

NEWFOUNDLAND AND LABRADOR BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

2024-01-11

Newfoundland and Labrador Hydro

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Labrador Interconnected Group

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Dear Madam/Sirs:

Re: Newfoundland and Labrador Hydro - Reliability and Resource Adequacy Study Review Planned Reports, Studies and Analyses - Further Comments and Directions

The Board has considered the correspondence from Newfoundland and Labrador Hydro (Hydro) dated January 19, 2023 [sic] received by the Board on January 19, 2024 and provides the following further comments and directions.

1. Direction to ensure adequate resources are dedicated so that there is no further slippage in the schedule and also to seek and implement opportunities to advance the schedule for the completion of the identified studies, the filing of the application for and the implementation of new generation.

Newfoundland Power Inc.

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Consumer Advocate

Dennis Browne, KC Browne Fitzgerald Morgan & Avis Terrace on the Square, Level 2 P.O. Box 23135 St. John's, NL A1B 4J9 E-mail: dbrowne@bfma-law.com The filing dates for the following four studies listed in Table 1 have been delayed from the schedule provided on May 25, 2023:

- (i) Impact of Prolonged Loss of the LIL on Reservoir Levels delayed from the first quarter to the second quarter of 2024;
- (ii) Fuel Market Study- delayed from the first quarter to the second quarter of 2024;
- (iii) Pre-Winter Impact of Lower Reservoir Levels with the Addition of Bay d'Espoir Unit 8 delayed from the first quarter to the fourth quarter of 2024; and
- (iv) Bay d'Espoir Unit 7 Uprate Study delayed from the first quarter to the second quarter of 2024.

Also, two key reports listed on the May 25, 2023 correspondence are not included in the January 19th update: the Combustion Turbine FEED and Bay d'Espoir FEED, both of which were scheduled to be filed in the fourth quarter of 2024. Hydro is directed to advise why these reports are not included in Table 1 of the January 19th correspondence and the anticipated date for filing these reports.

The Board is disappointed to see slippage in the schedule for filing reports and reiterates its comments that it is critical that Hydro act expeditiously to complete necessary reports and analyses so that this Review is not delayed.

2. Direction to consider and report on supply options available on a short-term basis, including consideration of the expedited placement of a combustion turbine as a near-term and a potential long-term option.

The Board reiterates its direction that it is critical that Hydro explore all options for near-term or short-term capacity options in the event of an emergency or a forecast shortfall while a longer-term option is still being studied and implemented. The Board expects the report to be filed in the second quarter of 2024 on this issue to be comprehensive and to adequately address the issues raised previously on available capacity for emergencies and the potential to retire the Holyrood generating plant earlier than the current forecast retirement date.

3. Direction to include information in the next update to RRAS on the potential for short-term sales to Quebec.

Hydro stated that it had requested the Board to reconsider this direction. The Board refers Hydro to its previous decision of October 12, 2023 on this issue and notes that there has been no new request by Hydro to review the direction on this issue. The Board reiterates that it would be helpful to provide in the next RRAS update additional general information on the potential for short-term sales to Quebec.

If you have any questions, please do not hesitate to contact the Board's counsel in this matter, Ms. Maureen Greene, KC, by email mgreene@pub.nl.ca or telephone (709) 726-3175.

Sincerely,

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Jo-Anne Galarneau Board Secretary

JG/cj

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