

1 Q. **Reference: CA-NLH-042e.**

2 It is stated *“Currently, subsection 14.1(2) of the Electrical Power Control Act, 1994 (“EPCA”)*
3 *prohibits a retailer or an industrial customer from developing, owning, operating, managing or*
4 *controlling a facility for the generation and supply of electrical power or energy for its own use or*
5 *for supply directly or indirectly to the public or an entity on the island portion of the province.*
6 *This includes wind energy generation.”*

7 a) Does this mean that an industrial customer would not be allowed to install a facility to
8 meet a portion of its electricity requirements such as non-wires alternatives even
9 though the Island system is forecast to soon be short both electrical capacity and
10 energy?

11 b) Does this clause also apply to General Service and Domestic customers?

12 c) In CA-NP-065 pertaining to NP’s 2025 CBA, it is stated that the Greenhill, Wesleyville and
13 Port aux Basques thermal generation facilities will provide *“system support to ensure*
14 *reliability during times of renewable generation shortages.”* (i) Is NP allowed to own and
15 operate these facilities under the Electrical Power control Act, 1994? and (ii) How is
16 Hydro involved in the re-purposing of these facilities and how are they being accounted
17 for in the ongoing Reliability and Resource Adequacy Study?

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20 A. a) An Industrial customer could not develop, own, operate, manage or control a facility for the
21 generation and supply of electrical power or energy for its own use (unless it met one of the
22 exceptions set out in section 14.1 of the *Electrical Power Control Act, 1994 (“EPCA”)*¹)
23 without legislative change or an exemption granted by the Lieutenant-Governor in Council;
24 however, not all non-wire alternatives would be considered facilities for the generation and
25 supply of electrical power or energy.

¹ *Electrical Power Control Act, 1994*, SNL 1994, c E 5.1.

- 1 **b)** Section 14.1 of the *EPCA* references only retailers and industrial customers.
- 2 **c)** (i) Newfoundland and Labrador Hydro (“Hydro”) notes that subsection 14.1(5) of the *EPCA*
3 permits thermal units in place before December 31, 2011, as well as their
4 refurbishment. Subsection 14.1(4) further permits generation facilities owned,
5 operated, managed, or controlled by a retailer or an industrial customer where the
6 electrical power or energy generated is used by the retailer or industrial customer
7 exclusively in emergency circumstances. The question regarding the permissibility of
8 thermal station facilities as referenced by Newfoundland Power Inc. (“Newfoundland
9 Power”) in its 2024 Capital Budget Application (“CBA”) is not relevant to Hydro’s 2024
10 CBA and is more suitable for Newfoundland Power to address in its application.
- 11 (ii) Newfoundland Power is a distinct utility unrelated to Hydro. While Newfoundland
12 Power’s contemplated replacement of the Greenhill, Wesleyville, and Port aux Basques
13 thermal generation facilities is preliminary and is expected to go through the Board of
14 Commissioners of Public Utilities’ regulatory review, Hydro felt it prudent to complete a
15 sensitivity analysis in the 2024 Resource Adequacy Plan² to determine the impacts on
16 Hydro’s expansion plan analysis, similar to Hydro’s inclusion of other sensitivities in its
17 analysis. The potential replacements do not impact the Minimum Investment Required
18 Expansion Plan that Hydro recommended in the 2024 Resource Adequacy Plan.

² “2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequacy Study,” Newfoundland and Labrador Hydro, rev. August 26, 2024 (originally filed July 9, 2024).