

# Notice of Forecasted Contractor Engagement to Support Major Projects

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## Introduction

To meet the increasing demand for clean and reliable energy within Newfoundland and Labrador, Hydro has recognized the need to enhance and sustain its generation and transmission capabilities.

To achieve this, Hydro is working closely with the Board of Commissioners of Public Utilities (PUB) and key stakeholders through an assessment, evaluation, and approval process to determine the optimal plan to meet the province's increasing energy requirements. This evaluation process includes involvement from the Consumer Advocate and other interveners to the regulatory process, government agencies (municipal, provincial, federal), Indigenous groups and other interested groups.

The purpose of this Public Notice is to provide market participants with advance notice of potential upcoming major projects and associated procurement opportunities.

Please note that these potential procurement opportunities are not guaranteed, are provided for information purposes only, and are subject to approval, cancellation and/or change (including changes in scope and date) at Hydro's sole discretion.

Any major projects would also be subject to approval by the PUB. Although we will issue periodic updates, Hydro bears no responsibility for changes or omissions associated with this information.



## Engagement Process

Hydro will continue to engage early to solicit feedback to help us to better understand the market, take advantage of bundling opportunities, and prevent unnecessary delays in delivering major equipment.

We strive to be a fair business partner that balances cost-effectiveness with leading public sector procurement practices while meeting its obligations to rate payers. We will continue to improve existing procurement and contract management practices with respect to how we interact with suppliers and service providers to be a best-in-class owner.

## Our Goal

We anticipate that sharing this information will result in better supplier engagement, more competitive proposals and tenders from suppliers, and improved resource allocation.

To aid in achieving Hydro's mandate to meet customer demand, we will undertake the following supply chain initiatives:

- Early and ongoing engagement with the market to share long term investment forecasts; assess market capacity and potential; communicate requirements and changes; and receive input from the market that will be used to aid in developing future procurement strategies.
- Build on an optimal base of quality suppliers with longer term agreements that can be leveraged across multiple projects to drive efficiency and cost effectiveness.

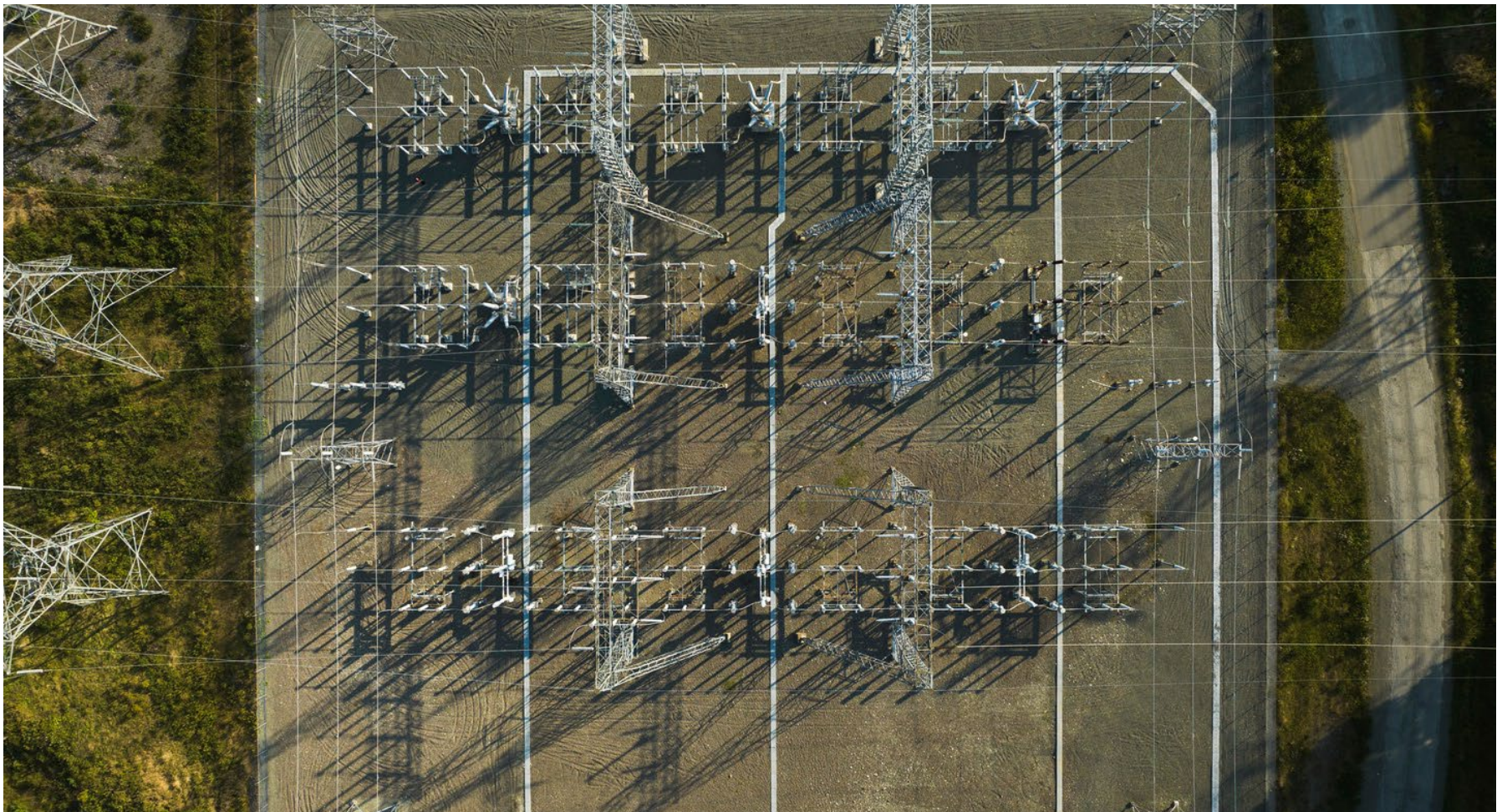
Feedback from suppliers that can assist us in developing the right strategies, while not mandatory, is welcome.



