

Q. **Reference: Schedule 3, Holyrood Thermal Generating Station Overview Reference: page 4**

The Hatch Life Extension Condition Assessment Study (“LECA”) study completed in 2022 and updated in 2025 provided a capital expenditure plan to support the baseload operation of the Holyrood TGS to 2030.

Complete the table below, comparing the LECA 2022 and 2025 capital expenditure plan provided by Hatch to the actual and forecast capital expenditures for the Holyrood TGS.

	2022	2023	2024	2025	2026	2027	2028	2029	2030
2022 LECA									
2025 Update									
Actual									
Budget/Forecast									
Variance ¹									

¹ Note: Calculate variance as the difference between the Budget/Forecast or Actual amount less the 2025 Update amount.

A. Please refer to Table 1 below for a comparison of Newfoundland and Labrador Hydro’s (“Hydro”) actual and forecast capital expenditures for the Holyrood Thermal Generating Station (“Holyrood TGS”), to the capital expenditure plan provided by Hatch Ltd. (“Hatch”) in the Life Extension Condition Assessment (“LECA”) conducted as part of the Reliability and Resource Adequacy Review¹ proceeding, and the Capital Plan Refresh performed in March 2025.²

Discrepancies observed between the estimates are attributed to the fact that the estimates provided by Hatch are high-level allowances, exclusive of any owners cost, as well as practical challenges associated with maintaining an aging thermal facility with increasingly unpredictable

¹ “Reliability and Resource Adequacy Study Review – Assessment to Determine the Potential Long-Term Viability of the Holyrood Thermal Generating Station,” Newfoundland and Labrador Hydro, March 31, 2022, att. 2.

² “Reliability and Resource Adequacy Study Review – Holyrood Thermal Generating Station Capital Plan Refresh,” Newfoundland and Labrador Hydro, March 7, 2025, att. 1.

1 performance. While these estimates are useful in establishing a baseline for anticipated capital
2 expenditure, the advanced age of the Holyrood TGS introduces a heightened risk of failure and
3 increased costs associated with maintaining its operation, consistent with the “Bathtub Curve”
4 model of equipment failure, which predicts higher and accelerating rates of failure at or near
5 the end of an asset’s useful life.³

Table 1: Holyrood TGS - Baseload⁴ Operation to December 31, 2030 (\$ Millions)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
LECA (Hatch, 2022)	25,044	32,995	26,317	25,872	19,077	17,750	14,011	24,728	12,251
Capital Plan Refresh (Hatch, 2025)	N/A	N/A	N/A	33,687	51,913	27,052	14,642	13,113	17,934
Actual	15,578	29,226	39,990	39,160					
Budget/Forecast					40,855 ⁵	31,027	34,917	31,559	4,130
Variance	(9,466)	(3,769)	13,673	5,473	(11,058)	3,975	20,275	18,446	(13,804)

³ “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), 2024 Resource Plan Overview, p. 16.

⁴ Baseload is to operate a generating unit at a minimum permissible capacity to ensure reliable operation. For example, Holyrood TGS units operate at a baseload of 70 MW each.

⁵ This value is based on forecasted data on July 31, 2026.