

1 Q. **Reference: CA-NLH-033.**

2 a) Does Hydro supply any rural customers that are not on isolated systems?

3 b) Can battery energy storage systems be used for purposes such as grid stability, supporting
4 renewable energy integration, and offering backup power?

5 c) The U.S. Energy Information Administration indicates that the capacity of battery energy
6 storage systems increased by 66% to 26 GW in 2024, and forecasts an increase to 45 GW in
7 2025, an increase of 73% over 2024 levels
8 (<https://www.eia.gov/todayinenergy/detail.php?id=64705>). Has Hydro considered battery
9 energy storage applications in its capital budget application or five-year capital plan for any
10 purpose?

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13 a) Newfoundland and Labrador Hydro ("Hydro") owns and operates distribution systems that
14 supply electricity to rural customers across the province. This includes customers that are
15 not on isolated systems including rural customers on the Island Interconnected System,
16 L'Anse Au Loup, and the Labrador Interconnected System. Hydro's system planning activities
17 that relate to its distribution, and isolated generation facilities are split across a number of
18 different technical standards and procedures and not contained within a single "distribution
19 planning guide." The standard that best explains Hydro's approach to renewable forms of
20 generation is Hydro's Rural Isolated Systems Generation Planning Criteria which was
21 provided as Attachment 1 to CA-NLH-033 of this proceeding.

22 b) Hydro assesses the operational considerations, benefits and limitations of various
23 renewable energy alternatives and Battery Energy Storage Systems, as part of its plan to
24 meet resource adequacy and system reliability requirements within the ongoing *Reliability*
25 *and Resource Adequacy Study Review* proceeding before the Board of Commissioners of
26 Public Utilities. It is Hydro's opinion that the information requested is not necessary for a
27 satisfactory understanding of the matters to be considered in the 2026 Capital Budget
28 Application ("CBA") as required by the *Board of Commissioners of Public Utilities*
29 *Regulations, 1996*.

- 1 c) Hydro has not included any projects for the installation of battery energy storage systems
2 within its 2026 CBA or within its five-year plan. Please refer to part b) of this response.