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October 2, 2026

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Mike McNiven
Executive Director and Board Secretary

Re: Application for the Interconnection and Integration of the Nunatsiavut Clean Energy Corporation ("NCEC") Renewable Energy Project

Please find enclosed Newfoundland and Labrador Hydro's ("Hydro") application for the interconnection and integration of the Nunatsiavut Clean Energy Corporation ("NCEC") renewable energy project.

The estimated capital cost of the project is \$1,325,100 and is to be fully contributed by NCEC, an independent power producer from which Hydro purchases energy for the benefit of its customers in Nain.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/sk

Encl.

ecc:

Board of Commissioners of Public Utilities
Jacqui H. Glynn
Ryan Oake
Board General

Island Industrial Customer Group
Dana Constantine, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Labrador Interconnected Group
Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Consumer Advocate
Adrienne H.Y. Ding, O'Dea Earle
Justin W. King, O'Dea Earle
Consumer Advocate General

Newfoundland Power Inc.
Dominic J. Foley
Douglas W. Wright
Regulatory Email

Application for the Interconnection and Integration of the Nain Wind Micro-Grid System

September 29, 2026

An application to the Board of Commissioners of Public Utilities



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 (“EPCA”) and the *Public Utilities Act*, RSNL 1990, Chapter P-47 (“Act”), and regulations thereunder; and

IN THE MATTER OF an application by Newfoundland and Labrador Hydro (“Hydro”) for an Order approving the acquisition and installation of equipment for the interconnection and integration of the Nunatsiavut Clean Energy Corporation (“NCEC”) renewable energy project, and the charge to NCEC for the related capital costs, pursuant to Section 41 of the *Act*.

To: The Board of Commissioners of Public Utilities (“Board”)

THE APPLICATION OF HYDRO STATES THAT:

A. Background

1. Hydro is a corporation continued and existing under the *Hydro Corporation Act, 2024*, is a public utility within the meaning of the *Act*, and is subject to the provisions of the *EPCA*.

B. Application

2. Hydro owns and operates 24 diesel generating stations, 19 of which are prime power stations,¹ serving a total of approximately 4,400 customers. One of these diesel generating stations is located in Nain on the north coast of Labrador. Hydro serves approximately 531 customers in Nain as of June 2026.

¹ Prime power stations are not interconnected to the grid and rely on the power supplied by the diesel generation units for capacity and energy.

3. The Nunatsiavut Government (“NG”) has partnered with Natural Forces, as the Nunatsiavut Clean Energy Corporation (“NCEC”), to undertake the design, implementation, and operation of a wind energy and energy storage project in Nain. This project is hereinafter referred to as the NCEC Project. The NCEC Project includes the following:
 - (i) The installation of two 2.35 MW wind turbines on a ridge northwest of the community of Nain;
 - (ii) The installation of a battery energy storage system near Hydro’s diesel generating station, to operate in conjunction with the wind turbines and Hydro’s diesel generating station;
 - (iii) The installation of a dedicated distribution line connecting the wind turbines and battery energy storage system; and
 - (iv) The installation of a fibre optic communications cable between Hydro’s diesel generating station and the renewable resources.
4. Pursuant to a Power Purchase Agreement (“PPA”) that Hydro has negotiated with NCEC, Hydro will purchase energy from NCEC at 90% of the average cost of diesel fuel to produce energy at the Nain Diesel Generating Station, for the benefit of Hydro’s customers.
5. To be able to integrate the increased renewable energy into the Nain electrical system and Hydro’s diesel generating station, Hydro must upgrade the existing distribution system and the diesel generating station’s control and communications systems. The project will allow for increased renewable energy penetration in Nain, reducing the amount of fuel consumed at the diesel generating station. Further information regarding the scope of this work and its justification is provided in the report attached to this application as Schedule 1.
6. The estimated capital cost for this project is \$1,325,100, and it is expected to be completed in 2029. NCEC will be paying all costs associated with the project along with an operations and maintenance factor of 6.5% to cover future maintenance requirements. The total estimated contribution is \$1,411,231.50 excluding HST, as shown in Schedule 2 to this Application.