## General Procurement Information:

Newfoundland and Labrador Hydro's procurement is subject to the Public Procurement Act. Hydro advertises procurement opportunities and resulting awards as per legislation.

Suppliers should monitor and register on the NL Hydro Bid Opportunities Website for all procurement opportunities at: [nlhydro.bidsandtenders.ca](https://nlhydro.bidsandtenders.ca)



# Current or Potential Major Projects

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At the present time, Hydro is advancing the following major projects, which are at various stages of assessment and approval:



# 1. Avalon Combustion Turbine:

**Status: Application submitted to PUB for approval**

Through the recent Resource Adequacy Study Review process, Newfoundland and Labrador Hydro (“Hydro”) identified the need for additional generation to meet system reliability requirements. To meet this need, the addition of a new combustion turbine at the Holyrood Thermal Generating Station (“Holyrood TGS”) was identified as one of the preferred, least-cost, environmentally responsible resource options to maintain compliance with Canada’s draft Clean Electricity Regulations.

Hydro is currently relying on the Holyrood TGS to reliably serve customers. With the integration of the Muskrat Falls Project Assets, Hydro’s system remains capacity-constrained and Labrador-Island Link (“LIL”) reliability is such that the Holyrood TGS is required to maintain system reliability until new generation sources can be constructed. The Avalon Combustion Turbine Project (“Project”) is expected to add an additional 150 MW (nominal) capacity to the provincial grid, which will help meet the system’s requirement for additional capacity and will be used for peaking and reliable standby generation.



## 2. Bay d'Espoir Penstock #3 Refurbishment:

**Status: Currently undergoing a feasibility and front-end planning study**

The Bay d'Espoir facility consists of seven (7) hydro units capable of producing a total of over 600MW. These units are fed by four (4) penstocks.

The penstocks are each approximately 1,200 meters in length and constructed from a series of steel cans that vary in length and plate thickness. The penstocks range in diameter from 5.2 meters at the intake to 4.1 meters at the powerhouse bifurcation and are buried along their entire length.

