

1 Q. **Reference: Volume I, Section 6.2.3, Section 6.11, and Volume 3, Exhibit 20, Issue Topic:**
2 **Newfoundland Power Generation Credit**

3 Please confirm that if the proposed hydraulic credit methodology is approved, the 2027/2028
4 winter period will be the first year (i) Newfoundland Power has a formal incentive to maximize
5 its hydraulic generation during Island Interconnected System Peaks and (ii) Hydro has an
6 obligation to reasonably limit its requests to those associated with Island Interconnected System
7 Peaks.

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10 A. Provided that the proposed hydraulic generation credit methodology is approved and
11 Newfoundland and Labrador Hydro's ("Hydro") 2026 General Rate Application schedule as
12 proposed by the Board of Commissioners of Public Utilities proceeds as planned, Hydro believes
13 it to be a reasonable assumption that winter 2027–2028 will be the first opportunity for
14 Newfoundland Power Inc. ("Newfoundland Power") to maximize its hydraulic generation during
15 periods of high demand when requested by Hydro. As Newfoundland Power is aware, its
16 hydraulic generation is also used to manage regional constraints. This has lessened considerably
17 with the in-service of Transmission Line TL267 and the Labrador-Island Link ("LIL");¹ however, on
18 occasion, it is still utilized to offload the transmission corridor from Western Avalon into Soldiers
19 Pond. This can occur prior to winter 2027–2028 in the same manner as it occurs today.

¹ Hydro does not use Newfoundland Power generation to economically offset LIL flows.