overall
14 improved reliability for the region, largely due to improved performance of a single,
15 centralized diesel facility as opposed to four separate, smaller plants. With the proposed N-2
16 configuration of the regional diesel plant, Hydro estimates an approximate 18%
17 improvement in both all-cause unavailability and expected unserved energy.
- 18 v) Some parties expressed concern about the potential for reduced staff as a result of the
19 proposed new operational configuration. No significant changes in overall staffing levels are
20 expected; however, Hydro will complete a detailed operational review that will determine
21 staffing requirements for the new plant and distribution system, which will inform the
22 development of reasonable staffing plans considering plant retirement timeliness through
23 to 2045.

24 Correspondence was received from Mary’s Harbour Town Council with respect to the proposed
25 interconnection and is included as PUB-NLH-016, Attachment 1.

¹ “Long-Term Supply for Southern Labrador – Phase 1,” Newfoundland and Labrador Hydro, July 16, 2021, sch. 1, att. 1, sec. 3.0, p. 4.



Mary's Harbour Town Council

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September 2nd, 2021

Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
P.O. Box 12400
St. John's, NL
A1B 4K7

Attention: Jennifer Williams

Dear Ms. Williams:

The Town Council of Mary's Harbour would like to express our disappointment and dissatisfaction with NL Hydro regarding their future plans to provide electricity to residents of Southeast Labrador.

In May 2021 (during a global pandemic), representatives from NL Hydro met virtually with the Town of Mary's Harbour to outline their plans to construct a centralized diesel plant in Port Hope Simpson to provide electricity to the communities of Charlottetown, Port Hope Simpson, St. Lewis and Mary's Harbour. There was never any public consultation or contact with municipalities – other than this virtual meeting. It is our understanding that the decision was made prior to the meeting.

As stated prior, we are very disappointed to say the least. Mary's Harbour has been proactive in producing clean energy – the Town has been promoting and encouraging clean energy for many years. In fact, during the past couple of years the Town has partnered with St. Mary's River Energy Limited Partnership, which produces clean energy via solar and hydro power. This company sells its power to NL Hydro to cut down on the amount of diesel burned at the local NL Hydro Diesel Plant and of course reducing greenhouse gasses.

We were very surprised with the decision to construct another diesel plant to provide electricity to Southeastern Labrador. It is our understanding that both levels of government are promoting and encouraging the reduction of these emissions, and the Town of Mary's Harbour is certainly doing its part as well. A copy of this letter is being sent to the Prime Minister's Office and to the Premier's Office.

NL Hydro
September 2nd, 2021
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Southeastern Labrador is located between Happy Valley-Goose Bay and the Labrador Straits. Both these areas are interconnected to the grid and we thought this would be an obvious choice for providing electricity of our areas. It was outlined that cost was the biggest factor!! It is our understanding that the Federal Government would provide subsidies to construct infrastructure that would reduce greenhouse gasses (ie diesel plants). We feel certain that this option would certainly spark the attention of the Federal Government.

As you can appreciate, electricity provided by diesel generators limits the capacity in our communities. The area of Southeastern Labrador has an aging population and many households would like to switch their main source of heating from wood/oil to electric heat, but unfortunately the power is not available to allow them to do this. In addition to this, Southeastern Labrador has 3 state of the art fish plants – 1 in Charlottetown (shrimp) and 2 in Mary's Harbour (crab and cod) and the reality of a mine in this area is becoming closer to a reality. Diesel generated power is not the answer. In fact, it's a step in the wrong direction.

Please re-visit the idea of constructing a new centralized diesel plant and look at a more eco-friendly way of providing this area with electricity.

Thank you very much for your attention and we look forward to your reply.

Sincerely yours,

MARY'S HARBOUR TOWN COUNCIL



for
Alton Rumbolt
Mayor

CC: Justin Trudeau – Prime Minister, Canada
Andrew Furey – Premier, Newfoundland and Labrador
Yvonne Jones – MP, Labrador
Lisa Dempster – MHA, Cartwright to L'anse au Clair
Todd Russell – President, NunatuKavut Community Council
Chad Letto – President, Combined Councils of Labrador