

1 **Q. Reference: Bay d’Espoir Unit B**

2 Why is Hydro not proposing to procure the GSU transformer for Bay d’Espoir Unit 8 at this time,
3 as has been proposed for the Avalon Combustion Turbine?

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6 **A.** The Early Execution activities support the Bay d’Espoir Unit 8 (“BDE Unit 8”) Generator Step-Up
7 (“GSU”) installation schedule, which is planned for 2030. In contrast, the Avalon Combustion
8 Turbine project requires GSU installation by late 2028, necessitating an accelerated
9 procurement timeline. As such, the earlier procurement of the Avalon GSU transformer reflects
10 the compressed schedule and earlier in-service date for that project.

11 Newfoundland and Labrador Hydro’s (“Hydro”) procurement strategy for each GSU transformer
12 is tailored to the specific schedule drivers of the respective projects, ensuring alignment with
13 project milestones while managing risk and regulatory considerations.

14 As part of the Early Execution Work, Hydro is proposing to begin the procurement process for
15 the GSU transformer for BDE Unit 8. Early Execution activities associated with the GSU
16 procurement include:

- 17 • Engaging an Engineering, Procurement, and Construction Management consultant to
18 complete the necessary engineering and preparation of technical specifications;
- 19 • Preparation and issuance of the procurement package, which is planned for late 2025;
20 and
- 21 • Evaluation and award of the procurement package, which is planned for early 2026. As
22 outlined in Hydro’s response to PUB-NLH-002 of this proceeding, if a decision from the
23 Board of Commissioners of Public Utilities on the 2025 Build Application is still pending
24 at the conclusion of the Request for Proposal process, Hydro will seek to negotiate a
25 Limited Notice to Proceed (“LNTP”) with the preferred proponent and would also seek
26 further Early Execution budget to fund the payments due under the LNTP. This would

- 1 authorize only that work necessary to maintain cost and schedule during the interim
- 2 period, deferring full contract execution until a regulatory decision is issued.