

1 Q. **Reference: Evidentiary Update, Table 2, Pages 5 and 6**

2 Under the 2025 Slow Electrification Load Forecast, in all cases where the expansion plan analysis  
3 selects the Avalon CT as the first capacity addition there is no fuel burn-off requirement.

4 a) What is Hydro's assessment of the feasibility and cost-effectiveness of being able to  
5 avoid fuel burn-off in the case of the Avalon CT?

6 b) What has been Hydro's experience with its existing Holyrood CT regarding fuel storage  
7 and the need for burn-off?

8 c) Have utilities elsewhere in North America avoided fuel burn-off in a cost-effective  
9 manner?

10 d) If the Avalon CT is approved, is Hydro confident that it can avoid the need for fuel burn-  
11 off and is now planning accordingly?

12  
13  
14 A. a) In previous filings with the Board of Commissioners of Public Utilities, Newfoundland and  
15 Labrador Hydro ("Hydro") has provided information pertaining to fuel burn-off to mitigate  
16 potential risks. The most recent response to fuel adequacy and risk mitigation to fuel burn-  
17 off can be found in Hydro's response to Phase Two of the Bates White Economic Consulting,  
18 LLC Report.<sup>1</sup> Hydro believes the response noted in the March 2026 filing demonstrates the  
19 plan to mitigate risks associated with fuel adequacy and prevent fuel burn-off. Fuel has  
20 generally always been cycled, managed, and utilized through the course of a year, ensuring  
21 a fresh fuel supply at the existing Combustion Turbine ("CT") facility with no known issues of  
22 fuel degradation in advance of each winter operating season to date; however, with the  
23 addition of new facilities, Hydro will have to practically manage fuel supply going forward.

24 b) Some changes to the Holyrood CT fuel storage have occurred since the initial construction in  
25 2015. Initially, 2.5 million litres of fuel storage was constructed. After commissioning of the

---

<sup>1</sup> Please refer to "Bates White Economic Consulting, LLC Expert Report – Phase Two – Newfoundland and Labrador Hydro's Response to Identified Issues for Avalon Combustion Turbine," Newfoundland and Labrador Hydro, March 12, 2026, sec. 3.2.

1 facility, the CT was utilized more frequently than originally foreseen, and issues arose with  
2 high trucking traffic during prolonged usage, causing logistical concerns and forecasting  
3 potential supply shortages under potential prolonged operations during adverse weather  
4 periods. As a result, additional fuel storage was required, and in 2018, an additional two fuel  
5 tanks of 2.5 million litres were constructed, bringing the total storage volume to 5 million  
6 litres. Since installation, no further fuel shortages developed as a result of normal  
7 operations, and the stored fuel was consumed during the course of the year and has not  
8 required fuel burn-off. Going forward, Hydro will further investigate fuel supply  
9 management to optimize normal and prolonged operational periods.

10 **c)** It is important to note that Hydro has not encountered a requirement for fuel burn-off at  
11 our existing CT facilities. In comparison, across most of North America, utilities have largely  
12 avoided the use of diesel for utility-scale combustion turbines by utilizing natural gas where  
13 pipeline infrastructure is available. Natural gas is generally a more preferred option as it is  
14 cost-effective with lower emissions. Newfoundland and Labrador is an outlier with respect  
15 to fuel supply, as the Island does not have access to a natural gas network. As a result, the  
16 opportunity to avoid fuel burn through fuel switching, as seen in many other jurisdictions, is  
17 not currently available to Hydro.

18 **d)** Upon approval of the Avalon CT, Hydro will continue to assess fuel management in  
19 conjunction with other studies commissioned by Hydro as noted in the filing on  
20 March 12, 2026. Hydro will incorporate the findings during the detailed design phase with  
21 the Engineering, Procurement and Construction Management contractor to ensure the most  
22 technically and economically feasible solution is selected.