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January 30, 2023

Board of Commissioners of Public Utilities  
Prince Charles Building  
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St. John's, NL A1A 5B2

Attention: Cheryl Blundon  
Director of Corporate Services and Board Secretary

**Re: *Reliability and Resource Adequacy Study Review – 2022–2023 Winter Readiness Planning Report – Update – January 2023***

On December 12, 2022, Newfoundland and Labrador Hydro (“Hydro”) filed its 2022–2023 Winter Readiness Planning Report (“Report”). At the time of filing, Holyrood Thermal Generating Station’s (“Holyrood TGS”) Unit 1 was unavailable for generation and a total of two winter readiness activities and critical spares deliveries were outstanding.

Hydro committed to filing an update, contained herein, regarding these items with the Board of Commissioners of Public Utilities in January 2023.

### **Holyrood TGS**

Unit 1 was available for full load capability as of December 12, 2022, following replacement of the East Boiler Feed Pump motor. The unit was returned to service on December 21, 2022, following replacement of the oil in Holyrood T1 transformer. As outlined in the Report, upon return to service, one outstanding winter readiness activity was completed. Five outstanding start-up checks remained incomplete at start-up; these items, related to high pressure water heaters and a seal oil vacuum pump, are not required for reliable operation at full load. The remaining winter readiness activity related to Holyrood TGS Balance of Plant remains outstanding; however, the risk has been fully mitigated with the use of a rental air compressor. Hydro has engaged its service contractor and expects to complete this item in the coming weeks; however, there is no impact to plant reliability at this time.

Three start-up checks for Units 2 and 3 relating to the high pressure water heater, seal oil vacuum pump, and fuel oil accumulator remain outstanding. These start-up checks were not required for reliable operation at full load. All outstanding critical spares have been received, including the spare Boiler Feed Pump motor.

Through January, Hydro managed thermal generation output in response to a delay in a heavy fuel oil tanker delivery originally scheduled for January 23, 2023. The tanker arrived in Conception Bay on January 29, 2023 and offloading is scheduled to commence on January 31, 2023. Hydro does not anticipate any supply risk associated with this delayed delivery.

### **Generator Step-Up Transformer Spares**

Since filing the Report, Hydro has worked with the original equipment manufacturer to complete the refurbishment of the failed original Bay d’Espoir T5 transformer. Hydro is continuing to work with the manufacturer to finalize a plan for the modification of bus duct adaptor kits to enable the utilization of the original T5 as a spare for Bay d’Espoir T4, Bay d’Espoir T7 (derated to 50 MVA due to rough zone on Bay d’Espoir Unit 7) and Granite Canal, in the event they are required to be utilized with the original T5 spare. No bus duct adaptor kits are required for Bay d’Espoir transformers T1, T2, T3, T5 and T6.

Due to a mismatch of the generator terminal voltages, the original T5 is not suitable as a spare transformer for the Holyrood TGS units. Hydro continues to evaluate the options for a Holyrood TGS spare generator step-up transformer.

### **Gas Turbine Operations**

Since filing the Report, Hydro has completed repairs to the Stephenville Gas Turbine alternator cooling system; all items related to gas turbines are now complete.

Hydro continues to monitor the performance of its assets and no new system concerns have been identified since the Report. Hydro remains confident in its ability to reliably serve customers during the 2022–2023 winter season. The one outstanding winter readiness item has been fully mitigated and all other outstanding items are considered low risk or fully mitigated; should Hydro identify a change in risk profile, Hydro will provide a further update in February.

Should you have any questions, please contact the undersigned.

Yours truly,

### **NEWFOUNDLAND AND LABRADOR HYDRO**



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Senior Legal Counsel, Regulatory  
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ecc:

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