

Q. **Reference: NP-NLH-104, Issue Topic: Newfoundland Power Generation Credit.**

Please provide in a table, a comparison of (i) the annual cost to Hydro of Newfoundland Power's generation credit of 118.1 MW; and (ii) the annualized replacement cost to Hydro if Newfoundland Power's generation did not exist and was therefore not available to Hydro.

A. Table 1 provides the annual value of Newfoundland Power Inc.'s ("Newfoundland Power") generation credit of 118.1 MW.

**Table 1: Comparison of Test Year Revenue Requirement  
Generation Credit of 118.1 MW vs 0.0 MW<sup>1</sup>**

| Customer Class                | Generation Credit<br>0.0 MW | Generation Credit<br>118.1 MW | Variance<br>(\$) |
|-------------------------------|-----------------------------|-------------------------------|------------------|
| Newfoundland Power            | 576,796,844                 | 573,514,987                   | 3,281,856        |
| Island Industrial             | 41,459,703                  | 43,089,741                    | (1,630,038)      |
| Labrador Industrial           | 9,172,200                   | 9,172,200                     | -                |
| Rural Labrador Interconnected | 20,039,020                  | 20,039,020                    | -                |
| Rural Island Interconnected   | 85,911,444                  | 87,563,263                    | (1,651,818)      |
| Island Isolated               | 10,404,402                  | 10,404,402                    | -                |
| Labrador Isolated             | 44,165,488                  | 44,165,488                    | -                |
| L'Anse-au-Loup                | 9,758,496                   | 9,758,496                     | -                |
| <b>Total</b>                  | <b>797,707,596</b>          | <b>797,707,596</b>            | <b>-</b>         |

The extent to which the capacity and energy provided by Newfoundland Power's generation would be replaced would need to be investigated and deliberated as part of a resource adequacy review. Considerations would include impacts on planning criteria, capacity requirements in the event of Labrador-Island Link shortfall scenarios, firm energy considerations, and the reliability of existing assets at that time. The exact replacement cost would depend on the lowest-cost supply options required to ensure reliable system operation.

<sup>1</sup> Numbers may not add due to rounding.

- 1           Therefore, the exact annualized cost could vary significantly depending on the capacity
- 2           requirements and the cost of the chosen supply solution.