C. Newfoundland and Labrador Hydro's Request

7. Hydro requests that the Board make an Order approving Hydro's upgrade of the existing distribution system and diesel generating station's control and communications systems to facilitate and accommodate the updated renewable energy system in Nain that will provide additional purchased renewable energy to Hydro's Nain isolated electrical system.
8. Hydro requests that the Board make an Order approving the charge to NCEC of an estimated \$1,411,231.50 excluding HST.

B. Communications

9. Communications with respect to this Application should be forwarded to Shirley A. Walsh, Senior Legal Counsel, Regulatory for Hydro.

DATED at St. John's in the province of Newfoundland and Labrador on this 29th day of September 2026.

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
 Counsel for the Applicant
 Newfoundland and Labrador Hydro
 500 Columbus Drive, P.O. Box 12400
 St. John's, NL A1B 4K7
 Telephone: (709) 685-4973

Schedule 1

Wind Micro-Grid System Interconnection and Integration

Nain

2027–2029



Wind Micro-Grid System Interconnection and Integration

2027–2029

Nain



Interconnection and Integration of the Nain Wind Micro-Grid System (2027–2029)

Location:	Nain
Investment Classification:	Access
Asset Category:	Generation
Estimated Cost:	\$1,325,100

Executive Summary

The Nunatsiavut Government (“NG”) has partnered with Natural Forces, as the Nunatsiavut Clean Energy Corporation (“NCEC”), to undertake the design, implementation, and operation of a wind energy and energy storage project in Nain. This project is hereinafter referred to as the NCEC Project and includes the following:

- The installation of two 2.35 MW wind turbines on a ridge northwest of the community of Nain;
- The installation of a battery energy storage system (“BESS”) near Newfoundland and Labrador Hydro’s (“Hydro”) diesel generating station, to operate in conjunction with the wind turbines and Hydro’s diesel generating station;
- The installation of a dedicated distribution line connecting the wind turbines and the BESS; and
- The installation of a fibre-optic communications cable between Hydro’s diesel generating station and the renewable resources.

Hydro has negotiated a Power Purchase Agreement (“PPA”) with NCEC pursuant to which Hydro will purchase energy from NCEC at 90% of the cost of fuel to produce equivalent energy at the Nain Diesel Generating Station. To facilitate the interconnection of the renewable energy system in Nain, upgrades to Hydro’s distribution system and the diesel generating station’s control system are necessary.

This project is at the request of NCEC, which will be responsible for the costs associated with the project. This work will be completed as a multi-year project, with completion planned in 2029 at an estimated cost of \$1,325,100. Hydro recommends proceeding with this project to decrease fuel consumption at the diesel generating station to the benefit of customers in Nain.

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1.0 Introduction

The Nain isolated electrical system supplies electricity to the community of Nain, which consists of approximately 531 customers¹ served by approximately 14 km of distribution feeders and a 4.0 MW diesel generating station.

To facilitate the interconnection of the NCEC-owned renewable energy resources, upgrades to Hydro's distribution system and diesel generating station are required.

2.0 Background

The NG has partnered with Natural Forces, through NCEC, to undertake the design, implementation, and operation of a wind energy and BESS project.

NCEC's design includes two 2.35 MW wind turbines installed on a ridge northwest of the community of Nain (as shown in Figure 1), an approximately 2.5 MW BESS with 5 MWh of energy storage located near the diesel generating station, and an approximately 5.5 km distribution line between the diesel generating station and the renewable resources.²

