Page 1 of 2

- Q. Regarding Mr. Brockman's "Reserve Analysis", Table 1, page 13, and specifically the pre-Muskrat Falls period (2018-2019), does he believe that the 300 MW planned from the Maritime Link and the 110 MW recall power via the Labrador Island Link can be reasonably relied upon as near-term supply resources?
- A. Mr. Brockman's reserve analysis was primarily based on information provided in Hydro's Energy Supply Risk Assessment ("ESRA") which was filed with the Board on May 27, 2016. The ESRA comprised a number of assumptions including availability of (i) up to 300 MW of import power from the Maritime Link ("ML"), and (ii) 110 MW of firm recall power via the Labrador Island Link ("LIL").

The most recent information available to Mr. Brockman indicates that the ML will be in service by Q4 2017 and that the LIL will be in service by Q2 2018. If the ML and LIL are completed within these time frames, and the necessary contractual arrangements are finalized, it is likely that supply capacity on the Island Interconnected System ("IIS") will be increased. However, there remains uncertainty regarding the availability of supply from both the ML and LIL in the near term.

Hydro indicates that the availability of import power over the ML is currently being reviewed by a working group within the Maine & Atlantic Technical Planning Committee ("MATPC").<sup>2</sup> A final report from the working group was anticipated for Q3 of 2016 and is expected to provide some clarity regarding the availability of import power over the ML.<sup>3</sup> Mr. Brockman has not seen the aforementioned report and is not aware of whether it has been completed. Use of 110 MW of recall power from Labrador over the LIL was considered in Hydro's ESRA. Hydro has since indicated that availability of this supply source is being reviewed.<sup>4</sup>

By November 30, 2016, Hydro is required to file a comprehensive review of the energy supply for the IIS that considers all risks and provides a risk-based recommendation of the need, timing, and amount, if any, of additional pre-Muskrat Falls supply.<sup>5</sup> Considering the importance of the ML and LIL to near-term reliability on the IIS and the uncertainty regarding these potential supply sources, Mr. Brockman expects Hydro's review to include detailed information relating to these potential sources of supply.

According to Emera Newfoundland and Labrador, commissioning and first power on the ML is expected by the end of 2017 (<a href="http://www.emeranl.com/site/media/emeranl/Documents/Project%20Timeline\_Board%203.pdf">http://www.emeranl.com/site/media/emeranl/Documents/Project%20Timeline\_Board%203.pdf</a>). Nalcor Energy currently anticipates the LIL to be to be completed by Q2 2018 (<a href="http://muskratfalls.nalcorenergy.com/wp-content/uploads/2013/03/MF-Cost-Schedule-Infographic Web 24Jun2016.pdf">http://muskratfalls.nalcorenergy.com/wp-content/uploads/2013/03/MF-Cost-Schedule-Infographic Web 24Jun2016.pdf</a>).

See the response to Request for Information PUB-NLH-502. The mandate of the MATPC working group is to determine (i) Atlantic Area Transfer Limits post 2017, (ii) Benefits of reserve sharing, and (iii) emergency power transfer capability. Hydro is a member of the MATPC and the working group.

<sup>&</sup>lt;sup>3</sup> See the response to Request for Information PUB-NLH-597.

See the response to Request for Information PUB-NLH-613.

<sup>&</sup>lt;sup>5</sup> See the Board's October 13, 2016 letter to Hydro.

## **PUB-NP-314**

Supply Issues and Power Outages on the Island Interconnected System

Page 2 of 2

1	At this time, Mr. Brockman does not have the information necessary to make a
2	determination of whether power from the ML and LIL can be reasonably relied upon as
3	near-term supply resources. In his report, Mr. Brockman recommends that "if there is
4	any likelihood that the LIL or ML may not be available as scheduled, the preliminary
5	work required to acquire a new combustion turbine should commence as soon as
6	possible." <sup>6</sup>

<sup>&</sup>lt;sup>6</sup> See Page 24, Lines 8-10 of the *Prefiled Evidence of Larry Brockman*.