Q. **Reference: Schedule 1, Page 7, Table 4. The table states that in 2030 the firm capacity requirements exceed the rated capacity by 0.3%.**

a) Are there steps Hydro could take to mitigate the impact of this on the community (e.g., encourage reduction of load by customers, curtailment arrangements, etc.)?

b) What is the level of impact (using Hydro's Risk Evaluation Matrix ratings of 1-5) on the community in an occasion of a 0.3% deficit in capacity?

c) What is the level of impact (using Hydro's Risk Evaluation Matrix ratings of 1-5) on the community in an occasion of a 5% deficit in capacity?

A. **a)** The Nunatsiavut Government and Newfoundland and Labrador Hydro ("Hydro") load growth working group have discussed the concept of curtailable agreements, alternative space heating methods, and available funding through Hydro's Energy Efficiency Programs. For further details on these discussions, please refer to Hydro's response to PUB-NLH-015 of this proceeding.

Discussions surrounding load reduction and curtailment agreements have focused on temporary measures to reduce load or install temporary generation at the new facility. To date, the Nunatsiavut Government have not expressed interest in a long-term curtailable agreement. Should the Nunatsiavut Government or other customers in Rigolet be interested in establishing a curtailable agreement, Hydro will work with them to form such an agreement and incorporate this in its asset and system planning processes for the community.

b) Hydro's current Risk Evaluation Matrix does not directly differentiate between the magnitudes of planning criteria violations, and would therefore consider a 0.3% deficit and a 5% deficit as equivalent from a risk impact perspective. Hydro would assign a minimum risk impact score of 4 in these instances, which equates to the loss of a prime power diesel unit (equivalent to a firm capacity shortfall) or loss of supply to an isolated community.

c) Please refer to Hydro's response to part b).