

(2010\$). The least cost² generation expansion plan under the 2010 PLF is shown below in Table1.

Table 1: 2010 PLF Strategist Generation Expansion Plans		
	Isolated Island	Labrador HVdc Interconnection and Muskrat Falls
	PLF 2010	PLF 2010
2010		
2011		
2012		
2013		
2014	25 MW Wind	50 MW CT
2015	36 MW Island Pond Holyrood ESP & Scrubbers	
2016	Holyrood Upgrade	
2017	Hoyrood Low Nox Burners	Hoyrood Unit 1 Syn Condenser 900 MW Labrador Interconnection
2018	23 MW Portland Creek	
2019	Holyrood Upgrade	
2020	18 MW Round Pond	
2021		
2022	170 MW CCCT	
2023		
2024	50 MW CT Holyrood Upgrade	
2025		
2026		
2027	50 MW CT	
2028	Replace 2 Existing Wind Farms (~50 MW)	
2029	Holyrood Upgrade	
2030	50 MW CT	
2031		
2032		

² For Hydro, the term "least cost" refers to the lowest Cumulative Present Worth/Value (CPW) of all capital and operating costs associated with a particular incremental supply source (or portfolio of resources) over its useful economic life, versus competing alternatives or portfolios. CPW concerns itself only with the expenditure side of the financial equation. *The lower the CPW, the lower the revenue requirement for the utility and hence, the lower the electricity rates will be.* By contrast, the term Net Present Value (NPV) typically refers to a present value taking into account both the expenditure and revenue side of the financial equation, where capital and operating expenditures are negative and revenue is positive. The alternative with *the higher NPV* has the greater return for the investor. What CPW and NPV have in common is that they are both techniques of discounted cash flow analysis. Outside of that, CPW and NPV are conceptually and numerically different values.

