

Q. On page 19 of Schedule 1: Evidence of the Application Hydro notes that “the Government of Newfoundland & Labrador’s Management of Greenhouse Gases Act came into effect on January 1, 2019.”

Hydro also notes that in 2020 “Hydro received 169,734 performance credits and sold 55,000 performance credits for \$1.06 million. Hydro also sold 83,333 performance credits for approximately \$2 million in early 2021. As credits do not expire until seven years after creation, unused performance credits are carried forward to apply to future compliance requirements or to be sold.”

Please confirm that the performance credits for 2019 are still available for Hydro to use as per statement noted by Hydro as referenced above. Please provide a record of the full credits received and sold, per year, including forecast 2021 and 2022.

A. It is confirmed that the performance credits remaining from those received in 2020 pursuant to the *Management of Greenhouse Gases Act*, for reporting year 2019, are available for use or sale and are carried forward for that purpose.

Table 1 details the performance credits that have been received and sold by Newfoundland and Labrador Hydro (“Hydro”) to date.

Table 1: Performance Credits Received and Sold by Hydro To Date

Year ¹	Credits Received	Credits Sold	Credits Remaining
2020	169,734	55,000	114,431 ²
2021	N/A ³	83,333	31,098

¹ Credits received each year are for the previous reporting year.

² In addition to the 55,000 performance credits that were sold in 2020 there were also 303 performance credits transferred to the Holyrood Gas Turbine to meet compliance obligations, therefore the total credits remaining were: 169, 734 – 55,000 – 303 = 114,431.

³ Performance credits for reporting year 2020 will be issued after September 1, 2021.

1 Table 2 provides a forecast of performance credits Hydro expects to receive and sell for the
2 remainder of 2021 and 2022. Hydro is forecasting to sell 55,000 credits per year, consistent with
3 the results of the 2020 request for bids process.

Table 2: Forecast of Performance Credits to be Received and Sold in 2021 and 2022

Year	Forecast Credits Received	Forecast Credits Carried Over	Forecast Credits Sold	Forecast Credits Remaining
2021	292,597 ⁴	31,098	55,000	268,695
2022	475,000	268,695	55,000	688,695

⁴ Verification activities for reporting year 2020 are nearly complete, therefore there is more precision for the forecast for 2021 than for 2022.