

1 Q. **Reference: Long-term Supply Plan for Southern Labrador – Revision 2, Schedule 2, page 5, line**
2 **26 to page 6, line 2.**

3 Midgard's assessment emphasized the importance of maintaining reliable
4 backup generation to ensure the continuous supply of electricity for the
5 Southern Labrador Communities should regional or community-based
6 renewable energy solutions advance or a larger interconnection to the Labrador
7 Interconnected System come to fruition. Regardless of the alternative chosen,
8 Midgard notes that a dependable capacity resource, such as diesel gensets, is
9 required to provide capacity and energy during emergencies or periods of high
10 demand.

11 Does Midgard recommend that community-based diesel generators should remain as
12 emergency backup after the implementation of the regional diesel solution? If not, what is
13 Midgard's recommendation to Hydro with respect to future backup generation requirements?

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16 A. *This response has been provided by Midgard Consulting Inc. ("Midgard").*

17 Midgard did not recommend the retention of community-based diesel generators for
18 emergency backup use, since this would significantly increase capital and operational expenses.

19 Midgard recommends that Newfoundland and Labrador Hydro follow industry standard
20 practices to manage outages, which includes the use of portable gensets to allow the servicing
21 of areas affected by transmission or generation outages. The retention of one or more of the
22 portable gensets that are currently being used to service the communities of Charlottetown and
23 Pinsent's Arm is expected to be a cost-effective solution to managing both planned and forced
24 outages in southern Labrador. Use of portable gensets rather than fixed gensets avoids issues of
25 long-term fuel storage and stabilization of fuel supplies, which would need to be addressed if
26 stationary units were retained for emergency backup use.