

1 Q. **Volume 1: Holyrood Overview**

2 Hydro has proposed a number of projects for the Holyrood TGS and is attempting to minimize
3 the expenditures associated with stream generation that is currently planned to be retired in
4 early 2022. One such item is the replacement of certain parts of the Distributed Control System
5 (“DCS”) system.

6 Should further ongoing studies determine that the Holyrood TGS will be required beyond the
7 2022 timeframe is there any concern that replacing a portion of the DCS system at this time
8 might not be the most effective long-term solution if an extension to the Holyrood TGS plant is
9 required? If that is the case, is it possible to delay this and any other similar projects until a
10 decision on the future of the Holyrood TGS is determined?

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13 A. Should it be determined in the future that the Holyrood Thermal Generating Station (“Holyrood
14 TGS”) is required and suitable as a backup facility, it is likely that the remaining components of
15 the Distributed Control System (“DCS”) associated with generation will require replacement.
16 Deferral of the upgrades proposed in the 2021 Capital Budget Application, while potentially
17 offering some level of efficiency should further components be required, does not outweigh the
18 risk associated with potential reliability issues and unavailability of the DCS that could occur if
19 the components were not replaced prior to their obsolescence date. Given the most recent
20 extension of the Holyrood TGS until March 31, 2023,¹ the uncertainty that surrounds the future
21 of the Holyrood TGS as a backup facility, the long-term requirements of the components, as well
22 as the potential reliability impacts associated with the non-replacement of these components,
23 Newfoundland and Labrador Hydro (“Hydro”) does not consider deferral of this work a viable
24 alternative. Hydro notes that based on its commitment to extend the Holyrood TGS to March
25 31, 2023, Hydro is assessing whether additional components require upgrade to ensure reliable
26 operation until the extended date.

¹ “The Liberty Consulting Group Eighth Quarterly Monitoring Report on the Integration of Power Supply Facilities to the Island Interconnected System – Monthly Update,” Newfoundland and Labrador Hydro, September 28, 2020.