Q. **Reference: Overhaul Main Enclosure (2027) - Stephenville**

Are there no alternatives costing less than $975,400 to patch the enclosure adequately to keep the plant operating for the 2.5 years to retirement? Is running to failure an acceptable alternative given the 2.5-year lifespan of the gas turbine?

A. The condition of the Stephenville Gas Turbine ("GT") main enclosure has progressed beyond isolated deficiencies, and continued localized repairs cannot reliably mitigate the risk of ongoing deterioration. Failure to restore the enclosure would increase the likelihood of equipment impacts and a forced outage of a generating asset required to support system reliability.

As identified through the 2024 Reliability and Resource Adequacy Study,[1] the Stephenville GT shall remain available for a "Bridging Period";[2] therefore, at this time, capital investment related to the Stephenville GT, such as the overhaul of the main enclosure, is necessary to support system reliability and maintain Hydro's ability to meet customer demand during peak periods.

[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] Hydro considers the Bridging Period to be from the present to 2030 or until such time that sufficient alternative generation is commissioned, adequate performance of the Labrador-Island Link ("LIL") is proven, and generation reserves are met. During the Bridging Period, the system would rely primarily on existing sources of generation capacity to maintain reliability while new generation capacity is being built. The primary, readily available supply options in this period are extending the retirements of the Holyrood Thermal Generating Station, Stephenville GT and the Hardwoods GT until their capacities can be adequately replaced.