

1 Q. **Reference: Application, Replace Diesel Gensets (2025-2027)**

2 a) Is there a risk of asset stranding owing to government zero-carbon initiatives?

3 b) Is there potential for switching the diesel gensets to renewable green fuels?

4 c) Did Hydro consider zero-carbon alternatives to diesel genset replacement?

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7 A. a) No. At present, there is no indication that diesel generation will be displaced as the primary
8 source of firm capacity on isolated systems. Newfoundland and Labrador Hydro (“Hydro”)
9 notes that the federal Clean Energy Regulations, currently in draft, exempt fossil-fuel-fired
10 generation on isolated systems.

11 b) Yes, there is the potential for switching diesel gensets to renewable green fuels; however, it
12 is currently economically and technically prohibitive.

13 c) No, zero-carbon alternatives remain economically and technically prohibitive for the
14 provision of firm capacity on isolated systems.¹

15 For additional information concerning Hydro’s distribution planning approach, how
16 integrated resource planning is incorporated including distributed generation and
17 renewable forms of generation, and how reductions in harmful environmental emissions
18 and government zero-carbon initiatives are taken into account please refer to Hydro’s
19 response to CA-NLH-036 of this proceeding.

¹ As detailed in evidence submitted as part of Hydro’s ongoing Long-Term Supply for Southern Labrador proceeding.