

1    Q.    **Reference: Application**

2            Please provide details of Hydro's approach to assessing the relative cost of non-wires  
3            alternatives (NWAs) and distributed energy resources (DERs) to the capital investment in  
4            traditional assets that are included in Hydro's capital plan, including any reports or analyses that  
5            show the comparative analysis for the projects included in the 2026 Capital Budget Application.  
6            If NWAs have not been considered, please explain why they have been excluded as options  
7            without a comparison of alternatives.

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10    A.    Newfoundland and Labrador Hydro ("Hydro") has not proposed any system growth projects in  
11            its 2026 Capital Budget Application ("CBA"). As such, the assessment of non-wires alternatives  
12            ("NWA"s) and distributed energy resources ("DER"s) relative to traditional capacity expansion  
13            investments is not applicable in this filing.

14            NWAs and DERs are typically considered in relation to a forecasted requirement for additional  
15            system capacity, such as new substations, feeder extensions, or transmission reinforcements.  
16            Since the 2026 CBA does not include projects of this nature, there is no comparative analysis  
17            between NWAs/DERs and traditional assets provided.

18            The projects included in the 2026 CBA focus primarily on sustaining capital investments required  
19            to maintain existing assets in a safe, reliable, and compliant condition. These sustaining  
20            investments are not generally substitutable with NWAs or DERs, as they address asset condition,  
21            lifecycle replacement, and reliability obligations rather than incremental load-driven growth.

22            Please refer to Hydro's response to CA-NLH-025 of this proceeding for further discussion of the  
23            role of NWAs as it relates to Hydro's Reliability and Resource Adequacy proceeding.