

1 Q. **Re: RRAS (2018), Vol. I, Attachment 1 (Daymark), page 8 of 14 (86 pdf)**

2 Preamble:

3 The stochastic reliability model is described, including “stochastic load (Lab East, Lab West,
4 Island)”.

5 a) Please explain how “lumpy” load additions (e.g., mining or cryptocurrency loads in Labrador)
6 are modelled.

7 b) Please indicate the modelling assumptions used, if any, with respect to the Water
8 Management Agreement.

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11 A. a) Load forecasts are prepared as an input to the resource planning process, which ensures
12 sufficient resources are available consistent with applied reliability standards. Both known
13 and speculative loads are considered in Hydro’s assessments of resource adequacy through
14 the use of baseline and sensitivity forecasts. In the case of larger load additions, for example
15 the reactivation of the Scully mine by Tacora Resources Incorporated or the construction
16 and in-service of the Vale Newfoundland and Labrador processing facility on the Island
17 Interconnected System, the associated increase in load is not a smooth progression over
18 time, but rather stepped increases while facilities are brought online. In this case,
19 Newfoundland and Labrador Hydro’s (“Hydro”) load forecast includes appropriate
20 projections of customer requirements based on information communicated by the
21 customer. These load forecasts are an input in Hydro’s reliability modelling.

22 b) The Water Management Agreement provides coordinated production between facilities
23 located on the Churchill River. As this agreement has no implications on the reliability of the
24 Newfoundland and Labrador Interconnected System it has not been expressly modelled in
25 Hydro’s Reliability Model.