

November 15, 2018

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

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – 2018 Capital Budget Application –
Labrador East Reliability Plan Update – Monthly Report**

As per the Board's instruction of April 19, 2018, attached is the monthly report noted above.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel
SW/kd

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey
Denis J. Fleming – Cox & Palmer
ecc: Benoît Pepin – Rio Tinto
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Dennis Browne, Q.C. – Browne Fitzgerald Morgan & Avis
Dean Porter – Poole Althouse

Van Alexopoulos – Iron Ore Company of Canada

Labrador East Reliability Plan
Monthly Status Report

November 15, 2018

A Report to the Board of Commissioners of Public Utilities



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1 **1.0 Background**

2 Newfoundland and Labrador Hydro (“Hydro”) submitted its plan for the provision of reliable
3 service in Labrador East during the 2018/2019 winter season to the Board of Commissioners of
4 Public Utilities (“Board”) in response to the Board’s April 19, 2018 request for greater detail on
5 the plan.

6
7 This monthly update to the Board is intended to provide a status update on the eight activities
8 listed in the plan:

- 9 1) Ensure Reliability of the North Plant for Peak Loading Conditions;
- 10 2) Ensure Reliability of the Gas Turbine for Peak Loading Conditions;
- 11 3) Inspections of L1301/L1302;
- 12 4) Curtailable/Interruptible Service Option;
- 13 5) New Customer Connections;
- 14 6) Operations Protocol;
- 15 7) Labrador East Customer Communication Initiatives; and
- 16 8) Minimizing Customer Impacts in Case of Loss of Supply.

17
18 **2.0 Progress Summary**

19 A progress update for each activity is outlined in the following sections. All activities are
20 currently on schedule. Activities with no change since the last update remain in this report for
21 completeness.

22
23 **2.1 Ensure Reliability of the North Plant for Peak Loading Conditions**

24 **Status:** Closed

25 **Progress to Date:** A third-party service provider for the North Plant Diesels carried out an on-
26 site assessment on April 26, 2018. The assessment indicated that the units were not in a
27 condition to guarantee reliable service for the 2018/2019 winter season. Hydro does not
28 anticipate seeking Board approval for Capital work related to the North Plant.

1 **2.2 Ensure Reliability of the Gas Turbine for Peak Loading Conditions**

2 **Status:** Ongoing

3 **Progress to Date:** Hydro internal forces carried out an on-site assessment on April 26, 2018. No
4 specific actions resulted from this assessment. Hydro is currently on schedule for completion of
5 preventive and corrective maintenance on the Happy Valley Gas Turbine ahead of the
6 2018/2019 winter season, with over 80 percent of maintenance activities completed to date.
7 Testing of the Gas Turbine including transitioning between synchronous condenser mode and
8 generation mode was carried out successfully on September 18, 2018.

9

10 **2.3 Inspections of L1301/L1302**

11 **Status:** Ongoing

12 **Progress to Date:** Hydro has carried out infrared inspection of all line splices on L1301/L1302,
13 with no defective splices discovered. Hydro has carried out several aerial patrols, most recently
14 on November 5, 2018. No additional deficiencies were identified from this aerial patrol. Patrols
15 will continue at six-week intervals throughout the 2018/2019 winter season, with the next
16 patrol scheduled for the week of December 17, 2018.

17

18 **2.4 Curtailable/Interruptible Service Option**

19 **Status:** Approved

20 **Progress to Date:** Hydro received approval in Board Order No. P.U. 37(2018) to implement its
21 proposed Interruptible Load Service Agreement. Hydro's operating protocol will be revised to
22 incorporate the interruption of customer load, effective December 1, 2018 to March 31, 2019.

23

24 **2.5 New Customer Connections**

25 **Status:** Approved, Regulation in Effect

26 **Progress to Date:** Hydro received approval in Board Order No. P.U. 36(2018) for its revised
27 regulation temporarily restricting load additions greater than 100 kW in Labrador East. The
28 revised regulation will remain in effect until May 30, 2019.

