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October 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 as noted above.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel
SAW/sk

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

October 15, 2018

A Report to the Board of Commissioners of Public Utilities



Table of Contents

1.0	Background	3
2.0	Progress Summary	3
2.1	Ensure Reliability of the North Plant for Peak Loading Conditions	3
2.2	Ensure Reliability of the Gas Turbine for Peak Loading Conditions.....	4
2.3	Inspections of L1301/L1302	4
2.4	Curtailable/Interruptible Service Option	4
2.5	New Customer Connections.....	4
2.6	Operations Protocol	5
2.7	Labrador East Customer Communication Initiatives	5
2.8	Minimizing Customer Impacts in Case of Loss of Supply	5
2.9	Other Notes and Actions	6

List of Appendices

Appendix A: takeCHARGE CDM Initiatives for Labrador East

1 **1.0 Background**

2 On April 24, 2018 Hydro submitted its plan for the provision of reliable service in Labrador East
3 during the 2018/2019 winter season to the Board of Commissioners of Public Utilities (“Board”)
4 in response to the Board’s April 19, 2018 request for greater detail on the plan.

5
6 This report is the fifth monthly update to the Board, intended to provide a status update on the
7 eight activities listed in the plan:

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

16
17
18 **2.0 Progress Summary**

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

21
22 **2.1 Ensure Reliability of the North Plant for Peak Loading Conditions**

23 **Status:** Closed

24 **Progress to Date:** A third-party service provider for the North Plant Diesels carried out an on-
25 site assessment on April 26, 2018. The assessment indicated that the units were not in a
26 condition to guarantee reliable service for the 2018/2019 winter season. Hydro does not
27 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. Testing of the Gas Turbine including transitioning between
7 synchronous condenser mode and generation mode was carried out successfully on September
8 18, 2018.

9

10 **2.3 Inspections of L1301/L1302**

11 **Status:** Ongoing

12 **Progress to Date:** Ongoing

13 Hydro has carried out infrared inspection of all line splices on L1301/L1302, with no defective
14 splices discovered. Hydro has carried out several aerial patrols, most recently on September 12,
15 2018. Aerial Patrols will continue at six-week intervals throughout the 2018/2019 winter
16 season, with the next patrol scheduled for October 26, 2018.

17

18 **2.4 Curtailable/Interruptible Service Option**

19 **Status:** Approved

20 **Progress to Date:** Hydro received approval in Board Order 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 a 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 has drafted a revised operations protocol. Hydro will now finalize and
4 implement the revised protocol, incorporating the recent Board Orders received for
5 applications filed as part of initiatives described in sections 2.4 and 2.8. Hydro expects to have
6 the revised instruction in effect by November 15, 2018.

7

8 **2.7 Labrador East Customer Communication Initiatives**

9 **Status:** Ongoing

10 **Progress to Date:** An Advance Notification Protocol communications plan has been approved
11 and will be implemented for the 2018/2019 winter season. Hydro is in the process of finalizing
12 its alert thresholds for the Labrador East system.

13

14 Conservation and Demand Management (CDM) efforts are ongoing as part of Hydro's
15 takeCHARGE commitment. CDM efforts aim to educate customers on the benefits of energy
16 conservation, and to incentivize customers to participate. Hydro will be ramping up its
17 promotion of takeCHARGE initiatives throughout the summer and into the fall. An outline of
18 takeCHARGE initiatives being considered for Labrador East is found in Appendix A. It should be
19 noted, however, that uptake of the takeCHARGE program in Labrador is anticipated to be lower
20 than that of Island customers due to the lower cost of energy.

21

22 **2.8 Minimizing Customer Impacts in Case of Loss of Supply**

23 **Status:** In Execution

24 **Progress to Date:** Hydro received approval in Board Order No. P.U. 34(2018) for its
25 supplementary Capital Budget Application for the procurement and installation of five gang-
26 operated switches and an associated line extension on the Happy Valley-Goose Bay Distribution
27 System. Hydro is currently executing the project, with target completion prior to the 2018/2019
28 winter season.

1 **2.9 Other Notes and Actions**

- 2 Hydro's annual Winter Readiness report in the fall of 2018 includes Labrador Interconnected
- 3 System's winter readiness activities.

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 in the
8 number of homes that insulate, or install programmable thermostats or energy efficient Heat
9 Recovery 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 Lab east customers. takeCHARGE has a significant
14 amount of videos and info graphics, as well as a comprehensive website to educate
15 customers on rebates and energy efficiency tips. This is an opportunity to speak directly to
16 customers in Lab east through targeted paid social media posts with a goal to grow the
17 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 our takeCHARGE account. It is a precise
20 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 we move
22 into fall. Customer activity around energy efficiency peaks in September and October.
23 Product purchases are made in these months in anticipation of the upcoming colder
24 weather. Additional advertising would take place in these months and continue through the
25 fall.
- 26 • Additional marketing efforts will also be placed on online, print and radio as required.

1 **In-Store Retailer Promotions**

- 2 • Discussions with Lab East retailers will be had to coordinate promotions and store sales on
3 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.