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May 4, 2026

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Mike McNiven
Board Secretary

Re: Quarterly Report on Asset Performance in Support of Resource Adequacy for the Twelve Months Ended March 31, 2026

Please find enclosed Newfoundland and Labrador Hydro's Quarterly Report on Asset Performance in Support of Resource Adequacy for the Twelve Months Ended March 31, 2026.[1]

Appendix B to this report contains the updates specific to the Muskrat Falls Assets to provide the Board of Commissioners of Public Utilities with fulsome information as previously requested. Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/mc

Encl.

ecc:

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Newfoundland Power Inc.
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Douglas W. Wright
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[1] Formerly titled "Quarterly Report of Generating Units for the Twelve Months Ended []."

Quarterly Report on Asset Performance in Support of Resource Adequacy

For the Twelve Months Ended March 31, 2026

May 4, 2026

A report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

Contents

List of Appendices

1.0 Introduction

In this report, Newfoundland and Labrador Hydro ("Hydro") provides data on forced outage rates of its generating facilities and the Labrador-Island Link ("LIL"). The data provided pertains to historical forced outage rates and assumptions Hydro uses in its assessments of resource adequacy. This report covers the performance for the current 12-month reporting period of April 1, 2025 to March 31, 2026 ("current period").

This report contains forced outage rates for the current period for individual generating units at regulated hydraulic facilities,[1] the Holyrood Thermal Generating Station ("Holyrood TGS"), Hydro's combustion turbines ("CT"), and the non-regulated Muskrat Falls Hydroelectric Generating Facility ("Muskrat Falls Facility"). In addition, equivalent forced outage rates are provided for the 900 MW LIL. This report also provides, for comparison purposes, the individual asset forced outage rates for the 12-month reporting period of April 1, 2024 to March 31, 2025 ("previous period"). Further, total asset class data is presented based on the calendar year for the remainder of the ten most recent years, 2016 to 2025 – with the exception of the Muskrat Falls Facility[2] and the LIL.[3]

The forced outage rates of Hydro's generating units are calculated using two measures:

1) Derated adjusted forced outage rate ("DAFOR") for the continuous (base-loaded) units; and

2) Derated adjusted utilization forced outage probability ("DAUFOP") for the standby units.

DAFOR is a metric that measures the percentage of time that a unit or group of units is unable to generate at its maximum continuous rating due to forced outages or unit deratings. The DAFOR for each unit is weighted to reflect differences in generating unit sizes to provide a combined total and reflect the relative impact a unit's performance has on overall generating performance. This measure is applied to

[1] Regulated hydraulic facilities include the Bay d'Espoir Hydroelectric Generating Facility ("Bay d'Espoir Facility" or "BDE"), the Cat Arm Hydroelectric Generating Station ("Cat Arm Station" or "CAT"), the Hinds Lake Hydroelectric Generating Station ("Hinds Lake Station" or "HLK"), the Upper Salmon Hydroelectric Generating Station ("Upper Salmon Station" or "USL"), the Granite Canal Hydroelectric Generating Station ("Granite Canal Station" or "GCL"), and the Paradise River Hydroelectric Generating Station ("Paradise River Station" or "PRV").

[2] The final generating unit at the Muskrat Falls Facility was released for commercial operation on November 25, 2021. Annual DAFOR performance data is available beginning in 2022.

[3] The LIL was officially commissioned on April 13, 2023. Annual equivalent forced outage rate ("EqFOR") data is available beginning in 2024.

hydraulic units and, historically, was used for the thermal units; however, it does not apply to CTs because of their operation as standby units and their relatively low operating hours.

DAUFOP is a metric that measures the percentage of time that a unit or group of units will encounter a forced outage and not be available when required. DAUFOP is a measure primarily used for CTs; however, this measure may be applicable to thermal units, should their operation move towards standby operation in the future. This metric includes the impact of unit deratings.

The forced outage rates include outages that remove a unit from service completely as well as instances when units are derated. If a unit's output is reduced by more than 2%, the unit is considered derated under Electricity Canada guidelines. These guidelines require that the derated levels of a generating unit be calculated by converting the operating time at the derated level into an equivalent outage time.

As the LIL is not a generating unit, the above noted forced outage rate measures do not apply to this asset. Instead, Hydro has determined an appropriate metric to be an EqFOR to measure the performance of this asset as it relates to the supply of electricity to the Island. This EqFOR measures the percentage of time that the LIL bipole is unable to deliver its maximum continuous rating[4] to the Island due to forced outages, derates, or unplanned monopole outages. The effect of deratings and unplanned monopole outages is converted to equivalent bipole outage time using the same methodology as outlined above for generating units.

In addition to forced outage rates, this report provides details for those outages which occurred in the current period that contributed materially to forced outage rates exceeding those used in Hydro's resource adequacy planning analysis for both the near and long-term.

[4] The LIL maximum continuous rating is now 900 MW, following the successful completion of high-power testing on March 26, 2026.

2.0 Assumptions Used in Hydro's Assessment of System Reliability and Resource Adequacy

Hydro continually assesses the reliability of its system and its ability to meet customer requirements, filing both near- and long-term assessments with the Board of Commissioners of Public Utilities.[5]

As part of the ongoing *Reliability and Resource Adequacy Study Review* proceeding, Hydro detailed the process undertaken for determining the forced outage rates most appropriate for use in its near-term reliability assessments and long-term resource adequacy analysis. Table 1 and Table 2 summarize the most recent forced outage rate assumptions, as determined using the forced outage rate methodology.[6] Forced outage rate assumptions will be re-evaluated on an annual basis to incorporate the most recent data available.

Table 1: Hydro's Reliability and Resource Adequacy Study Analysis Values – Generating Units (%)

Asset Type	Measure	Near-Term Analysis Value	Resource Planning Analysis Value
Hydraulic: Regulated	DAFOR	2.50	3.03
Hydraulic: Muskrat Falls	DAFOR	2.30	3.03
Thermal	DAUFOP	20.00[7]	20.00
CTs			
Happy Valley	DAUFOP	4.65	4.65
Hardwoods and Stephenville	DAUFOP	30.00	30.00
Holyrood	DAUFOP	4.90	4.90

A three-year, capacity-weighted average was applied to the regulated hydraulic units (Bay d'Espoir Facility, Cat Arm Station, Hinds Lake Station, Granite Canal Station, Upper Salmon Station, and Paradise River Station) for a near-term analysis, resulting in a DAFOR of 2.50%, while a ten-year, capacity-weighted average was applied for use in the long-term resource planning model, resulting in a DAFOR of

[5] Hydro currently files an assessment of near-term system reliability and resource adequacy annually in November, the Near-Term Reliability Report. Hydro also files an assessment of longer-term system reliability and resource adequacy. The most recent filing was the "2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequacy Study," Newfoundland and Labrador Hydro, rev. August 26, 2024 (originally filed July 9, 2024), ("2024 Resource Plan").
[6] Values indicated for Hydro's near-term analysis reflect those used in the 2024 Resource Plan and the "Reliability and Resource Adequacy Study Review – 2025 Near-Term Reliability Report – November Report," Newfoundland and Labrador Hydro, November 20, 2025 ("November 2025 Near-Term Report").
[7] The Holyrood TGS base assumption is 20.00%. The sensitivity assumption is 34.00%. A sensitivity value of 34.00% was chosen to reflect actual performance at the Holyrood TGS for the 2021–2022 winter operating period.

3.03%. The DAFOR value was based on historical data reflective of Hydro's maintenance program over the long term.

