



# We are Hydro

Strategic Plan 2023-2025





STRATEGIC PLAN 2023-2025

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735 kV River Crossing and Churchill River Valley  
PHOTO BY ORAL BURRY (EMPLOYEE)





## Message from the President and CEO

Provision of clean energy. Support economic development. Deliver reliable service. This is what the people of Newfoundland and Labrador deserve and expect of their utility. Accountable. Respectful. Responsive and decisive. These words speak to Newfoundland and Labrador Hydro's response to the people of this province and describe what is needed - at this time - in this energy industry - locally and globally.

Locally, our industry has had major change in the past years, not without turmoil, and now globally, the world is in the midst of its own change - an accelerating clean energy transition. Hydro has developed a strategic plan forward to take action and deliver for the people we serve.

This strategic plan sets the direction for our organization for the next three years (2023-2025). It focuses us collectively on the priorities for our utility and the role we are to play in the changing energy landscape.

This plan is the result of much reflection, consultation, and research. We have considered how best to serve the needs of our employees, customers, partners and stakeholders. Our resulting strategy is defined by three overarching themes - Serving Our Province, Working Together, and Enabling Sustainable Growth. These themes represent the foundational principles on which our organization will deliver for the people of the province.

**Serving Our Province:** We are a Crown utility with a primary purpose to deliver safe, reliable, cost-conscious electricity to the people of Newfoundland and Labrador, and beyond. As stewards of public resources, we believe in transparency and welcome public scrutiny to help guide our decision-making.

**Working Together:** We continue to focus on creating a safe, healthy, inclusive and respectful work environment that fosters the proud and engaged teams that are so critical to our success in delivering for the people of the province

**Enabling Sustainable Growth:** We have a role to play in creating a brighter future for current and future generations. We want to support the prosperity of our province today and leave a legacy of an economically vibrant province that is powered by clean, renewable energy.

As an organization, I know we still have work to do and am proud of the progress we have made. I have never been more confident that, together, we can deliver for the people of the province. I am truly grateful to be leading this organization and am thankful for my Hydro colleagues who will deliver on our vision. We are working hard to progress a sustainable future for the people of Newfoundland and Labrador.

Thank you to all those who have contributed to our plan and worked tirelessly to bring the roots of our strategy together and ensure it reflects what we have heard. A special thanks to our Strategic Planning Committee and the talented employees who provided many of the images of our assets and beautiful province that are contained within this document.

I look forward to continuing to deliver on the expectations of those we serve. It's why we are here and it's what makes us Hydro.

Jennifer Williams  
— President and CEO, Newfoundland and Labrador Hydro



## Message from the Board of Directors

Hydro is the people's Crown utility. The strategic direction set out in this plan recognizes the critical role our organization holds in serving our province and supporting sustainable growth that will benefit the people of the province now, and into the future. With the global energy sector transitioning from fossil-fuels to renewable energy sources, Hydro is well-positioned. Our provincial electrical grid is greener and more interconnected than ever before.

We are committed to serving the people of the province with safe, cost-conscious, reliable electricity. This organization is built on the hard work, passion, and dedication of talented employees. As the organization's governing body, we have great confidence in the abilities of our employees. We continue to be impressed by their unwavering professionalism, expertise, and commitment to the people of this province.

As the Board of Directors, we uphold the belief that we listen to those we serve. We seek to utilize strong governance practices to support thoughtful

and transparent decision-making in line with good utility practice. We are cognizant of our role in supporting public policy priorities. Setting a clear course of direction through this strategic plan will help ensure the company appropriately occupies its role as the people's Crown utility, supporting sustainable growth and development within our province while delivering on an essential service.

Thank you to all those who have contributed to helping us define the directions outlined within this plan. We look forward to working together with our employees, customers, partners and stakeholders to harness sustainable energy opportunities for the people of Newfoundland and Labrador.

Albert Williams  
— Chair, Boards of Directors, Newfoundland and Labrador Hydro

# OUR EVOLVING ENERGY LANDSCAPE

The energy sector is evolving, and so too is our organization. As our province is working to decarbonize our economy and enable participation in opportunities the clean energy transition provides, we understand that, as a Crown utility, Hydro has a significant role to play in this effort.

To address the increasing impacts of climate change, the federal government is currently moving forward with Clean Electricity Regulations<sup>1</sup> to achieve net-zero emissions from the electricity grid by 2035. The electric utility industry must accelerate its efforts to transition from fossil-fueled generation to renewable energy sources to meet this timeline goal. This transition is taking place in the midst of ongoing global supply chain disruptions that continue to impact the availability and cost of the goods and services required to build, operate, and maintain electrical systems worldwide.

