

1 Q. Energy Supply Risk Assessment Update, November 30, 2016. Hydro has stated the
2 intent to comply with NERC/NPCC criteria at an as-yet undefined time in the future.
3 NPCC planning criteria require an LOLE of 0.1 (Directory 1, Requirement 4). Will
4 compliance with this requirement be delayed until after the actual in-service date
5 of Muskrat Falls or, alternately, if earlier compliance is planned how will the use of a
6 LOLE of 0.1 impact the conclusions in the Energy Supply Risk Assessment Update,
7 November 30, 2016?

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10 A. The Loss Of Load Hour (LOLH) planning criteria of 2.8 that Hydro currently uses is
11 based on an Loss of Load Expectation (LOLE) of 0.2.

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13 The above referenced NPCC criteria is as follows:

14 *Each Planning Coordinator or Resource Planner shall*
15 *probabilistically evaluate resource adequacy of its Planning*
16 *Coordinator Area portion of the bulk power system to demonstrate*
17 *that the loss of load expectation (LOLE) of disconnecting firm load*
18 *due to resource deficiencies is, on average, no more than 0.1 days*
19 *per year.*

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21 *R4.1 Make due allowances for demand uncertainty,*
22 *scheduled outages and deratings, forced outages and*
23 *deratings, assistance over interconnections with*
24 *neighboring Planning Coordinator Areas,*
25 *transmission transfer capabilities, and capacity*
26 *and/or load relief from available operating*
27 *procedures.*

1 Hydro does not plan to comply with this criteria until at least after the Island
2 Interconnected System is connected to the North American Grid. Therefore, it does
3 not have an impact on the Energy Supply Risk Assessment which addresses supply
4 risk up to the point of interconnection.

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6 As Hydro does not plan to remove the 466 MW Holyrood Thermal Generating
7 Station (HTGS) from its supply resources to meet Island Interconnected System
8 demand until approximately 2020/21, the adoption of such criteria will not have an
9 impact until that time. Prior to that time, when a recommendation is made to the
10 Board to remove the HTGS, Hydro will evaluate the resource adequacy using the
11 NPCC criteria as well as existing criteria. This will result in a recommendation to the
12 Board for a decision as to whether, in addition to the assistance from neighbouring
13 areas and the capacity of the Labrador-Island Link, new capacity is required for the
14 Island Interconnected System.