

June 19, 2023

Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, NL A1A 5B2

Attention: Cheryl Blundon  
Director of Corporate Services and Board Secretary

**Re: *Reliability and Resource Adequacy Study Review – Current Schedule for Future Updates***

In correspondence dated May 5, 2023, the Board of Commissioners of Public Utilities (“Board”) directed Newfoundland and Labrador Hydro (“Hydro”) to file a number of updates regarding the studies and analyses ongoing within the *Reliability and Resource Adequacy Study Review proceeding (“RRA Study Review”)*. In particular:

- 1) Hydro shall file by June 19, 2023 its current schedule for future RRAS updates and its proposed application for approval for a new generation addition.<sup>1</sup>

**Reliability and Resource Adequacy Study**

As demonstrated in Hydro’s recent filing,<sup>2</sup> there is significant work to be accomplished over the near term to inform Hydro’s next steps for generation addition and the next update to its Long-Term Resource Plan. Hydro respectfully submits its plan and schedule, outlined herein, with a view to streamlining reporting frequency within the *RRA Study Review* and to enable focus on outstanding analysis and key decisions. As discussed in this correspondence, Hydro proposes to file the *RRA Study Review’s* main components and updates with the Board as separate but complementary filings:

- Annual Near-Term Reliability Report; and
- Biennial Planning Criteria and Long-Term Resource Plan (together, “Resource Adequacy Plan”).

**Annual Near-Term Reliability Report**

Hydro proposes to file its next Near-Term Reliability Report in November 2023 and to subsequently adjust reporting frequency from semi-annually to annually in 2024. This will better align with Hydro’s utility planning cycle.

Currently, the Near-Term Reliability Report is filed semi-annually in May and November, with the latest iteration of this report filed on June 2, 2023.<sup>3</sup> In its utility planning cycle, Hydro typically issues its load forecast during the summer months. As such, the information contained within the November Near-Term Reliability Report is routinely better informed than the May report, which utilizes similar inputs from the November report of the previous year. As critical inputs are not available in time for the May

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<sup>1</sup> “Newfoundland and Labrador Hydro - Reliability and Resource Adequacy Study Review - To Parties - Further Process,” Board of Commissioners of Public Utilities, May 5, 2023, p. 2.

<sup>2</sup> “Reliability and Resource Adequacy Study Review – Listing of Planned Reports, Studies, and Analyses,” Newfoundland and Labrador Hydro, May 25, 2023.

<sup>3</sup> “Reliability and Resource Adequacy Study – 2023 Update, Volume II: Near-Term Reliability Report – May Report,” Newfoundland and Labrador Hydro, June 2, 2023.

report, Hydro believes that the November report provides more value to the *RRA Study Review* and enables advancement of other analysis required to make key decisions.

An additional benefit of a filing timeline in November is that it enables timely reporting on the status of Hydro's winter readiness for the upcoming season. To reduce duplication of information placed on the record with the Board, Hydro proposes to streamline the reporting on its near-term reliability to the Near-Term Reliability Report only and to remove the content within Section 7.0 of the Winter Readiness Planning Reports.<sup>4</sup>

### **Biennial Resource Adequacy Plan**

Hydro originally proposed filing updates to its Study Methodology and Planning Criteria<sup>5</sup> and its Long-Term Resource Plan<sup>6</sup> (now referenced as Resource Adequacy Plan) on an annual basis with a more comprehensive analysis every three years. Hydro recommends that the next filing update of the Resource Adequacy Plan is the most appropriate opportunity to pivot to a more iterative process, akin to an integrated resource plan ("IRP") model. Based on good utility practice, IRPs are updated on a less frequent basis<sup>7</sup> as the planning context for a utility evolves and forecasts are adjusted.

As highlighted by Electricity Canada,<sup>8,9</sup> Hydro expects rapidly changing inputs to system planning as electrification drives demand; therefore, Hydro recommends updating its Resource Adequacy Plan every other year, with the next update planned for filing in the spring of 2024.<sup>10</sup> The biennial filings will allow for the development and assessment of supply adequacy under various potential future realities and each update will provide additional information on the analysis conducted throughout the interim years and incorporate revised results.