The current operating environment is driving technological innovation and advancement, capital investment, and changes to public policy. This, of course, brings with it considerations such as affordability of customer rates and cybersecurity, as well as tremendous opportunities to contribute to the environmental and economic future of the province and inter-regional initiatives within our industry.

Provincially, our existing renewable generation and vast undeveloped potential afford us a unique advantage. We are here to support the initiatives identified in the provincial government's Renewable Energy Plan, effect provincial energy policy, and responsibly grow our renewable capacity to meet the rapidly-increasing demand for electricity within this province.

Our electricity system is transforming. As the Muskrat Falls Project assets become integrated and proven reliable, they increase our renewable

generation, reduce our reliance on thermal generation, support customer reliability, and provide increased access to import and export markets. This enables us to transact with neighbouring jurisdictions, optimizing the value of our renewable electricity for the people of our province while supporting the transition to renewable energy in Atlantic Canada and the northeastern United States.

Load growth requires a careful balance of investment in new generation capacity and application of energy policy, demand management programming, and rate design to encourage efficient use of the electrical system. We recognize that system investments impact customer rates and the capacity we have to contribute from a financial point of view to our province's economy. We remain committed to balancing cost and reliability and making prudent, transparent decisions that are in the best interest of the people of the province.

Our organization is evolving. We have unified as one entity under Newfoundland and Labrador Hydro. We have made significant progress in bringing our people together, and we still have work to do. We want our employees to be safe, healthy and proud to be part of our company.

The strategic directions outlined within our plan are designed to prepare us to rise to the challenge of our evolving energy landscape and harness the opportunities before us. It is an exciting time in our industry and organization, and we are eager to work together with our employees, customers, Indigenous partners and stakeholders to positively contribute to the sustainable, economically bright future of Newfoundland and Labrador. We are proud to be Newfoundland and Labrador Hydro.

<sup>1</sup>[www.canada.ca/en/services/environment/weather/climatechange/climate-plan/clean-electricity-regulation.html](http://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/clean-electricity-regulation.html)

## OUR ELECTRICITY SYSTEM





# WHY WE'RE HERE

**You're working hard to build the best possible life for your families and communities here in Newfoundland and Labrador. Here at Hydro, we're right there with you.**

You may not always see what we do but, rest assured, we see you. In fact, you're why we're here.

We're thinking about your safety and wellbeing. We want our electricity to power your life without a worry.

We want our employees to feel good about coming to work every day to serve you.

We're leading the way to a green, sustainable future for our province. We're looking at opportunities and carefully evaluating ideas before we make decisions - to make sure they're in the best interest of all of us.

We know what a privilege and responsibility we have, so we never stop thinking about tomorrow.

**We are energy  
you can count on.**



# VISION AND VALUES

Hydro is the people's utility that you can count on – providing safe, cost-conscious, reliable electricity while harnessing sustainable energy opportunities to benefit the people of Newfoundland and Labrador.

## WE ARE SAFE.

We don't compromise when it comes to the safety and wellbeing of our employees and customers. Every one of us shares the responsibility of making sure we go home safely at the end of the day.

## WE ARE COMMITTED.

Our dedicated people are our greatest strength. We bring passion, expertise, integrity and perseverance to everything we do.

## WE ARE INCLUSIVE AND COLLABORATIVE.

We seek diversity and understand its value. We work together, listen to each other, and serve with respect.

## WE ARE FORWARD THINKING.

We find solutions, embrace ideas, test our decision-making, and face challenges head-on to find a path forward together – all to deliver a sustainable future.

## WE ARE COMMUNITY FOCUSED.

We serve our neighbours, family, and friends in every part of the province. We give back, work hard, and power lives, businesses, and industries.

## WE ARE HYDRO.



# 01 Serving Our Province

We are the people's Crown utility, powering lives and businesses in every community across Newfoundland and Labrador and beyond, every day.

We serve this province and bring value to our economy with energy that is safe, reliable, and cost-conscious.

Over the next three years, we will prioritize our core function: serving our province as a Crown utility owned by, and operated for, the people of Newfoundland and Labrador. We will do this by revitalizing our organization, delivering reliable electricity to our customers at the lowest possible cost, engaging those we serve, and recognizing Indigenous history and strengthening Indigenous relationships. We will make sound decisions that are aligned with good utility practice, and we will engage our internal audit function to conduct independent review of our analysis and methodologies prior to making substantial decisions that will be impactful to employees, customers, and the people of the province. We will be transparent in how we conduct our business and support public examination of the decisions we make.



