

1 Q. **Reference: Application.**

2 When does Hydro require a Board Order on the Build Application if it is to avoid a third early
3 execution application?

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6 A. As Newfoundland and Labrador Hydro (“Hydro”) does not currently have an estimated time
7 frame for possible approval of the 2025 Build Application,¹ the application for additional early
8 execution requests approval for activities and expenditures through the second quarter of 2026
9 to enable project continuity and avoid significant cost and schedule impacts in the event the
10 overall projects are not approved before that time.² Continued execution of these projects
11 beyond this period would require significant financial commitments beyond those already
12 committed, without a mechanism for cost recovery. Hydro and its Shareholder would need to
13 balance the financial risk with the reliability risk that could result in events like those recently
14 experienced on the system, particularly with the continued reliance on the Holyrood Thermal
15 Generating Station (“Holyrood TGS”), the reliability of which is unpredictable.³ Hydro
16 emphasizes that approval of these projects in a timely manner is essential to ensure system
17 reliability, enable the retirement of the Holyrood TGS, and avoid significant cost and schedule
18 impacts on these projects.

¹ “2025 Build Application – Bay d’Espoir Unit 8 and Avalon Combustion Turbine,” Newfoundland and Labrador Hydro, March 21, 2025.

² Hydro’s Additional Early Execution Application utilizes an assumption for Board of Commissioners of Public Utilities approval of the 2025 Build Application by May 29, 2026, for the purpose of ensuring continuous progression of the initial stages of the project. However, this is not to indicate that approval of the overall 2025 Build Application to that date would not have an impact on the cost and schedule of the overall projects.

³ For further discussion on overall system impacts as a result of denial of the Additional Early Execution Application, please refer to Hydro’s response to PUB-NLH-001 of this proceeding.