Hydro is evaluating extending the life of Penstock #3. Work will include (1) excavation, demolition, disposal and replacement of the approximately 360 meter long existing steel section including interior and exterior protective coating and associated backfill, (2) detailed inspection of approximately 840 meter long existing penstock, including full remediation of any deteriorated welds and/or steel, and application of a protective coating on the interior, and (3) provision of supporting activities, such as excavation and backfilling tasks, drainage system upgrades and installation of pressure monitoring systems.



### 3. Labrador West Transmission Expansion:

**Status: Currently undergoing a feasibility and front-end planning study**

Newfoundland and Labrador Hydro is currently undertaking a study to explore the feasibility of an expansion of the electrical transmission system in Labrador West to support future industrial developments. By addressing current infrastructure limitations, the transmission upgrade will bolster energy reliability for local industries, supporting both existing iron ore mining operations and future critical mineral projects.

The first phase of this study identified a single 735 kV transmission line as the preferred solution which will allow for a maximum power transfer limit of approximately 1500 MW. The next steps in advancing the study are:

- Geotechnical Field Investigations in Summer/Fall 2026.
- Front-End Engineering Design (FEED) for a single 735 kV line and stage-one Flora Lake Terminal Station targeted for completion in December 2026.
- Engagement and consultation.



## 4. Bay d'Espoir Unit 7 Refurbishment Project:

**Status: PUB Approval April 2026; Currently undergoing front-end engineering design**

Unit 7 is an existing 154 MW hydro generating unit located in the Bay d'Espoir Facility which has been in operation since 1977. A condition assessment completed in 2023 recommended that the unit undergo a major refurbishment in order to ensure continued reliable operation. The work being planned will involve the complete dismantling of the unit to allow for replacement of the turbine runner, rewinding the stator, reinsulating the rotor field windings along with inspection and repair or replacement of numerous components such as the wicket gates, head cover, bottom ring and operating mechanism.



## 5. Bay d'Espoir Unit 8 Project:

**Status: Application submitted to PUB for approval**

The Bay D'Espoir Unit 8 Project will supplement the existing Bay D'Espoir development by expanding the existing Powerhouse No. 2 for the addition of a new hydroelectric generating unit.

The Bay D'Espoir Unit 8 Project will include the engineering, procurement, construction, installation, commissioning, and testing of all works associated with the Project, including:

- Headrace channel enhancements.
- New intake, intake building, penstock and ancillary services.
- Expansion of existing Powerhouse No. 2.
- New turbine – generator (nominal capacity of 150 MW) to be installed in the Powerhouse No. 2 expansion.
- New transformer and isolated phase bus.
- New auxiliary mechanical, electrical, protection and control, telecontrol and telecommunications and communications equipment.
- Tailrace channel enhancements.
- New 230 kV transmission line from the new Unit 8 step-up transformer to the existing Terminal Station No. 2.
- Expansion and modifications to Terminal Station No. 2 to accept transmission line interconnection.

In addition, through its ongoing Resource Adequacy Study, Hydro is seeking new sources of energy supply to support growing demand and provide reliable electricity long-term. Other potential major project procurement opportunities may arise as a result of this proceeding. Hydro will provide updates to this Public Notice to reflect future major project procurement opportunities.



## Other Potential Projects

In addition to the above projects, Hydro is seeking new sources of energy supply to support growing demand and provide reliable electricity long-term. Other potential major project procurement opportunities may arise as a result of this work. Hydro will provide updates to this Public Notice to reflect future major project procurement opportunities and updates as more information becomes available.



## Potential Major Project Procurement Opportunities:

**Table A - Hydro Major Projects – Potential Procurement Opportunities**

*(Note: The information in this table is a forecast of potential procurement opportunities that are subject to approval and may be cancelled, postponed, combined or amended at Company's sole discretion. Company bears no responsibility or liability associated with any changes to this information.)*

