

1 Q. **Reference: Application**

2 With respect to alternatives considered in the Application:

- 3 a) What criteria has Hydro used to determine if an alternative is relevant? Are  
4 environmental impacts one such criterion?
- 5 b) How has Hydro incorporated future trends in its assessments? Specifically, has Hydro  
6 considered sensitivity studies relating to shorter asset lifespans in the event that new  
7 environmentally sensitive options become available in, for example, the next 10 years?
- 8 c) Which renewable energy forms are viable in NL? Specifically, are rooftop solar and wind,  
9 battery storage, green renewable fuels, etc. viable alternatives in NL?

- 10
- 11
- 12 A. a) Newfoundland and Labrador Hydro ("Hydro") reviews all planned capital expenditures to  
13 ensure the appropriateness of timing and justification of scope. In undertaking the  
14 evaluation of all technically viable alternatives, environmental responsibility is one of the  
15 factors evaluated, as required per the amendments to the *Electrical Power Control Act*,  
16 1994, made in spring 2023.

17 Throughout the capital budget cycle, Hydro's Long-Term Asset Planning team reviews  
18 information at an asset level to determine the associated level of operational risk and  
19 proposes items accordingly. These items are then reviewed by Hydro's Engineering Services  
20 team for feasibility and determination of alternatives. If multiple viable alternatives are  
21 identified, this could require the completion of a cost-benefit analysis to identify the least-  
22 cost option. This ensures options put forward are appropriately scoped and justified on a  
23 project/program basis. Once this is completed, the Capital Planning and Regulatory  
24 Engineering teams are engaged to conduct a broader review of the overall capital plan,  
25 including system risk, reliability, executability, and total investment. Analysis at all levels  
26 includes qualitative and quantitative considerations such as historical asset experience,

1           asset age and condition, risk assessment (including safety, reliability, and environment  
2           considerations), and cost comparisons.

3           **b)** Hydro plans its capital investments based on the needs of the systems it serves and the  
4           available technologies and alternatives to meet those needs. At this time, Hydro does not  
5           have reason to believe that its current investments would experience shortened lifespans  
6           based on new environmentally sensitive options becoming available throughout the life of  
7           such assets. Asset lifespans are evaluated in Hydro's depreciation studies. Hydro will be  
8           filing an updated depreciation study in its next general rate application.

9           **c)** Hydro assesses the operational considerations, benefits and limitations of various  
10          renewable energy alternatives as part of its plan to meet resource adequacy and system  
11          reliability requirements within the ongoing *Reliability and Resource Adequacy Study Review*  
12          proceeding before the Board of Commissioners of Public Utilities. It is Hydro's opinion that  
13          the information requested is not necessary for a satisfactory understanding of the matters  
14          to be considered in the 2026 Capital Budget Application as required by the *Board of*  
15          *Commissioners of Public Utilities Regulations, 1996.*