SERVING OUR PROVINCE

## GOAL 1: REVITALIZE OUR ORGANIZATION

**We have undergone significant organizational change. We have unified to become Newfoundland and Labrador Hydro, and we know we have further work to do. We are revitalizing our organization with the common understanding that we are a Crown utility. This means, in both our regulated and non-regulated operations, we will responsibly develop and deliver energy that the people of our province, and beyond, can count on.**

Our energy landscape is changing and our focus on operating with good utility practices remains strong. We will prioritize supporting our provincial government in the creation and implementation of provincial power policy and legislation. We will promote responsible development and use of provincial energy resources and develop and implement policies and rates to provide cost-conscious electricity service.

We will plan for the future needs of our system and hold ourselves accountable to the people of the province. We will remain focused on promoting the efficient use of our electrical resources and design rates and policies that support this objective. We will also ensure our evolving organization is supported by sound governance practices and oversight.

### OBJECTIVES

**Operate a cost-conscious and accountable organization.** We will optimize our resources, seek efficiencies where possible, and continue to prioritize cost-conscious budgets and expenditures. We will file a General Rate Application reflecting Muskrat Falls Project costs, rate mitigation, and necessary revisions to established regulatory mechanisms. We will continue to conduct our business in a manner that is transparent and we will welcome public scrutiny of our decisions. To enhance transparency and accountability, we will prioritize information management, access to information, and the duty to document.

**Prepare for future system requirements through thorough analysis and prudent decision-making.** We will advance the Reliability and Resource Adequacy Study to inform future provincial energy supply requirements and the role that the Holyrood Thermal Generating Station will play in supporting our electricity system while we integrate and prove reliable the Muskrat Falls Project assets and transition to clean, renewable energy sources. We will prepare for the integration of new renewable energy sources and support the evaluation of long-term options for energy generated by the Churchill Falls assets.

**Inform and support development and implementation of provincial power policy and legislation.** We will participate in the ongoing review of the *Public Utilities Act* and *Electrical Power Control Act, 1994*, support the conclusion and implementation of rate mitigation, and continue to provide research and analysis of public energy-related policies.

**Utilize sound regulatory and rate design principles and policies to encourage efficient use of our electrical system and resources.** We will develop non-firm energy rates to facilitate increased in-province use of excess energy. We will also continue to pursue the development and implementation of policies, such as Network Additions Policies, that provide for cost-conscious electricity service.

**Apply corporate governance practices to ensure efficient and effective oversight of our organization.** To support our evolving organization, we will review our commercial, legal and governance structures and develop a multi-year strategy to implement any necessary changes.





SERVING OUR PROVINCE

## GOAL 2: DELIVER RELIABLE ELECTRICITY TO OUR CUSTOMERS AT THE LOWEST POSSIBLE COST

**We will use good utility practice to plan, operate and maintain the provincial electrical power systems and deliver reliable service that is consistent with our environmental and legislative obligations to our customers at the lowest possible cost.**

We supply the electricity that powers our province's homes, businesses and communities and beyond. This is our core purpose and will always be at the heart of everything we do. As our energy landscape changes, we will continue to serve our customers and adapt to future system needs.

The Muskrat Falls Project assets add immense value to our provincial electrical system, providing customers within the province and neighbouring jurisdictions with renewable energy for decades to come. While these assets are currently in use, final commissioning and integration is required for us to fully optimize these assets. Over time, we will develop and document our operating experience to ensure we are prepared to responsibly manage them as part of the whole fleet well into the future.

In addition to incorporating new assets, we will focus on improving how we manage our existing assets. Our assets require proactive monitoring and maintenance to ensure they are capable of efficient and effective operations. Through long-term asset management practices, we will optimize the life of our assets based on condition where appropriate, keeping them in service as long as they remain safe and reliable. In line with these practices, our focus on capital investment seeks to balance risk, cost and reliability with our customers in mind and on increasing maintenance efficiency and equipment reliability.

As part of maintaining reliable service and protecting our assets, we must also consider and mitigate cybersecurity threats by identifying and addressing potential vulnerabilities in our system and resolving cybersecurity-related concerns.

### OBJECTIVES

**Commission and integrate the remaining Muskrat Falls Project assets into the provincial electrical system.** As they are operated, we will assess how these assets behave in certain conditions and how they contribute to our ability to serve customers with renewable electricity.

**Improve our asset management planning practices to ensure our decision-making processes integrate a balance of risk, performance and cost.** We will review and standardize our asset management processes across our company, as required, ensuring they promote effective asset life-cycle activities and associated decision-making. We will advance the centralization of our planning and scheduling function to improve productivity and efficiency in this area.

**Make measured and responsible capital investments.** We will implement a common, corporate-wide approach to capital investment, including the development of standard methodologies to determine best value and justify and document our decision-making.

**Continuously strengthen our cybersecurity capabilities to ensure resilience in our technology systems.** We will monitor, identify and resolve system vulnerabilities and strengthen our cybersecurity risk management practices. We will educate and train employees, maintain in-house expertise, and utilize our local and national partnerships within the cybersecurity industry to ensure we are always staying up to date.



