Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
nlhydro.com

June 19, 2026

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Mike McNiven
Board Secretary

Re: Application for Phase II Additional Early Execution Capital Work for the Avalon Combustion Turbine – Redacted

Newfoundland and Labrador Hydro's ("Hydro") application for expenditures related to further early execution capital work for the Avalon Combustion Turbine ("Avalon CT") ("Phase II Additional Early Execution Application") is enclosed.

The Board of Commissioners of Public Utilities ("Board") approved Hydro's Early Execution Application[1] for capital expenditures for the Avalon CT of $30.7 million in Board Order No. P.U. 17(2025). In the Order, the Board stated that:

> ….is satisfied that the proposed capital expenditures for the early execution work for the Avalon Combustion Turbine Project, in the amount of $30.7 million, and the proposed capital expenditures for the early execution work for the Bay d'Espoir Unit 8 Project, in the amount of $16.7 million, should be approved on the basis that these expenditures were shown to be reasonable and necessary in the circumstances and will not be recovered from customers if the [2025] Build Application is not approved.[2]

The Early Execution Application approval allowed Hydro to continue the initial work necessary for the Bay d'Espoir Unit 8 ("BDE Unit 8") and Avalon CT projects while the 2025 Build Application[3] was reviewed to ensure that the overall timelines for completion of the projects, if approved, could be met. Hydro's Early Execution Application was proposed based on the anticipated completion of the review of the 2025 Build Application by the end of the fourth quarter of 2025.

Hydro filed a further application for additional early execution work on December 12, 2025, to allow work to continue while the regulatory review process for both the Avalon CT and BDE Unit 8 continued.[4] On February 9, 2026, the Board established an expedited process for review of the proposed additional early execution work for the Avalon CT, reflecting the time-sensitive nature of the expenditures for that project. After a settlement conference was held, the parties reached a Settlement Agreement which was

[1] "Early Execution Capital Work – Bay d'Espoir Unit 8 and Avalon Combustion Turbine," Newfoundland and Labrador Hydro, March 12, 2025 ("Early Execution Application").
[2] Board Order No. P.U. 17(2025), p. 5/33–38.
[3] "2025 Build Application – Bay d'Espoir Unit 8 and Avalon Combustion Turbine," Newfoundland and Labrador Hydro, March 21, 2025 ("2025 Build Application").
[4] "Additional Early Execution Capital Work – Bay d'Espoir Unit 8 and Avalon Combustion Turbine," Newfoundland and Labrador Hydro, December 12, 2025 ("Additional Early Execution Application").

filed on March 5, 2026, setting out that the parties agreed that the additional early execution expenditures for the Avalon CT in the amount of $29.3 million should be approved and that the parties agreed that a delay in the Avalon CT work would have impacts on the project schedule that could result in substantial financial consequences. In Board Order No. P.U. 7(2026), the Board accepted the Settlement Agreement and approved the expenditures for additional early execution work for the Avalon CT on the basis that these expenditures are reasonable and necessary in the circumstances and would not be recovered from customers if the 2025 Build Application is not approved. To date, the Board has approved a total budget of approximately $60.0 million in early execution expenditures for the Avalon CT project.

The Board has now issued a schedule for the remaining steps in the review process for the Avalon CT that is anticipated to conclude in late July 2026. Based on Hydro's reforecast of the pace of expenditure for the currently approved early execution scopes of work, it is expected that the current budget of $60.0 million will be expended by mid-August 2026, before full approval of the project is received.

Supply chain pressures continue to increase, and project estimates are time sensitive. Any delay impacting project execution increases the risk of higher costs to ratepayers, underscoring the need for expedient action. Pausing the work on the project would have significant implications for proposed Avalon CT's schedule and cost. Hydro's Phase II Additional Early Execution Application is made in consideration of these risks and implications; Hydro believes an extension to early execution expenditures to the end of 2026 is warranted to continue to mitigate supply chain risk as well as risks of escalation and impacts of other projects, among others.

The Phase II Additional Early Execution Application, particularly Schedule 1 to the application, provides substantive support for the request to continue to proceed with an additional $35.4 million of early execution expenditures in advance of the approval of the overall Avalon CT project, showing that approval would be in the best interest of ratepayers.

As with the Early Execution Application and Additional Early Execution Application, Hydro is not seeking cost recovery for the expenditures proposed in the Phase II Additional Early Execution Application at this time. This is to allow for as expedient of a review process as possible while complying with the existing legislative obligations. Excluding contractual payments relating to project cancellation as detailed within, the additional early execution expenditures are included in the overall costs presented in the 2025 Build Application.

Hydro requests that the Board consider the Phase II Additional Early Execution Application in the context of the evidence filed in the Early Execution Application and Additional Early Execution Application, as well as the 2025 Build Application. Hydro requests that the records of the Early Execution Application and 2025 Build Application be placed on the record of the Phase II Additional Early Execution Application.

In project management, the critical path is the longest sequence of tasks that must be completed on time for the entire project to stay on schedule. If any task on the critical path is delayed, the final project completion date is also delayed unless adjustments are made. Identifying the critical path helps teams prioritize the most time-sensitive activities and allocate resources effectively. Schedule 2 to the enclosed application includes a chart for the Avalon CT demonstrating the project's high-level summary schedule indicating the key milestones. While this chart does not show the full project schedule with all activities, it does show the critical path for the project, high-level milestones, the regulatory process, and the key long-lead equipment activities that are forecast to progress in 2026.

As Hydro has previously noted, it appears that the execution of the early execution expenditures approved to date can continue until the end of July 2026; however, approval of Phase II Additional Early Execution Application is needed as expeditiously as possible to protect project schedules and budgets. Crucially, approval of this application will allow Hydro to continue with the established milestone payments for the Avalon CT contract, ensuring the terms of that agreement, including price and production slot, are maintained

This application contains commercially sensitive information, including details of the budget and other contractual aspects of the proposed projects. An unredacted version of the report is being provided to the Board on a confidential basis. The parties will be provided with a version in which this information has been redacted. Hydro requests that this information be kept confidential and not be made publicly available. Hydro requests that the Board use the redacted version for posting to its website.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/kd

Encl.

ecc:

Board of Commissioners of Public Utilities
Jacqui H. Glynn
Ryan Oake
Board General

Island Industrial Customer Group
Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Newfoundland Power Inc.
Dominic J. Foley
Douglas W. Wright
Regulatory Email

Consumer Advocate
Adrienne H.Y. Ding, O'Dea Earle
Justin W. King, O'Dea Earle
Consumer Advocate General

Phase II Additional Early Execution Capital Work

Avalon Combustion Turbine

June 19, 2026

An application to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 ("*EPCA*") and the *Public Utilities Act*, RSNL 1990, Chapter P-47 ("*Act*"), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("Hydro") for an Order pursuant to Section 41(3) of the *Act* approving capital expenditures related to the construction of the Avalon Combustion Turbine ("CT").

To: The Board of Commissioners of Public Utilities ("Board")

THE APPLICATION OF HYDRO STATES THAT:

A. Background

1. Hydro is a corporation continued and existing under the *Hydro Corporation Act, 2024*, is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.

B. Application

2. Hydro's 2024 Resource Adequacy Plan[1] developed three load forecasts to reflect the range of forecasted Island Interconnected System load requirements—the Reference Case (the expected load), Slow Decarbonization (which assumes a lower load than expected), and Accelerated Decarbonization (which assumes a higher-than-expected load). Hydro's Expansion Model identified the least-cost options to reliably meet the requirements of the system under each scenario.

