

1 Q. In evaluating the options considered, how were the probabilities of options
2 such as a transmission in-feed from the Lower Churchill or the conversion of
3 the Holyrood Thermal Generating Station (HTGS) to burn natural gas instead
4 of Bunker "C" factored into the analysis?

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7 A. There were a number of challenges in developing a course of action to
8 address emissions issues at Holyrood. The first is that Provincial and Federal
9 legislation is still evolving. There are many emissions besides SO₂ and
10 particulate, such as CO₂, NO_x, heavy metals, polycyclic aromatic
11 hydrocarbons, etc. that may be the subject of regulation or further regulation
12 in the future. A company may find the optimal solution for reducing one
13 emission and implement it, only to find in a year or two, that some other
14 emission is to be regulated and that a better solution could have been arrived
15 at, had the two been studied together. To this end, NLH, along with other
16 companies in the industry, have advocated the implementation of a multi-
17 emissions strategy.

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19 The second is that the prospect of the availability of natural gas in the not too
20 distant future and the conversion of the HTGS to burning natural gas or the
21 mothballing of the HTGS in the case of a transmission infeed from Labrador
22 would make emission control equipment largely unnecessary.

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24 To this end, it was considered reasonable to adopt an approach to reducing
25 emissions that would minimize the impact on capital and operating costs and
26 retain the flexibility to address changes in legislation or other external events
27 that would alter the need for or type of emission control equipment.

1 The need for flexibility was kept in mind during the analysis of the various
2 options. When the results of these analyses showed that the most cost-
3 effective option was also the most flexible, it was decided to pursue that
4 option, the switch to 1% sulphur fuel.