Q. On page 19 Newfoundland Power states that increased generation expenditures also reflect a forecast requirement to undertake refurbishment projects at 11 hydro plants over the next five years. Has Newfoundland Power developed an integrated resource plan in conjunction with Newfoundland and Labrador Hydro regarding the necessity and requirements of these hydro plant refurbishments? If not, does Newfoundland Power intend to work with Newfoundland and Labrador Hydro in the development of such a resource plan? If not, why not?

A. General

Newfoundland Power has not developed a specific integrated resource plan with Newfoundland and Labrador Hydro ("Hydro") in relation to the Company's hydro plants. However, the Company engages in frequent consultation with Hydro regarding the ongoing and future role of its hydro plants on the Island Interconnected System ("IIS").

Hydro's Resource Adequacy Plans

Supply planning on the IIS is the primary focus of the Board's review of Hydro's Reliability and Resource Adequacy Study (the "RRAS Review"). Newfoundland Power has been directly involved in the RRAS Review since it was established by the Board in 2019.[1] Hydro filed its *2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequacy Study* (the "2024 Resource Adequacy Plan") with the Board on July 9, 2024. It provides analyses in relation to the adequacy of supply on the IIS over the 10-year period through 2034.

In addition to Hydro's own sources of supply, Hydro's 2024 Resource Adequacy Plan also considers other sources of supply on the IIS, including hydro generation from Newfoundland Power, Deer Lake Power, Rattle Brook, Exploits, and Star Lake.[2] Newfoundland Power's hydro plants represent approximately 4% of the capacity requirements and 5% of energy requirements on the IIS.[3]

Newfoundland Power works with Hydro during the development of its Resource Adequacy Plans to establish the capability of Newfoundland Power's generation facilities in the future. This includes establishing an appropriate estimate of firm capacity and

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1 In its letter dated December 4, 2019 the Board stated that Phase Two of the Board's Investigation into Supply Issues and Power Outages on the Island Interconnected System would conclude and that any concerns in relation to adequacy and reliability of supply on the IIS upon interconnection with the Muskrat Falls Project would be addressed in the Board's review of the Reliability and Resource Adequacy Study ("RRAS") filed by Hydro on November 16, 2018. Hydro filed subsequent RRAS studies with the Board in 2019, 2020, 2021, 2022, and 2024.

2 See Hydro's *2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequqcy Study*, July 9, 2024, Appendix B, Table 2, page 28 of 57.

3 The firm capacity provided by Newfoundland Power's hydro plants is 60.0 MW while the peak demand on the IIS in 2024 was 1,691 MW (60.1 MW / 1,691 MW = 0.036). The firm energy capability provided by Newfoundland Power's hydro plants is approximately 324 GWh while the total energy requirements on the IIS in 2024 was 6,750 GWh (324 GWh / 6,750 GWh = .048).

energy from Newfoundland Power's hydro plants and thermal plants.[4] It also includes consideration of potential future changes to Newfoundland Power's generating facilities. For example, Hydro's 2024 Resource Adequacy Plan includes discussion and analysis in relation to the future role of the Company's Wesleyville and Greenhill combustion turbines and how capacity at those locations could potentially resolve regional transmission violations and support future load growth.[5]

Joint System Planning

The operation of Newfoundland Power's hydro plants are also considered by both utilities as part of annual Newfoundland & Labrador System Operator ("NLSO") transmission assessments.[6] For example, the dispatch of Newfoundland Power hydro plants can mitigate a contingency involving Hydro's 66 kV system transformers supplying the St. John's area.[7] These studies ensure both utilities are properly considering the capabilities of Newfoundland Power's hydro plants in the future.

Annual Capital Planning Process

Prior to including a hydro plant refurbishment project in a capital budget, Newfoundland Power meets with Hydro to provide an overview of the proposed project. This is to ensure the project and the future operation of the Company's hydro plants are aligned with supply requirements on the IIS. Newfoundland Power continues this approach with Hydro on a routine basis to ensure Hydro has visibility into the future plans and operation of Newfoundland Power's hydro plants.

System Operations

Newfoundland Power and Hydro also work closely together in the operation and dispatch of the Company's hydro plants. Hydro's Energy Control Centre ("ECC") coordinates the dispatch of Newfoundland Power's hydro plants with the Company's System Control Centre ("SCC"). The close coordination between the utilities in this regard also ensures Hydro and Newfoundland Power are aware of the capabilities of Newfoundland Power's hydro plants.

Concluding

Newfoundland Power is directly involved in the development of Hydro's Resource Adequacy Plans as it relates to Newfoundland Power's hydro plants. Newfoundland

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4 See Hydro's *2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequqcy Study*, July 9, 2024, Appendix B, Table 2, Page 28 of 57 and Table 13, Page 47 of 57.

5 Ibid, Appendix B, pages 41-42 of 57. Also, as referenced in a recent filing with the Board, Hydro and Newfoundland Power are conducting a joint planning study that will include a further assessment of the future of these generating facilities. See Hydro's NL Hydro Report – *2025 Annual Planning Assessment, Doc # TP-R-093*, May 13, 2025, which includes Newfoundland Power's *138kV & 66kV Loop Assessments 2025-2034*, May 5, 2025.

6 See Hydro's NL Hydro Report – *2025 Annual Planning Assessment, Doc # TP-R-093*, May 13, 2025 which includes Newfoundland Power's *138kV & 66kV Loop Assessments 2025-2034*, May 5, 2025.

7 See Newfoundland Power *138kV & 66kV Loop Assessments: 2025-2023*, May 5, 2025, pages 15-18.

Power also works closely with Hydro in the development of system planning studies that involve the deployment of Newfoundland Power's hydro plants. Furthermore, Newfoundland Power actively engages Hydro in discussions regarding hydro plant refurbishment projects as a part of the Company's annual capital planning process. Finally, both utilities coordinate the dispatch of Newfoundland Power's hydro plants through each utility's respective control centres. For these reasons, and in consideration of the relatively small size of Newfoundland Power's hydro plants compared to the size of the IIS, it is not necessary for Newfoundland Power and Hydro to establish a separate integrated resource plan for Newfoundland Power's hydro plants.