For the Muskrat Falls Facility, the near-term forced outage rate was based on the forced outage rates of the units to date, to reflect the possibility of outages early in the lifetime of the Muskrat Falls Facility. In the long-term resource planning model, the regulated hydroelectric forced outage rate was used, as it is assumed that these assets will be maintained to the same standards as the remainder of the hydraulic fleet.

Historically, forced outage rates for the three units at the Holyrood TGS have been reported using the DAFOR metric, which is predominantly used for units that operate in a continuous (base-loaded) capacity. As presented in Hydro's RRA Study 2022 Update,[8] there are reliability concerns associated with the operation of the units at the Holyrood TGS in an emergency standby capacity. When considering standby or peaking operations of units at the Holyrood TGS, DAFOR is no longer the most appropriate measure of forced outage rates; instead, UFOP[9] and DAUFOP should be considered. Given the frequency of deratings historically experienced by these units, DAUFOP is a more appropriate measure.

Analyses performed for a range of Holyrood TGS DAUFOP assumptions indicate the sensitivity of supply adequacy to changes in the availability of the Holyrood TGS. From this analysis, a forced outage rate of 20.00% was recommended in the near-term, with a sensitivity value of 34.00%. Hydro will continue to analyze the operational data to ensure that forced outage rate assumptions for the Holyrood TGS are appropriate.

The operation of the units at the Holyrood TGS remains base-loaded to ensure the availability of capacity for the power systemTo ensure alignment with the assumptions used in the resource planning model (PLEXOS)[10] while appropriately reporting on current period versus historical performance, Hydro will continue to use the DAFOR performance measure and the 20.00% forced outage rate for the units at the Holyrood TGS.

[8] "Reliability and Resource Adequacy Study – 2022 Update," Newfoundland and Labrador Hydro, October 3, 2022 ("RRA Study 2022 Update").
[9] Utilization forced outage probability ("UFOP").
[10] The resource planning model does not differentiate between DAFOR and DAUFOP metrics; rather, it applies a forced outage rate only.

As the CTs in the existing fleet vary in age and condition, each was considered on an individual basis. For the Happy Valley Gas Turbine[11] ("GT"), a three-year, capacity-weighted average was applied to the unit for the near-term analysis, while a ten-year capacity-weighted average was applied for use in the resource planning model. The DAUFOP values were based on historical data to reflect the unit's past performance. For the Holyrood CT, the DAUFOP was calculated based on a scenario-based approach rather than historical data, due to the unit's minimal operating time and resultant small data set. For the Hardwoods and Stephenville GTs, a fixed DAUFOP consistent with values considered in Hydro's previous near-term reliability reports was used for the near-term and long-term analyses.[12] As presented in Hydro's 2024 Resource Plan, the Hardwoods and Stephenville GTs are proposed for retirement in 2030; however, life extension analysis is ongoing.[13]

Now that the LIL is commissioned, multiple years of operational experience are required to better inform the long-term selection of a bipole forced outage rate. In the interim, the bipole forced outage rate will be addressed with a range of upper and lower limits as additional scenarios in the analysis—currently 10% and 1%, respectively. As LIL performance statistics become available in the coming years, the forced outage rate range may be narrowed. However, the current base-case assumption is a 5% LIL forced outage rate.

Table 2: Hydro's Reliability and Resource Adequacy Study Analysis Values – LIL (%)

Asset Type	Measure	Base Planning Analysis Value	Range of Planning Analysis Values
LIL	EqFOR	5	1–10

[11] The Happy Valley Gas Turbine, located in Labrador East and supports regional reliability, providing back-up generation for the area.
[12] "Reliability and Resource Adequacy Study Review – 2024 Near-Term Reliability Report – November Report," Newfoundland and Labrador Hydro, November 20, 2024.
[13] Assessment of the remaining useful life for the Hardwoods and Stephenville GTs, and the estimated capital operating costs is ongoing to inform the Reference Case.

3.0 Current Period Overview

Table 3 presents an overview of the current period performance, compared to previous period performance and most recent Planning Analysis values.

Table 3: DAFOR and DAUFOP Overview (%)

Asset Type	Measure	1-Apr-2025 to 31-Mar-2026	1-Apr-2024 to 31-Mar-2025	Near-Term Planning Analysis Value	Resource Planning Analysis Value
Hydraulic: Regulated	DAFOR	1.55	2.13	2.50	3.03
Hydraulic: Muskrat Falls Facility	DAFOR	0.83	2.28	2.30	3.03
Thermal	DAFOR/DAUFOP [14]	27.76	31.92	20.00	20.00
Combustion Turbines					
Happy Valley	DAUFOP	10.98	0.00	4.65	4.65
Hardwoods/Stephenville	DAUFOP	2.16	28.20	30.00	30.00
Holyrood	DAUFOP	24.43	8.57	4.90	4.90

As shown in Table 3, regulated hydraulic DAFOR, Muskrat Falls Facility DAFOR and thermal DAFOR performance improved for the current period, when compared to the previous period.

The DAUFOP performance for the Hardwoods and Stephenville GTs has improved for the current period, while the Happy Valley GT and the Holyrood CT has declined in the current period, compared to the previous period.

Table 4 presents LIL data for the current and the previous period, calculated on a base capacity of 900 MW. Since the previous period, the performance of the LIL has improved, with no significant impacts to the EqFOR because of any operational events that have occurred.

[14] The resource planning model does not differentiate between DAFOR and DAUFOP; rather, it requires the selection of a forced outage rate percentage.

Table 4: EqFOR Overview (%)[15]

Asset Type	Measure	1-Apr-2025 to 31-Mar-2026	1-Apr-2024 to 31-Mar-2025	Base Planning Analysis Value	Range of Planning Analysis Values
LIL	EqFOR	1.30	2.56	5	1–10

4.0 Hydraulic Unit DAFOR Performance – Regulated Hydro

Detailed results for the current period and the previous period are presented in Table 5 and Chart 1. These results are compared to Hydro's near-term and resource planning analysis values for forced outage rates, as used in the 2024 Resource Adequacy Plan and the November 2025 Near-Term Report. Any individual unit with forced outage rates which exceed the established near-term and/or resource planning analysis values is discussed herein.

Table 5: Hydraulic Weighted DAFOR – Regulated Hydro

Generating Unit	Maximum Continuous Unit Rating (MW)	12 Months Ended Mar 2026 (%)	12 Months Ended Mar 2025 (%)	Near-Term Analysis Value (%)	Resource Planning Analysis Value (%)
All Hydraulic Units – Weighted	**954.4**	**1.55**	**2.13**	**2.50**	**3.03**
Hydraulic Units					
BDE Unit 1	76.5	4.85	0.00	2.50	3.03
BDE Unit 2	76.5	5.67	0.00	2.50	3.03
BDE Unit 3	76.5	1.51	2.75	2.50	3.03
BDE Unit 4	76.5	1.21	0.71	2.50	3.03
BDE Unit 5	76.5	1.27	5.09	2.50	3.03
BDE Unit 6	76.5	1.15	8.53	2.50	3.03
BDE Unit 7	154.4	2.32	3.88	2.50	3.03
CAT Unit 1	67.0	0.14	0.84	2.50	3.03
CAT Unit 2	67.0	2.43	0.07	2.50	3.03
HLK Unit	75.0	0.00	1.41	2.50	3.03
USL Unit	84.0	0.22	0.34	2.50	3.03
GCL Unit	40.0	2.63	3.55	2.50	3.03
PRV Unit	8.0	3.27	7.87	2.50	3.03

[15] This EqFOR is calculated on a base LIL capacity of 900 MW. The previous filing reported LIL EqFOR of 0.86% on a base LIL capacity of 700 MW. However, following the successful completion of the 900 MW test on March 26, 2026, all calculations have been adjusted to reflect the change in capacity.