3. Hydro's analysis of the Reference Case determined that approximately 525 MW of new generation to address Island Interconnected System reliability requirements would be required by 2034.

[1] "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).

4. Failing to act and implement solutions amid projected growth poses significant risks to system reliability. However, planning for the highest growth scenarios without adequate certainty could result in overbuilding and unnecessarily higher customer rates. To mitigate this risk, Hydro utilized the Slow Decarbonization load forecast to progress a plan involving the minimum investment that is required at this time ("Minimum Investment Expansion Plan").

5. Hydro's proposed Minimum Investment Expansion Plan included:

   (i) Construction of a new 150 MW hydroelectric unit at the Bay d'Espoir Hydroelectric Generating Facility ("BDE") ("BDE Unit 8");

   (ii) Construction of a new 150 MW CT resource with renewable fuel capabilities on the Avalon ("Avalon CT"); and

   (iii) Integration of 400 MW installed capacity of wind generation.

6. Hydro presented its findings and the analysis that led to the above conclusions within the *Reliability and Resource Adequacy Study Review* proceeding (*"RRA Study Review"*). After discussions between Hydro, the parties to the *RRA Study Review*, and Board staff, the parties arrived at a Settlement Agreement[2] in which Hydro, the Consumer Advocate, Newfoundland Power Inc., and the Island Industrial Customers Group agreed that Hydro's recommendation, based on the Slow Decarbonization Case, to build a new 154 MW hydroelectric unit at BDE and a 150 MW CT on the Avalon Peninsula is appropriate as part of the first step in addressing the requirements for additional capacity for the Island Interconnected System and application for these projects should be made for evaluation at this time.

7. Hydro filed an application for approval of BDE Unit 8 and the Avalon CT on March 21, 2025 ("2025 Build Application").

8. Section 41(3) of the *Act* prohibits a utility from proceeding with the construction, purchase, or lease of improvements or additions to its property that exceed the amount prescribed in regulations, at this time being $750,000, without prior approval from the Board. A substantial regulatory process was anticipated for the review of Hydro's 2025 Build Application. During this

[2] "2025 Build Application – Bay d'Espoir Unit 8 and Avalon Combustion Turbine," Newfoundland and Labrador Hydro, March 21, 2025, sch. 2.

time, without approval of the Board, Hydro would not have been able to advance any of the work and analysis necessary to allow the proposed projects to proceed as planned once they received approval.

9. To ensure that the necessary timelines for construction that would be proposed in the 2025 Build Application are met, it was necessary for Hydro to continue in the interim period with certain advance work and analysis that would allow the project to proceed as planned. Pausing this work to await approval of the 2025 Build Application would have significant implications for the proposed projects' schedules and costs.

10. On March 12, 2025, Hydro filed an application for certain capital expenditures that would be necessary during the period of review of the 2025 Build Application to allow the BDE Unit 8 and Avalon CT projects to be able to meet the proposed cost and schedule once they are approved ("Early Execution Application"). On April 25, 2025, the Board issued Order No. P.U. 17(2025) approving Hydro's Early Execution Application and capital expenditures in the amount of $30,710,000 and $16,670,000 for the proposed early execution work for the Avalon CT and the BDE Unit 8 projects, respectively.

11. In the Early Execution Application, Hydro noted that without an Order on the 2025 Build Application by the end of 2025, Hydro would need to file a second early execution application to maintain the project schedule.

12. An Additional Early Execution Application was submitted to the Board in December 2025, with the intention of requesting approval of funds to support continued project activities for the Avalon CT and BDE Unit 8 projects through to mid-2026.[3] Hydro requested approval of capital expenditures for additional early execution work in the amount of $29,294,000 for the Avalon CT and $5,630,000 for BDE Unit 8.

13. Following the regulatory process on Hydro's application, a Settlement Agreement on the Avalon CT was reached, whereby the parties agreed that the additional early execution expenditures of $29,294,000 for the Avalon CT should be approved. In Board Order No. P.U. 7(2026) the

[3] "Additional Early Execution Capital Work – Bay d'Espoir Unit 8 and Avalon Combustion Turbine," Newfoundland and Labrador Hydro, December 12, 2025 ("Additional Early Execution Application").

Settlement Agreement was accepted, and capital expenditures in the amount of $29,294,000, for the proposed additional early execution work for the Avalon CT were approved.

14. Hydro has prepared a reforecast of the approved early execution budget for the Avalon CT to better reflect the anticipated rate of expenditure. It is expected that the current budget of approximately $60 million will be expended by mid-August 2026.[4]

15. The 2025 Build Application process has continued with review of the application and additional information and analysis requested by the Board being completed by the Board's expert, Bates White Economic Consulting, LLC, and other subcontractors. The Board has issued a schedule for completing the review process for the Avalon CT portion of the 2025 Build Application; however, Hydro anticipates that approval for the Avalon CT project will not be received prior to the completion of the currently approved expenditures.

16. To mitigate the risks of delays to the project schedule and the resulting risks of substantial cost impacts that could occur if Hydro were unable to proceed with capital expenditure because of a lack of authorization pursuant to Section 41(3) of the *Act*, Hydro believes it is necessary to request approval of Phase II additional early execution capital expenditures ("Phase II Additional Early Execution").

17. Schedule 1 to this application provides the description of the additional capital expenditures that are necessary, before full approval of the 2025 Build Application will be available, to allow the Avalon CT project to continue without significant impacts on schedule and costs. The Phase II Additional Early Execution would assist with the mitigation of cost and schedule impacts that would arise from pausing work pending approval. As with the previous early execution requests, Hydro is proposing to defer the determination of whether the expenditures can be recovered from customers to the 2025 Build Application.

18. The Phase II Additional Early Execution work is generally a continuation of the work that was previously approved for the Avalon CT and began in 2025. The scope is estimated to be $35,407,000.

[4] "Avalon Combustion Turbine Project Early Execution Update," Newfoundland and Labrador Hydro, May 22, 2026.

19. The total of all early execution scope, previously approved and requested herein, for the Avalon CT is $95,411,000.

20. The proposed Phase II Additional Early Execution scope for the Avalon CT is summarized in Schedule 1 to the application in Section 2.4.

21. The critical path of a project is the longest sequence of tasks that must be completed on time for the entire project to stay on schedule. If any task on the critical path is delayed, the final project completion date is also delayed unless adjustments are made. Identifying the critical path helps teams prioritize the most time-sensitive activities and allocate resources effectively. The documents in Schedule 2 show high-level milestones, the regulatory process, and the key long-lead equipment activities that are forecast to progress into 2026.

22. In Board Order No. P.U. 17(2025), approving the original early execution request, the Board accepted that the approval of the proposed early execution work in advance of the conclusion of the 2025 Build Application would reduce risks to the schedule and costs of the proposed projects. The Board found that the evidence supported the conclusion that the project estimates are time-sensitive and that increasing supply chain pressures increase the risk of delays and higher costs for ratepayers. The Board accepted that the financial consequences of delays in the projects could be substantial, including price escalation, higher demand costs and additional interest during construction and found that the approval of the proposed capital expenditures for the early execution work was reasonable and necessary in these circumstances.

