

1 Q. Re: GRK-NLH-021 (Rev. 1)

2 Citation 1 (GRK-NLH-021 (Rev. 1)):

3 If Nalcor's interpretation of the renewal of the Churchill Falls Contract is not upheld,
4 then depending on the finding of the court and the response by Hydro Quebec to
5 such finding, the manner in which water will flow down the Churchill River from the
6 Churchill Falls plant and thus the timing of when energy is produced at Muskrat
7 Falls could be impacted. It could therefore impact the degree which Hydro can
8 influence the timing of delivery of energy to the Island Interconnected System to
9 maximize the efficient use of the water resources it has control over. This would not
10 impact system reliability but could impact how Hydro utilizes the resources
11 available to it at any given time to meet system requirements. Hydro would
12 evaluate the circumstances arising at the relevant time and run its system
13 accordingly. Please refer to Hydro's response to GRK-NLH-044 for options available
14 to Hydro. (underlining added)

15 Citation 2 (Water Management Agreement, s. 6.3 (a)(i):

16 6.3 Limitation on Powers

17 (a) The parties acknowledge and agree that the following shall exceed the powers
18 and duties of the Independent Coordinator:

19 (i) Scheduling CF(L)Co production for Nalcor, to the extent that such
20 production conflicts with CF(L)Co's obligations under Prior Power Contracts;
21 and ...

22 Please explain in what way "the manner in which water will flow down the Churchill
23 River from the Churchill Falls plant ... could be impacted" if Nalcor's interpretation
24 of the renewal of the Churchill Falls Contract is not upheld, and describe in detail
25 the ways in which this could affect "the timing of when energy is produced at
26 Muskrat Falls".

1 In your response, please indicate whether or not NLH has carried out or received
2 copy of any specific analysis of to the extent to which the Hydro-Quebec's
3 interpretation of the Churchill Falls Power Contract, as set out in its filings before
4 the Quebec Superior Court, would limit the Independent Coordinator's ability to
5 respect NLH's Delivery Requirements with respect to s. 6.3(a) of the WMA (Citation
6 2).

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8 If so, please provide a copy of said analysis. If not, please explain on what basis NLH
9 has been able to conclude that "this would not impact system reliability".
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12 A. The "manner in which water will flow" relates specifically to the timing of water
13 releases from the Churchill Falls plant, and therefore the timing of inflows into the
14 Muskrat Falls reservoir.
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16 The consequences of changes in the timing of inflows have already been addressed
17 in the response to GRK-NLH-021 (Revision 1, Jan 14-15), as indicated above, and the
18 mitigations were discussed in the response to GRK-NLH-044. The Board has
19 accepted the adequacy of the previously submitted responses to GRK-NLH-021
20 (Revision 1, Jan 14-15) and GRK-NLH-024 (Revision 1, Jan 14-15) in Board Order No.
21 P.U. 5(2015) at Page 3.