

- 1 **Q:** (Liberty December 17, 2014 Report to Board on *Supply Issues and Power*
2 *Outages Review Island Interconnected System* addressing Newfoundland and
3 Labrador Hydro) Discussion on page 45 relates to the consistency of Hydro's
4 reliability metrics with CEA Bulk Electricity System guidelines. Is it also
5 important to consider the impact of outages on production/market costs? For
6 example, a transmission outage may lead to dispatch of high-cost Holyrood
7 TGS production when low-cost hydropower would have been dispatched in
8 the absence of the outage. Does Liberty recommend that such impacts on
9 production costs be taken into consideration when assessing transmission
10 reliability performance?
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- 13 **A.** Hydro should consider the change in economics that result from changes in
14 dispatch due to the loss of transmission facilities.