

1 Q. (Finance Evidence page 3.2, lines 17 to 24)

2 What is the impact on proposed rates of the Exploits generation initiative, both in
3 total dollars and percentage terms?

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6 A. Section 1.1.1, lines 16 to 18 notes that it is estimated that in 2013 the new wind and
7 hydraulic renewable energy sources will result in approximately \$74 million in fuel
8 savings and reduced power purchase costs, with a reduction in greenhouse
9 emissions (GHGs) of 482,000 tonnes. As detailed in Hydro's response to PUB-NLH-
10 1, of this amount, approximately \$60 million relates to the availability of the new
11 Exploits generation (i.e. Exploits Base Generation) and the impact of the lower
12 4¢/kWh rate for the energy from the former Exploits River Partnership and Star
13 Lake Partnership. In the absence of the Exploits generation initiative, Hydro's
14 revenue requirement for the Island Interconnected System would be approximately
15 15% higher due to higher fuel costs and power purchase costs.