



Newfoundland and Labrador Hydro
Hydro Place, 500 Columbus Drive
P.O. Box 12400, St. John's, NL
Canada A1B 4K7
t. 709.737.1400 | f. 709.737.1800
nlhydro.com

November 22, 2022

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Cheryl Blundon
Director of Corporate Services and Board Secretary

Re: Application for a Non-Firm Rate for Labrador – Order in Council OC2022-266

On November 10, 2022, the Government of Newfoundland and Labrador issued an Order in Council regarding Newfoundland and Labrador Hydro's ("Hydro") obligation to supply firm power in Newfoundland and Labrador to cryptocurrency customers.¹

This Order in Council exempts Hydro from the legislative obligation to supply firm electrical service to applicants from cryptocurrency industries. Currently, Hydro does not have available capacity on the Labrador Interconnected System to meet the demand requested from prospective cryptocurrency business.

To provide service to all applicants requesting service, Hydro would need to build generation. Although a substantial amount of the requests are cryptocurrency customers, under existing regulatory policy the costs of the additional generation would need to be recovered from all customers on the Labrador Interconnected System. This cost was expected to require an investment in the hundreds of millions of dollars and would increase the electricity rates for all customers on the Labrador Interconnected System.

To ensure rates for customers on the Labrador Interconnected System remain stable, Hydro is denying all applications for new firm service for cryptocurrency operations. Cryptocurrency customers currently receiving firm energy will continue to receive service; however, no additional firm load connections will be permitted for these customers.

The policy decision made by the Government of Newfoundland and Labrador does not impact the "Application for a Non-Firm Rate For Labrador"² currently before the Board of Commissioners of Public Utilities. The proposed non-firm rate would enable Hydro to provide a level of service to cryptocurrency customers without additional investments in transmission and generation.

¹ OC2022-266 (Public Utilities Act, RSNL 1990, c P-47 and Electrical Power Control Act 1994, SNL 1994, c E-5.1, <<https://www.exec-oic.gov.nl.ca/public/oic/details?order-id=20484>>

² "Application for a Non-Firm Rate in Labrador," Newfoundland and Labrador Hydro, September 15, 2022.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/sk

Encl.

ecc:

Board of Commissioners of Public Utilities

Jacqui H. Glynn
Maureen Greene, KC
PUB Official Email

Island Industrial Customer Group

Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Dean A. Porter, Poole Althouse

Iron Ore Company of Canada

Gregory A.C. Moores, Stewart McKelvey

Labrador Interconnected Group

Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate

Dennis M. Browne, KC, Browne Fitzgerald Morgan Avis & Wadden
Stephen F. Fitzgerald, Browne Fitzgerald Morgan Avis & Wadden
Sarah G. Fitzgerald, Browne Fitzgerald Morgan Avis & Wadden
Bernice Bailey, Browne Fitzgerald Morgan Avis & Wadden
Bernard M. Coffey, KC

Envoum Corp.

Ali Amadee, DentonsCanada LLP

Newfoundland Power Inc.

Dominic J. Foley
Lindsay S.A. Hollett
Regulatory Email

Blockchain Labrador Corp.

Paul D. Dicks, KC, Benson Buffett
Megan S. Reynolds, Benson Buffett