Town of Churchill Falls  
PHOTO BY Benjamin Sansome (Employee)



SERVING OUR PROVINCE

## GOAL 3: RECOGNIZE INDIGENOUS HISTORY AND STRENGTHEN INDIGENOUS RELATIONSHIPS

**We will educate ourselves, learn from – and respect – Indigenous history, and strengthen relationships with Indigenous governments, organizations and communities.**

As a Crown utility, Hydro has a vital role to play on the path towards Truth and Reconciliation. We must build respectful, sincere, and meaningful relationships with Indigenous Peoples. We will work together to build a diverse and inclusive culture for generations to come. We are committed to working with Indigenous Peoples and honouring these relationships in our business practices and organizational culture.

### OBJECTIVES

**Demonstrate our commitment to building upon and strengthening relationships with Indigenous Peoples and communities across the province** by engaging on and finalizing our Indigenous Principles Statement and communicating its contents and commitments to our employees, contractors, and other stakeholders. We will also seek to strengthen economic prosperity in Indigenous communities through building opportunities for Indigenous procurement into our processes and promote employment opportunities within our organization for Indigenous Peoples.

**Build and maintain a workforce that embraces our role as public servants to support reconciliation in the workplace and within our communities.** We will educate our employees and promote respect for Indigenous culture, history, values and traditional knowledge.

**Strengthen our engagement process with Indigenous Peoples.** We will work with Indigenous Peoples to develop a strategy to support communications and meaningful engagement. We will improve and solidify partnerships with Indigenous governments and community leadership to promote mutually beneficial relationships and open, transparent sharing of information. Finally, we will continue to fulfill our commitments through our Impacts and Benefits Agreement and Community Development Agreement.



Solar panel project in collaboration with Hydro  
PHOTO BY Klaus Dohring, Green Sun Rising



SERVING OUR PROVINCE

## GOAL 4: ENGAGE WHO WE SERVE

**We will proactively engage and listen to our stakeholders to better understand their expectations and demonstrate our delivery on those expectations.**

We have proudly served the people of Newfoundland and Labrador for more than 50 years, in more than 200 communities across our beautiful province. We have also harnessed the power of our vast hydroelectric assets to provide renewable energy beyond our borders - to millions of customers in Atlantic Canada, Quebec, Ontario and the Northeastern United States. We believe in listening to those we serve, being open and transparent about our operations, and ensuring our customers better understand our work and our commitment to them.

By proactively engaging with our stakeholders, we can seek to understand their needs and operate with their unique positions and interests in mind. We will do this by sharing relevant information, seeking input to expand our knowledge, and collaborating with industry peers and partners to benefit the people of the province.

### OBJECTIVES

**Openly and regularly communicate with stakeholders regarding our operations** by ensuring clear, accessible information, continued customer education regarding our operations such as outages and load management, and proactively coordinating and sharing annual system plans with affiliated partners and impacted communities.

**Actively seek input from our stakeholders and incorporate their feedback to improve our customer service capabilities** through initiatives such as customer satisfaction surveys and inclusive and collaborative consultation on future changes to our provincial electricity system.

**Collaborate and support stakeholders, particularly regarding efforts to manage increasing impacts of climate change.** These impacts require us to assess the resilience of our infrastructure – adapting how we plan, operate and respond to severe weather events. We will work with local communities and partners to continue providing reliable service and keep our communities safe.



Holyrood Generating Station  
PHOTO BY Megan Gibbons (Employee)



# 02 Working Together

Every day, our skilled and talented employees work together to achieve our common goal of serving the people of our province with energy they can count on. Our people are our biggest strength.

As we continue to transition into a single, unified organization, it is our responsibility to cultivate pride in our employees. We are building an organizational culture that values keeping each other safe, diverse perspectives, listening to one another, supporting new ideas, and collaborating with respect. Our collective energy enables us to confidently navigate change and passionately serve each other and our customers every day.

Over the next three years, our focus will be on the safety, well-being, and inclusion of our employees. We will support each other as we collectively assess the current and future needs of the organization to ensure we have the right mix of skills and people to serve our province efficiently and effectively. Whether in the field or in the office, we are all utility professionals. We will remain steadfast in our commitment to support the communities where we live and work and operate with good utility practice.



Bay d'Espoir Site  
Charles Ezeoru and Meghan Burke (Employees)  
PHOTO BY Meghan Burke (Employee)



WORKING TOGETHER

# GOAL 5: CONTINUE TO PRIORITIZE THE SAFETY AND HEALTH OF OUR EMPLOYEES

**A safe and healthy work environment is critical. We are committed to preventing injury and illness, and supporting the safety and overall health of our employees.**

The safety and well-being of our employees will always be our number one priority. In fact, in 2021, we were awarded Electricity Canada’s President’s Award of Excellence for Employee Safety in Generation for the third consecutive year. We know that our employees are feeling the impact of pandemic fatigue, no different than many organizations; and this, together with the effects of our substantial organizational change, are having impact on our recent safety performance. We are carefully monitoring our trends and are dedicated to working with employees to improve our safety performance.

