

1 Q. **Reference: March 2026 and April 2026 Monthly Energy Supply Reports for the Island**
2 **Interconnected System**

3 The March 2026 report shows that each of the 3 units at Holyrood TGS were in operation for a
4 minimum of 56% of the month. The April 2026 report shows that Holyrood TGS Unit 1 was in
5 operation for the entire month, and Holyrood TGS Unit 2 was in operation for the first 9 days of
6 the month.

7 a) Why were none of the Holyrood TGS units on standby in March 2026, and only one of
8 the Holyrood TGS units on standby in April?

9 b) Why were two of the Holyrood TGS units in operation in April 2026, a non-winter
10 month? Is Hydro considering a change in its definition of “winter months”?

11 c) Was the cost of keeping two Holyrood units in operation in April 2026 (Unit 1 for 30
12 days and Unit 2 for 9 days) approximately \$11.8 million (39 days * 24 hours/day *
13 70,000 kW * \$0.18/kWh)?
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16 A. a) As described in the March 2026 Monthly Energy Supply Report,¹ only one Holyrood Thermal
17 Generation Station (“Holyrood TGS”) unit (Unit 2) was online and available for the entire
18 month of March. Holyrood TGS Units 1 and 3 were online for a total of 415.8 and 494.6
19 hours, respectively, during the month.

20 Holyrood TGS Unit 1 was operating under a derate to 166 MW² due to an ongoing issue with
21 high condenser back pressure attributed to a deteriorated vacuum pump performance that
22 was not able to be addressed.³ In addition, an issue with the left intercept valve on the
23 turbine was identified on March 7, 2026, and an outage occurred to repair it; however, the

¹ “Monthly Energy Supply Report for the Island Interconnected System for March 2026,” Newfoundland and Labrador Hydro, April 15, 2026.

² The unit’s capacity is 170 MW.

³ The unit remained derated until the start of its planned annual outage, when vacuum pump issues will be investigated further and addressed.

1 issue was not corrected, indicating a problem internal to the intercept valve. The issue was
2 ultimately addressed, and the unit returned to service on March 20, 2026, albeit still
3 derated to 166 MW.

4 Holyrood TGS Unit 3 was available for full load of 150 MW on March 1, 2026, following the
5 return to service of the west forced draft fan. The fan had been isolated since
6 February 26, 2026, to allow replacement of the fan bearings. On March 15, 2026, high
7 vibration was again detected in the fan, and it was removed from service for further
8 investigation. As a result, the unit was derated to 40 MW. Operational adjustments to the
9 air system enabled an increase of the unit capability from 40 MW to 50 MW on
10 March 16, 2026. The unit remained online derated to 50 MW until March 21, 2026, when it
11 was placed in standby as it was no longer required to support system demand. It was
12 determined that the fan requires balancing, which is being planned for the annual
13 maintenance outage. On March 29, 2026, the unit began its planned annual maintenance
14 outage.

15 System requirements in March 2026 were such that two Holyrood TGS units were required
16 to be online, capable of operating at full output. While there were times throughout March
17 2026 when all three Holyrood TGS units were online, only one unit was capable of operating
18 at full capacity while the other two units experienced a series of derations and/or outage
19 requirements due to ongoing issues that were not able to be resolved during the winter
20 operating season. Therefore, between the full availability of Holyrood TGS Unit 2 and the
21 partial availability of Holyrood TGS Units 1 and 3, system requirements were able to be met
22 throughout the month.

23 As described in the April 2026 Monthly Energy Supply Report,⁴ Holyrood TGS Unit 3 was on
24 planned annual maintenance during the month. Holyrood TGS Unit 1 was online and
25 available, albeit derated to 166 MW, during the month.⁵ Holyrood TGS Unit 2 remained
26 online and available at full load until April 9, 2026 when it was taken offline and placed on

⁴ "Monthly Energy Supply Report for the Island Interconnected System for April 2026," Newfoundland and Labrador Hydro, rev. May 21, 2026 (originally filed May 19, 2026).

⁵ On May 1, 2026, the unit was taken offline and placed in standby as it was no longer required to support system requirements.

standby because it was not required to support system requirements. From April 21 to April 30, 2026, the unit was on a planned outage to complete capital work to upgrade the boiler flame scanners. The unit was put online on April 30, 2026, for commissioning of the flame scanners. Online commissioning was completed on May 1, 2026, and the unit was returned to standby as it was not required for system support. The west forced draft fan failed during startup on April 27, 2026. The inboard bearing will require replacement during the unit's planned annual outage. This failure derated the unit to 40 MW during commissioning of the flame scanners.

b) Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to part a). Hydro is not considering a change to its definition of winter months. While Hydro plans the use of its assets in winter and non-winter months, resources are and will continue to be used as necessary to ensure system requirements are met. Due to the age of the Holyrood TGS, and despite continued investment, this may result in more units being online than planned due to ongoing issues resulting in derations and/or outage requirements within the operating season. However, Hydro continues to strive to have all three units available each winter operating season, with only two online to balance cost versus reliability. This is expected to continue until additional resources are approved, constructed, and reliability integrated into the Island Interconnected System.

c) The fuel cost of operating the Holyrood facility in April 2026 was approximately \$9.7 million. This reflects Unit 1 operating for 30 days and Unit 2 for 8.5 days, each at a load of 50 MW, with an energy cost of \$0.21/kWh (38.5 days * 24 hours/day * 50,000 kW * \$0.21/kWh).