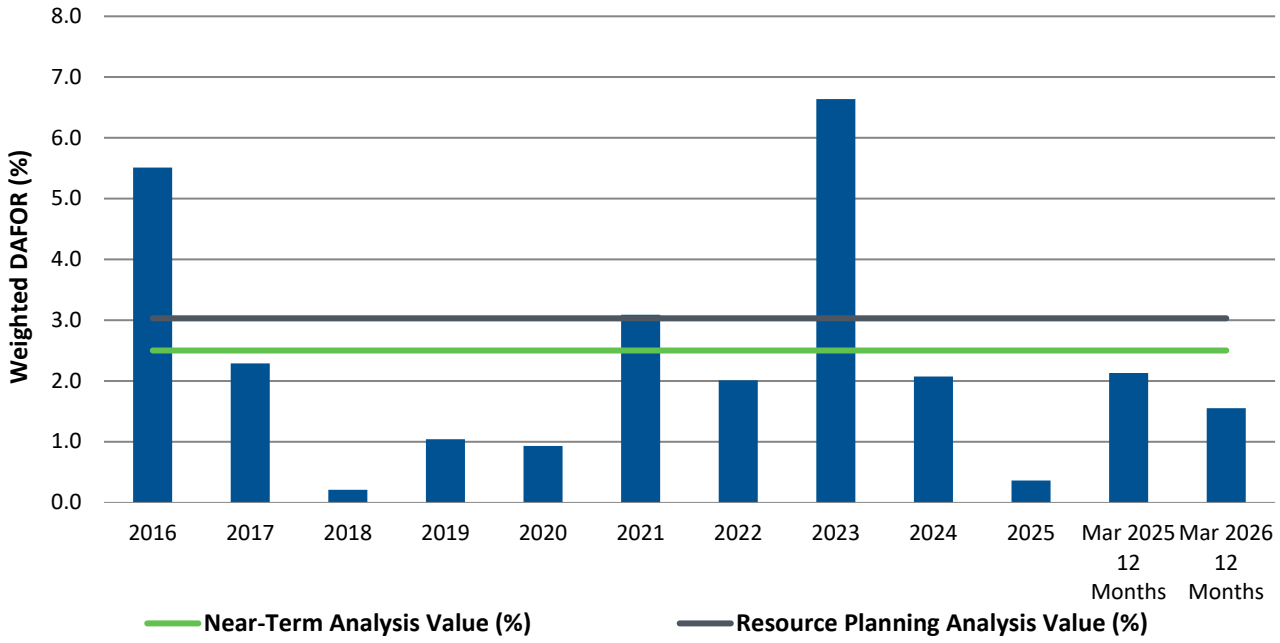

Chart 1: Hydraulic Weighted DAFOR – Regulated Hydro

4.1 Bay d'Espoir Facility

4.1.1 Bay d'Espoir Unit 1 and Unit 2

The Bay d'Espoir Unit 1 DAFOR of 4.85% and Unit 2 DAFOR of 5.67% for the current period are above the resource planning analysis value of 3.03% and the near-term planning analysis value of 2.50% for individual hydraulic units. This increase in DAFOR is the result of outages related to frazil ice accumulation, which caused the shut down of all seven generating units at the Bay d'Espoir facility on January 21, 2026.[16] While all units were impacted for approximately the same duration, with Units 1–6 returned to service on January 25, 2026,[17] Units 1 and 2 have a significantly higher DAFOR impact because of the reduced operation of both units in the current period. Both units were removed from service on March 31, 2025, to facilitate the approved Penstock 1 Life Extension Project.[18] Units 2 and 1 were returned to service and released for normal operation on December 19, 2025, and January 8, 2026, respectively.

[16] "Frazil Ice at Bay d'Espoir Hydroelectric Generating Station", Newfoundland and Labrador Hydro, April 30, 2026.
[17] Bay d'Espoir Unit 7 was returned to service on January 31, 2026.
[18] In Board Order No. P.U. 6(2023), Hydro received approval for the refurbishment of Penstock 1 at Bay d'Espoir.

4.2 Granite Canal Facility

The Granite Canal unit DAFOR of 2.63% for the current period is above the near-term planning analysis value of 2.50%, but below the resource planning analysis value of 3.03% for an individual hydraulic unit. This elevated DAFOR is the result of nine forced outages in the current period, including one that occurred since the previous filing.

Since the previous filing, an outage occurred on March 25, 2026, lasting approximately three hours. The trip was due to vibration as the unit was pushed into its rough zone.[19] The unit was restarted normally and returned to service with no issue.

4.3 Paradise River Facility

The Paradise River unit DAFOR of 3.27% for the current period is above both the near-term planning analysis value of 2.50% and the resource planning analysis value of 3.03% for an individual hydraulic unit. The elevated DAFOR was the result of four forced outages in the current period, three as previously reported and one that occurred since the previous filing.

Since the previous filing, the Paradise River unit experienced a forced outage from January 27–28, 2026. The outage was due to low bearing shaft cooling flows which were determined to be the result of organic build-up, known as fouling, in the coolers. To mitigate against future occurrence, modifications are being made to preventative maintenance routines to monitor flow levels and intervene when required.

5.0 Hydraulic Unit DAFOR Performance – Muskrat Falls

Detailed results for the current period and the previous period are presented in Table 6 and Chart 2. These results are compared to Hydro's near-term and resource planning analysis values for forced outage rates, as used in the 2024 Resource Adequacy Plan and the November 2025 Near-Term Report. Overall, the plant performance for the Muskrat Falls Facility shows improvement over the previous period. Any individual unit with performance not meeting the established near-term and resource planning analysis values is discussed below.

[19] The trip occurred during the high-power test of the LIL. Following the trip of the pole, the system's recovery response resulted in elevated system frequencies and automatic generation control caused units to reduce power output. At Granite Canal, the unit's generation was reduced and went into a "rough zone" where increased vibrations resulted in a trip of the unit.

Table 6: Hydraulic Weighted DAFOR – Muskrat Falls

Generating Unit	Maximum Continuous Unit Rating (MW)	12 Months Ended Mar 2026 (%)	12 Months Ended Mar 2025 (%)	Near-Term Analysis Value (%)	Resource Planning Analysis Value (%)
Muskrat Falls Units - weighted	**824**	**0.83**	**2.28**	**2.30**	**3.03**
Muskrat Falls Units					
Muskrat Falls 1	206	0.00	7.74	2.30	3.03
Muskrat Falls 2	206	0.54	0.74	2.30	3.03
Muskrat Falls 3	206	2.54	0.13	2.30	3.03
Muskrat Falls 4	206	0.03	0.02	2.30	3.03