We will continue to build on our existing tools and processes to anticipate and mitigate safety risks. We will also leverage our occupational health function

to further promote the physical and mental health of our employees and support those who are affected by injury or challenges with their physical or mental health.

We will reinforce a culture of accountability for safety and health. Our employees must always prioritize their safety and health, and that of their colleagues. We require employees to pause when unsure and ask questions or discuss their concerns with others. It is our individual and collective responsibility to maintain a safe and healthy workplace and to ensure everyone returns home safely at the end of the day. The safety and health of employees is incredibly important to us, which is why it must always remain top of mind.

## OBJECTIVES

**Improve proactive identification and mitigation of safety risks, monitoring and trending.** We will continue our review of existing work methods and practices, ensuring the correct tools and technologies are in place. This will enhance timeliness and accuracy of our reporting and analysis. We will use our data and trends to inform annual injury prevention plans.

**Foster a strengthened safety leadership culture, where all employees have responsibility for the safety and health of themselves and their colleagues.** We will promote improved safety reporting of workplace hazards, continue to embed fundamental safety principles into our core work processes and

practices, and complete a safety culture survey to inform future areas of priority.

**Cultivate a psychologically safe workplace.** We will continue to advance and seek employee feedback on our five-year mental health strategy, and ensure we have appropriate resources and support programs in place for employees.

**Support employees affected by injury or illness.** We will work with employees affected by injury or illness to determine the appropriate supports necessary to facilitate their recovery and safe return to meaningful work.



Aaron Piwas signing the Safety Credo  
PHOTO BY Maria Moran (Employee)



WORKING TOGETHER

# GOAL 6: FOSTER PROUD AND ENGAGED TEAMS

**Our organization and our energy landscape are evolving. As we continue to unify our teams, we will nurture a collaborative, engaged workforce of proud employees working together to meet the energy needs and opportunities within our province.**

We want our employees to feel proud to work for Hydro and the essential service we deliver to the people of our province. Our employees' efforts contribute to our province's success. We want them to feel supported and empowered to do their best work. It's an exciting time to work in the utility industry as other stakeholders show an unprecedented level of interest in our provincial renewable energy resources. Our employees have the unique opportunity to participate in this global energy transition – opportunities which exist across many aspects of our operations.

We want our employees to feel proud to work for an organization that is a responsible corporate citizen. We contribute to our local communities in meaningful ways and support and encourage employees to be active members of their communities as well.

Our business is complex. It requires a diverse set of skilled, talented, office- and field-based employees who work together as one to achieve common goals. In 2021, we were honoured to receive the Women in Resource Development Corporation's Diversity in Industry Award which recognizes leadership in the adoption and implementation of emerging practices for diversity, gender equity and inclusion. We are proud of the progress we have made thus far and are committed to building on these efforts over the next three years.

We know that respect and collaboration are key to our success. We are dedicated to creating an environment that encourages employees to celebrate our individual differences, leverage our strengths, and grow and learn from each other.



## OBJECTIVES

**Build on a culture of inclusion to encourage belonging and provide opportunities for employees to reach their full potential.** We will educate employees on the importance of diversity, equity, and inclusion, and provide appropriate tools, resources, and targets to promote inclusive work environments.

**Revitalize our corporate culture to unify our teams and further bring our organization together.** We will connect all employees to our unified vision and values.

**Build trusted partnerships with our IBEW leaders, resulting in mutual benefits for the organization and our employees.** We will engage in proactive, meaningful, regular communication with IBEW representatives, and foster a culture that recognizes and respects the role of the union within our organization.

**Improve engagement and the frequency and quality of our communication with employees.** We will implement an internal communication and engagement strategy to ensure employees are informed, consulted and heard.

**Strengthen employees' connections to, and involvement in, Hydro's social responsibility.** Through workplace giving programs and employer-supported volunteering, we will encourage employees' contributions to the communities where they live and work. We will also revitalize our corporate Community Investment Strategy, which provides support for numerous organizations that support our communities and embeds social responsibility into our corporate governance framework.

Hurricane Fiona Response Team  
PHOTO BY Ernie Slade (Employee)



WORKING TOGETHER

## GOAL 7: ANTICIPATE AND DEVELOP OUR WORKFORCE REQUIREMENTS

We will optimize our workforce with consideration to the changing labour market and our changing energy landscape.

