

1 Q. In footnote 6 to the November 2012 Generation Planning Issues report, it states
2 *“Firm capability for the hydroelectric resources is the firm energy capability of those*
3 *resources under the most adverse three-year sequence of reservoir in flows*
4 *occurring within the historical record. Firm capability for the thermal resources is*
5 *based on energy capability adjusted for maintenance and forced outages.”* Does
6 the Holyrood plant continue to have a “firm energy capability” of 2,996 GWh per
7 year as stated at Table 3-1 of the Generation Planning Issues Report of November
8 2012?

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11 A. Hydro is currently performing an in-depth review of Holyrood and its future
12 capability. Should the Holyrood energy or rated capacity change from that
13 discussed below as a result of this ongoing review for the years 2017-2019 and
14 beyond, Hydro will formally inform the Board.

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16 Hydro recently provided an update to the Board regarding the firm energy
17 capability of the Holyrood plant in its report “Energy Supply Report for the Island
18 Interconnected System 2015 to 2019”, submitted February 17, 2016. In this report,
19 Hydro reported firm capability at Holyrood of 2,475 GWh in 2016, and 2,836 GWh
20 for the years 2017 to 2019.

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22 For 2016, the reduction in firm energy from previously published in 2012 is
23 primarily due to the recent Unit 1 and Unit 2 boiler tube failures and the work
24 required for replacing tubes. It is further impacted by the extended planned outage
25 to Unit 3 for major capital upgrades, as approved by the Board in Hydro’s 2016
26 Capital Budget.

1 Holyrood's firm energy is 2,836 GWh for the years 2017-2019, versus 2,996 GWh in
2 the 2012 report, which is a reduction of 160 GWh. This reduction results from
3 reflecting a 5% increase in DAFOR, to a total of approximately 14%, compared to
4 9.64% previously used in planning. The reason for the increase to approximately
5 14% is to reflect the average of the 5 most recent years of DAFOR for the years after
6 2016. Hydro reassessed Holyrood TGS DAFOR as a result of the recent availability
7 issues. A number of factors impacted the decision to update DAFOR:

- 8 1. Recent Holyrood TGS availability;
- 9 2. Growing customer load;
- 10 3. Customer expectations; and
- 11 4. Recent hydrological conditions.

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13 Therefore, Hydro determined it was appropriate to plan for a higher level of DAFOR
14 than it had been in 10 previous years.