

IN THE MATTER OF the *Electric Power Control Act*, 1994, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an Application by Newfoundland and Labrador Hydro (“Hydro”) for an Order approving the capital expenditures necessary for certain capital related to the future construction of Bay d’Espoir Hydroelectric Generating Facility (“BDE”) Unit 8 and the Avalon Combustion Turbine (“Avalon CT”), pursuant to Section 41(3) of the Act.

**CONSUMER ADVOCATE
REQUESTS FOR INFORMATION
CA-PUB-001 to CA-PUB-010**

Issued: June 19, 2026

1 CA-PUB-001

(Reference Bates White Phase 2 Expert Report of Vincent Musco and Collin Cain dated February 3, 2026) It is stated (page 1) *“The evidence supports the need for the Avalon CT to address generation capacity needs on the Avalon Peninsula when Holyrood is no longer in service, including easing potential overload conditions on transmission during a LIL bipole outage.”* Further, it is stated (page 2) *“The IIS does not need both the Avalon CT and BDE Unit 8 by 2031, as long as Hydro’s existing thermal assets remain operational.”* In CA-NLH-067 pertaining to the Reliability and Resource Adequacy Study Review Hydro states *“The shortfall analysis conducted for the Minimum Investment Required Expansion Plan indicates that advancing a second capacity resource to 2031 is required to meet the LIL Shortfall Assessment Criterion.”*

- a) Does Bates White consider the LIL Shortfall Event criterion to be the critical criterion in the determination of need for firm capacity on the IIS, more critical than Hydro’s LOLH criterion?
- b) What expansion/retirement plan is Bates White recommending with respect to the dates for new additions including the Avalon CT, Bay d’Espoir Unit 8 and wind generation, and the dates for retirement of Holyrood TGS Units 1, 2 and 3, the Hardwoods gas turbine and the Stephenville gas turbine?
- c) Is Bates White recommending the piecemeal retirement of Holyrood TGS, for example, retirement of Unit 1 in 2031 followed by the retirement of Units 2 and 3 at a later date that has yet to be determined?
- d) How does the cost of the Bates White recommended plan compare to the cost of Hydro’s Minimum Investment Plan?
- e) Would a plan that includes continued operation of Holyrood TGS through 2035 with no new facilities meet Hydro’s reliability criterion through 2035 and be least cost?
- f) Is there evidence on the record that Holyrood TGS cannot, or is unable to, operate through 2035?

30 CA-PUB-002

(Reference Bates White Phase 2 Expert Report of Vincent Musco and Collin Cain dated February 3, 2026) It is stated (page 1) *“Appropriate fuel management equipment and procedures would likely eliminate any uneconomic fuel burn-off at the Avalon CT, making it more economic than BDE Unit 8.”*

- a) Did Bates White produce a cost estimate and undertake an economic assessment of the fuel management equipment and procedures necessary to eliminate uneconomic fuel burn-off at the Avalon CT?
- b) Does the above statement take into consideration the recent increase in the project cost estimate for the Avalon CT to about \$1.0 billion?

40 CA-PUB-003

(Reference Bates White Phase 2 Expert Report of Vincent Musco and Collin Cain dated February 3, 2026) It is stated (page 2) *“Future build plans will be based on contemporary information, including: Newfoundland Power’s plan to extend the lives of two gas turbines (totaling 48 MW of firm capacity), Hydro’s most recent load forecast (2025), and Hydro’s recent update to its effective load carrying capability which show higher capacity values for wind additions than assumed in the Build Application.”*

- a) Do these issues also impact the need for the Avalon CT?

- b) In Bates White's view, could the higher capacity values for wind additions eliminate the need for both the Avalon CT and Bay d'Espoir Unit 8 if a portion of the wind generation were located on the Avalon Peninsula?
- c) Are there other demand/supply issues that have come up since submission of the Build Application that impact the IIS reliability assessment such as the increase in the LIL transfer capacity, the transmission expansion plan, the higher cost estimate for the Avalon CT, etc?
- d) Is the fuel supply infrastructure adequate to support Holyrood TGS, the Holyrood CT, the Avalon CT and the 48 MW of Newfoundland Power gas turbines?