Our organization is evolving to better serve the people of the province with an effective and streamlined organizational structure. In 2021, this effort began by moving Nalcor Energy operations under Newfoundland and Labrador Hydro. This decision resulted in reporting structure changes, new leadership and focus, and a material reduction in our executive team. Our next priority will be to

maintain and grow appropriate skills and resources to meet the future energy needs of the province. In an ever-changing labour market, striking this balance will require a thoughtful, measured approach to workforce planning, including recruitment and retention, growing and developing our future leaders, and succession planning.

### OBJECTIVES

**Develop a plan to ensure we have the workforce we need to serve the people of the province into the future.** This multi-year plan will identify the skills and expertise we will require to operate as a Crown utility and support the growth of the renewable energy industry. This plan will align with our vision to provide safe, reliable and cost-conscious service.

**Enhance our employees' skills and tools to further support their ability to work safely, efficiently, and effectively for the current and future needs of the organization.** The growth and development of our employees is important to us, so we can continue to provide safe and reliable electricity for decades to come. Our employees need to be equipped with the right training and technology to carry out their duties each day they are on the job.

**Empower our supervisors to effectively support and motivate their teams.** Our supervisors are the primary interface for our employees, and we understand the importance of ensuring they have the appropriate tools and training to effectively lead their teams. We will improve orientation and training for new supervisors to provide the skills and resources required to do their jobs effectively. We will review the roles of supervisors to ensure their responsibilities are clear and reasonable, and we will provide appropriate guidance to help them grow and support their teams.





# 03

## Enabling Sustainable Growth

It is an exciting yet challenging time to be in the energy industry. As Canada works towards a net-zero economy by 2050, including the plan for a net-zero electricity grid by 2035, the energy industry is working hard to transition away from fossil fuels to meet these climate goals. Our organization is at the forefront of this energy transition and is in an enviable position in this regard. In 2021, approximately 91% of the energy supplied was from renewable sources and, as we further integrate the Muskrat Falls Project assets, this amount will continue to increase. Throughout this transition, we will optimize our use of these assets to reduce generation from the Holyrood Thermal Generating station in favour of clean, cost-conscious energy from renewable energy resources.

Since 2018, when we achieved the Sustainable Electricity Leader™ brand designation<sup>2</sup> from Electricity Canada, we have been steadfast in demonstrating our commitment to the principles of Environmental Stewardship and Social Responsibility. Creating a sustainable, greener tomorrow for future generations of Newfoundland and Labradorians continues to be our priority. We worked with the provincial government to support the development of the province's Renewable Energy Plan, "Maximizing our Renewable Future," and we will play a substantial role in executing many of the energy-related initiatives outlined in the plan. Our province's rich resources provide tremendous opportunity—from wind generation to green hydrogen. We will collaborate with the provincial government and industry stakeholders to evaluate and advance viable projects. Inside our provincial

electricity system, we will responsibly optimize energy resources to extract the most value for the benefit of the province and continue to ensure our customers receive safe, reliable and cost-conscious energy they can count on. We will evaluate the opportunity and begin preparation of our electricity system for the significant amount of clean electricity required to decarbonize our domestic energy needs as well as be available to support viable global clean electricity require energy projects.

Over the next three years, Hydro is committed to drawing on our experiences and leveraging the knowledge and expertise of our people, local communities, and partners to make thoughtful, balanced decisions. The transition to a greener, renewable economy is a team effort. We plan to get there together.

<sup>2</sup> Previously known as the Sustainable Electricity Company™ brand designation.



ENABLING SUSTAINABLE GROWTH

## GOAL 8: SUPPORT GROWTH OF RENEWABLE ENERGY SUPPLY

**Optimize provincial energy resources to contribute to sustainable economic prosperity within Newfoundland and Labrador.**

Our province has an abundance of renewable resources. As the global demand for renewable energy increases, there is immense opportunity to avail of existing and undeveloped resources to reduce greenhouse gas (“GHG”) emissions. We also have the ability to supply neighbouring jurisdictions who wish to reduce reliance on fossil fuels and transition to renewable energy. Our priority is to

share our utility expertise and lessons learned from operating the provincial electrical system for over 50 years to support the sustainable development and management of our renewable energy resources. Ultimately, our goal is to use our renewable resources to provide maximum value for the people of our province and support economic prosperity in our local communities.

### OBJECTIVES

**Evaluate potential renewable development opportunities and proposals for integration into our provincial electricity system.** This will require thorough and transparent analysis, including studies to understand the potential sources of renewable energy feasible in our province and system – such as the use of wind, battery or pumped storage alternatives. We will also respond to industry partners on potential purchases of economical renewable energy.