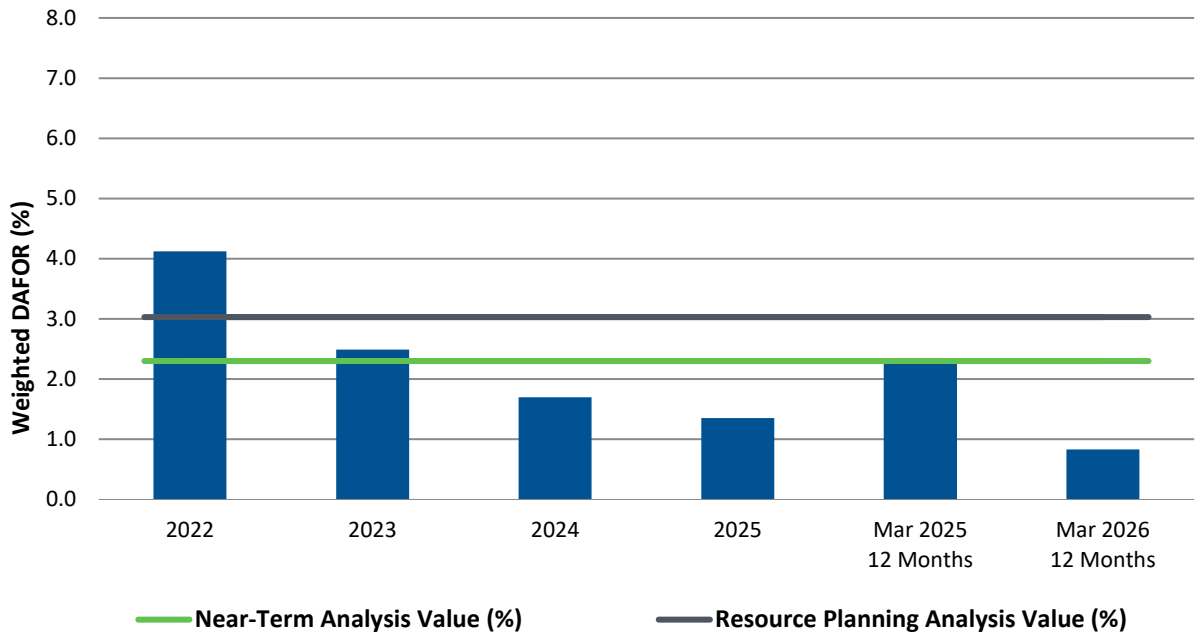

Chart 2: Hydraulic Weighted DAFOR – Muskrat Falls

5.1 Muskrat Falls Unit 3

The Muskrat Falls Unit 3 DAFOR of 2.54% is below the resource planning analysis value of 3.03% but is above the near-term planning analysis value of 2.30% for an individual Muskrat Falls unit. This elevated DAFOR is the result of two forced outages in the current period, as previously reported. No new outages have occurred since the previous filing.

6.0 Thermal Unit DAFOR Performance

Detailed results for the current and previous periods are presented in Table 7 and Chart 3. These results are compared to Hydro's near-term and resource planning analysis values for forced outage rates, as used in the 2024 Resource Adequacy Plan and the November 2025 Near-Term Report. Any individual unit with forced outage rates which exceed the established near-term and/or resource planning analysis values is discussed herein.

Table 7: Thermal Weighted DAFOR

Generating Unit	Maximum Continuous Unit Rating (MW)	12 months Ended Mar 2026 (%)	12 months Ended Mar 2025 (%)	Near-Term Planning and Resource Planning Analysis Value (%)
All Thermal Units – Weighted	**490**	**27.76**	**31.92**	**20.00**
Thermal Units				
Holyrood TGS Unit 1	170	20.27	77.01	20.00
Holyrood TGS Unit 2	170	14.34	22.77	20.00
Holyrood TGS Unit 3	150	72.84	3.41	20.00

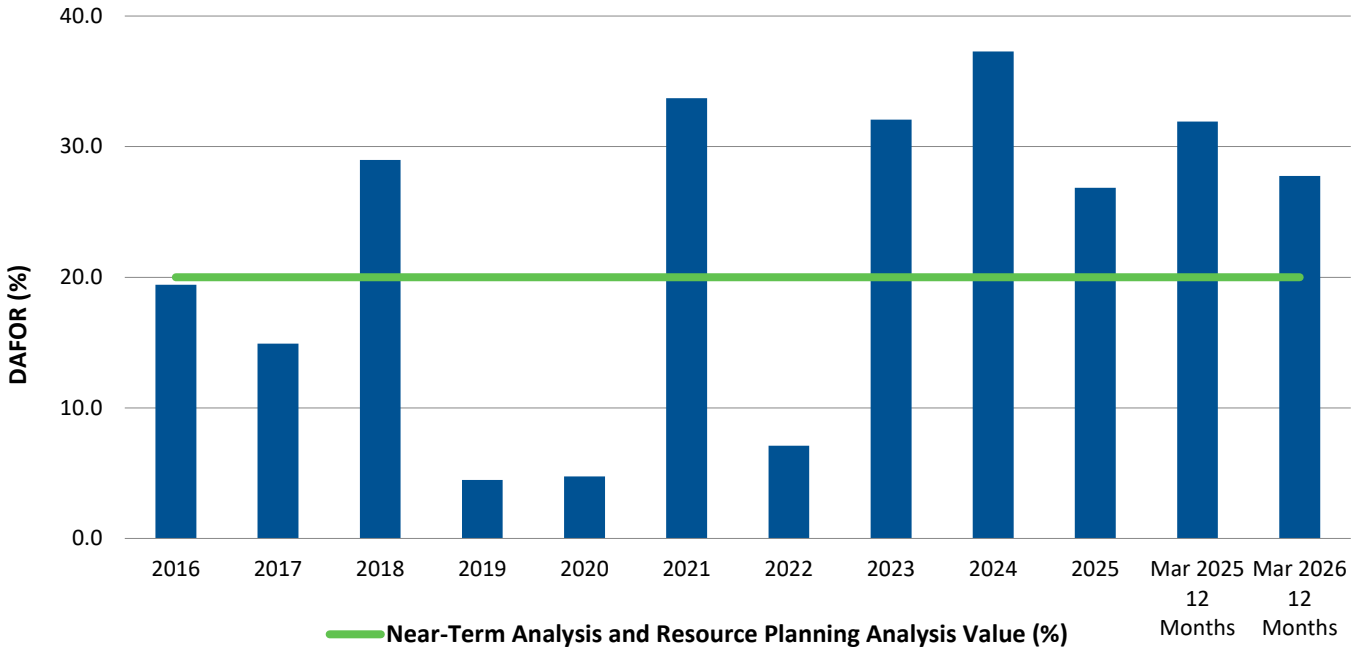

Chart 3: Thermal DAFOR

For the current period, the weighted DAFOR for all thermal units of 27.76% is above the 20.00% near-term and resource planning analysis values. The individual unit DAFOR outcome for the current period of 14.34% for Unit 2 at the Holyrood TGS is below the 20.00% analysis value. The performance of Unit 1 and Unit 3 at the Holyrood TGS is discussed in Sections 6.1 and 6.2.

6.1 Holyrood TGS Unit 1

Considering individual thermal unit performance, the DAFOR of 20.27% for Unit 1 at the Holyrood TGS is above the near-term and resource planning analysis value of 20.00% for a unit at the Holyrood TGS; however, it shows an improvement in performance over the previous period.

As previously reported, Holyrood Unit 1 entered the annual planned outage on May 4, 2025, and returned to operation on September 18, 2025. After returning to service, the unit experienced issues with the main steam control valves, restricting the unit to 100 MW. This derate remained in effect until November 24, 2025, when the unit was taken offline for a planned outage. The unit was returned to service on November 27, 2025, after successful resolution of the issue. During load testing on Unit 1, a maximum load of 163 MW was reached, limited by condenser back pressure. This derating was further updated to 160 MW on December 17, 2025. This deration continued for the remainder of the months of December and January.