CA-PUB-004

(Reference Bates White Phase 2 Expert Report of Vincent Musco and Collin Cain dated February 3, 2026) The report indicates (pages 4 and 5) that the management reserve for BDE Unit 8 fails to incorporate certain strategic risks. It is stated "*The cumulative impact of these three risks is estimated to be as high as \$562.4 million, which would represent an overall project cost increase of 52%. Hydro should address this potential in its updated calculations.*"

- a) The three risks are identified as competition for equipment, tariffs and the Bay d'Espoir Unit 7 life extension. Do two of the three identified risks, competition for equipment and tariffs, also apply to the Avalon CT?
- b) How much do these risks increase the management reserve for the Avalon CT, and how did Bates White address this cost increase in its analysis of the Build Application?

CA-PUB-005

(Reference Bates White Phase 2 Expert Report of Vincent Musco and Collin Cain dated February 3, 2026) The report indicates (pages 6 and 7) that in the absence of a RAS, or additional transmission investment, a LIL bipole outage would likely require pre-emptive shedding of load in order to protect the system against the impact of an additional contingency – i.e., transmission outage. This implies that with a RAS some pre-contingency load shed would still be required during a LIL outage.

- a) Is the LIL Shortfall Event equivalent to operating the IIS with an effective load meeting capacity of the Muskrat Falls assets of 0 MW during the 6-week outage?
- b) Does a LIL Shortfall Event assume an outage of both poles of the LIL simultaneously (an n-2 event) with the outage located on the most remote section of the LIL requiring 6 weeks to repair, and occurring at the most critical time of the year, the winter period, and a loss of additional generation determined by Hydro's probabilistic loss of load simulations during the 6 week outage period? Please quantify the "elevated probability" of such an event.
- c) Does protecting the system from an additional contingency (a transmission outage) during a LIL Shortfall Event equate to an n-3 (or more) criterion for transmission planning (assuming a LIL bipole outage is an n-2 criterion)?
- d) In Bates White's experience, does any jurisdiction plan its transmission system to an n-2 criterion? If so, please cite examples.
- e) Is it generally agreed in the industry that customers are not willing to pay for a transmission system designed to an n-2 criterion?

- f) If Holyrood TGS remains in service through 2035, would this transmission investment be necessary, or would it only be necessary for expansion plans that include the retirement of Holyrood TGS?
- g) Is it common practice in North America to commit large expenditures for new resources to satisfy deterministic criterion such as a LIL Shortfall Event, or do most jurisdictions put in place a plan to address such events, but avoid committing large expenditures to specifically address such events?
- h) Is there any other deterministic criterion that Bates White recommends Hydro consider such as the loss of the transmission corridor over the Isthmus of the Avalon?
- i) How has Bates White addressed the trade-off between reliability and cost in its reviews of the Reliability and Resource Adequacy Plan and the Build Application?

CA-PUB-006

(Reference Bates White Phase 2 Expert Report of Vincent Musco and Collin Cain dated February 3, 2026)

- a) Did Bates White consider an incremental approach to meeting the reliability needs of the Island? For example, did Bates White consider the merits of rate design and behind-the meter alternatives combined with incremental additions of wind generation as an alternative to the Avalon CT or Bay d’Espoir Unit 8, or both?
- b) Did Bates White consider the merits of an alternative to the Avalon CT and Bay d’Espoir Unit 8 that replaces Holyrood TGS with a new gas-fired combined cycle plant at the Holyrood site for service in 2035 or beyond?
- c) In the future, could the Avalon CT be converted to a combined cycle plant boosting the plant’s thermal efficiency from 30 to 40% to 50 to 60% and perhaps reducing or eliminating the need for wind turbines?