**Partner with our provincial government to support the responsible growth of the renewable energy industry.** We will provide our utility expertise to identify viable opportunities as new industries such as hydrogen emerge. As other industries transition from fossil-fuel powered operations to renewable sources, we will inform public policy on impacts of resulting load growth

that may be associated with development of renewables. We will work with external markets to increase awareness of provincial renewable resource opportunities.

**Explore opportunities to maximize the potential value of our existing generating assets.** Where it is economical and technically possible to do so, we will invest in our existing generating assets to make them capable of providing more energy or capacity to the provincial electrical system. In addition to executing projects which are already planned, we will evaluate our existing facilities, including the Churchill Falls Generating Station, to identify additional opportunities and ensure such assets are positioned to provide maximum benefit to the people of Newfoundland and Labrador.



**Bishop's Falls Plant**  
PHOTO BY Arthur Altoe (Employee)



ENABLING SUSTAINABLE GROWTH

# GOAL 9: ADVANCE ELECTRIFICATION AND DEMAND MANAGEMENT

**We will advance electrification in a prudent manner that benefits customers and our provincial electricity system, and minimizes the impact on peak demand.**

Electrification refers to switching from fossil fuels such as gasoline, diesel, oil, and natural gas to clean electricity. While most of the electricity we produce is from renewable resources, much of the energy consumed in our homes, buildings, cars and industrial operations still comes from fossil fuels. Switching from fossil fuel consumption to renewable energy consumption reduces GHG emissions and contributes to environmental protection and takes action against climate change.

Renewable electricity is viewed to be critical for displacing fossil fuel consumption. We need to ensure we manage the impact of increasing clean electricity use to decrease fossil fuel usage as this will increase consumption on our provincial electricity system. Specifically, we need to manage our resultant peak demand – the time when demand is highest for electricity. Keeping our customers warm and comfortable during cold winter days is essential, and we must plan for and maintain adequate electricity to meet daily peaks. Where possible, we need to prevent strain on our system, minimize our environmental footprint by using less fossil fuel generation to meet demand, and help keep rates stable for our customers.

Electrification of the transportation sector is a significant opportunity for GHG reduction; it represents almost a third of our provincial GHG emissions. In 2021, Hydro completed the first provincial network with 14 fast-chargers on the island to increase electrification of the transportation sector and thereby reduce GHG emissions. Our first-ever fast-charging network represents an important milestone in overcoming a major barrier to electric vehicle ownership – availability of charging stations for longer trips. In its first year of operation, the charging network displaced close to 50 tonnes of GHG emissions. In the next three years, we will expand the charging network, educate the public, execute programs that promote electric vehicle ownership and support the provincial government through facilitation of customer rebates.

There are further opportunities to transition to renewable energy in homes, buildings and industries. We will continue to remove barriers related to awareness and affordability through customer education programs and rebate programs for low-carbon heating solutions in residential homes and commercial operations.



First EV Fast Charger in Labrador  
PHOTO BY Grant Outerbridge (Employee)

## OBJECTIVES

**Enable transportation electrification in the province to increase domestic energy sales, and ensure we plan to minimize the impact on system peak.** Subject to regulatory approval, we will collaborate with Government and Newfoundland Power to facilitate rebates for electric vehicles and smart chargers, support the expansion of the provincial DC fast-charging network, provide customer education for electric vehicle ownership, electrify our own fleet vehicles, and pilot demand-response programs to shift electric vehicle charging loads to off-peak times to reduce potential impact on system peak demand.

**Manage the transition to low-carbon heating in residential and commercial buildings.** We will provide customer education for heating alternatives, encourage efficient heating systems which limit the impact on system peak demand, and work with the provincial government to support space heating decarbonization in Newfoundland and Labrador.

**Manage electrification of commercial industries within the province to mitigate impacts on system peak demand.** We will support efficient electrification of industrial processes in commercial industries while continuing to manage the peak demand impact. Where appropriate, to accommodate the additional demand, we will pursue opportunities for interruptible and capacity assistance agreements.

**Develop and execute programs that promote efficient use of electricity.** Through our partnership with Newfoundland Power, we will continue to promote energy efficiency initiatives and peak demand management through the takeCHARGE! program. Additionally, as home heating is a large driver of electricity consumption in isolated diesel communities, we will promote the use of alternate sources of heat for these customers.



ENABLING SUSTAINABLE GROWTH

## GOAL 10: OPTIMIZE THE VALUE OF PROVINCIAL ENERGY RESOURCES

**We will maximize the value from energy sales and other opportunities.**

The demand for renewable energy is rising across the globe and right here at home. We have received numerous inquiries expressing substantial interest in the province's renewable resource potential – from industry participants wishing to get involved in the development of renewable resources, to organizations and neighbouring jurisdictions wishing to power their operations with sustainable, renewable energy.