23. Similarly, in Board Order No. P.U. 7(2026) issued on March 13, 2026, the Board approved the proposed additional early execution expenditures for the Avalon CT, finding that that the expenditures for the additional early execution work for the Avalon CT are reasonable and necessary in the circumstances and should be approved, and accepting the Settlement Agreement between the parties which noted that delay of the scope of work proposed in the Additional Early Execution Application for the proposed Avalon CT project would have impacts on the schedule for the project that could result in substantial financial consequences and that the additional early execution expenditures related to the proposed Avalon CT are necessary to avoid schedule delays and possible cost escalations.

24. The ability to proceed with this Phase II Additional Early Execution work in advance of approval of the Avalon CT project will assist with mitigating the risks to project schedule and costs that would result from Hydro's inability to continue with capital expenditures necessary to advance the critical activities outlined in this application. This is further described in Schedule 1. As established in the previous early execution applications, cost implications from pausing the work could be substantial.

C. Newfoundland and Labrador Hydro's Request

25. Hydro requests that the Board make an Order approving the additional capital expenditures as set out in this application, necessary for capital work related to the future construction of the Avalon CT.

B. Communications

26. Communications with respect to this application should be forwarded to Shirley A. Walsh, Senior Legal Counsel, Regulatory for Hydro.

DATED at St. John's in the province of Newfoundland and Labrador on this 19th day of June 2026.

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Counsel for the Applicant
Newfoundland and Labrador Hydro
500 Columbus Drive, P.O. Box 12400
St. John's, NL A1B 4K7
Telephone: (709) 685-4973

Schedule 1

Phase II Additional Early Execution Capital Work for the Avalon Combustion Turbine

Contents

1.0 Background 1
1.1 Early Execution Application 2
1.2 2025 Build Application 3
1.3 Additional Early Execution Application 5
2.0 Avalon CT 7
2.1 Components of the Project 7
2.2 Approved Original Early Execution and Additional Early Execution Application Scope for Avalon CT 7
2.3 Status of Approved Early Execution Work 9
2.3.1 EPCM Procurement 9
2.3.2 Long-Lead Equipment 10
2.3.3 Early Execution Civil Works 10
2.3.4 Transmission Line Relocations with Newfoundland Power Inc. 11
2.3.5 Geotechnical Investigation 11
2.3.6 Miscellaneous Engineering Studies 11
2.3.7 Project Management and Resourcing 11
2.4 Phase II – Additional Early Execution Work 11
2.5 Budget 13
2.6 Least-Cost Evaluation 14
3.0 Benefits of Approval of Phase II Additional Early Execution 15
4.0 Conclusion 16

1.0 Background

For the 2024 Resource Adequacy Plan,[1] three forecasts were developed to reflect the range of forecasted Island Interconnected System load requirements—the Reference Case (the expected load), Slow Decarbonization (assumes a lower load than expected), and Accelerated Decarbonization (assumes a higher-than-expected load). Newfoundland and Labrador Hydro's ("Hydro") Expansion Model identified the least-cost options to reliably meet the requirements of the system under each scenario. Hydro's analysis of the Reference Case determined that approximately 525 MW of new generation to address Island Interconnected System reliability requirements would be required by 2034.

To mitigate the reliability or increased customer rate risks associated with either the failure to advance solutions for forecasted growth or overbuilding for the highest load growth scenarios, respectively, Hydro utilized the Slow Decarbonization load forecast to progress a plan involving the minimum investment that would be required to address the system needs ("Minimum Investment Expansion Plan") while continuing to progress planning for the Reference Case.

Hydro's proposed Minimum Investment Expansion Plan included:

- Construction of a new 150 MW[2] hydroelectric unit at the Bay d'Espoir Hydroelectric Generating Facility ("BDE") ("BDE Unit 8");
- Construction of a new 150 MW Combustion Turbine ("CT") resource with renewable fuel capabilities on the Avalon ("Avalon CT"); and
- Integration of 400 MW installed capacity of wind generation.[3]

Hydro presented its findings and the analysis that led to the above conclusions within the *Reliability and Resource Adequacy Study Review* proceeding ("*RRA Study Review*"), including through a number of technical conferences. After discussions between Hydro, the parties to the *RRA Study Review*, and the Board of Commissioners of Public Utilities ("Board") hearing counsel, the parties arrived at a Settlement Agreement in which Hydro, the Consumer Advocate, Newfoundland Power Inc. ("Newfoundland

[1] "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).
[2] All references to capacity are in nominal terms.
[3] The 2024 Resource Adequacy Plan analysis identified a requirement for 400 MW of energy; however, Hydro is pursuing alternatives to decrease this requirement. While Hydro will continue to advance solutions, including wind generation, wind does not form part of Hydro's application for the capital expenditures related to the purchase and installation of BDE Unit 8 and Avalon CT ("2025 Build Application").

Power"), and the Island Industrial Customer Group jointly advised the Board that various issues arising regarding the *RRA Study Review* and the 2024 Resource Adequacy Plan had been settled by negotiations between them.[4] The parties agreed that Hydro's recommendation to build a new 154 MW unit at BDE and a 150 MW CT on the Avalon Peninsula, based on the Slow Decarbonization Case, was appropriate as part of the first step in addressing the requirements for additional capacity for the Island Interconnected System, and an application for these projects should be made for evaluation.

Hydro filed its 2025 Build Application for approval of the Avalon CT and BDE Unit 8 on March 21, 2025.[5]

1.1 Early Execution Application

While completing front-end engineering and design ("FEED") in advance of the 2025 Build Application filing, Hydro had determined that certain advance work and analysis must begin to allow the projects to proceed on the necessary schedule. Beginning the work while review of the overall project was underway and allowing the work to continue to avoid delay in milestones would help to reduce the likelihood of cost increases due to market demands and ensure the necessary timelines for construction proposed in the 2025 Build Application were met. Project estimates are time sensitive, and supply chain pressures continue to increase; delay during project execution increases the risk of higher costs to ratepayers. Hydro determined that pausing the work while the overall application was being considered would have significant implications for the proposed projects' schedules and costs.

On March 12, 2025, Hydro filed an application for approval of the capital expenditures that were necessary, even before full approval of the 2025 Build Application could be available, to allow the BDE Unit 8 and Avalon CT projects to be able to meet the proposed cost and schedule once they were approved ("Early Execution Application"). Hydro proposed to defer the determination of whether the expenditures could be recovered from customers to the 2025 Build Application proceeding.

After a process including Requests for Information ("RFI") from the Consumer Advocate, Newfoundland Power, and the Board, and final submissions by the Consumer Advocate and Newfoundland Power, the Board approved Hydro's application for Early Execution capital expenditures. In Board Order No. P.U. 17(2025), issued April 25, 2025, the Board accepted that the approval of the proposed early

[4] The Labrador Interconnected Group signed only to the extent to reflect agreement to item 1 in the Settled Issues List that forms part of the Settlement Agreement. That item does not have implications for the proposals in the 2025 Build Application.
[5] "2025 Build Application – Bay d'Espoir Unit 8 and Avalon Combustion Turbine," Newfoundland and Labrador Hydro, March 21, 2025.

execution work in advance of the conclusion of the 2025 Build Application would reduce risks to the schedule and costs of the proposed projects. The Board found that the evidence supported the conclusion that the project estimates are time-sensitive and increasing supply chain pressures increase the risk of delays and higher costs for ratepayers. The Board accepted that the financial consequences of delays in the projects could be substantial, including price escalation, higher demand costs and additional interest during construction ("IDC") and found that the approval of the proposed capital expenditures for the early execution work was reasonable and necessary given the circumstances. The Board directed Hydro to file monthly reports with the progress and the status of the early execution work for both projects; Hydro continues to provide the required reports.

