

1 Q. **Reference: 2025 Build Application Schedule 1, Chart 1, Page 14**

2 Demand in 2024 was roughly the same as demand in 2019. About 512 MW in capacity was
3 added to the IIS via Muskrat Falls generation and the LIL between 2019 and 2024.

4 a) Please provide documentation showing that each of the 3 units at Holyrood remain
5 “used and useful” through 2030.

6 b) Please provide an updated version of Chart 1.

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9 A. a) As discussed in the 2022 update to the Reliability and Resource Adequacy Study (“2022
10 Update”), Newfoundland and Labrador Hydro (“Hydro”) Hydro has determined that while
11 maintaining the operation of the Holyrood Thermal Generating Station (“Holyrood TGS”) is
12 not an appropriate long-term standby option, it could meet the need for backup generation
13 to support the Labrador-Island Link (“LIL”) until new sources of generation are available. To
14 that end, Hydro recommended continued investment in the Holyrood TGS, the Hardwoods
15 Gas Turbine (“GT”), and the Stephenville GT during the Bridging Period¹ to ensure reliable
16 operation in support of the Island Interconnected System in the event of a LIL bipole outage.
17 Continued use of the Holyrood TGS in both the near and longer term requires investment
18 and attention, due to concerns related to reliability—as failures are becoming more and
19 more frequent with age, cost-effectiveness (as continuing the operation and maintenance of
20 Holyrood TGS requires significant investment), and the environment (as it will not be
21 compliant with the *Clean Electricity Regulations*² in 2035). Therefore, the Holyrood TGS is
22 required until such time that sufficient alternative generation is approved, constructed, and
23 integrated into the Island Interconnected System. While the 2024 Resource Adequacy Plan

¹ Hydro considers the Bridging Period to be from the present to 2030, or until such time that sufficient alternative generation is commissioned, adequate performance of the LIL is proven, and generation reserves are met. During the Bridging Period, the system would rely primarily on existing sources of generation capacity to maintain reliability while new generation capacity is being built. The primary, readily available supply options in this period are extending the retirements of the Holyrood TGS, Stephenville GT and the Hardwoods GT until their capacities can be adequately replaced.

² *Clean Electricity Regulations*, SOR/2024-263.

1 assumes a retirement date of 2030, the facility could be required beyond that timeframe if
2 new generation resources are delayed.

3 The retirement of the Holyrood TGS represents the removal of 490 MW of thermal
4 generation from the Island Interconnected System, following the proposed addition of
5 Bay d’Espoir Unit 8 (154 MW) and an On-Avalon Combustion Turbine (142 MW), totaling
6 296 MW of new generation. Hydro will continue to minimize thermal generation as much as
7 possible while maintaining availability of all three units through the Bridging Period. Please
8 refer to Hydro’s response to part b) of CA-NLH-003 of this proceeding. Hydro notes that the
9 continued operation of the Holyrood TGS was agreed to by the parties as part of the 2024
10 Resource Adequacy Plan Settlement Agreement:

11 Holyrood Thermal Generating Station and Hardwoods and Stephenville Gas
12 Turbines are required in the near term, as part of the Bridging Plan, until new
13 generation has been reliably integrated into the Island Interconnected system.³

14 For Holyrood TGS generation statistics by unit for 2025 and 2026, please refer to Appendix B
15 of Hydro’s Energy Supply Report, filed monthly with the Board of Commissioners of Public
16 Utilities.⁴

17 **b)** Please refer to Chart 1, as filed within Hydro’s 2025 Island Interconnected System Load
18 Forecast Report as part of the *Reliability and Resource Adequacy Study Review*.⁵

³ Please refer to item 5 of the Settled Issues, Attachment 1 to the Settlement Agreement provided in “2025 Build Application – Bay d’Espoir Unit 8 and Avalon Combustion Turbine,” Newfoundland and Labrador Hydro, March 21, 2025, sch. 2.

⁴ Hydro’s Monthly Energy Supply Reports can be accessed at <http://www.pub.nl.ca/indexreportspages/energysupply.php>.

⁵ “2025 Island Interconnected System Load Forecast Report,” Newfoundland and Labrador Hydro, November 5, 2025, p. iv, Chart 1.

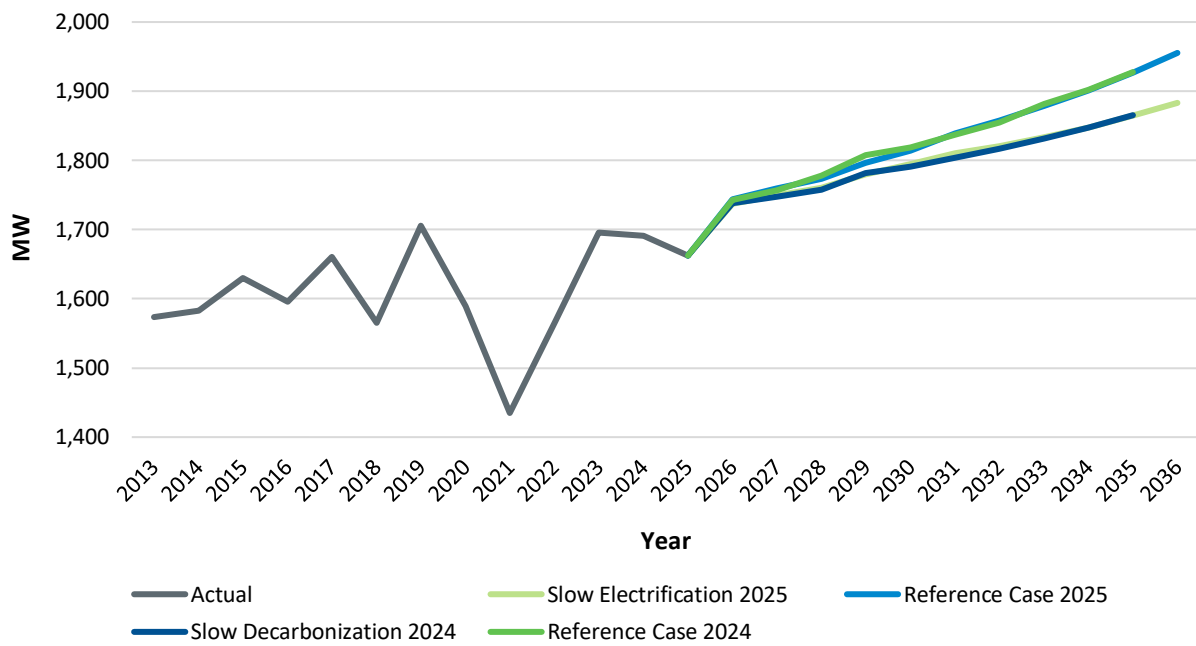


Chart 1: Island Interconnected System Annual Customer Coincident Demand Requirements Comparisons^{6,7,8}

- 1 Overall, Chart 1 demonstrates that there is an immaterial difference between the
- 2 compound annual growth rate between the 2024 and 2025 load forecasts.

⁶ The Island Interconnected System annual customer coincident demand is reflective of the total Island Interconnected System demand less transmission losses and station service load.

⁷ Historical values are not weather-normalized.

⁸ The significant decline in demand in 2020 and 2021 was due to the effects of the COVID-19 pandemic.