Since the previous filing, the unit was taken offline for a planned maintenance outage February 3-4, 2026. Following this outage, the unit was load tested to 165 MW, a slight improvement to the de-rate. Hydro has determined that this de-rate is the result of high back pressure due to deteriorated vacuum pump performance. Despite efforts to improve, the unit remained de-rated to 166 MW through March 2026 and may continue to remain de-rated until the annual outage, when vacuum pump issues will be fully addressed.

In addition to the ongoing derate described above, Unit 1 was also unavailable due to the forced extension of a planned outage beginning on March 7, 2026, when an issue with the left intercept valve on the turbine was identified.[20] A brief outage was requested to replace and test the servo valve on March 7, 2026; however, upon testing, the issue was not corrected, indicating a problem internal to the intercept valve. With support from the turbine contractor and the Original Equipment Manufacturer, the

[20] The issue was identified through on-line testing of the valve, where the valve would not fully open.

issue was addressed and the valve was restored, reassembled, and recalibrated,[21] with the unit returning to service on March 20, 2026. Testing on March 21, 2026, confirmed the unit's capacity of 166 MW.

6.2 Holyrood TGS Unit 3

Considering individual thermal unit performance, the DAFOR of 72.84% for Unit 3 at the Holyrood TGS is above the near-term and resource planning analysis value of 20.00% for a unit at the Holyrood TGS and shows a decline in performance over the previous period. As previously reported, Holyrood Unit 3 was unavailable due to planned maintenance and overhaul work, beginning March 30, 2025, which continued through the end of 2025.

Since the previous filing, Unit 3 was made available for full load of 150 MW on February 22, 2026. On February 24, 2026, the unit was briefly derated to 142 MW before it tripped due to vibration on the west forced draft fan and was returned to service the same day. However, vibration of the west forced draft fan again became an issue and on February 26, 2026, the fan was taken out of service to allow further investigation, which de-rated the unit to 40 MW. The fan bearings were replaced and the fan returned to service on March 1, 2026, and Unit 3 was available for full load of 150 MW. On March 15, 2026, high vibration was again detected in the fan, and it was removed from service for further investigation. As a result, the unit was temporarily de-rated to 40 MW. Operational adjustments to the air system enabled an increase of the unit capability to 50 MW on March 16, 2026. It was determined that the fan will require balancing, which is being planned for the annual maintenance outage. The unit remained on-line, de-rated to 50 MW until March 21, 2026, when it was placed in standby at the request of the Newfoundland and Labrador System Operator, as it was no longer required to support system demand. On March 29, 2026, the unit began its planned annual maintenance outage.

Due to the extended period of unavailability, the DAFOR is elevated mathematically.

[21] Upon disassembly of the valve, the issue was determined to be a retaining plate that had broken free inside the valve.

7.0 Combustion Turbine DAUFOP Performance

DAUFOP Performance for the Hardwoods, Stephenville and Happy Valley GTs, as well as the Holyrood CT for the period, are presented in the charts and tables below.

The combined DAUFOP for the Hardwoods and Stephenville GTs was 2.16% for the current period, as shown in Table 8 and Chart 4. This is below the near-term and resource planning analysis value of 30.00%.

The Stephenville GT DAUFOP for the current period is 0.38%, which is below the near-term and resourcing planning assumption of 30.00%. The Hardwoods GT DAUFOP for the current period is 3.46%, which is below the near-term and resource planning assumption of 30.00%.

Table 8: Hardwoods/Stephenville GT DAUFOP

GT Units	Maximum Continuous Unit Rating (MW)	12 months Ended Mar 2026 (%)	12 months Ended Mar 2025 (%)	Near-Term Planning and Resource Planning Analysis Value (%)
GTs	**100**	**2.16**	**28.20**	**30.00**
Stephenville	50	0.38	53.69	30.00
Hardwoods	50	3.46	0.00	30.00

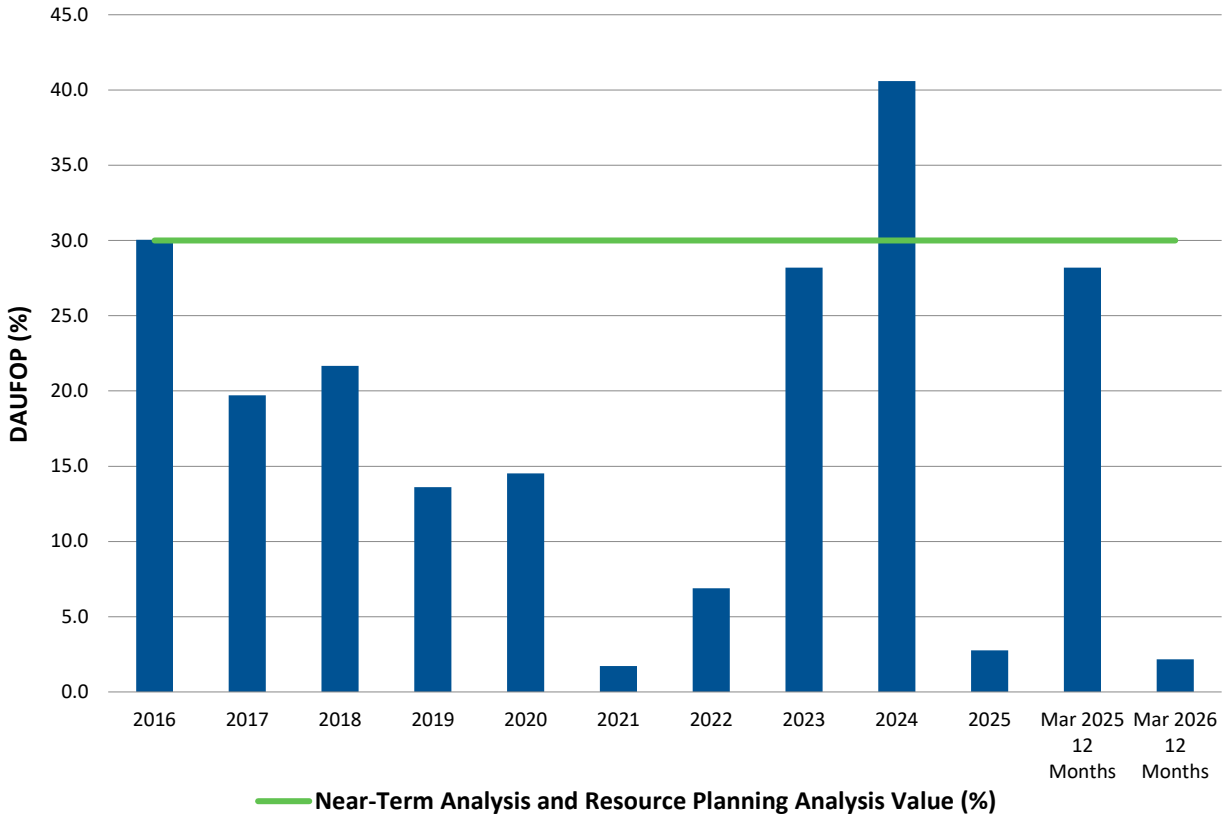

Chart 4: GT DAUFOP: Hardwoods/Stephenville Units

The DAUFOP for the Happy Valley GT was 10.98% for the current period, as shown in Table 9 and Chart 5. This is above the near-term and resource planning analysis value of 4.65% and indicates a decline in performance over the previous period. As the forced outage rate for the Happy Valley GT exceeds the established near-term and resource planning analysis values, a discussion on the same is included in Section 7.1.