1.2 2025 Build Application

Since the filing of the 2025 Build Application in March 2025, Hydro has assisted with the review of the application by the Board's consultant, Bates White Economic Consulting, LLC ("Bates White"). As noted in the Board's correspondence on May 7, 2025, the Board asked Bates White to review the application. Bates White subsequently provided a preliminary report in June 2025, which was shared with the parties and placed on the record, with an addendum issued in November 2025.[6,7]

In the Board's correspondence on July 22, 2025, requesting additional information, the Board noted Hydro's position that not having project approval by the fourth quarter of 2025 risks increased costs for construction of the project and delays in completion. The Board asked that Hydro address the impact for the project if approval is not received by year-end, including whether an application for additional early execution work would be anticipated.

Hydro's response, filed on September 11, 2025, noted that assuming the procurement commitments estimated in the original early execution budgets do not materially increase, Hydro anticipated that it could continue to execute its early execution work activities into the first quarter of 2026. However, if approval by the Board was to be delayed beyond that timeframe, an additional early execution application would be required. Hydro filed an Additional Early Execution Application[8] on December 12, 2025, as detailed further in Section 1.3.

[6] "Expert Report of Vincent Musco and Collin Cain," Bates White Economic Consulting, LLC, June 26, 2025.
[7] "Expert Addendum Report of Vincent Musco and Collin Cain," Bates White Economic Consulting, LLC, November 6, 2025.
[8] "Additional Early Execution Capital Work – Bay d'Espoir Unit 8 and Avalon Combustion Turbine," Newfoundland and Labrador Hydro, December 12, 2025 ("Additional Early Execution Application").

In December 2025, Hydro executed a contract for the procurement of the CT package for the Avalon CT project at a cost materially higher than originally estimated. Securing this contract enabled Hydro to avoid further exposure to the market volatility, which could have materially increased costs for customers.[9] Hydro filed the updated actual costs for the Avalon CT project with the Board on December 19, 2025.[10] On March 9, 2026,[11] Hydro filed revised cost estimates for the project, including updated contingency and management reserve informed by a refreshed Monte Carlo analysis and on March 12, 2026, Hydro filed its response to issues identified by the Board's consultant, Bates White, in its Phase Two Expert Report, which was submitted on February 3, 2026.

Hydro provided an evidentiary update on April 16, 2026, that included a revised expansion plan analysis, a revised basis of estimate for the project, and a briefing note summarizing the cost revision and Monte Carlo Simulation analysis performed.[12]

Following the filing of the evidentiary update, the Board directed Hydro to provide further information regarding Hydro's evidentiary update and its response to Bates White's Phase Two Expert report. Hydro provided this additional information on May 15, 2026.[13] The Board's Consultant put forward a final report (Addendum Report) to the Phase Two proceedings on June 5, 2026, which Hydro is actively reviewing.

On May 13, 2026, the Board issued a review schedule for the Avalon CT project within the 2025 Build Application, consisting of RFIs, party submissions, and the filing date of Hydro's final submission scheduled for July 22, 2026.[14]

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[9] Mark Shenk, "Rush for US Gas Plants Drives Up Costs, Lead Times," *Reuters*, July 21, 2025, https://www.reuters.com/business/energy/rush-us-gas-plants-drives-up-costs-lead-times-2025-07-21/.

[10] "Newfoundland and Labrador Hydro – Application for Capital Expenditures for the Purchase and Installation of Bay d'Espoir Unit 8 and Avalon Combustion Turbine, and Bay d'Espoir Unit 8 Project and Avalon Combustion Turbine Project Early Execution Updates for October 2025 – Request for Further Information – Hydro's Reply," Newfoundland and Labrador Hydro, December 19, 2025.

[11] "Newfoundland and Labrador Hydro – 2025 Capital Budget Supplemental Application – Application for the Purchase and Installation of Bay d'Espoir Unit 8 and Avalon Combustion Turbine – Avalon Combustion Turbine Estimate Refresh," Newfoundland and Labrador Hydro, March 9, 2026.

[12] "Newfoundland and Labrador Hydro – 2025 Capital Budget Supplemental Application – Application for the Purchase and Installation of Bay d'Espoir Unit 8 and Avalon Combustion Turbine – Revision 1 and Evidentiary Update," Newfoundland and Labrador Hydro, April 16, 2026.

[13] "Newfoundland and Labrador Hydro – 2025 Capital Budget Supplemental Application – Application for the Purchase and Installation of Bay d'Espoir Unit 8 and Avalon Combustion Turbine – Further Information," Newfoundland and Labrador Hydro, May 15, 2026.

[14] The Board-issued review schedule includes a process for RFIs to end on July 3, 2026, and Hydro's reply to party comments on the proposed project due on July 22, 2026.

1.3 Additional Early Execution Application

Hydro submitted an Additional Early Execution Application to the Board in December 2025 requesting approval of funds to support continued project activities for the ACT project through to mid-2026 to allow for the continued regulatory review of the 2025 Build Application.

The Board, Newfoundland Power and the Consumer Advocate filed RFIs on January 13, 2026. These RFIs were completed and provided by Hydro on January 28, 2026, in which Hydro advised that the additional early execution work for the Avalon CT consisted of work necessary to bridge the period between the completion of the early execution work originally approved in Board Order No. P.U. 17(2025) and the date of project approval, including milestone payments for the executed CT contract and additional procurement activities. On February 9, 2026, the Board established an expedited process for the additional early execution work for the Avalon CT, including a settlement conference which was held on February 17, 2026.

A Settlement Agreement was reached, whereby the parties agreed that the Additional Early Execution Application expenditures for the Avalon CT should be approved. The parties agreed that delay of the scope of work proposed in the Additional Early Execution Application for the proposed Avalon CT project would have impacts on the schedule for the project that could result in substantial financial consequences and that the additional early execution expenditures related to the proposed Avalon CT are necessary to avoid schedule delays and possible cost escalations.

The Board accepted the Settlement Agreement and found that the expenditures for the additional early execution work for the Avalon CT are reasonable and necessary in the circumstances and should be approved, detailing their reasons in Board Order No. P.U. 7(2026) issued on March 13, 2026.

As discussed in the May 2026 Avalon CT Early Execution Report, filed in compliance with the Board's direction in its approval of the Early Execution Application, a re-forecast of the latest approved additional early execution budget has been completed to better reflect the anticipated rate of expenditure. It is expected that the current budget of approximately $60 million will be expended by mid-August 2026.[15]

[15] "Avalon Combustion Turbine Project Early Execution Update," Newfoundland and Labrador Hydro, May 22, 2026, sec. 5.0, p. 6 (May 2026 Avalon CT Early Execution Report").

Based on the review schedule set by the Board for the Avalon CT within the 2025 Build Application,[16] Hydro anticipates that approval for the Avalon CT project will not be received prior to the exhaustion of the currently approved expenditures and budget. Once Hydro completes the work and expenditures approved by the Board in Order Nos. P.U. 12(2025) and P.U. 7(2026), absent approval of the 2025 Build Application, Hydro would be prohibited from proceeding any further. Crucially, approval of this application will allow Hydro to continue with the established milestone payments for the Avalon CT contract, ensuring the terms of that agreement, including price and production slot, are maintained. Approval will enable Hydro to avoid the impacts of cost escalation and high demand currently facing the industry,[17,18] which would have otherwise been borne by customers. Finally, approval of the second phase of additional early execution expenditures ("Phase II Additional Early Execution") will maintain the critical path to completion. The concerns regarding delays in the project schedule as a result of having to pause work pending approval, and the associated risks of increased costs, remain. Pausing this work to await approval of the 2025 Build Application would have significant implications for the proposed project schedule and cost.