Following the commissioning of the remaining Muskrat Falls Project assets, we will continue to be constrained by our ability to immediately

add large new customer load to our system, an issue that faces many utilities across Canada. Therefore, we must carefully balance serving our existing and new domestic customers, as well as the impact of supplying interested neighbouring jurisdictions with renewable energy. This will include participating in regional carbon reduction initiatives, such as the Atlantic Loop. We plan to optimize our provincial energy resources, resulting in the maximum long-term benefit for the people of our province for generations to come.

### OBJECTIVES

**Extract maximum value from our energy portfolio.** Our priority is to ensure the people of our province have access to safe, reliable and cost-conscious electricity. We have a responsibility to steward our provincial energy assets, including oil and gas assets, in a manner that results in the maximum possible benefits for the people of our province. When excess energy becomes available, we have revenue generating opportunities before us to harness. This can range from selling additional energy to industrial customers or exporting our electricity to our neighbouring markets. We plan to optimize our generation and transmission maintenance activities to harness opportunities and obtain the best value from our assets.

**Support growth from industrial customers.** In recent years we have seen unprecedented interest from industrial customers who are seeking to power their businesses with renewable energy. These customers are interested in establishing or growing businesses in our communities which will contribute to provincial economic prosperity. We are committed to working with existing and potential industrial customers to better understand their needs and facilitate their integration into our provincial electrical grid in a manner that is cost-conscious and consistent with our environmental and legislative responsibilities.



Muskrat Falls  
PHOTO BY Alex Faulkner (Employee)



ENABLING SUSTAINABLE GROWTH

## GOAL 11: INTEGRATE RENEWABLE ENERGY RESOURCES IN LOCAL COMMUNITIES

**We will safely and responsibly integrate renewable energy resources in isolated diesel communities.**

We power our families, friends and neighbours in more than 200 communities throughout the province. For a number of rural and remote communities throughout Newfoundland and Labrador, diesel fuel is the most reliable option, and is the sole source of electricity. However, as we seek to decrease our reliance on fossil fuel globally, we are committed to innovatively supporting the integration of reliable, renewable energy sources in isolated communities throughout our province.

We have applied for approval to construct the first phase of a project which would interconnect several communities in southern Labrador to a regional facility. In addition to providing least-cost, long-term reliable power for customers in the region, this project will increase potential for the integration of renewable energy solutions, all while working to reduce and displace significant amounts of diesel fuel. Such a plant would be the backup facility to the area should the area be interconnected to the main grid in the long term and, as technology evolves, could likely be powered by alternate low or non-emitting fuel

sources. We are also working with the community of Nain to deliver a preliminary system impact study to support the planning and feasibility of a wind generation and battery system. Plus, we are working towards increased capacity and battery storage at the Ramea Wind Farm.

We have made considerable advancements promoting and integrating renewable energy in our isolated systems. For example, in collaboration with the Nunatsiavut Government, solar generation installations were completed in all Nunatsiavut communities. However, we recognize that there is still more work to do. In consultation with the provincial Government and our Indigenous partners, we will work together to advance the commitments outlined in the Renewable Energy Plan to transition isolated communities away from fossil fuels. We will share our utility experience and expertise with our partners, and ensure environmental protection and sustainable development are at the heart of our analysis as we work towards the long-term goal of using renewable energy to supply isolated communities.

### OBJECTIVES

**Support Indigenous governments, Indigenous organizations, and local communities with the development and integration of renewable energy into isolated diesel systems.** In partnership with Indigenous governments and interested organizations, we will advance initiatives to increase the development and integration of renewable resources in communities that rely on isolated diesel systems and support the integration of independent power producers in isolated diesel systems.

**Ensure environmental protection in the development and operation of renewable energy resources, and develop mitigation measures and monitoring programs to address environmental impacts.** We will provide environmental oversight, regulatory compliance, and fulfill environmental commitments and monitoring related to renewable energy projects.



Solar panel project in collaboration with Hydro  
PHOTO BY Klaus Dohring, Green Sun Rising



Our 2023-2025 Strategic Plan will guide us over the next three years as we navigate a period of transition for our industry and our organization.

The themes, goals and objectives outlined in this plan were developed in consideration of our history, our future, and our stakeholders' and partners' expectations of us as a Crown utility. The resulting plan serves to prepare Hydro to face challenges, harness opportunities, and contribute in a meaningful way to sustainable economic prosperity for future generations.

We are proud of the effort that has gone into building this plan and are committed to demonstrating that same level of dedication as we implement it. We recognize that the plan outlines a lot of work, some of which will, by its nature, extend beyond the next three years. We are eager to get started. Together, we will continue to evolve Hydro into a Crown utility that is a source of pride for all Newfoundlanders and Labradorians.



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Granite Reservoir  
PHOTO BY Evan Benoit (Employee)