Q. Has Hydro conducted any cost-benefit analysis of the cost of adding new wind energy generation to the Island as compared to the number and scale of avoided outages from simply running the LIL above the level indicated in Technical Conference #3 presentation slide 47? If so, please provide the calculations and analysis.

A. As discussed in Newfoundland and Labrador Hydro's ("Hydro") response to IC-NLH-013 of this proceeding, operation at this level would result in a risk of system instability, with the potential for a full outage on the Island Interconnected System. Hydro views this as an unacceptable risk to the system and would not operate the system in this manner; therefore, a cost-benefit analysis has not been completed.

There is potential to offset some of the wind energy earmarked within the Minimum Investment Required Expansion Plan as a result of increasing power transfers over the Labrador-Island Link by either increasing the under frequency load shedding or utilizing batteries for system frequency support when they are proven to be feasible for our system, both of which are under review by Hydro. The above would have no impact on Hydro's proposal to build both capacity options (Bay d'Espoir Unit 8 and the on-Avalon Combustion Turbine) within its Minimum Investment Required Expansion Plan.