Table 9: Happy Valley GT DAUFOP

GT Unit	Maximum Continuous Unit Rating (MW)	12 months Ended Mar 2026 (%)	12 months Ended Mar 2025 (%)	Near-Term Planning and Resource Planning Analysis Value (%)
Happy Valley	25	10.98	0.00	4.65

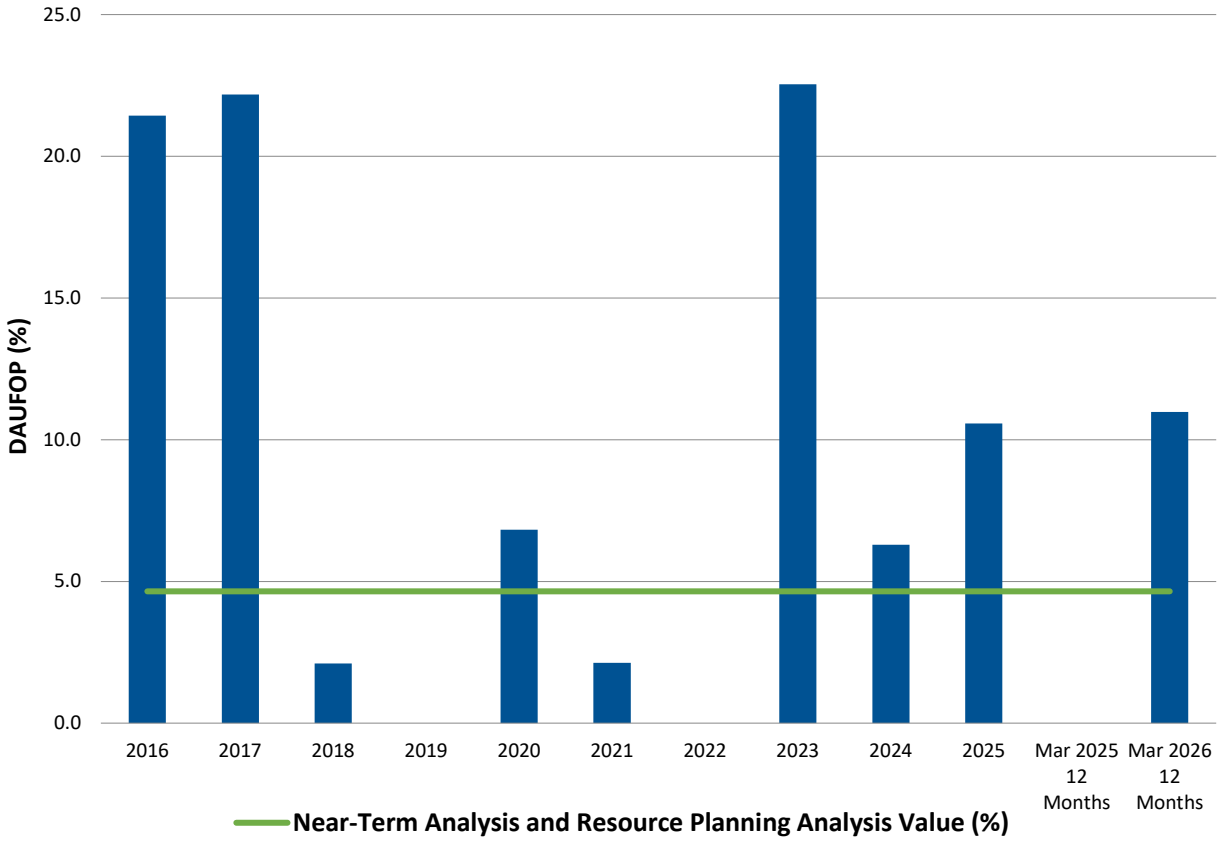

Chart 5: GT DAUFOP: Happy Valley Unit

The Holyrood CT DAUFOP of 24.43% for the current period is above the near-term and resource planning analysis value of 4.90%, and indicates a decline in performance when compared to the previous period, as shown in Table 10 and Chart 6. As the forced outage rate for the Holyrood CT exceeds the established near-term and resource planning analysis values, a discussion on the same is included in Section 7.2.

Table 10: Holyrood CT DAUFOP

Combustion Turbine Unit	Maximum Continuous Unit Rating (MW)	12 Months Ended Mar 2026 (%)	12 Months Ended Mar 2025 (%)	Near-Term Planning and Resource Planning Analysis Value (%)
Holyrood	123.5	24.43	8.57	4.90

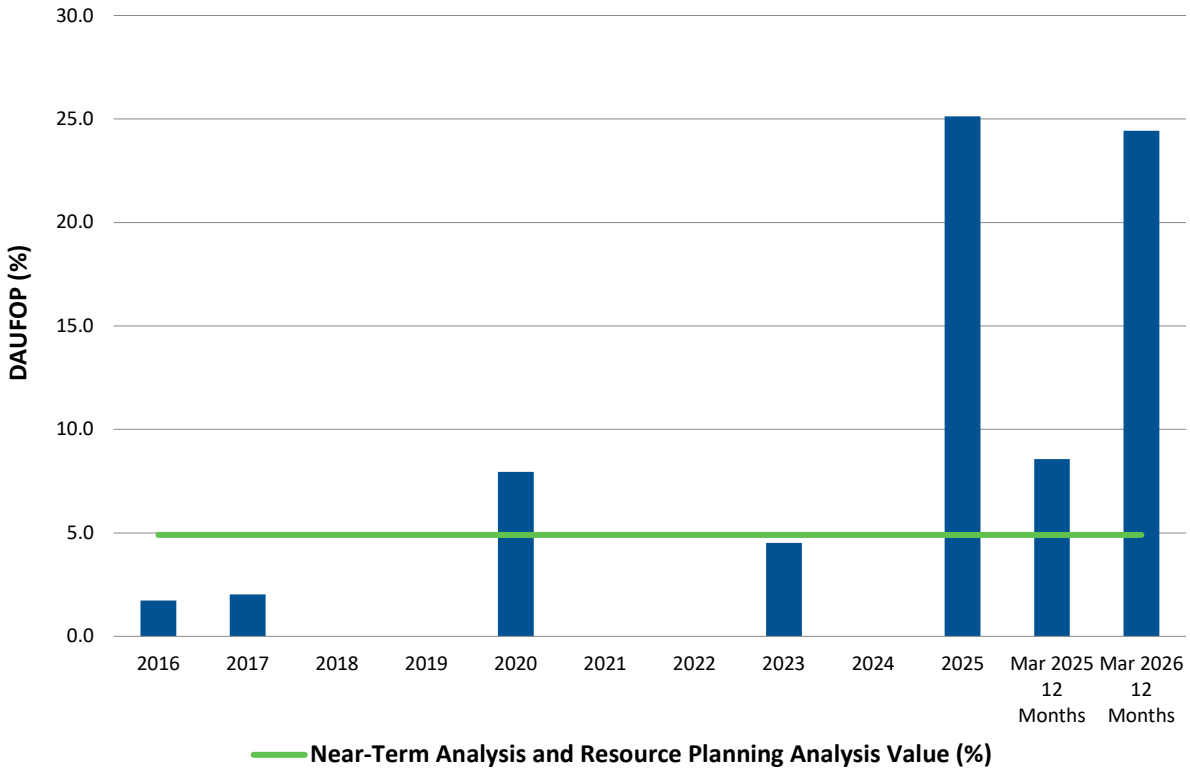

Chart 6: CT DAUFOP– Holyrood Unit

7.1 Happy Valley Gas Turbine

The Happy Valley GT DAUFOP was 10.98% for the current period, which is above the near-term and resource planning analysis value of 4.65%. This decline in performance is a result of outages experienced on July 12, 2025, as previously reported. There have been no additional outages or derates since the previous filing. Due to the low percentage of operating time experienced by the Happy Valley unit in the current period, forced outages have a significant impact on the DAUFOP performance.

