Reference: Reliability and Resource Adequacy Study 2022 Update, Volume I, page 10, line 19. 1 Q. 2 Hydro refers to the "minimum regulating reserve." Provide the relationship between this 3 minimum regulating reserve and the operational reserve requirement described in section 3.2.2 4 and explain the impact of the minimum regulating reserve on the Reliability Model. 5 6 The operational reserve requirement described in Section 3.2.2 of the "Reliability and Resource 7 A. 8 Adequacy Study – 2022 Update"¹ is the reserve requirement under normal operating conditions. 9 The minimum regulating reserve is the minimum reserve that must be carried on the Island 10 Interconnected System to regulate system frequency and maintain stability. It is assumed that in 11 an emergency, Newfoundland and Labrador Hydro would be able to reduce available reserves on the Island to the minimum regulating reserve before shedding load. In the reliability model, 12 reducing the reserve below the minimum regulating reserve is considered a loss of load event. 13 14 Currently, the minimum regulating reserve is set at 70 MW.

¹ "Reliability and Resource Adequacy Study – 2022 Update," Newfoundland and Labrador Hydro, October 3, 2022, vol. I, s. 3.2.2.