CA-PUB-007

(Reference Bates White Phase 2 Expert Report of Vincent Musco and Collin Cain dated February 3, 2026, Appendix A) The CAMS Review of Avalon CT (page 9) comments on the proposed management reserve “*This type of reserve is not typically seen in the power generation industry for projects of this type.*”

- a) Does Bates White agree that a management reserve is not typical for this type of project? If so, on what basis?
- b) What is Bates White’s assessment of Hydro’s response to the observation that management reserve is not typical for this type of project (see section 5.1 of *Newfoundland and Labrador Hydro’s Response to Identified Issues for Avalon Combustion Turbine*, March 12, 2026)?
- c) Hydro’s 2025 Build Application, Avalon Combustion Turbine Evidentiary Update, April 16, 2026, Table 1, Page 3 shows a sizeable management reserve that is about 17.6% of the base estimate. What is Bates White’s assessment of the magnitude of the proposed management reserve?

CA-PUB-008

(Reference Bates White Expert Addendum Report of Vincent Musco and Collin Cain, June 5, 2026) It is observed (page 40) that Newfoundland Power plans to file a supplemental capital application to refurbish its Greenhill and Wesleyville GTs, “*with refurbishment work to be complete by 2031. The refurbishment*

project is estimated to account for a total of approximately \$231 million, though NP notes this estimate is subject to change in the forthcoming application.”

- a) The \$231 million cost estimate equates to \$4812/kW, and compares to \$6667/kW for Hydro's Avalon CT. Hydro has suggested that CT prices could increase by almost 200% by 2027 (2025 Build Application - Avalon Combustion Turbine Evidentiary Update, page 13). Does Bates White have an opinion on the reasonableness of the Newfoundland Power estimate?
- b) Has Bates White assessed the merits of this alternative relative to other alternatives such as Bay d’Espoir Unit 8 and battery storage?

CA-PUB-009

(Reference Bates White Expert Addendum Report of Vincent Musco and Collin Cain, June 5, 2026) It is stated (page 41) with respect to the Newfoundland Power gas turbine refurbishments “*capacity expansion modeling has shown that just 48 MW of firm capacity can materially impact the constitution of the selected portfolio.*” In CA-NLH-001, Attachment 1 (pertaining to the Bay d’Espoir Penstock 3 Weld Refurbishment and Section Replacement Application) Hydro provides a table showing capacity resources, peak load and resulting capacity reserve margins for the winter peak periods from 2026 through 2032. For 2032, the table shows a capacity reserve margin of 35% with Holyrood in service and no new capacity additions.

- a) If Holyrood is retired in 2031 and the Avalon CT and the Newfoundland Power gas turbines are added in 2031, resources would be reduced by 292 MW, and the capacity margin would be 19.5% in 2032. Does Bates White consider this to be an acceptable scenario for customers served by the IIS?
- b) During a LIL shortfall event, with Holyrood retired in 2031 and the Avalon CT and the Newfoundland Power gas turbines added in 2031, IIS resources would be 1791.5 MW in 2032 (assumes 0 MW transferred over the LIL) compared to a load including losses of 1905 MW, meaning IIS resources would be 113.5 MW short of covering the peak load. Does Bates White consider this to be an acceptable scenario for customers served by the IIS?

CA-PUB-010

(Reference Bates White Expert Addendum Report of Vincent Musco and Collin Cain, June 5, 2026) Bates White reiterates (page 27) that “*the Slow Decarbonization forecast is not the lowest plausible load scenario over the planning horizon—lower population growth, lower electric vehicle adoption rates, and lower industrial load growth are all possible and may coincide.*” Does Bates White agree that adoption of seasonal and/or TOU rates based on all-in-marginal cost could also lead to a materially lower load forecast, considering that the all-in marginal cost has been estimated at \$211 per MWh for the four winter months and \$37 per MWh for the other months? (See Christensen Associates, September 16, 2024, Report for Newfoundland and Labrador Hydro in Application for Adjustment to Wholesale Utility Rate, Schedule1, Attachment 1)

DATED at St. John’s, Newfoundland and Labrador, this 19th day of June, 2026.



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