Reference #	Description	Status	Anticipated Award Date
<b>1. Avalon Combustion Turbine</b>			
1.1	EPCM Integrated Services	RFP Issued and Project Approval Pending	Q2 2026
1.2	Supply of multiple Combustion Turbines for total installed capacity of 150MW (nominal) size and number to be determined.	Contract Awarded	N/A
1.3	Supply of multiple GSU Transformers to support final project configuration, size and number to be determined.	Contract Awarded	N/A
1.4	Supply of new 230kV electrical circuit breakers	RFP Issued and Project Approval Pending	Q3 2026
1.5	Supply of new Arc flashed rated switchgear complete with unit breakers.	Project Approval and RFP Issuance Pending	Q1 2027
1.6	Civil and Ground Works Contract for Tank Farm, HV Terminal yard, Turbine Building and Auxiliaries including Roads, Parking, Drainage, etc.	Project Approval and RFP Issuance Pending	Q2 2027
1.7	HV Terminal and Transmission line interconnection and associated works.	Project Approval and RFP Issuance Pending	Q4 2027

Reference #	Description	Status	Anticipated Award Date
1.8	Quality Support Services – Vendor and Field Support	Project Approval and RFP Issuance Pending	Q2 2027
1.9	Piling, Foundations and Buildings including primary powerhouse, Fuel, Water and Black Start Generator buildings or auxiliary structures.	Project Approval and RFP Issuance Pending	Q2 2028
<b>2. Bay d'Espoir Penstock #3 Refurbishment</b>			
2.1	EPCM Services	Contract Awarded	N/A
2.2	Procurement of steel plates	RFP Issued	Q2 2026
2.3	Replacement and refurbishment of Penstock #3 and associated works.	Project Approval and RFP Issuance Pending	Q3 2026
<b>3. Labrador West Transmission Expansion</b>			
3.1	Environmental Assessment Support <i>(If required)</i>	Project Approval and RFP Issuance Pending	Q3 2026
3.2	EPCM Integrated Services	Project Approval and RFP Issuance Pending	Q1 2027
3.3	Supply of Main Transformers	Project Approval and RFP Issuance Pending	Q2 2027
3.4	Construction of new Flora Lake HV Terminal Station(s), interconnection and associated works. Including clearing, civil and ground works.	Project Approval and RFP Issuance Pending	Q2 2027

Reference #	Description	Status	Anticipated Award Date
3.5	Construction of new Churchill Falls HV Terminal Station(s), interconnection and associated works. Including clearing, civil and ground works.	Project Approval and RFP Issuance Pending	Q2 2027
3.6	Construction of HV Transmission line and associated works. Including right of way clearing, civil and ground works and access development.	Project Approval and RFP Issuance Pending	Q2 2027
<b>4. Bay d'Espoir Unit 7 Refurbishment Project</b>			
4.1	Design and supply of a turbine runner, supply and installation of stator windings, re-insulation rotor pole field windings including removal and reinstallation of the poles and cleaning, inspection repair of other turbine components.	RFP Closed, Evaluation Ongoing	Q2 2026
4.2	Unit Controls Modernization	RFP Issuance Pending	Q4 2026
<b>5. Bay d'Espoir Unit 8 Project</b>			
5.1	Engineering, Procurement and Construction Management (EPCM) Services	Contract Awarded	N/A
5.2	Supply and installation of 150MW (nominal) Turbine and Generator including but not limited to design, fabrication, delivery to site, installation, shop and site testing, and commissioning of one Francis type vertical axis turbine.	RFP Closed, Evaluation Ongoing	Q2 2026
5.3	Supply of one (1) 13.8kV/230kV, 129/172 MVA, ONAN/ONAF, $\pm 2 \times 2.5\%$ Off-load Tap Changer at 230 kV side, Generator Step-up Transformer (T-8) including accessories.	Project Approval and RFP Issuance Pending	Q2 2026

Reference #	Description	Status	Anticipated Award Date
5.4	Supply of two (2) 230kV Dead Tank SF6 gas filled Circuit Breakers	RFP Issued and Project Approval Pending	Q3 2026
5.5	Major Civil Construction including but not limited to site camp, site development, site services, excavations works, headrace, intake, penstock, powerhouse, tailrace, power transformer, balance of plant, and Terminal Station 2 expansion.	Project Approval and RFP Issuance Pending	Q1 2028
5.6	230kV Transmission Line Construction connecting powerhouse to Terminal Station 2 (approx. 1km).	Project Approval and RFP Issuance Pending	Q1 2029