Q. (Reference Schedule B, Mobile Plant Substation Power Transformer Replacement) It is stated (page 58) "Addressing the deteriorating power transformer will support the continued supply of 10 kVA [sic] of generation from the Mobile Plant." Is this capacity critical to the reliability of supply to Island customers?

A. The 10 MVA Mobile Plant is Newfoundland Power's largest single generating unit and therefore comprises a significant portion of the firm energy and capacity that Newfoundland Power can provide to customers on the Island Interconnected System ("IIS"). The continued operation of the Mobile Plant is consistent with the provision of least cost reliable service to customers. Furthermore, Newfoundland and Labrador Hydro ("Hydro") accounts for continuing capacity and energy from Newfoundland Power's hydro plants, including the Mobile Plant, in its *Reliability & Resource Adequacy Study* ("RRAS") which assesses the adequacy of current and future electricity supply for customers on the IIS.²

 Hydro routinely calls for Newfoundland Power's hydraulic generation, which includes the Mobile Plant, to be dispatched at maximum availability, particularly during peak winter periods on the IIS. Beyond an Island supply perspective, the Mobile Plant offers further benefits both in terms of local and regional reliability. For example, the Mobile Plant substantially permits customers along the Southern Shore of Newfoundland to be supplied from an islanded system following either a supply shortfall or planned and unplanned equipment outages. Furthermore, in consideration of the St. John's area in particular, Hydro's latest annual transmission planning assessments indicate a potential for overloaded system transformers during various contingency scenarios which could be minimized through dispatching generation at Mobile Plant.³ The continued availability of this plant therefore facilitates a potential reduction in future upgrades that may be required on Hydro's bulk transmission system.

 In March 2025, Hydro submitted its *2025 Build Application* for the construction of 300 MW of capacity on the IIS.⁴ In July 2025, Hydro issued a Request for Expressions of Interest for 500 GWh of firm energy and 150 MW of firm capacity on the IIS.⁵ Absence of the Mobile Plant would further increase Hydro's energy and capacity requirements on the IIS. As a result, continued operation of the Mobile Plant is necessary for the least cost delivery of reliable service to customers on the IIS.

See Newfoundland Power's 2023 Capital Budget Application, report 4.2 Mobile Hydro Plant Refurbishment, Appendix A, page 7.

Hydro's ongoing RRAS proposes a minimum investment expansion plan that may still result in generation shortfalls as high as 169 MW during peak periods on the IIS. See Hydro's 2024 Resource Adequacy Plan, Appendix C, page 143 of 163.

See Hydro's report – 2025 Annual Planning Assessment, May 13, 2025, page iii, and Appendix C, Attachment A pages 18 and 20.

This includes the 150 MW Bay d'Espoir Unit 8 project and the 150 MW Avalon Combustion Turbine project.

See Hydro's July 9, 2025 news release: *Hydro issues request for expressions of interest for adding capacity and energy resources to the Newfoundland Island system.*