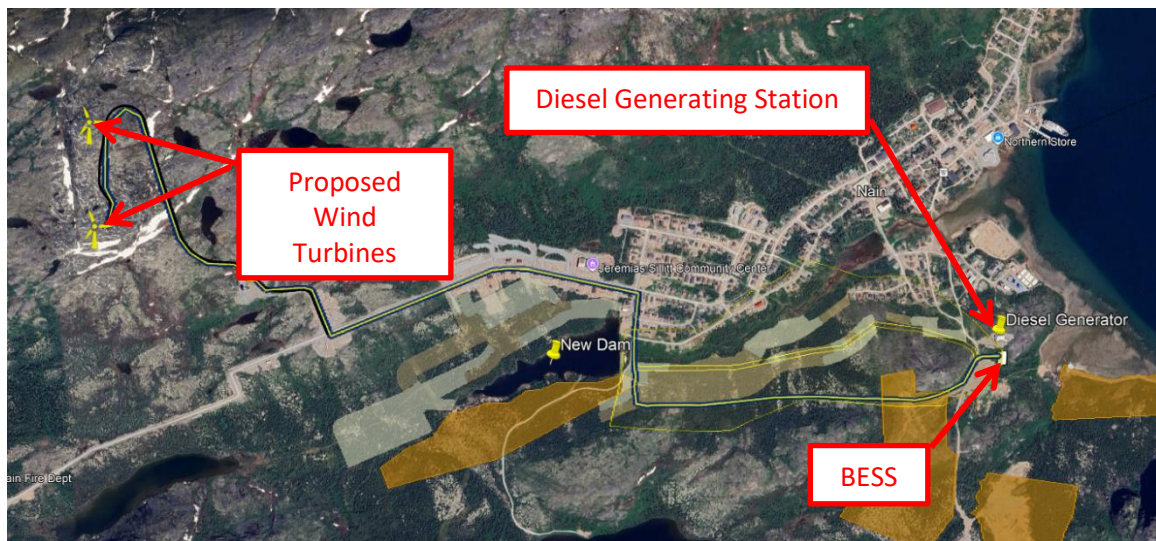


Figure 1: Map of Nain

¹ As of June 2026.

² Hydro will own the portion of the distribution line between the diesel generating station and the point of interconnection.

Hydro and NCEC have negotiated a PPA for the purchase of energy from the proposed renewable energy system. This agreement stipulates that energy received by Hydro from NCEC will be purchased at 90% of the cost of fuel to produce equivalent energy at the Nain Diesel Generating Station.

3.0 Justification

The NCEC project consists of wind turbines and a BESS that will connect and interface with the existing Nain Diesel Generating Station and distribution system to supply renewable energy to the community and reduce the amount of diesel fuel required for electricity generation. Upgrades to the existing distribution system and diesel generating station control and communications systems are necessary to enable the purchase and supply of energy generated through the project.

The proposed interconnection project will establish the electrical interconnection and communication link between Hydro's diesel generating station in Nain and the renewable energy system owned by NCEC. It will also integrate the renewable energy sites with the control system at the diesel generating station. The objective of this project is to introduce wind generation and battery energy storage, decreasing fuel consumption at the diesel generating station.

The interconnection project is being completed at NCEC's request and is fully contributed. The proposed work scope is necessary to meet the terms of the agreement and will allow for the provision of power in a more environmentally responsible manner and reduce the cost of energy production in Nain. Hydro has entered into an agreement with NCEC for the purchase of energy from NCEC's renewable energy resources through a PPA. Completion of the distribution and diesel generating station upgrades is required to facilitate the energy purchases.

4.0 Identification of Alternatives

There are no alternatives for this project, as it is required for the safe and reliable operation of the renewable energy system in Nain and is proposed to fulfill the terms of the PPA between Hydro and NCEC.

5.0 Scope of Work

An overview of the work to be completed under this project beginning in 2027 is as follows:

- Construction of approximately 200 m of 4.16 kV distribution line from the diesel generating station to the point of interconnection near the diesel generating station;
- Supply and installation of a three-phase recloser, a metering tank, and a gang-operated disconnect switch at the point of interconnection at the BESS location;
- Upgrades to Hydro's diesel generating station's control system for integration of renewable resources, including modifications to the existing generating station's automation and control systems to interface with the proponent's micro-grid controller and
- Upgrades to Hydro's diesel generating station communications to utilize new proponent-installed fibre-optic infrastructure, including network upgrades and fibre terminations required to interface with the new renewable resources and Hydro's equipment at the point of interconnection.