Section 41(3) of the *Public Utilities Act* (*"Act"*) prohibits a utility from proceeding with the construction, purchase, or lease of improvements or additions to its property that exceed the amount prescribed in regulations, at this time being $750,000, without prior approval from the Board. Both the approved Early Execution Application as well as the Additional Early Execution Application allowed Hydro to continue working during the review period of the 2025 Build Application to ensure that the timelines for construction could be met.

As such, based on the currently issued schedule for review of the Avalon CT project, Hydro believes approval of Phase II Additional Early Execution is warranted to mitigate supply chain and other risks, including escalation and the impacts of other projects.

[16] "Newfoundland and Labrador Hydro - Application for Capital Expenditures for the Purchase and Installation of Bay d'Espoir Unit 8 and Avalon Combustion Turbine - To Parties - Avalon Combustion Turbine - Review Schedule," Board of Commissioners of Public Utilities, May 13, 2026.
[17] "Gas Turbine Prices Soar 195% as Market Faces Supply-Demand Crisis," Wood Mackenzie, April 1, 2026, https://www.woodmac.com/press-releases/gas-turbine-prices-soar-195-as-market-faces-supply-demand-crisis/.
[18] Anna Flávia Rochas, "Power Developers Adapt Gas Turbine Strategies to Mitigate Tight Supply," Reuters, March 2, 2026, https://www.reuters.com/business/energy/power-developers-adapt-gas-turbine-strategies-mitigate-tight-supply--reeii-2026-03-02/.

2.0 Avalon CT

2.1 Components of the Project

As noted in the Early Execution Application, the Avalon CT will have several components:

- Generation Facility
  - A new powerhouse with multiple CT generating units for a total nominal capacity of 150 MW, transformers, auxiliary mechanical and electrical equipment, control and protection equipment, fire protection system, demineralized water plant, compressed air, black start generator system, etc.
- Raw Water System
  - A new raw water intake and pumphouse will supply water for both domestic use and the demineralized water plant.
- Fuel Offloading System
  - A new fuel tank farm and truck offloading and handling system for supply to the powerhouse.
  - A fuel line to the existing Holyrood Marine Terminal.
- Transmission and Terminal Facilities
  - A new high-voltage 230 kV terminal station supplied from the generator step-up ("GSU") transformers.
  - Modifications and rerouting of the existing Transmission Line TL218 into the new terminal station.
  - Rerouting existing Newfoundland Power transmission lines to facilitate site construction.

Early execution enables project continuity through the regulatory process and maintains the overall project schedule.

2.2 Approved Original Early Execution and Additional Early Execution Application Scope for Avalon CT

The original early execution scope included the following work necessary to bridge the period between the completion of FEED and receiving project approval from the Board:

- Critical Path Request for Proposal ("RFP") preparation, issuance and award for CT and GSU transformers. This entails the detailed engineering and fabrication scheduling necessary to complete the work and includes firm confirmation of the final supply and pricing, and schedule.
- Complete Environmental Assessment ("EA") report and registration and continue with the stakeholder engagement process.
- Engage Engineering Support from an EPCM[19] contractor to support the following activities:
  - Complete geotechnical investigations and surveys needed to support the execution phase; and
  - Detailed execution planning activities, such as establishing the project execution plan, contracting plan, and other planning documentation.
- Avalon CT interface optimization assessments in areas such as fire water supply, overall site fuel utilization, etc.
- Preparation of early execution RFP and engagement with early execution contractors to complete initial geotechnical work and minor excavations in preparation to support transmission line relocation and new line installations to ensure the overall schedule can be maintained.

The approved Additional Early Execution Application scope included the following work, necessary to bridge the period between the completion of the original Early Execution work and receiving approval from the Board of the 2025 Build Application:

- Manage oversight and fabrication of CT and GSU transformers from a quality and timely delivery perspective to ensure that all identified risks are mitigated. This includes oversight, verification and adherence to contractual milestone payments by suppliers.
- Development and issuance of an RFP for electrical breakers to de-risk issues around long lead equipment.
- Continuation of RFP bid submission review and award of EPCM contract, followed by full-time engagement and integration of consultant team.

[19] Engineering, Procurement and Construction Management ("EPCM").

- Inclusion of additional project management and engineering team members to prepare for and support engineering discipline oversight in advance of, and following, the EPCM contract award.

2.3 Status of Approved Early Execution Work

The following sections provide the status of the early execution work scopes approved for the Avalon CT in Board Orders Nos. P.U. 17(2025) and P.U. 7(2026).

2.3.1 EPCM Procurement

A revised RFP was issued on October 24, 2025, and closed on March 4, 2026. The contract award is anticipated by the end of July 2026 to allow for review of the proposals and discussions, and negotiations with the successful proponents to finalize the terms and conditions and other commercial aspects.[20] Hydro's Early Execution Application detailed that Hydro planned to engage engineering support from an EPCM contractor for support in the following activities:

- Complete geotechnical investigations and surveys needed to support the execution phase; and
- Detailed execution planning activities, such as establishing a project execution plan, contracting plan, and other planning documentation.

As noted below, the work on the geotechnical investigations has continued. Hydro also progressed various engineering studies to further determine assumptions made in the FEED phase with the goal of reducing overall project risk. Additional execution planning activities, prior to EPCM award, were not required to be accelerated mainly due to the delayed CT package deliveries as a result of the present global market demand. Further schedule refinement will be completed once the EPCM contract has been awarded.

Analysis of Hydro's current schedule prepared based on Hatch Ltd.'s ("Hatch") original FEED schedule in 2024 indicates that sufficient flexibility remains to accommodate additional time in review for the 2025 Build Application, as early execution engineering progress through 2025 has offset potential schedule impacts. Therefore, there is currently no change to the overall project Commercial Operation Date

[20] The original RFP was issued on June 20, 2025, and after an extension, closed on August 28, 2025. The anticipated award date was December 9, 2025. That RFP concluded without identifying a successful proponent. Hydro modified the scope to align with market feedback and issued an alternative RFP on October 24, 2025, which closed March 4, 2026, as noted above. The period for review of proposals and to issue the award in the original RFP was approximately 103 days. The review period of the current RFP, considering July 29, 2026, to be the end of July, is 147 days. The original RFP had one bidder. This RFP received five substantial, comprehensive bids.

("COD") based on the original FEED schedule. Once the EPCM contract is awarded, further refinement of the schedule will be completed to confirm a final COD. Since RFP closure, the project team is reviewing the bid proposals.

