

1 **Q. With reference to Hydro’s response to IIC-NLH-032, and page 119 of 325 of the Application,**
2 **Schedule 3, Schedule C:**

3 Please confirm that the updated \$170/tonne cost of carbon for Federal Government carbon levy
4 is closer to the Social cost of Carbon sensitivity than to the base case for the purposes of the fuel
5 switching analyses.

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8 **A.** The Electrification, Conservation and Demand Management Plan 2021–2025 does not include
9 any carbon levy, neither the federal backstop nor the social cost of carbon. Therefore, it is
10 confirmed that the updated federal carbon price, currently set to reach \$170/tonne in 2030,
11 would be closer to the social cost of carbon sensitivity (estimated by Dunsky Energy Consulting
12 to be \$213/tonne in 2020) than to the base case for the purposes of fuel switching.¹

¹ “Application for Approvals Required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 3, sch. C, p. 119 of 325.