

1 Q. In the correspondence dated December 12, 2025 Hydro states:

2 “...including the procurement of long-lead critical equipment required for
3 project advancement, will take years.”

4 What long-lead critical equipment will be procured as part of the work proposed in the
5 Additional Early Execution Capital Works Application that is additional to the critical equipment
6 procured as part of the work included in the Original Early Execution Capital Works Application?

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9 A. The referenced statement in Newfoundland and Labrador Hydro’s (“Hydro”) correspondence of
10 December 12, 2025, accompanying the Additional Early Execution Application,¹ was regarding
11 the overall planning, construction, and integration of the assets proposed in Hydro’s 2025 Build
12 Application² and was not specifically referencing procurement of long-lead items in the early
13 execution stages. However, there are some long-lead critical equipment for which the initial
14 stages of procurement is proposed in the Additional Early Execution Application.

15 **Avalon Combustion Turbine**

16 The critical long-lead equipment procurement items within Hydro’s original Early Execution
17 Application³ were the combustion turbines and generator step-up (“GSU”) transformers.⁴ In
18 addition, Hydro’s Additional Early Execution Application proposes the procurement process for
19 the terminal station circuit breakers in 2026. Advancing procurement of this critical long-lead
20 equipment mitigates both schedule and cost escalation risks.

¹ “Additional Early Execution Capital Work – Bay d’Espoir Unit 8 and Avalon Combustion Turbine,” Newfoundland and Labrador Hydro, December 12, 2025.

² “2025 Build Application – Bay d’Espoir Unit 8 and Avalon Combustion Turbine,” Newfoundland and Labrador Hydro, March 21, 2025.

³ “Early Execution Capital Work – Bay d’Espoir Unit 8 and Avalon Combustion Turbine,” Newfoundland and Labrador Hydro, March 12, 2025.

⁴ Award of the GSU transformer procurement contract is expected by early February 2026.

Bay d’Espoir Unit 8

The critical long-lead equipment procurement item for Bay d’Espoir Unit 8 within Hydro’s Early Execution Application was the turbine and generator procurement package.⁵ In addition, Hydro’s Additional Early Execution Application proposed the procurement processes for the GSU transformer and the 230 kV circuit breakers to begin in 2026. Advancing procurement of these critical long-lead equipment mitigates both schedule and cost escalation risks.

⁵ The turbine and generator award was issued on November 16, 2025.