

1 Q. (Reference 2017 GRA Volume I) In reference to the 300 MW of recall, it has been
2 reported that Labrador may need 220 MW for winter peak. This would leave 80
3 MW for Muskrat Falls rate relief. Please advise if this is the Applicant's position?
4 Furthermore, the Liberty Report indicates the in service for Muskrat Falls to be
5 2022-2023, whereas Nalcor has stated that in service would be 2020. Please advise
6 who is correct?

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9 A. On the peak hour, according to this forecast, there may be only 80 MW available to
10 reduce Holyrood generation, but that number would apply to only the winter peak.
11 In the great majority of hours, consumption levels on the Labrador Interconnected
12 System are less than peak levels so the peak forecast demand is not representative
13 of the average amount of energy, and thus fuel cost savings, that are expected to
14 be available.

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16 As indicated in Nalcor Energy's update of June 23, 2017, the Muskrat Falls Project is
17 expected to be on-line in 2020. With respect to Liberty's comments from its
18 *"Evaluation of Pre-Muskrat Falls Supply Needs and Hydro's November 30, 2016*
19 *Energy Supply Risk Assessment Final Report"* provided to the Board on February 27,
20 2017, as part of the Board's *Investigation and Hearing into Supply Issues and Power*
21 *Outages on the Island Interconnected System – Phase 2*, Hydro notes that Liberty's
22 comments were made prior to the latest Nalcor announcement, and as stated by
23 Liberty, was speculation on their part.¹

¹ Please refer to Liberty's *"Evaluation of Pre-Muskrat Falls Supply Needs and Hydro's November 30, 2016 Energy Supply Risk Assessment Final Report"*, filed with the Board on February 27, 2017, at page 28: "We have, somewhat arbitrarily, settled on two years as being the amount of a delay that would heavily influence the supply decision...We acknowledge that we are susceptible to criticism for speculating on the Muskrat Falls schedule in the absence of hard data."