

1 Q. **Reference: Program 6: Renew Diesel Units (2027) pages 1 and 2**

2 Hydro states that the Renew Diesel Units program will consider the alternative of overhaul or
3 replacement for each required renewal activity at the estimate stage.

4 **a)** With the change to the program, explain the basis for the 2027 estimate and how changes
5 in historical average costs were considered (i.e. overhaul costs versus replacement costs).

6 **b)** Has Hydro considered the impact of supply chain issues if diesel genset replacement is
7 required, and what alternatives are available if replacement units are not readily available?

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10 A. **a)** Newfoundland and Labrador Hydro (“Hydro”) would like to clarify that there has been no
11 change in the methodology for estimates under this program. The name of this program
12 was changed to better reflect the fact that units may be replaced or overhauled on a case-
13 by-case basis.

14 **b)** To minimize the risk of supply chain delays Hydro works to ensure that materials and
15 engines are procured well in advance of the planned commencement of work. Hydro works
16 closely with the OEMs¹ and receives regular updates regarding lead times. Operating hours
17 of the units are closely monitored, and overhauls can be managed in the event there are
18 delays in engine or materials delivery.

¹ Original Equipment Manufacturer.