Q. The response to MHI-Nalcor-24 states *"The HVDC interconnection is designed to obtain the required level of reliability via the HVDC link from Labrador in conjunction with island generation facilities. Any additional reliability as a result of the Maritime link has not been factored into the analysis."* Pg. 8 of Exhibit 23 states the Maritime Link would also be capable of delivering up to 500 MW to the Island in the event of the loss of the HVdc Labrador-Island Link. Explain these two conflicting statements. Is Nalcor stating that the Maritime Link is required to provide the required reliability for the Island System?

A. The response to MHI-Nalcor-24 was intended to indicate that the Labrador Island Transmission Link and island generation facilities were designed to provide a comparable level of reliability to the existing Island Interconnected system. Further clarification on this issue has been provided in Exhibit 106: Technical Note: Labrador Island HVdc Link and Island Interconnected System Reliability. With reference to Table 5 of Exhibit 106, the greatest levels of unserved energy in the Isolated Island and Interconnected Island alternatives are in the order of 1% of total energy delivered. It should be noted that Exhibit 106 also indicates that the level of unserved energy may be reduced with the addition of combustion turbines (CTs).

Table 5 of Exhibit 106 also shows that the level of unserved energy in the Interconnected Island alternative with the Maritime Link in place is approximately 20% of that of the Interconnected Island alternative without the Maritime Link or the Isolated Island alternative.

As a result, the two concepts are complementary – the Isolated Island and Interconnected Island alternatives, without the Maritime Link, offer similar reliability levels and the construction of the Maritime Link further improves the level of reliability of the Interconnected Island alternative.