

1 Q. **Reference: LAB-NLH-030**

2 Follow up to LAB-NLH-006, LAB-NLH-007, LAB-NLH-030, LAB-NLH-031

3 In LAB-NLH-030, Hydro produces the NLSO Annual Planning Assessment. In S.3.2 of the that
4 document, NLSO acknowledges that they have undertaken studies and arrived at a preferred
5 Labrador West Transmission alternative. However, there has been no engagement of the Board
6 or other interested parties to date before the Board.

7 Citation (pp. 6-7):

8 3.2 Labrador Incremental Load

9 Hydro is currently undertaking a process to investigate large incremental customer load
10 requests in Labrador. These incremental requests are beyond the baseline forecast and outside
11 of the scope of any Annual Assessment.

12 Transmission system expansion requirements to serve incremental customers in Labrador East
13 were assessed in a standalone study in 2024 in accordance with Hydro's Network Addition
14 Policy. The study concluded that additional transformation⁸ is required at the Happy Valley
15 Terminal Station by the winter of 2029/2030 to facilitate the firm load requests in Labrador East.
16 This has been assessed as part of the 2026 Hydro Annual Assessment.⁹

17 In 2024, Hydro received a number of formal written large load requests in Western Labrador to
18 support existing operations and future critical mineral projects. To assess the feasibility of
19 serving this load, Hydro undertook a Transmission Feasibility Study. The study was funded by
20 participating customers and The Government of Canada through the Smart Renewables and
21 Electrification Pathways Program ("SREPs").

22 From the study, a single 735 kV transmission line was the identified solution to support Labrador
23 West load growth. In 2026, Hydro will continue to work with participating customers to advance
24 Front-End Engineering Design for the proposed transmission project.

The proposed project consists of a single circuit 735kV transmission line; connection to the existing Churchill Falls facility; and a new high-voltage alternating current (“HVac”) Terminal Station at Flora Lake in Labrador West. The line and station would initially operate at a lower voltage, transitioning to higher operating voltages as long-term industrial demand grows.

An objective of the upcoming Front-End Engineering Design work will be to determine the amount of load that can be served for each proposed operating level (230 kV, 315 kV and 735 kV), thereby determining thresholds for progression through operating stages.

Hydro continues to work with Hydro Quebec (“HQ”) to assess potential solutions involving an interconnection between Labrador West and the HQ transmission system.

Hydro continues to assess the availability of non-firm supply to Labrador East and West for potential customers willing to be interruptible.

a) Please provide the following studies referred to in the citation:

- a.** The 2024 standalone study in accordance with Hydro’s Network Addition Policy.
- b.** the 2026 Hydro Annual Assessment,
- c.** the 2024 Transmission Feasibility Study, in response to the receipt of a number of formal written large load requests in Western Labrador to support existing operations and future critical mineral projects

b) For the project proposed as a result of the Transmission Feasibility Study, please provide:

- a.** A detailed map of the proposed infrastructure,
- b.** A detailed list of any system modifications required to implement it, with a detailed map showing their locations,
- c.** The forecast commissioning dates, with the capital cost and revenue requirement impacts expected for each.

- 1 **c)** Please quantify the additional capital costs that result from building a 735 kV line, as
2 opposed to a) a 230 kV or b) 315 kV line.
- 3 **d)** Please specify the transfer capacity for each of these three voltage levels, and specify
4 when Hydro expects these thresholds to be crossed, given the information it has at this
5 time regarding future loads.
- 6 **e)** Please elaborate on the risks for ratepayers in the event that the additional loads
7 required to go beyond the transfer capacity of a) a 230 kV line or b) a 315 kV line should
8 not materialize.
- 9 **f)** Please explain why these materials have not been brought to the attention of the Board
10 or other stakeholders before this time.

11 Please indicate when and in what manner Hydro intends to bring this matter before the Board.

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- 14 A. **a) a.** The 2024 standalone study referenced in Section 3.2 of the 2026 Annual Planning
15 Assessment describes an assessment made at that time, pursuant to the Network
16 Additions Policy, based on certain customer load requests. The assessment identified
17 system requirements based on the information and circumstances applicable at that
18 time. The nature and timing of system requirements may change as customer
19 connection requirements and timing evolve.

