

1 Q. **Reference: Response to CA-NLH-028, part c**

2 Further to the response to CA-NLH-028, part c, please provide a detailed explanation of how the
3 Hydro 2026 to 2030 Strategic Plan and its three strategic priorities respond to each of the
4 external disruptive/transformational forces (decarbonization, decentralization, democratization,
5 decreased use and digitization) that are reshaping the energy sector during the energy
6 transition.

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9 A. Newfoundland and Labrador Hydro's ("Hydro") 2026-2030 Strategic Plan was developed to
10 support the anticipation of, and adaptation to, external challenges to enable Hydro to remain
11 resilient and agile through the energy transition. Hydro's responses to the external disruptive
12 and transformational forces referenced are reflected throughout Hydro's 2026-2030 Strategic
13 Plan, as detailed in Table 1.

Table 1: Hydro's Strategic Response to the Energy Transition

External Considerations	Implication for Hydro	Strategic Response
Decarbonization <i>The transition from fossil fuels to renewable and non-emitting generation.</i>	The global drive to decarbonize, supported by provincial and federal policies, is increasing demand for Hydro's already largely renewable electricity system.	- Reliability and Readiness: Places a dual focus on maintaining dependable service today and preparing for future system requirements. This includes efforts to optimize existing resources while prudently expanding the electricity system and readying Hydro's workforce to accommodate increased demand. - Sustainable Value Generation: Supports Hydro's ability to capitalize on the decarbonization-driven opportunities. For example, attraction of new industrial customers, optimization of export potential, monetization of renewable attributes (e.g., carbon credits), expansion of the province's electric vehicle charging infrastructure, and other socio-economic benefits.
Decentralization <i>The transition from a small number of large, centralized generators to newer technologies such as distributed generation, storage, microgrids, etc.</i>	Hydro's electrical system is largely based around several large-scale hydroelectric facilities, making it a primarily centralized system. However, emerging technologies and decentralization trends are presenting opportunities for Hydro to support community- and Indigenous-led renewable generation.	- Reliability and Readiness: As technologies such as distributed generation, energy storage, and microgrids continue to evolve, Hydro will monitor developments and consider their potential implications through ongoing transmission and generation planning processes. Any evaluation of emerging technologies continue to be undertaken in accordance with Hydro's mandate, system requirements, and assessment of technical, operational, and economic considerations. - Sustainable Value Generation: This priority outlines Hydro's interest in supporting Indigenous-led energy projects and partnerships and integrating renewable energy in isolated communities.

External Considerations	Implication for Hydro	Strategic Response
Democratization <i>The inclusion of a broad set of stakeholders in energy development, production, governance, and distribution of benefits.</i>	Hydro’s customers, Indigenous Peoples, communities, and other stakeholders increasingly desire more engagement and ownership in the development and distribution of energy and its associated benefits.	- Reliability and Readiness: This priority requires early and collaborative engagement with government, stakeholders, and partners related to the development of expansion projects. - Sustainable Value Generation: This priority promotes: engagement with suppliers; development of commercial and customer partnerships; meaningful relationships with Indigenous Peoples; and realization of socio-economic benefits through major capital investments.
Demand Renewed growth in energy demand as the economy transitions toward a decarbonized future.	Overall, Hydro’s load forecast incorporates government policies supporting the electrification of home heating and transportation. As customer needs and energy consumption patterns evolve, Hydro must continue to adapt to ensure the electricity system remains safe, reliable, and capable of meeting the needs of both current and future customers.	- Reliability and Readiness: Hydro captures usage, trends, and impacts of existing conservation and demand management programs in its load forecasting to enable it to plan for evolving energy needs. - Sustainable Value Generation: Emphasizes cost management and optimizing existing energy assets, which supports appropriate investment as demand evolves.
Digitization <i>Increasing integration of technologies, automation, data, advanced analytics, artificial intelligence, and cybersecurity</i>	Increasing sophistication and economic viability of technologies presents opportunity for Hydro to increase productivity, but it also requires Hydro to maintain a vigilant approach to cybersecurity to protect its data and assets.	Reliability and Readiness: This priority requires Hydro to leverage technology and modern applications to improve workforce productivity and enable efficient, effective operations. It also requires enhancement of cybersecurity and incident response to reinforce system resilience.