

1 Q. **Reliability and Resource Adequacy Study Update, November 15, 2019**

2 Given that Newfoundland is now interconnected with Nova Scotia through the Maritime Link,
3 and will be interconnected with Quebec through the LIL, please describe what NERC or NPCC
4 requirements currently or will apply to Hydro, and outline Hydro's current or planned efforts to
5 comply with these requirements.

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8 A. The Island of Newfoundland is connected to the mainland via two direct current links; the
9 Maritime Link and the Labrador-Island Link. By their nature, dc links offer dynamic separation
10 from the Northeast Power Coordinating Council ("NPCC") region, allowing the Island
11 Interconnected System to not be affected by or able to affect the reliability of the region. As it
12 can function independently, from a reliability point of view, from the NPCC it is not required to
13 comply with North American Electric Reliability Corporation ("NERC") or NPCC requirements.
14 However, Nalcor Energy ("Nalcor") and Newfoundland and Labrador Hydro ("Hydro") recognize
15 the value and importance of operating the system consistent with the reliability standards in
16 place for the broader North American electric grid on a voluntary basis.

17 At this time, Nalcor and Hydro are reviewing draft policies and procedures that were developed
18 for their operation based on the applicable NERC Standards, with a focus on the Critical
19 Infrastructure Protection ("CIP") standards and non-CIP standards that are primarily applicable
20 to the Newfoundland and Labrador System Operator. While review to date has indicated that
21 Nalcor and Hydro are following practices that fundamentally comply with the NERC standards,
22 Nalcor and Hydro's final implementation of policies and procedures will be value based and will
23 be phased in over the next several years.