

1 Q. Section 2.3, Status of Early Execution Work, provides information on how much of the original
2 scope of work has been completed. Many items reference work ongoing and to be completed in
3 December 2025. For each of the items listed below, provide the status as of December 31, 2025.

- 4 a) CT Package
- 5 b) Transformers
- 6 c) Early Execution Civil Works
- 7 d) Transmission Line Relocation
- 8 e) Geotechnical Investigation
- 9
- 10

11 A. Newfoundland and Labrador Hydro’s (“Hydro”) monthly major projects early execution update
12 reports provide a detailed status update on the proposed Avalon Combustion Turbine (“CT”)
13 and Bay d’Espoir Unit 8 projects. Hydro’s most recent monthly major projects early execution
14 update report for the Avalon CT project¹ provided information up to December 31, 2025.² The
15 updates with respect to the particular items above are as follows:

- 16 a) **CT Package:** Hydro entered negotiations with the proponent with the highest-scoring
17 bid submission, General Electric (“GE”) and successfully concluded those negotiations by
18 entering into an agreement with GE on December 15, 2025.³ Under this contract,
19 further financial commitments are due to be paid by March 26, 2026, to secure the
20 production slots and contract price. Should Hydro not receive approval for this
21 application from the Board of Commissioners of Utilities, GE would be advised, and no
22 further payments would be made, resulting in contract cancellation. If that were to

¹ “Avalon Combustion Turbine Project Early Execution Update,” Newfoundland and Labrador Hydro, January 15, 2026.

² With the exception of the detailed cost information, which was reported as of November 30, 2025, as outlined in the reports.

³ In the “Avalon Combustion Turbine Project Early Execution Update,” Newfoundland and Labrador Hydro, January 15, 2026, Hydro incorrectly referred to the agreement as a Limited Notice to Proceed. The full agreement has been negotiated and agreed to by the parties as of December 15, 2025. The agreement details specific progress payments through the life of the agreement, and the negotiated cancellation provisions stipulate that if cancellation were to occur prior to delivery of the CT packages, the progress payments made as of the date of cancellation are non-recoverable.

1 occur, both schedule and cost would have to be re-evaluated. With the current high
2 demand for CTs in the marketplace, it remains highly likely that both a significant, multi-
3 year schedule delay and cost increase would occur in this scenario.

4 **b) Transformers:** Currently under negotiation with an anticipated award in early February
5 2026.

6 **c) Early Execution Civil Works:** Work was completed, and the contractor demobilized from
7 the work site.

8 **d) Transmission Line Relocation:** Work on Transmission Line 38L was completed, and the
9 rerouted line returned to service. Transmission Line 39L was planned for completion on
10 December 12, 2025; however, weather forecasts impacted the planned outage
11 schedule, deferring this work. Hydro is working with Newfoundland Power Inc. to secure
12 a new outage date for Transmission Line 39L, subject to system requirements.
13 Decommissioning of portions of Transmission Lines 38L and 39L will commence after the
14 completion of the Transmission Line 39L outage.

15 The construction power feed installation will follow the completion of Transmission Line
16 39L relocation.

17 **e) Geotechnical Investigation:** Field work was completed on December 12, 2025. A final
18 geotechnical report will be issued by the contractor in the first quarter of 2026.