

August 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 – July 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.

1.0 LABRADOR-ISLAND LINK

1.1 Commissioning Activities

1.1.1 Bipole Commissioning

As previously reported, due to the issues identified during Dynamic Commissioning in June 2022, GE Canada (“GE”) were required to make fixes to the software and release a new version. GE advised in late July 2022, that the software fixes and regression tests were complete and Factory Acceptance Testing (“FAT”) had commenced. GE and Hydro are currently reviewing the FAT results to determine if the software will be released to site for the commencement of Dynamic Commissioning. A decision on the FAT is expected in the coming days.

1.1.2 Soldiers Pond Synchronous Condensers

Synchronous Condenser (“SC”) Unit 1 commissioning tests are ongoing. The unit is balanced and has been rotated at full speed. Return to Service is scheduled for August 2022. SC2 and SC3 are online.

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.

1.2 Operations

Due to the issues discovered during Dynamic Commissioning in June 2022, the latest version of software was removed from the system and replaced with the previous version to allow the LIL to operate while GE completed the software fixes. Initially, the LIL was operating in monopole mode while GE conducted hardware checks on Pole 1 to ensure all equipment was functioning correctly after Dynamic Commissioning stopped, which GE confirmed in July 2022. The LIL was then returned to bipole mode. The 450 MW power transfer limit is still applied to this version of software, and the Newfoundland and Labrador System Operator determines the actual power transfer level daily based on system conditions.

1.3 Outages

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

2.0 MUSKRAT FALLS GENERATION

2.1 Operations

Muskrat Falls Units 2 and 3 are currently offline for their planned summer maintenance.

Andritz conducted an internal inspection of the Unit 2 turbine to determine the cause of the vibration observed during operation. A summary of the findings and recommended corrective actions were presented to Hydro, which are now under review.

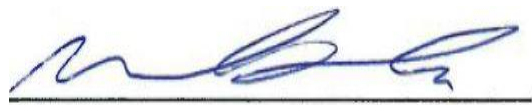
3.0 LABRADOR-ISLAND LINK SCHEDULE

As noted above, the decision to proceed with Dynamic Commissioning will be based on the outcome of the FAT. Once a determination is made, GE will issue a schedule for Dynamic Commissioning.

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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