

1 Q. **Requests for information in relation to Hydro’s Monthly Energy Supply Report for the Island**
2 **Interconnected System for May 2020, filed with the Board on June 16, 2020 (the “May 2020**
3 **Monthly Energy Supply Report”).**

4 At page 2, lines 31-34 of the May 2020 Monthly Energy Supply Report, Hydro states as follows:

5 “Figure 1 plots the 2019 and 2020 storage levels, maximum operating level storage, and the 20-
6 year average aggregate storage for comparison. Hydro has established minimum storage limits
7 to April 30, 2021 in consideration of potential delays in the availability of the Labrador-Island
8 Link (“LIL”) to deliver energy to the Island Interconnected System. This will help ensure sufficient
9 storage to reliably serve customers should the LIL continue to be delayed beyond the fall of
10 2020.”

11 In determining the minimum storage limits, please indicate if any of the following factors have
12 an impact on the minimum storage level calculated: i) Holyrood fuel prices, or changes in
13 Holyrood fuel prices (i.e., are today’s minimum storage levels impacted by lower Holyrood
14 prices?), ii) fuel prices for Gas Turbines, or iii) the relative levels of these fuel prices in relation to
15 each other. If yes, please provide a detailed description of how these factors are used as an
16 input variable, and the directional impact.

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19 A. The establishment of the minimum storage limits is a reliability-driven energy analysis only.
20 Certain economic factors, such as Holyrood Thermal Generating Station or Gas Turbine fuel
21 prices, are not included in the derivation of the monthly limits. However, other factors including
22 the distribution of energy between reservoirs, available information from conducted snow
23 surveys, the availability and asset health of hydraulic and thermal units, the weather forecast,
24 and the current and expected availability of the Labrador-Island Link, will continue to be
25 considered in determining whether additional thermal or purchased energy should be injected
26 into the system should the aggregate storage approach the established minimum limits. If it is
27 determined that additional energy is required, Newfoundland and Labrador Hydro would
28 consider the use of purchases and imports to offset the higher cost of thermal energy.