7.2 Holyrood Combustion Turbine

The Holyrood CT DAUFOP was 24.43% for the current period, which is above the near-term and resource planning analysis value of 4.90%. This decline in performance is the result of forced outages, as previously reported, and one outage which occurred since the previous filing. Since the previous filing, the Holyrood CT was unavailable for approximately four hours on February 26, 2026, due to an issue with the unit's fuel pilot valve which caused a starting failure. The valve was inspected and repaired, and the unit released for service.

8.0 Labrador-Island Link EqFOR Performance

The EqFOR for the LIL was 1.30%[22] for the current period, as shown in Table 11. This is within the range of values used by Hydro in the resource planning analysis scenarios.

Table 11: LIL EqFOR (%)

Asset Type	Measure	12 Months Ended Mar 2026 (%)	Base Planning Analysis Value	Range of Planning Analysis Values
LIL	EqFOR	1.30	5	1–10

The availability of the three Soldiers Pond Synchronous Condensers ("SCs") is critical to the reliable delivery of electricity to the Island Interconnected System via the LIL. No operational issues concerning the Soldiers Pond SCs resulted in outages or derating to the LIL in the current period.

A fulsome update on the total number of hours of operation for the Soldiers Pond SCs for the rolling 12-month period is provided in Appendix A of this report.

[22] This EqFOR is calculated on a base LIL capacity of 900 MW. Following the completion of the 900 MW test, all calculations have been adjusted to reflect the change in capacity.

Appendix A

Soldiers Pond Synchronous Condensers

Table A-1: Quarterly Rolling 12-Month Operating Hours for Soldiers Pond Synchronous Condensers ("SC")

Unit	Operating Hours[1]	% Availability[2]
SC1	8051.62	91.91%
SC2	8284.35	94.57%
SC3	7871.23	89.85%

1 Further information on the operation of the Soldiers Pond SCs is provided in Appendix B.

[1] Newfoundland and Labrador Hydro has provided its best estimate of operating hours for each unit for the 12 months ended March 31, 2026, based on an assumption of 24/7 operation of all three SCs, and known outages (both planned and unplanned) recorded in its database.
[2] SC availability is calculated based on the unit's operating hours and therefore assumes that the unit is operating when available.

Appendix B

Muskrat Falls Assets Update

Reporting period up to March 31, 2026

Contents

1.0 Introduction

The Muskrat Falls Assets, made up of the Labrador-Island Link ("LIL"), which includes the Soldiers Pond Synchronous Condensers ("SCs"), the Labrador Transmission Assets and the Muskrat Falls Hydroelectric Generating Facility, have all been commissioned in recent years and are in the early years of their expected lifespans.

As is normal for the early operation of assets, Newfoundland and Labrador Hydro ("Hydro") has encountered some challenges with equipment, primarily due to manufacturing issues or defective components. Such issues are expected early in the equipment's life. Equipment failure rates plotted over time generally exhibit a 'bathtub-shaped curve.' Incidents of failure tend to be high when equipment is new, and again near the end of the equipment's useful life, depending on equipment type. In addition to routine ongoing preventative maintenance ("PM") activities and sustaining capital programs for each of these assets, there are a number of one-off capital projects, corrective maintenance activities and engineering studies ongoing. The purpose of this work is addressing and repairing these early life issues, with the ultimate goal of improving asset reliability to expected levels over time.

Hydro provides the following update to the Board of Commissioners of Public Utilities ("Board") on the status of these activities and other information as requested by the Board.

2.0 Muskrat Falls Hydroelectric Generating Facility

Muskrat Falls was commissioned in November 2021. The Muskrat Falls Plant continues to outperform similar units across Canada, with a 12-month rolling average Derated Adjusted Forced Outage Rate performance through the end of the first quarter of 2026 of 0.83%, which was significantly better than the Electricity Canada average of 6.02%.

3.0 Soldiers Pond Synchronous Condensers

Hydro continues to address the remaining items that were noted in punch list reports submitted with the commissioning certificate and outstanding warranty claims.

4.0 Operations Items

Brush Gear

Hydro, in consultation with the original equipment manufacturers ("OEM") for the brush equipment and the SCs, has been working to identify the root cause of the brush performance issues observed in 2023. At the recommendation of the respective manufacturers, Hydro has implemented modified brush configurations and operational controls. These changes resulted in improved brush performance through late 2025. Hydro will continue to monitor the overall impact of these changes.

Inspection of the SC3 brushgear completed in mid-December 2025 indicated continued improved performance on the main slip ring and brushes;[1] however, investigation is ongoing regarding an issue on a grounding brush.[2] Investigation into the ground brush performance revealed that there is a more suitable brush for the unit shaft size and rotational speed available. Hydro and the OEM have selected a more suitable ground brush that will be installed in Q2 2026. Overall brush performance has been good on all three units at Soldiers Pond.

Forced Outages

The condensers performed well over Q1 2026, with three forced outages during that period.

SC3 tripped on January 6, which was indicated to be a rotor fault that was the result of a ground brush causing an alarm. The running surface of the ground brush caused premature wear of the ground brush which caused a ground resistance alarm/trip. There was no customer impact.

On January 9, SC2 was inadvertently tripped by maintenance technician completing a PM activity. The unit was restored shortly after the event with no customer impact.

On March 30, SC3 tripped while doing a station service transfer for lube pumps to prepare for maintenance on SC1. The unit was restored shortly after and there was no customer impact. Investigation remains ongoing to the cause of this trip.[3]

[1] Inspections completed on SC1 and SC2 in November 2025, indicated continued improved performance from the brushgear.
[2] As this issue is only occurring on SC3, the operational impact is minimal.
[3] This trip was inadvertently excluded from SC events reported in "*Reliability and Resource Adequacy Study Review* – Labrador-Island Link Update for the Quarter Ended March 31, 2026", Newfoundland and Labrador Hydro, April 2, 2026.

5.0 Labrador-Island Link

Since commissioning in April 2023, the LIL has been in service and successfully providing power to the provincial grid. Hydro continues to ensure the availability of generation at the Holyrood Thermal Generating Station ("Holyrood TGS"); however, energy and capacity delivered over the LIL help to minimize thermal generation requirements.

In January, the LIL reached a new peak of dispatching 780 MW during the Bay d'Espoir plant outage.

LIL high-power testing was successfully completed on March 25 and 26, 2026. Test documentation has been reviewed and accepted and the LIL has been released for operation up to 900 MW by the Newfoundland and Labrador System Operator and the Government of Canada's Independent Engineer.

5.1 Operations Items

Forced Outages

During the first quarter of 2026, there were five unplanned outages on the LIL. Two separate events occurred on January 12, with no customer impact. During a windstorm, Pole 2 tripped on a DC Line fault while the LIL was operating at a reduced rating. Later that same evening, a Pole 1 trip occurred due to a converter differential fault. Both events were attributed to high winds causing increased salt contamination and conductor slapping.