20 If a capital investment is required, approval for the project would be sought through the
21 applicable regulatory approval process. The information supporting the proposed
22 project would be provided as part of the filing for review by the Board of Commissioners
23 of Public Utilities (“Board”) and interested parties.

24 In these circumstances, Newfoundland and Labrador Hydro (“Hydro”) does not consider
25 the underlying assessment necessary for a satisfactory understanding of the matters to

1 be considered in the 2026 General Rate Application ("GRA") as required by the *Board of*
2 *Commissioners of Public Utilities Regulations, 1996.*

3 **b.** The requested 2026 Hydro Annual Planning Assessment was previously provided as
4 Attachment 1 to Hydro's response to LAB-NLH-030 of this proceeding. The assessment
5 addresses Hydro transmission facilities rated 46 kV and above that are under Hydro's
6 operational control.

7 **c.** The 2024 Labrador West Transmission Feasibility Study was undertaken in response to
8 formal large-load requests received from customers in Labrador West. The study was
9 funded by participating customers and the Government of Canada through the Smart
10 Renewables and Electrification Pathways Program. The study is subject to confidentiality
11 obligations, including a non-disclosure agreement, and cannot be provided in response
12 to this request. As stated in the 2026 Annual Planning Assessment, the study identified a
13 single-circuit 735 kV transmission line as a technical solution capable of supporting the
14 Labrador West load requirements identified by the customers participating in the study.
15 The identification of the 735 kV transmission line through the Transmission Feasibility
16 Study does not represent a determination by Hydro that the project should proceed or
17 that it is the least-cost solution to serve future Labrador West load. Significant
18 additional engineering and analysis are required before Hydro can make those
19 determinations. As noted above, if a capital investment is required, approval for the
20 project would be sought through the applicable regulatory approval process. The
21 information supporting the proposed project would be provided as part of the filing for
22 review by the Board and interested parties. At this time, Hydro does not consider the
23 underlying assessment necessary for a satisfactory understanding of the matters to be
24 considered in the 2026 GRA as required by the *Board of Commissioners of Public Utilities*
25 *Regulations, 1996.*

26 **b)** Front-end engineering design work has not been completed. Hydro has not yet finalized the
27 project configuration, detailed infrastructure and associated system modifications,
28 commissioning schedule, capital costs, or revenue requirement impacts. These matters will
29 necessarily depend on the results of the ongoing engineering and alternatives analysis, as

1 well as the certainty of the load requirements as identified by those Labrador West
2 customers.

3 It would be premature to assess the potential ratepayer impacts associated with future
4 loads not materializing under particular voltage configurations. Such an assessment would
5 depend upon the project, if any, ultimately proposed by Hydro, as well as its costs, the
6 applicable arrangements for serving incremental customer loads, and the results of the
7 engineering and alternatives analysis that remains underway.

8 Hydro acknowledges that information concerning forecast load and the potential
9 implications of load growth may provide relevant context for the matters addressed in this
10 proceeding. Hydro has provided its Labrador Interconnected System load forecast and
11 information concerning existing system capability and ongoing system planning in response
12 to the requests for information in this proceeding. However, no capital expenditure arising
13 from those studies is proposed for approval in this proceeding or reflected in the 2027 Test
14 Year revenue requirement.

15 The requested information is not available at this time, and Hydro submits it is not
16 necessary for a satisfactory understanding of the matters to be determined in the 2026 GRA.
17 If Hydro determines it is necessary to apply for Board approval of the capital expenditures
18 necessary for transmission expansion, Hydro will request the required approval from the
19 Board and provide the fulsome information to support that application.

20 **c)** Please refer to Hydro's response to part b).

21 **d)** Please refer to Hydro's response to part b).

22 **e)** Please refer to Hydro's response to part b).

23 **f)** Please refer to Hydro's response to part b).