

May 5, 2022

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 of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: *Reliability and Resource Adequacy Study Review – Labrador-Island Link Monthly Update – April 2022*

On November 21, 2019, the Board of Commissioners of Public Utilities (“Board”) requested that Newfoundland and Labrador Hydro (“Hydro”) provide further information as a result of the findings in The Liberty Consulting Group’s (“Liberty”) Eighth Quarterly Monitoring Report on the Integration of Power Supply Facilities to the Island Interconnected System. In its response, Hydro committed to providing Liberty and the Board with a monthly status update regarding the schedule for the Labrador-Island Link (“LIL”) software development and testing, updated information in response to the specific requests detailed in the Board’s November 21, 2019 correspondence, and other pertinent information with respect to the Muskrat Falls Project. On January 19, 2021, the Board requested Hydro continue monthly reporting and outlined specific information, at a minimum, to be included.¹ Enclosed please find the update as requested.

The Lower Churchill Project (“LCP”) and its contractors continue to follow all COVID-19 Health and Safety measures as per the established guidelines. The LCP will continue to closely monitor the COVID-19 pandemic and follow advice from medical experts and Public Health guidance.

1.0 LABRADOR-ISLAND LINK

1.1 Commissioning Activities

1.1.1 Bipole Commissioning

Following a review of GE Canada’s (“GE”) regression testing report and Factory Acceptance Testing (“FAT”) plan, LCP and Hydro gave GE approval to proceed with FAT of the bipole software. The FAT was executed in April 2022; after which, the results were reviewed by LCP, Hydro, and GE and it was decided that the software would not be released to site due to unresolved issues. While a number of punchlist items were confirmed to be resolved, a few items still require resolution. GE are currently working to resolve these outstanding items, which will then require additional testing before the software can be released to site for commissioning. GE has not provided a detailed schedule but are working to release

¹ Hydro’s report has been adjusted to reflect the Board’s request, with the exception of information related to the LIL monthly energy transfers and Maritime Link availability and exports and imports in the month. Both pieces of information are currently included in Hydro’s monthly energy supply report and are not available in a time frame that corresponds with the timing of this report.

the next version of software in the second quarter of 2022. As previously noted, the next software release will be used for Dynamic Commissioning and Trial Operations.

1.1.2 Soldiers Pond Synchronous Condensers

The synchronous condenser (“SC”) 1 bearing has been replaced; re-assembly of the unit is ongoing. The cause of the bearing damage is unknown at this time, and whether the issue is unique to SC1 or if it is common to all three units. GE Power’s Root Cause Analysis is pending further test results, which is expected to be finalized this month. The results and proposed resolution will be provided to LCP and Hydro when complete. GE Power’s Return to Service schedule for SC1 is currently July 2022. SC2 and SC3 are online.

1.2 Operations

As previously reported, LIL returned to bipole operation on April 1, 2022. The 450 MW power transfer limit is still applied to the current version of software, and the Newfoundland and Labrador System Operator (“NLSO”) determines the actual power transfer level daily based on system conditions. A number of Maritime Link Runback Tests were performed on April 8, 2022; the final test is planned for later this month, pending system conditions. LIL was offline from April 23-24, 2022, to allow GE to perform work on the system. LIL was re-energized in monopole mode on April 25, 2022; return to bipole mode is pending the review of a potential safety incident that occurred while GE was carrying out its work.

1.3 Outages

There were no LIL-related customer outages to report for April 2022.

2.0 MUSKRAT FALLS GENERATION

2.1 Operations

All four Muskrat Falls Units are operational and released to the NLSO for dispatch.

With respect to the Unit 2 vibration issue, Andritz is planning to undertake an internal inspection of the Unit 2 turbine during the upcoming summer shutdown. The exact timing has not been finalized. Andritz will provide a report of its findings and recommendation for resolution.

3.0 LABRADOR-ISLAND LINK SCHEDULE

As noted above, GE’s next software release is currently planned for the second quarter of 2022. Given the delay in completion of FAT, GE’s Trial Operations Complete milestone has slipped to the third quarter of 2022.

4.0 CF(L)CO² MULTI-PARTY POOLING AGREEMENT AND HYDRO-QUÉBEC IOA³

Weekly discussions to progress the IOA are ongoing between the NLSO and Hydro-Québec and CF(L)Co. The parties are working to conclude the agreement by May 31, 2022. The reason for the extension is to provide time for the ongoing legal review and negotiation of any legal language issues that arise.

² Churchill Falls (Labrador) Corporation (“CF(L)Co”).

³ Interconnection Operators Agreement (“IOA”).

If you have any questions or comments, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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Vice President, Chief Legal Officer & Corporate Secretary
MSL/kd

ecc:

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