2.3.2 Long-Lead Equipment

The following is an update on the procurement status of long-lead items:

- **CT Packages:** Hydro concluded its negotiations with General Electric ("GE") by entering into an agreement on December 15, 2025, with an initial payment on contract signing. The agreement details specific progress payments through the life of the agreement, and the negotiated cancellation provisions stipulate that if cancellation were to occur prior to delivery of the CT packages, the progress payments made as of the date of cancellation are non-recoverable. The second payment was paid on March 26, 2026, to secure the production slots and contract price. Hydro has continued making monthly payments since the initial payments. During this time, Hydro had requested approval to make this capital expenditure, among others, in its Additional Early Execution Application filed with the Board in December 2025. The Board approved Hydro's Additional Early Execution Application for the Avalon CT in Board Order No. P.U. 7(2026), which enabled required expenditures to progress the CT supply contract.
- **Transformers:** A contract was executed with Hitachi Canada Energy Ltd. on March 26, 2026. The schedule shift for the transformer procurement does not impact the project COD.
- **Electrical Breakers:** Hydro completed a review of known long-lead equipment required for the Avalon CT project. An RFP for the supply of breakers for both the Avalon CT project and BDE Unit 8 project was issued on April 10, 2026. The RFP closed on June 9, 2026.[21]

2.3.3 Early Execution Civil Works

The Cahill Group was awarded the civil works scope in August 2025 and completed the work in December 2025.

[21] As the breakers for the Avalon CT project and the BDE Unit 8 project are the same, only one RFP has been issued, as a cost saving synergy. The procurement of 230 kV circuit breakers for the Avalon CT project was noted as a proposed additional scope of work in Hydro's Additional Early Execution Application.

2.3.4 Transmission Line Relocations with Newfoundland Power Inc.

Work on Transmission Line 38L was completed, and the rerouted line returned to service. Transmission Line 39L was planned for completion by Hydro and Newfoundland Power during an outage window beginning April 20, 2026; however, the outage was cancelled due to a freezing rain event that began on the same day. Hydro is working with the Newfoundland and Labrador System Operator to determine viable outage windows. While Hydro and Newfoundland Power are planning the relocation work, the actual date of the work will be determined once the outage windows are confirmed and resources are available.

The construction power feed installation will follow the completion of Transmission Line 39L relocation.

2.3.5 Geotechnical Investigation

Field work was completed on December 12, 2025.

2.3.6 Miscellaneous Engineering Studies

Hydro awarded a study to Hatch to investigate the wastewater tie-in to the existing Holyrood site infrastructure, interconnection of the CT1 and CT2 fuel systems, and bulk fuel storage assessment for optimization, inventory management, and segregation of storage for third-party access. Hatch has submitted their findings and recommendations, which Hydro is reviewing.

2.3.7 Project Management and Resourcing

The Project Management Team continues to review and optimize the Avalon CT execution plan with a focus on risk reduction. The project team size remains stable; however, additional internal resources will be required in advance of, and following, the EPCM contract award in the third quarter of 2026.

2.4 Phase II – Additional Early Execution Work

The Early Execution Application and Additional Early Execution Application scopes were proposed to provide Hydro with the authority to continue its expenditures to enable project continuity and maintain the overall project schedule through the anticipated approval of the proposed projects by the end of June 2026. As discussed in the May 2026 Avalon CT Early Execution Report, Hydro completed a reforecast of the approved additional early execution budget to better reflect the anticipated rate of expenditure. It is expected that the current budget of approximately $60 million will be expended by mid-August 2026.

The concerns regarding delays in the project schedule and the associated risks of increased costs remain. Without continued approval, Hydro is unable to continue with the necessary capital expenditures, such as the CT and transformer milestone payments, to maintain the project schedule. As such, Hydro believes that further approval for Phase II Additional Early Execution work is necessary to allow work to proceed up to the end of 2026 while the review process for the 2025 Build Application as set by the Board is completed.

To ensure project continuity and regulatory efficiency, Hydro has included project activities up to the end of 2026 for the Avalon CT project within this Phase II Additional Early Execution application; however, that is not to indicate that the costs and schedule of the proposed project would not be impacted if approval was not received until that date. Lengthy regulatory processes without clear indications of approval can erode vendor confidence, discourage participation, and ultimately increase project costs by reducing the pool of competitive bidders. Hydro is actively monitoring these risks, among others, within the Avalon CT project.

The Phase II Additional Early Execution scope includes the following work necessary to bridge the period between the completion of the approved scope of the Additional Early Execution Application and receiving project approval from the Board, with approval anticipated to occur prior to the end of 2026:

- Manage oversight and fabrication of CT and GSU transformers from a quality and timely delivery perspective to ensure that all visible risks are mitigated. This will include oversight, verification and adherence to contractual milestone payments by suppliers.
- Review and award the RFP for electrical breakers to derisk issues around long lead equipment.
- Review and award the RFP for EPCM contract, followed by full-time engagement and integration of consultant team. Kick-off EPCM detailed design and revision of execution plan and schedule.
- Inclusion of additional project management team members to support various engineering disciplines in advance of and following the EPCM contract award.

2.5 Budget

The costs associated with the Phase II Additional Early Execution scope total $35.4 million, which is not inclusive of [redacted] million[22] of forecasted cancellation clause operating costs that would be incurred in the event the project is not approved. Details of the budget are set out in Table 1.

Table 1: Phase II Additional Early Execution Budget for Avalon CT ($000)

Category	Approved Budget Amount[23] (A)	Description of Phase II Additional Early Execution Costs to End of December 2026	Phase II Additional Early Execution Budget (B)	Cancellation Clause Costs[24] (C)	Total Early Execution Capital Budget (A+B)	Total Financial Risk Exposure including Cancellation Costs (A+B+C)
EPCM Support and Internal Project Management	[redacted]	Engineering and other work performed by EPCM during the period.	[redacted]	[redacted]	[redacted]	[redacted]
CT Procurement	[redacted]	Manage oversight and fabrication of CT package, contract payment terms for equipment.	[redacted]	[redacted]	[redacted]	[redacted]
Early Site Works and Geotechnical Study	[redacted]	Continued site work.	[redacted]	[redacted]	[redacted]	[redacted]
GSU Transformer Procurement	[redacted]	Manage oversight and fabrication of GSU transformers, inclusion of cancellation clauses per contract.	[redacted]	[redacted][25]	[redacted]	[redacted]
EA Registration and Studies	[redacted]	Consultant studies.	[redacted]	[redacted]	[redacted]	[redacted]
Contingency	5,670	Additional contingency associated with continuation of early execution project.	212	-	5,882	5,882
IDC and Escalation	1,181	Additional IDC and escalation associated with the continuation of the early execution project.	1,450	-	2,631	2,631
Total	**60,004**		**35,407**	[redacted]	**95,411**	**100,111**

[22] In addition to the GSU transformer procurement cancellation costs, there is a forecasted expenditure of approximately [redacted] million related to project closeout activities with the EPCM contractor. This would occur in the case that the project is not ultimately approved.

[23] As approved in Board Order Nos. P.U. 12(2025) and P.U. 7(2026).

[24] Reserve for cancellation clause payments. These are only paid in the event that the project is not approved and are therefore considered operating costs. They have not been included within the Phase II Additional Early Execution capital budget.

[25] Cancellation clauses for the GSU transformer have reduced from the amounts noted in the Additional Early Execution Application and associated proceedings. The original total exposure cost was estimated as a percentage of the total estimated contract value at the time. The original cancellation clause was then defined as the difference between that estimated exposure and the estimated contract costs to be incurred through mid-2026 ([redacted] million). With a firm contract value now established for the GSU transformers, the remaining cancellation clause is defined as the difference between the estimated contract exposure of the negotiated price and the estimated costs incurred through the end of 2026 ([redacted] million).

