

1 Q. **Reference: Midgard Consulting *Southern Labrador Communities – Integrated Resource Plan,***
2 **March 28, 2023, Section 8 – Sensitivity Analysis, Pages 87-89.**

3 Please provide sensitivity analyses that include a 25% and 50% increase in capital costs for each
4 of the alternatives.

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7 A. *This response has been provided by Midgard Consulting Inc. (“Midgard”).*

8 This analysis is implicit within the Midgard “Southern Labrador Communities - Integrated
9 Resource Plan” (“Midgard IRP”),¹ filed with the Board of Commissioners of Public Utilities on
10 March 31, 2023.² The sensitivity analysis presented in the Midgard IRP was based on increasing
11 capital costs of associated infrastructure components until the relative rankings changed.
12 Midgard demonstrated that an increase of 663% to the capital cost of a diesel plant would be
13 required to change the conclusions of the Midgard IRP.³ Similarly, an increase of 54% of the
14 capital cost of the interconnection system would be required to change the outcome of the
15 analysis.⁴

¹ “Southern Labrador Communities - Integrated Resource Plan,” Midgard Consulting Inc., March 28, 2023.

² “Long-Term Supply of Southern Labrador – Phase 1 – Midgard Consulting Inc. Report,” Newfoundland and Labrador Hydro, March 31, 2023, att. 1.

³ “Southern Labrador Communities - Integrated Resource Plan,” Midgard Consulting Inc., March 28, 2023, p. 88, table 37, row 5.

⁴ “Southern Labrador Communities - Integrated Resource Plan,” Midgard Consulting Inc., March 28, 2023, p. 88, table 37, row 7.