

1 PUB-CA-008 **On page 33, lines 12-13 Elenchus states that it “has not attempted to**
2 **identify excluded alternatives that could be considered within the**
3 **reasonable range of alternatives for each project included in the 2022**
4 **CBA.” While not specific to individual projects, please identify**
5 **alternatives that, in the opinion of Elenchus, are best suited for the NL**
6 **electric system and for NL utilities to be considering.**

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8 RESPONSE: Elenchus does not have the necessary detailed knowledge of the NL electric
9 system, nor does it have the current engineering expertise, to definitively
10 “identify alternatives that ... are best suited for the NL electric system and
11 for NL utilities to be considering” [emphasis added]. The point being made
12 in the Elenchus Report is that the PUB’s stated prudency review standard
13 appears to place the burden of proof on the utilities to demonstrate that a
14 reasonable range of alternative solutions have been identified. It is standard
15 regulatory practice that a utility’s burden of proof in any respect cannot be
16 met without presenting relevant evidence.

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18 Based on Elenchus’ experience in regulatory proceedings across Canada,
19 and in working with electric utilities that are confronting the impact of the
20 transformation of the industry on them, it appears to Elenchus that this
21 prudency review standard requires comprehensive integrated resource
22 planning that includes both (i) DSM alternatives to reduce the requirement
23 for both capacity and energy and (ii) NWA alternatives to traditional assets
24 including behind-the-meter solutions such as distributed generation and
25 storage. Furthermore, when assessing the value of investments in assets
26 with prospective service lives that extend beyond 2070, it is only prudent
27 to consider the option value of shorter lived assets that entail less stranding
28 risk. Relevant alternatives may include automated load control and
29 behavioural incentives.

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