

1 Q. **Reference: NP-NLH-061, Issue Topic: Operational Plans for Muskrat Falls Assets.**

2 Please provide a breakdown of how the Muskrat Falls Residual Block energy and capacity were  
3 used (e.g., exported, used to serve Island Interconnected Load, used to serve Labrador Load,  
4 etc.) in both GWh and MW for 2024 to 2027 test year. For amounts used to serve Labrador  
5 customers, please provide the related recapture energy that was exported to the benefit of  
6 Island Interconnected customers.

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9 A. Residual Block energy is the excess energy remaining after the energy requirements of  
10 Newfoundland and Labrador Hydro ("Hydro") are met to serve the Island Interconnected Load  
11 and the energy requirements of the Nova Scotia Block under the Energy and Capacity  
12 Agreement are satisfied. This Residual Block energy can be sold by Muskrat Falls Corporation  
13 ("Muskrat Falls") via Nalcor Energy Marketing ("Energy Marketing") in external export markets  
14 or sold by Muskrat Falls to Hydro to be used for other domestic purposes (i.e., to service  
15 Labrador customers and create Incremental Recapture energy for export). Residual Block energy  
16 used to service Labrador customers results in Incremental Recapture energy available for sale  
17 from Hydro to Energy Marketing.

18 The breakdown of Muskrat Falls Residual Block energy and the Incremental Recapture energy is  
19 presented in Table 1.

**Table 1: Muskrat Falls Residual Block Energy Breakdown and Incremental Recapture Energy Equivalent (GWh)**

| <b>Energy</b>                        | <b>Actual<br/>2024</b> | <b>Actual<br/>2025</b> | <b>Forecast<sup>1</sup><br/>2026</b> | <b>Test Year<sup>1</sup><br/>2027</b> |
|--------------------------------------|------------------------|------------------------|--------------------------------------|---------------------------------------|
| Muskrat Falls Residual Block Exports | 498                    | 807                    | 1,686                                | 1,630                                 |
| Use in Labrador <sup>2</sup>         | 588                    | 256                    | 294                                  | 524                                   |
| Incremental Recapture Energy         | 561                    | 246                    | 281                                  | 500                                   |

- 1 The breakdown of Muskrat Falls Residual Block energy and the Incremental Recapture energy in  
2 capacity megawatt (“MW”)<sup>3</sup> is presented in Table 2.

**Table 2: Muskrat Falls Residual Block Capacity Breakdown and Incremental Recapture Capacity Equivalent (MW)**

| <b>Capacity</b>                      | <b>Actual<br/>2024</b> | <b>Actual<br/>2025</b> | <b>Forecast<sup>4</sup><br/>2026</b> | <b>Test Year<sup>4</sup><br/>2027</b> |
|--------------------------------------|------------------------|------------------------|--------------------------------------|---------------------------------------|
| Muskrat Falls Residual Block Exports | 57                     | 92                     | 192                                  | 186                                   |
| Use in Labrador                      | 67                     | 29                     | 34                                   | 60                                    |
| Incremental Recapture Energy         | 64                     | 28                     | 32                                   | 57                                    |

<sup>1</sup> NP-NLH-061 of this proceeding contained an error in the GWh provided for Muskrat Falls Residual Block (exports) and the Power Purchase Agreement (“PPA”) Energy to Hydro for 2026 and 2027. The correct GWh for 2026 was 1,686 (vs 1,837) for Muskrat Falls Residual Block (exports) and 1,419 (vs 1,268) for PPA deliveries to Hydro. The correct GWh for 2027 was 1,630 (vs 1,782) for Muskrat Falls Residual Block (exports) and 1,364 (vs 1,212) for PPA deliveries to Hydro.

<sup>2</sup> The difference between the volume of Muskrat Falls Residual Block used to service Labrador customer load and the volume of Incremental Recapture Energy relates to losses between the two points of delivery. Muskrat Falls Residual Block energy is delivered at the interconnection between the Muskrat Falls plant and the Labrador Transmission Assets. Incremental Recapture is delivered at the Québec border.

<sup>3</sup> MWs are calculated as GWh/total annual hours x 1000 and reflect Average capacity. Annual hours are 8,760, except 8,784 for the 2024 leap year.

<sup>4</sup> NP-NLH-061 of this proceeding contained an error in the MW provided for Muskrat Falls Residual Block (exports) and the PPA Energy to Hydro for 2026 and 2027. The correct MW for 2026 was 192 (vs 210) for Muskrat Falls Residual Block (exports) and 162 (vs 145) for PPA deliveries to Hydro. The correct MW for 2027 was 186 (vs 203) for Muskrat Falls Residual Block (exports) and 156 (vs 138) for PPA deliveries to Hydro.