

1 Q. In Hydro's Technical Note entitled Labrador-Island HVdc Link and Island
2 Interconnected System Reliability dated October 30, 2011 (Exhibit 106 to Muskrat
3 Falls Review), Hydro's System Planning Department states:

4 **While the impact of these outage events could be further mitigated with the**
5 **application of additional combustion turbines on the Island Interconnected**
6 **System, given the low probability of the event and minimal impact on supplied**
7 **energy, Nalcor, in the interest of minimizing overall cost to the customer, has**
8 **opted to apply load rotation and other means to minimize the impact to**
9 **customers should an event occur.**

10 Does this statement reflect Hydro's anticipated approach to mitigating the outage
11 events referred to in the Technical Note? If this remains the approach how does it
12 compare with North American reliability standards? If not, what is the current
13 approach and how does that approach compare with North American reliability
14 standards?

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17 A. No, the statement does not reflect Hydro's anticipated approach to mitigating the
18 outage events referred to in the Technical Note.

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20 Exhibit 106 of the Muskrat Falls Review was prepared prior to the sanction of the
21 Maritime Link. Without the Maritime Link for the low probability event of a
22 complete loss of the Labrador-Island Link (LIL) at peak load periods there could be a
23 generation shortfall on the Island resulting in the potential requirement for rotating
24 outages.

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1 With the addition of the Maritime Link and the ability to import up to 300 MW to
2 the Island from the North American grid, the Island system will have sufficient
3 capacity to withstand the unlikely complete loss of the LIL until 2025 or 2026.
4 Please see also Hydro's response to PUB-NLH-217. Hydro has indicated in this
5 response it intends to investigate options for providing additional capacity post
6 2026 and implement them should it be deemed necessary. Hydro's understanding
7 is that this approach is consistent with North American reliability standards.