

1 Q. **Reference: CA-NLH-041.**

- 2 a) Can NWAs and DERs be used to address issues relating to asset condition, lifecycle
3 replacement, and reliability obligations?
- 4 b) Does this response indicate that Hydro has not considered NWAs and DERs as alternatives
5 to any project or program in the 2026 CBA?
- 6 c) In spite of the capacity and energy needs identified by Hydro in its Build Application, does
7 Hydro see any value in expanding the use of NWAs and DERs in its capital planning process
8 to address not only the capacity and energy needs, but also to reduce or delay the cost of
9 projects and programs in its capital budget?

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12 A. a) Non-wires alternatives (“NWAs”) and distributed energy resources (“DERs”) are primarily
13 tools for capacity- and load-driven needs; they do not repair or replace deteriorated
14 equipment and therefore generally cannot substitute asset condition or life cycle
15 replacement projects. The Ontario Independent Electricity System Operator (“IESO”)
16 acknowledges this in their published Guide to Assessing NWAs, stating:

17 “In most cases of asset replacement needs, NWAs will not be able to replace the
18 existing infrastructure entirely since a grid supply and connection need to be
19 maintained. NWAs (in addition to a like-for-like replacement) may be
20 considered more so for scenarios where the alternative is upsizing the existing
21 infrastructure.”¹

- 22 b) Newfoundland Labrador Hydro (“Hydro”) has not considered NWAs and DERs as alternatives
23 to any project or program in the 2026 Capital Budget Application (“CBA”), as outlined in its
24 response to CA-NLH-041.

¹ IESO Connecting Today. Power Tomorrow. “Integrated Regional Resource Plans: Guide to Assessing Non-Wires Alternatives,”
May 26, 2023. <https://www.ieso.ca/-/media/Files/IESO/Document-Library/regional-planning/IRRP-NWA-Process-Guidelines.pdf>

- 1 **c)** As stated in part a) of this response, NWAs and DERs generally cannot substitute for asset
2 condition or lifecycle replacement projects. NWAs and DERs may be considered as
3 alternatives to load growth-driven projects; however, Hydro has not proposed any such
4 projects in its 2026 CBA.