6.0 Project Budget

The estimate for this project is shown in Table 1.

Table 1: Project Estimate (\$000)³

Project Cost	2027	2028	Beyond	Total
Material Supply	52.4	195.8	0.0	248.2
Labour	83.6	267.3	14.5	365.4
Consultant	39.4	39.4	16.9	95.6
Contract Work	2.8	298.0	0.0	300.8
Other Direct Costs	5.9	60.0	0.0	65.9
Interest and Escalation	6.8	67.0	2.1	75.9
Contingency	22.1	147.9	3.1	173.2
Total	212.9	1,075.5	36.7	1,325.1

³ Numbers may not add due to rounding.

6.1 Project Schedule

This project is expected to start in the first quarter of 2027 and conclude in the second quarter of 2029, as shown in Table 2.

Table 2: Project Schedule

Activity	Start Date	End Date
Planning:		
Open project, prepare project scope statement, schedule, and hold risk workshop	January 2027	March 2027
Design:		
Transmission and Distribution	January 2028	April 2028
Protection, Controls, and Communications	April 2027	June 2028
Procurement:		
All disciplines	January 2027	May 2028
Construction:		
Transmission and Distribution	June 2028	July 2028
Protection, Controls, and Communications	June 2028	September 2028
Commissioning:		
Transmission and Distribution	July 2028	August 2028
Protection, Controls, and Communications	August 2028	October 2028
Acceptance: Release for Service/Commercial Operation	October 2028	June 2029
Closeout:		
Project Closeout	January 2029	June 2029

7.0 Conclusion

Hydro recommends proceeding with this project to install the electrical interconnection, upgrade the diesel generating station's control system, and establish a communication link between Hydro's diesel generating station and the proponent's renewable energy resources. This project will fulfill Hydro's obligations defined in the PPA with NCEC and decrease fuel consumption at the diesel generating station to the benefit of Hydro's customers in Nain. The cost of this project will be fully recovered from NCEC.

Schedule 2

2026 Contribution Calculation for
Nunatsiavut Clean Energy Corporation



2026 Contribution Calculation for the Nunatsiavut Clean Energy Corporation

Detailed Construction Cost	\$1,325,100
Operations and Maintenance Factor	6.5%
Operations and Maintenance Amount	<u>\$86,131.50</u>
Total Contribution	<u>\$1,411,231.50</u>

Affidavit



IN THE MATTER OF the *Electrical Power Control Act, 1994*, SNL 1994, Chapter E-5.1 ("*EPCA*") and the *Public Utilities Act*, RSNL 1990, Chapter P-47 ("*Act*"), and regulations thereunder; and

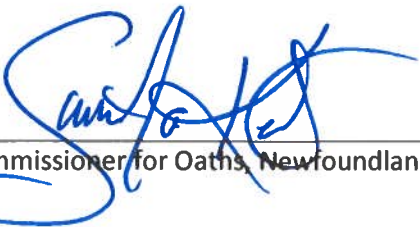
IN THE MATTER OF an application by Newfoundland and Labrador Hydro ("*Hydro*") for an Order approving the acquisition and installation of equipment for the interconnection and integration of the Nunatsiavut Clean Energy Corporation ("*NCEC*") renewable energy project, and the charge to NCEC for the related capital costs, pursuant to Section 41 of the *Act*.

AFFIDAVIT

I, Paul Dillon, of St. John's in the province of Newfoundland and Labrador, make oath and say as follows:

- 1) I am Director, Engineering, Newfoundland and Labrador Hydro, the applicant named in the attached application.
- 2) I have read and understand the foregoing application.
- 3) To the best of my knowledge, information, and belief, all of the matters, facts, and things set out in this application are true.

SWORN at St. John's in the province of Newfoundland and Labrador this 29th day of September 2026, before me:



Commissioner for Oaths, Newfoundland and Labrador



Paul Dillon

SAMANTHA KEATS
A Commissioner for Oaths in and for
the Province of Newfoundland and Labrador.
My commission expires on December 31, **2021**