The contracting strategy for the Phase II Additional Early Execution includes mechanisms, where appropriate, to enable Hydro to limit or cancel the services or procurement in the event Board approval is not provided on the 2025 Build Application. In the circumstance where the project is cancelled, Hydro would be responsible for any associated project termination costs, such as demobilization, engineering work performed, time, and materials. In addition, for certain contracts, Hydro would be responsible for payment of industry-standard cancellation charges that increase proportionally to the amount of work performed at the time of cancellation. Contract cancellation clauses are generally required by vendors to protect against the risks of entering into a contractual agreement for a project that may not proceed if regulatory approvals are not obtained. Cancellation clauses are not part of the proposed authorized project budgets as they are considered operating costs **that are only incurred if the project is not approved**.

As delay in project approval and the incorporation of cancellation clauses present a material financial risk to Hydro, Hydro is also exploring mitigations to reduce or eliminate the cost risk associated with cancelling active procurements in the event the project is not approved. This may include repurposing the equipment for other Hydro projects or selling the procured goods.

2.6 Least-Cost Evaluation

The scope identified in this application represents the continued execution of approved early execution work associated with an overall plan for construction that has been analyzed and developed as the least-cost solution.

In its Avalon CT evidentiary update, Hydro completed updated expansion planning analysis to assess the impact of the increased CT cost across a range of scenarios reflecting variations in load growth, Labrador-Island Link ("LIL") equivalent forced outage rates, fuel burn-off requirements, and capital-cost assumptions. The results demonstrate that the Avalon CT continues to be selected in the majority of scenarios as a least-cost supply addition within the planning period. The analysis consistently demonstrates that CT capacity on the Avalon Peninsula is required to meet system needs.[26]

[26] "Newfoundland and Labrador Hydro – 2025 Capital Budget Supplemental Application – Application for the Purchase and Installation of Bay d'Espoir Unit 8 and Avalon Combustion Turbine – Revision 1 and Evidentiary Update," Newfoundland and Labrador Hydro, April 16, 2026.

In addition to its contribution to system capacity, the Avalon CT provides important operational benefits. As a dispatchable resource located on the Avalon Peninsula, it supports voltage levels on the transmission system and mitigates transmission constraints, following the retirement of the Holyrood Thermal Generating Station ("Holyrood TGS").

Taken together, the results of the updated cost assessment, expansion planning analysis, and LIL shortfall analysis demonstrate that the Avalon CT continues to be a necessary and appropriate investment. The project provides a timely and flexible source of dispatchable generation that addresses both system-wide and on-Avalon reliability requirements and supports Hydro's ability to provide safe and adequate service under a range of future conditions.

3.0 Benefits of Approval of Phase II Additional Early Execution

The review of the 2025 Build Application is underway, and a substantial amount of analysis and discussion with Bates White has taken place since the filing in March 2025. The Board has issued a review schedule for the remaining process regarding the Avalon CT. The initial stages of the Avalon CT project, as set out and approved in Board Orders Nos. P.U. 17(2025) and P.U. 7(2026), have advanced with the aim of maintaining the proposed project in-service dates. However, project estimates are time sensitive and supply chain pressures continue to increase.

The ability to continue with early execution work through 2026 in advance of approval of the 2025 Build Application will provide risk mitigation by protecting the project's in-service dates that were established during FEED. If the critical activities outlined are not advanced as planned in the project schedules, the overall project will be delayed, and project costs will increase.

A significant risk mitigation for the Avalon CT project is to maintain the planned project schedule, which would minimize the associated cost/schedule impacts associated with potential market pressures. Most importantly, this includes making the required milestone payments as stipulated in the CT contract with GE. Without approval, Hydro is at risk of not making payments, which would result in the loss of Hydro's manufacturing slot, incurring cancellation costs, and ultimately bearing additional costs to customers.

The ability to advance engineering with engagement of the original equipment manufacturers ("OEM") during this phase affords an opportunity to coordinate interfaces between the OEM equipment designs

and the remaining facility designs. This is a major benefit for mitigating interface and schedule issues, which could lead to late design changes and associated construction delays and costs.

Onboarding with the selected EPCM will kick off the start of detailed design and commence project setup that would include a project execution plan, contracting plan, schedule and other planning documentation.

Further, by continuing with the necessary work described above, Hydro will be able to ensure continuity of existing key project staff, improving continuity across the project phases. This work will also enable a smooth transition to the subsequent post-approval phases of the project.

4.0 Conclusion

Hydro's 2025 Build Application, filed in March 2025, requested approval for the capital expenditures necessary to procure and construct BDE Unit 8 and the Avalon CT.

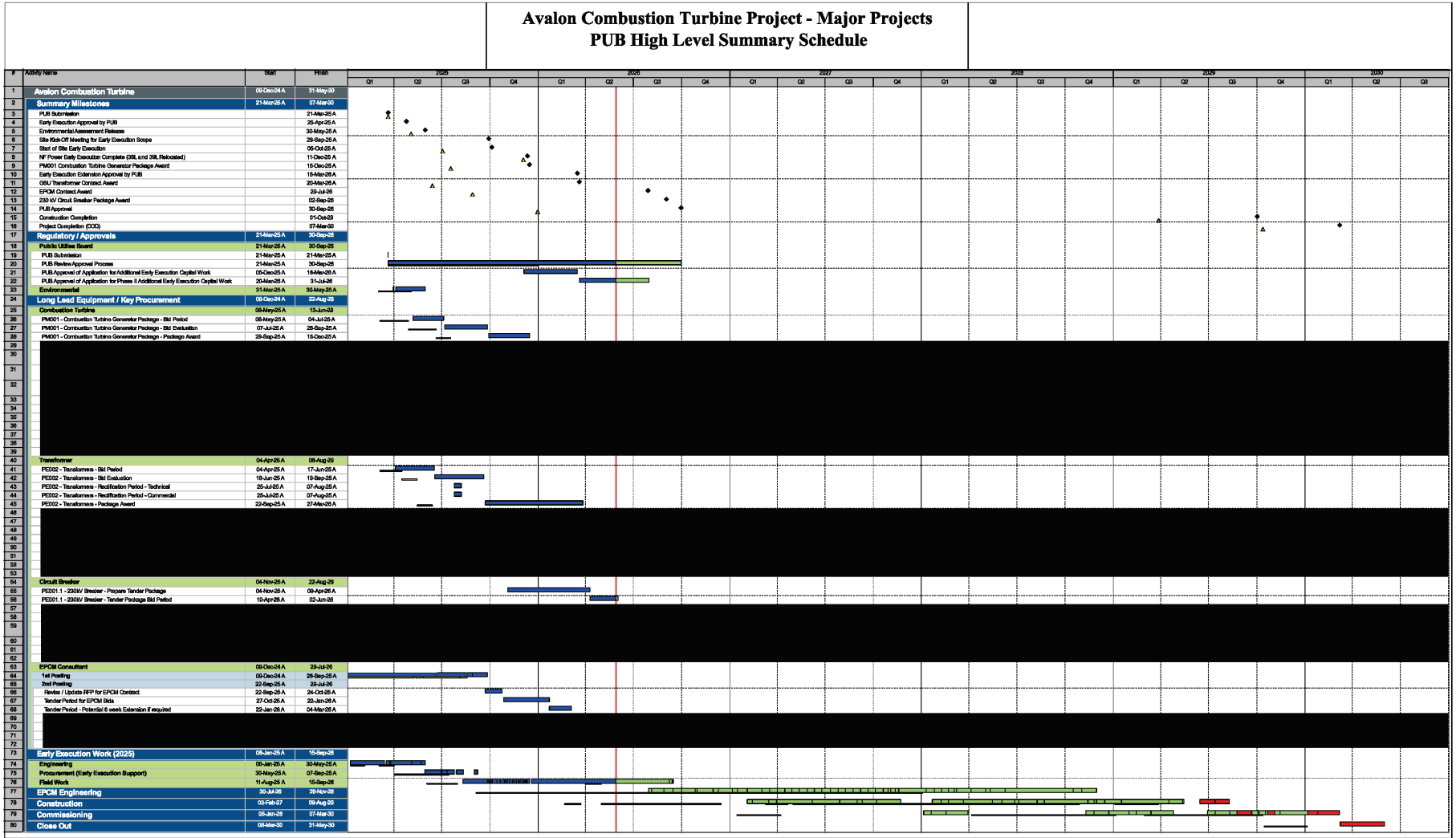
Hydro is conscious of the risks implicit in these large projects, and particularly how the impacts to schedule can result in delays in implementation, subsequent delays in retiring Hydro's Holyrood TGS and the resulting increased costs that could have a substantial impact on customers. Hydro has considered what work must continue in the time pending the completion of the review of the 2025 Build Application, in particular the currently scheduled process for the Avalon CT, to allow for the completion of the review of the Avalon CT project to continue with as little impact as possible.

