

1 Q. **Reference: Life Extension Application, Schedule 1, Attachment 3, Basis of Schedule, page 12 of**
2 **22.**

3 “Completing the BDE Unit 7 Project in 2028 reduces the risk of unplanned outages to the unit
4 and associated system impacts. Importantly, completion in 2028 aligns with the 5-year
5 recommendation set out in Hatch’s Bay d’Espoir Unit 7 Condition Assessment Condition Report,
6 supporting responsible life cycle management and system reliability. If BDE Unit 8 is approved,
7 there will be interdependencies with the construction of BDE Unit 8. The execution of the BDE
8 Unit 7 Project must be completed by the end of 2028. Delays beyond this would introduce
9 overlapping work in Powerhouse 2, leading to productivity and scheduling challenges, including
10 shared access to the overhead crane, laydown space, and tailrace channel.”

11 Hydro, at Schedule 1, page 3, lines 1 and 2, advised that Hatch determined that the timeline for
12 required intervention could be extended by an additional five years, to 2029. Absent the
13 interdependencies with the construction of BDE Unit 8, explain in detail why the execution of
14 the BDE Unit 7 Project must be completed by the end of 2028.

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17 A. In arriving at the proposed 2028 construction schedule, Newfoundland and Labrador Hydro
18 (“Hydro”) has considered not only the critical interdependencies with Bay d’Espoir Unit 8 but
19 also work identified in the five-year capital program,¹ as well as planned maintenance work in
20 Bay d’Espoir and throughout the overall system.

21 Hydro identified 2028 as the appropriate window for construction when weighing asset health
22 as presented in Hatch Ltd.’s Bay d’Espoir Unit 7 Condition Assessment Condition Report (“2023
23 Condition Assessment”),² known planned work required in the five-year capital plans, and overall
24 system reliability.

¹ Please refer to “2026 Capital Budget Application,” Newfoundland and Labrador Hydro, July 15, 2025, vol. 1, sch. 4, p. 12, Table 10.

² “Bay D’Espoir Unit 7 Condition Assessment Condition Report,” Hatch Ltd., Rev B0, May 3, 2024.

1 The Unit 7 life extension work could be deferred to 2029; however, this delay has implications
2 for Unit 7 (e.g., a potential increase in the likelihood of in-service failure), the Bay d’Espoir
3 Hydroelectric Generating Station, and the broader Island system. As discussed in Hydro’s
4 response to PUB-NLH-019 of this proceeding, if Unit 7 were delayed beyond 2028, Hydro
5 assumes that construction would occur during the same outage window in 2029 to ensure
6 alignment with findings from the 2023 Condition Assessment, which recommended that work
7 on Unit 7 be completed by 2029. However, this would introduce a cascading impact to any
8 outages planned in 2029 and reconsideration of the planned work for 2028. Per the 2023
9 Condition Assessment findings, deferral beyond 2029 presents an unacceptable risk to the
10 reliable operation of the Island Interconnected System.