

1 Q. On page 11 of Schedule 1: Evidence of the Application Hydro notes that “the net impact of 78
2 MW as a result of the capacity additions, offset by capacity retirements. With the adjustment
3 for a P90 forecast for system planning, the additional capacity available in the short-term is
4 further reduced to a net change in capacity of only 18 MW.” The footnote 26 on the same page
5 notes that “60 MW reduction for P90 would be removed if the Board determines in the
6 Resource and Reliability Adequacy Study proceeding that system planning can be based on a
7 P50 load forecast.”

8 Please confirm that with change from P90 to P50 the capacity surplus will increase, not
9 decrease. If not confirmed, please explain. If confirmed, please revise Table 2 on page 11 of
10 Schedule 1.

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13 A. As illustrated in Table 2 of Schedule 1 (in the line “Net Change in Capacity”) and noted on page
14 11 of Schedule 1 in the text (lines 6–7), the net impact of 78 MW as a result of the capacity
15 additions, offset by capacity retirements, was calculated assuming the use of a P50¹ peak
16 demand forecast. The 78 MW is then reduced by the 60 MW of additional demand associated
17 with the P90² peak demand forecast, resulting in a net impact of 18 MW as stated in line 8 and
18 also provided in Table 2 (in the line “Net Change in Capacity”). As such, it is correct that there is
19 a greater capacity surplus if the P50 peak demand forecast is used, as compared to the capacity
20 surplus available if the P90 peak demand forecast is used.

21 Table 2 as filed illustrates the differences in capacity surplus between P90 and P50 forecasts.

¹ A P50 forecast is one in which the actual peak demand is expected to be below the forecast number 50% of the time and above 50% of the time (i.e., the average forecast).

² A P90 forecast is one in which the actual peak demand is expected to be below the forecast number 90% of the time and above 10% of the time (i.e., there is a 10% chance of the actual peak demand exceeding the forecast peak demand.)