

1 Q. **Reference: Long-term Supply Plan for Southern Labrador – Revision 2, Schedule 2, page 16,**
2 **lines 1 to 5.**

3 The interconnection of the southern Labrador distribution systems and
4 implementation of a regional diesel generating station is expected to facilitate
5 the potential future integration and penetration of renewable energy versus an
6 approach that features individual isolated systems. Should any such
7 opportunities arise in the future, it is anticipated that such integration could
8 produce further reduction in revenue requirements due to decreased fuel and
9 maintenance costs.

10 Please explain the terms of any agreements, including cost and duration, between Hydro and
11 third-party renewable energy providers on the Labrador Isolated system. Include any terms that
12 are based on the cost of diesel generation.

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15 A. Please refer to Newfoundland and Labrador Hydro's response to NCC-NLH-010 of this
16 proceeding regarding the purchase price for renewable energy used in isolated systems.
17 Typically, the duration of power purchase agreements for this purpose is at least 15 years;
18 however, this is negotiated in consideration of the specific details of each project and is
19 commercially sensitive.