On January 16, Pole 2 tripped on a DC line fault. Pole 1 compensated and there was no customer impact. Inspection of the line afterwards revealed no damage found and the pole was returned to service. Investigation is ongoing to determine if conductor connections can be modified to limit movement and conductor slapping during high wind conditions.

On February 13, the LIL experienced a bipole trip due to an electrode line imbalance protection in Labrador, causing an under-frequency load shedding ("UFLS") event on the Island. The bipole trip was caused by the inability of a particular sequence to operate correctly; this issue has been addressed in the next version of software to be installed during planned outages in June 2026.

On February 27, a mis-operation on the Maritime Link and UFLS event occured, followed by an over frequency event on the Island. In response, the LIL bipole responded, as designed, and tripped due to a T4 and T5 over-frequency protection.

Hydro provided details on both of these UFLS events in its report to the Board on April 30, 2026.[4]

Cable Switching

Disconnects at the Shoal Cove and L'Anse aux Diable transition compounds have experienced ice and snow accumulation in the operating arm receivers, which has affected cable switching. The OEM has proposed an ice guard which would prevent snow accumulation. An initial ice guard design was developed by the OEM and installed in 2025 but proved ineffective. An improved ice guard design was installed in Q1 2026; however, it too proved ineffective. General Electric ("GE") is revising the design with the disconnect manufacturer; Hydro is awaiting approval of the new design prior to re-installation. In the interim, Hydro has developed operating procedures to ensure reliable operation in winter conditions.

Replacement of Direct Current Current Transformers

In 2023, the OEM and Hydro determined that very low air temperatures were influencing the measurement accuracy of direct current current transformers ("DCCT") at the Muskrat Falls Converter Station, resulting in false protection trips and power control issues on the LIL. The OEM identified the root cause of the issue to be a manufacturing defect with the Delay Coil Fiber Optical Cable located within the DCCTs; this issue occurred with a select batch of fiber optic cables, affecting six DCCTs at the Muskrat Falls HVdc[5] Converter Station, which have since been replaced.[6]

In November 2025, GE provided a revised plan to address DCCTs which have low risk indicators of the issues related to cold weather operation. GE has indicated that the plan includes working with a new DCCT provider and delivery of contractual spares in spring 2026. Hydro will continue to work with GE and the OEM to ensure proper mitigation of the issue.

[4] "Island Interconnected System Under-Frequency Load Shedding Events", Newfoundland and Labrador Hydro, April 30, 2026.
[5] High-Voltage Direct Current ("HVdc").
[6] One of these DCCTs has an operation rating to -40°C and will be replaced with a DCCT rated to -50°C in early 2026, as system conditions permit. An earlier outage planned to complete this replacement in mid-December 2025 was unable to proceed due to system conditions.

There were no DCCT operational issues identified in Q1 2026.

5.2 Capital Projects

Optimizing Clamp Designs

During December 2022, March 2024, and January 2025, the LIL experienced damage to electrode conductor suspension clamps during significant ice loading, the root cause of which was determined to be overloading due to ice loads which exceeded the design limits of the conductor, and ice shedding. Three alternative suspension clamp designs have since been installed on the electrode conductor at 10 structures in critical sections of the line and will be inspected yearly for performance.[7] As the length and design of the electrode assembly contributed to the failures of electrode conductor and crossarms, an assessment and redesign of the electrode suspension assembly was completed in 2025, with the assemblies to be purchased and installed as required through a capital project. The re-design will increase the length of the electrode assembly and will allow more longitudinal swing under unbalanced ice loads, decreasing the chance of contact with insulators and deformation of the conductor, and decreasing the longitudinal load on the crossarm. Additional conductor testing has been completed from these incidents, with further recommendations outlined within the most recent investigation report.[8]

During operation it was found that the optical power ground wire ("OPGW") was sliding through the suspension clamps during unbalanced ice loading due to insufficient slip strength. An alternative OPGW suspension clamp assembly was designed and ordered in 2024. Clamps were installed in some areas in 2025, with others to be installed during upcoming maintenance and repairs work. Additionally, clamp installation for 309 Type A1 towers is included within the scope of the 2026–2028 LIL Strengthening Capital Project.[9] To mitigate risk to near-term reliability, Hydro has its Emergency Response Plan in place and has proceeded with the procurement of required materials to ensure they are on hand in the event a repair is required.

[7] The alternative clamp design is intended to reduce static and dynamic stresses at the support point, protecting the conductor against the effects of oscillations.
[8] *Supra*, f.n. 7.
[9] "Quarterly Report on Asset Performance in Support of Resource Adequacy for the Twelve Months Ended December 31, 2025", Newfoundland and Labrador Hydro, February 5, 2026, app.B, att. 1.

Top Plate Design

In December 2022, there were two incidents impacting two adjacent structures of the LIL, where the connection of the top plate of the OPGW suspension insulator assembly detached from the tower, falling onto the cross arm. Engineering analysis determined that an error was made in the design of the top plate of some towers. This error could lead to a bending of the top plate (in tower types A2, B1, and B2) or a failure of the bolt connection resulting in the OPGW assembly detaching from the tower (in tower types A3 and A4). Addition analysis was completed to determine which towers were at risk of failure. The analysis confirmed that 63 towers across two tower types (A3 and A4) required top plate reinforcement. As of the end of 2024, 61 of 63 were reinforced, which represents all A3 towers. The two remaining top plates are on A4 tower types. Installation work to strengthen top plate connection is expected to begin in 2026, with expected completion in 2028.

The other structures which include A2, A3, A4, B1, and B2 towers that did not have top plate reinforcement work completed, may experience bending of the top plate that would not result in failure of the OPGW connection or an outage of the line. An engineering consultant was engaged to complete the reinforcement design of these other tower types, and this design and cost estimate were completed in the third quarter of 2025. To date, there have been no issues with other tower types; these structures could be repaired as part of annual maintenance if required. Hydro will keep the alternate design in stock as a precaution and will schedule installation on other tower types as required if deformation of the top plate occurs.

Ice Monitoring

In response to icing experienced on the LIL, Hydro has undertaken capital projects for the installation of a real-time weather station, as well as the installation of in-line ice and galloping monitoring equipment. In-line monitoring equipment has been installed in all three planned locations in 2025. A second real-time monitoring station is planned for installation in central Labrador in late 2026.

5.3 Software

The current version of LIL software was commissioned in October 2024. Through dynamic commissioning, non-critical software-related issues were identified. A new version of the software was delivered in the fourth quarter of 2025 with installation scheduled during planned outages in June 2026.

5.4 Ongoing Investigations

There are no new investigation outcomes to report for this period.

5.5 Restoration Plans and Operational Strategy

Hydro is currently in the process of contracting a consultant to review Hydro's restoration plans, including review and development of specific restoration plans for a variety of potential and previously experienced scenarios. It is expected that this review will include the identification of alternative restoration approaches that can be selected based on the situation for the most efficient and effective execution of the work. Restoration plans will consider geographic and weather challenges. Restoration plan reviews will include estimates of the time to affect the repairs, as well as time challenges and opportunities for restoration duration and provide cost and benefit information to identify incremental investment in restoration time improvement and quantify the associated benefits.

6.0 Conclusion

Hydro recognizes the criticality of the Muskrat Falls Assets to the supply of the Island Interconnected System, which helps to limit the thermal generation required from the Holyrood TGS and impacts the overall reliability of the grid. Hydro will continue to monitor the performance of these assets to address early life incidents such as those due to manufacturing issues or defective component.