

1 Q. **Reference: Response to PUB-NLH-103(b)**

2 a) Explain why a marginal capacity value computed for planning purposes on a 2032
3 system is an appropriate classifier for an embedded cost incurred on the 2027 system.

4 b) Identify any other resource in the Cost of Service study whose classification is set by a
5 capacity value study.

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8 A. a) Newfoundland and Labrador Hydro considers the marginal capacity value study on a 2032
9 system to be an appropriate basis for classifying costs incurred on the 2027 system, as the
10 wind generation capacity evaluated in the study is similar to that of the existing wind farms
11 currently serving the Island Interconnected System.

12 b) Other than wind purchases, no resource in the 2027 Test Year Cost of Service Study
13 demand/energy classification is established using a capacity value study.