Hydro's application for approval of a Phase II Additional Early Execution for the Avalon CT, in compliance with Section 41(3) of the *Act*, is intended to balance compliance with legislative requirements, the requirement for the Board and parties to review and understand the work and expenditures necessary, and the need to ensure wherever possible that schedule and costs are being managed prudently to allow for the provision of safe, reliable, environmentally responsible power at the lowest possible cost to customers. The approval of this application will allow Hydro to continue with the established milestone payments for the Avalon CT contract, ensuring the terms of that agreement, including price and production slot, are maintained. Approval will enable Hydro to avoid the impacts of cost escalation and high demand currently facing the industry and to maintain the critical path to completion.

Schedule 2

High-Level Summary Schedule

Avalon Combustion Turbine Project - Major Projects
PUB High Level Summary Schedule



#	Activity Name	Start	Finish
1	Avalon Combustion Turbine	09-Dec-24 A	31-May-30
2	Summary Milestones	21-Mar-25 A	07-Mar-30
3	PUB Submission		21-Mar-25 A
4	Early Execution Approval by PUB		25-Apr-25 A
5	Environmental Assessment Release		30-May-25 A
6	Site Kick-Off Meeting for Early Execution Scope		29-Sep-25 A
7	Start of Site Early Execution		06-Oct-25 A
8	NF Power Early Execution Complete (39L and 39L Relocated)		11-Dec-25 A
9	PM001 Combustion Turbine Generator Package Award		15-Dec-25 A
10	Early Execution Extension Approval by PUB		18-Mar-26 A
11	GSU Transformer Contract Award		20-Mar-26 A
12	EPCM Contract Award		29-Jul-26
13	230 kV Circuit Breaker Package Award		02-Sep-26
14	PUB Approval		30-Sep-26
15	Construction Completion		01-Oct-29
16	Project Completion (COD)		07-Mar-30
17	Regulatory / Approvals	21-Mar-25 A	30-Sep-26
18	Public Utilities Board	21-Mar-25 A	30-Sep-26
19	PUB Submission	21-Mar-25 A	21-Mar-25 A
20	PUB Review/Approval Process	21-Mar-25 A	30-Sep-26
21	PUB Approval of Application for Additional Early Execution Capital Work	05-Dec-25 A	18-Mar-26 A
22	PUB Approval of Application for Phase II Additional Early Execution Capital Work	20-Mar-26 A	31-Jul-26
23	Environmental	31-Mar-25 A	30-May-25 A
24	Long Lead Equipment / Key Procurement	09-Dec-24 A	22-Aug-29
25	Combustion Turbine	08-May-25 A	13-Jun-29
26	PM001 - Combustion Turbine Generator Package - Bid Period	08-May-25 A	04-Jul-25 A
27	PM001 - Combustion Turbine Generator Package - Bid Evaluation	07-Jul-25 A	28-Sep-25 A
28	PM001 - Combustion Turbine Generator Package - Package Award	29-Sep-25 A	15-Dec-25 A
40	Transformer	04-Apr-25 A	06-Aug-29
41	PE002 - Transformers - Bid Period	04-Apr-25 A	17-Jun-25 A
42	PE002 - Transformers - Bid Evaluation	18-Jun-25 A	19-Sep-25 A
43	PE002 - Transformers - Rectification Period - Technical	25-Jul-25 A	07-Aug-25 A
44	PE002 - Transformers - Rectification Period - Commercial	25-Jul-25 A	07-Aug-25 A
45	PE002 - Transformers - Package Award	22-Sep-25 A	27-Mar-26 A
54	Circuit Breaker	04-Nov-25 A	22-Aug-29
65	PE001.1 - 230kV Breaker - Prepare Tender Package	04-Nov-25 A	09-Apr-26 A
66	PE001.1 - 230kV Breaker - Tender Package Bid Period	10-Apr-26 A	02-Jun-26
63	EPCM Consultant	09-Dec-24 A	29-Jul-26
64	1st Posting	09-Dec-24 A	28-Sep-25 A
65	2nd Posting	22-Sep-25 A	29-Jul-26
66	Revise / Update RFP for EPCM Contract	22-Sep-25 A	24-Oct-25 A
67	Tender Period for EPCM Bids	27-Oct-25 A	22-Jan-26 A
68	Tender Period - Potential 6 week Extension if required	22-Jan-26 A	04-Mar-26 A
74	Early Execution Work (2025)	06-Jan-25 A	15-Sep-26
75	Engineering	06-Jan-25 A	30-May-25 A
76	Procurement (Early Execution Support)	30-May-25 A	07-Sep-25 A
77	Field Work	11-Aug-25 A	15-Sep-26
78	EPCM Engineering	30-Jul-26	29-Nov-28
79	Construction	05-Feb-27	09-Aug-29
80	Commissioning	05-Jan-28	07-Mar-30
81	Close Out	08-Mar-30	31-May-30

Critical Remaining Work
Remaining Level of Effort
Actual Level of Effort
Project Baseline
Actual Work
Remaining Work
Baseline Milestone
Milestone

Date	Revision	Checked	Approved
29-May-26	PCS - May 2026 - for Application	JA	

Affidavit

IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 ("*EPCA*") and the *Public Utilities Act*, RSNL 1990, Chapter P-47 ("*Act*"), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("Hydro") for an Order pursuant to Section 41(3) of the *Act* approving capital expenditures related to the construction of the Avalon Combustion Turbine ("CT").

AFFIDAVIT

I, Gail Randell, of St. John's in the province of Newfoundland and Labrador, make oath and say as follows:

1) I am Vice President, Major Projects for Newfoundland and Labrador Hydro, the applicant named in the attached application.

2) I have read and understand the foregoing application.

3) To the best of my knowledge, information, and belief, all of the matters, facts, and things set out in this application are true.

SWORN at St. John's in the province of Newfoundland and Labrador this 19th day of June 2026, before me:

Barrister, Newfoundland and Labrador

Gail Randell

Witnessed through the use of audio-visual technology in accordance with the *Commissioners for Oaths Act* and *Commissioners for Oaths Regulations.*