

September 27, 2016

The Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, NL A1A 5B2

**Attention: Ms. Cheryl Blundon**  
**Director Corporate Services & Board Secretary**

Dear Ms. Blundon:

**Re: Recommendation 2.7: Liberty Consulting Group Supply Issues and Power Outages  
Review Island Interconnected System addressing Newfoundland and Labrador  
Hydro**

In Newfoundland and Labrador Hydro's Response to the Phase I Report by Liberty Consulting – February 5, 2015, (page 16), Hydro proposed that each year it will file a report with the Board on Generation Adequacy. On September 16, 2015, Hydro filed the first of the reports in which the following information was requested:

1. The updated P90 load forecast for the period up to one year beyond the then anticipated interconnection date;
2. A summary of the previous winter's generation performance and an outlook of peak available generating capacity for each year of the load forecast; and
3. The forecast generation reserves both in percentage and total MW's. In the event there are changes that result in the forecast reserve falling below 240 MW, Hydro will complete an assessment of the associated risks and report to the Board its recommended mitigations.

Hydro notes that the Energy Supply Risk Assessment (ESRA) filed on May 27, 2016 provided the required information listed above and is of the position that the data contained in the ESRA fulfils the items identified in the generation adequacy request as follows:

1. The updated P90 load forecast through to 2020; two years beyond the anticipated interconnection date;
2. Outlook of peak available generating capacity for each year of the forecast; and
3. Forecast reserves in percentage and total MW.

In addition, the ESRA provided:

1. A critical assessment of Hydro's thermal generating assets and their relative importance to the Island Interconnected System, by evaluating a range of unit availabilities, and the resultant expected unserved energy (EUE);
2. An energy perspective, in full consideration of Hydro's ability to meet its energy requirements should a dry sequence occur; and
3. Identified options and alternatives to mitigate supply risk.

In addition to the ESRA, Hydro also provides the Board with an analysis of generation performance on a quarterly basis in the form of the rolling generation report.

Given that all the of the information required as part of the Generation Adequacy report have been fully and adequately addressed as part of the ESRA report, Hydro submits that a separate report on Generation Adequacy which restates what has already been filed in the ESRA is not required. As such, Hydro requests that the Board consider the ESRA as meeting the 2016 requirement for the Generation Adequacy report.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**



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Geoffrey P. Young  
Corporate Secretary & General Counsel

GPY/bs

cc: Gerard Hayes – Newfoundland Power  
Paul Coxworthy – Stewart McKelvey Stirling Scales  
Sheryl Nisenbaum – Praxair Canada Inc.  
ecc: Roberta Frampton Benefiel – Grand Riverkeeper Labrador

Thomas Johnson – Consumer Advocate  
Thomas O' Reilly – Cox & Palmer  
Danny Dumaresque