1 **2.6 Operations Protocol**

2 **Status:** Ongoing

3 **Progress to Date:** Hydro is in the final stages of revising its operations protocol to reflect the
4 new interruptible service agreement and Advance Notification Protocol. A further update will
5 be provided in the next monthly report.

6
7 **2.7 Labrador East Customer Communication Initiatives**

8 **Status:** Ongoing

9 **Progress to Date:** A communications plan for the Advance Notification Protocol has been
10 approved and will be implemented for the 2018/2019 winter season. Rollout of the protocol,
11 including the finalized alert thresholds, has begun, with intended completion of all stakeholder
12 meetings and customer notifications by December 1, 2018.

13
14 Conservation and Demand Management (“CDM”) efforts are ongoing as part of Hydro’s
15 takeCHARGE commitment. CDM initiatives aim to educate customers on the benefits of energy
16 conservation, and to incentivize customers to participate. An outline of takeCHARGE initiatives
17 being considered for Labrador East is provided in Appendix A.

18
19 **2.8 Minimizing Customer Impacts in Case of Loss of Supply**

20 **Status:** In Execution

21 **Progress to Date:** Hydro received approval in Board Order No. P.U. 34(2018) for its
22 Supplementary Capital Budget Application for the procurement and installation of five gang-
23 operated switches and an associated line extension on the Happy Valley-Goose Bay Distribution
24 System. Hydro has completed approximately 50 percent of the project scope, with scheduled
25 completion by December 1, 2018.

Appendix A

takeCHARGE CDM Initiatives for Labrador East

1 Hydro's takeCHARGE program is a one-stop-shop for everything customers need to know about
2 energy efficiency. Through its takeCHARGE programs, Hydro aims to educate its customers on
3 energy conservation, and incentivize customers to avail of energy conservation measures.

4
5 An increase in social media promotions, education and events will be used to directly target
6 customers in Labrador East to educate and promote ways they can save energy and save
7 money. Hydro aims, through an increase in promotion and education, to increase the number
8 of homes that insulate, or install programmable thermostats or energy efficient Heat Recovery
9 Ventilators. This, in turn, will help reduce the demand on the electricity system.

10

11 **Social Media Promotions**

- 12 • In addition to the existing takeCHARGE provincial energy efficiency advertising campaign,
13 Hydro will boost targeted promotions to Labrador East customers. The takeCHARGE
14 initiative has a significant amount of videos and info graphics, as well as a comprehensive
15 website to educate customers on rebates and energy efficiency tips. This is an opportunity
16 to speak directly to customers in Labrador East through targeted paid social media posts
17 with a goal to grow the follower base and increase education on energy savings activities.
- 18 • Targeted social media posts will be shown in Facebook and Instagram accounts that have an
19 IP address in the area, even if they do not follow Hydro's takeCHARGE account. It is a
20 precise and cost effective way to increase exposure to the energy efficiency message. This
21 additional promotion will be rolled out in the coming weeks and will increase as Hydro
22 moves into the fall. Customer activity around energy efficiency peaks in September and
23 October. Product purchases are made in these months in anticipation of the upcoming
24 colder weather. Additional advertising would take place in these months and continue
25 through the fall.
- 26 • Additional marketing efforts will also be released online, in print and on radio as required.

1 **In-Store Retailer Promotions**

- 2 • Discussions with Labrador East retailers will be had to coordinate promotions and store
3 sales on energy efficient products, in an effort to maximize uptake.
- 4 • Through fall 2018, takeCHARGE will continue to work with retailers to promote energy
5 efficiency through the instant rebate campaign. This in-store at cash rebate program is
6 offered during select events in October on LED light bulbs. The spring of 2018 resulted in
7 one Labrador East retailer selling 834 energy efficient LED bulbs, resulting in 4,378.5 kWh of
8 energy savings.
- 9 • Double rebate for programmable thermostat: Hydro will hold an in-store event at local
10 retailers to promote the sale and install of programmable thermostats. The regular \$10
11 rebate will be doubled to \$20 per thermostat to increase sales.