As previously communicated on May 25, 2023, Hydro will also file all reports, studies, and analyses currently underway or planned to support future filings in relation to the *RRA Study Review*.<sup>11</sup>

### **Application for Additional Generation**

As outlined in the listing provided on May 25, 2023, Hydro is advancing a significant number of fronts to inform next steps on additional generation, including the preparation of the Resource Adequacy Plan for the spring of 2024.

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<sup>4</sup> The Preliminary (October) and Progress (November) Winter Readiness Planning Reports contain duplicate content taken directly from the May Near-Term Reliability Report, which Hydro is proposing to eliminate; the Final (December) Winter Readiness Planning Report contains duplicate content taken directly from the November Near-Term Reliability Report.

<sup>5</sup> Previously referred to as "Volume I: Study Methodology and Planning Criteria" of the Reliability and Resource Adequacy Study.

<sup>6</sup> Previously referred to as "Volume II: Long-Term Resource Plan" of the Reliability and Resource Adequacy Study.

<sup>7</sup> For example, BC Hydro expects to "... complete integrated resource plans every five years, or sooner if load or supply updates show that the Near-term Actions in our 2021 IRP are not sufficient to meet future needs."

"2021 Integrated Resource Plan," BC Hydro and Power Authority, December 21, 2023, sec. 2.4, p. 7.

<<https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/regulatory-planning-documents/integrated-resource-plans/current-plan/integrated-resource-plan-2021.pdf>>

<sup>8</sup> "Power and Utility Industry Trends: How can Canada's energy and utility companies prepare for a net-zero future?," PwC Canada,

<<https://www.pwc.com/ca/en/industries/energy/publications/how-can-canadas-energy-and-utility-companies-prepare-for-a-net-zero-future.html>>.

<sup>9</sup> "A clean electricity standard in support of a net-zero electricity sector: discussion paper," Environment and Climate Change Canada, March 16, 2022,

<<https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/achieving-net-zero-emissions-electricity-generation-discussion-paper.html>>.

<sup>10</sup> Commitments made by Hydro for inclusion in the Reliability and Resource Adequacy Study Review – 2023 Update will be included within the spring 2024 filing of the Resource Adequacy Plan.

<sup>11</sup> "Reliability and Resource Adequacy Study Review – Listing of Planned Reports, Studies, and Analyses," Newfoundland and Labrador Hydro, May 25, 2023, Table 1.

It is anticipated that the outcomes of that filing will support application(s) for additional generation in the second half of 2024.<sup>12</sup> These filings will allow for decisions on new supply on the basis of good utility practice and Hydro's commitment to continue to meet customer's expectations. Hydro will provide an update to its anticipated schedule in the fall 2023 meeting.<sup>13</sup>

As directed by the Board, parties are in the process of filing lists of suggested issues or topics to be addressed by Hydro.<sup>14</sup> Once all responses have been received, Hydro will review the list of issues and topics and provide correspondence to the Board on the plan to address the additional work within the *RRA Study Review*.

Should you have any questions, please contact the undersigned.

Yours truly,

**NEWFOUNDLAND AND LABRADOR HYDRO**



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SAW/sk

Encl.

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<sup>12</sup> The expected filing date is challenging to specify, as it is dependent upon studies to be completed by third parties.

<sup>13</sup> "Newfoundland and Labrador Hydro - Reliability and Resource Adequacy Study Review - To Parties - Further Process," Board of Commissioners of Public Utilities, May 5, 2023, p. 2.

<sup>14</sup> In correspondence dated June 8, 2023, the Island Industrial Customer Group requested an extension to June 20, 2023 to file its list of matters which they seek to have addressed in the studies, analysis, and reports provided by Hydro in its May 25, 2023 list. The Board granted the extension as requested.