

1 **Q. Reference: Life Extension Application, Schedule 1, page 25, lines 6-9**

2 “The work is planned to be executed during the 2028 non-winter season, running from April
3 through to November. The planned schedule indicates an ability to execute the work during that
4 timeframe; however, given the tight timeline for the delivery of critical equipment, there is a risk
5 of equipment not being available as required to meet project schedule.”

6 Overarching Critical Path, Schedule 1, Attachment 3, pages 18-19 of 27.

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8 **a)** Has Hydro considered undertaking aspects of the Life Extension of Bay d’Espoir Unit 7
9 project prior to the complete Unit 7 outage in 2028? Explain why or why not.

10 **b)** What is Hydro’s contingency in the event that the refurbishment is not fully completed
11 in the April to November outage window? Include detail on the contingency plan in
12 relation to the timelines and comments provided in the Assumptions, Exclusions and
13 Opportunities section and Overarching Critical Path section.

14 **c)** Describe the impacts on the remainder of Hydro’s generation assets if Unit 7 is not
15 available for the following winter season.

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18 **A. a)** Yes, Newfoundland and Labrador Hydro (“Hydro”) considered completing the items
19 identified as additional scope in the Life Extension Application,¹ prior to the planned Unit 7
20 outage in 2028. These were the only items that were considered viable options for
21 completion prior to the outage. However, as detailed in Hydro’s response to parts b) and c)
22 of PUB-NLH-004 of this proceeding, Hydro has determined that these items should be
23 executed during the planned 2028 outage.

¹ “Life Extension Application – Bay d’Espoir Unit 7,” Newfoundland and Labrador Hydro, June 20, 2025, sch. 1, p. 14/1–8.

1 **b)** As is the case with any construction project, especially during the refurbishment of an aging
2 asset, there could be any number of issues which would lead to a delay in schedule and
3 ultimately a scenario where the project scope cannot be fully completed within the
4 identified outage window.

5 The overall project schedule is primarily driven by regulatory, critical path procurement and
6 construction activities related to:

- 7 • Receipt of Board of Commissioners of Public Utilities (“Board”) approval of the
8 project within the fourth quarter of 2025;
- 9 • Design, manufacturing, and delivery of the turbine runner;
- 10 • Amount of found work; and
- 11 • Execution of the construction scope within the planned outage window.

12 Execution of the work scope within the planned outage window could slip beyond
13 November 2028 if a major risk event were to occur during any of these activities, such as
14 receipt of Board approval beyond the assumed date; delays in procurement of the runner;
15 an [REDACTED] is discovered following the
16 disassembly of the unit; and inability to complete required execution work within the
17 outage window.

18 As outlined in the Basis of Schedule, Hydro has developed a list of assumptions, risks and
19 opportunities for the various stages of the project, including front-end planning, regulatory
20 and execution, which informed the development of the overall project schedule provided as
21 a part of the application. Hydro has strategies in place in an effort to mitigate risk and
22 maintain the proposed project timeline for completion by November 2028. These include:

- 23 • **Regulatory Approval:** Submission of a robust and fulsome evidence package to the
24 Board in the second quarter of 2025 to enable timely receipt of approval within the
25 fourth quarter of 2025.
- 26 • **Procurement:** Advancing the issuance of key contracts prior to project approval to
27 enable readiness to award upon receipt of Board approval.

- **Lead Times:** Timely award of contracts, and utilization of contracting strategies such as Limited Notice to Proceed for major components, so that equipment is ready, available and on-site to meet the construction window.
- **Schedule Recovery:** Implementation of extra effort (i.e., additional work days or shifts) to recover schedule delays such as those caused by additional found work or equipment delays.

Should the schedule not be able to be recovered as a result of these contingencies and a delayed start were to occur, Hydro would need to determine whether to proceed in 2028 or defer the work to the non-winter load period in 2029, the impact of which is discussed in Hydro's response to PUB-NLH-019 of this proceeding. This decision would be evaluated and informed by contractor execution plans, interface considerations, risk assessments, a detailed review of the system-wide outage, maintenance plans, and system-wide generation availability.

If the Unit 7 scope were delayed beyond November 2028, Hydro assumes that construction would occur during the same outage window in 2029 to ensure alignment with findings from Hatch Ltd.'s Bay d'Espoir Unit 7 Condition Assessment Condition Report ("2023 Condition Assessment"),² which recommended that work on Unit 7 be completed by 2029. However, this would introduce a cascading impact to any outages planned in 2029 and reconsideration of the planned work for 2028. Per the 2023 Condition Assessment findings, deferral beyond 2029 presents an unacceptable risk to the reliable operation of the Island Interconnected System. Delays in addressing the identified deficiencies increase the risk of in-service failure of the asset, which could result in the unavailability of the unit for multiple winter seasons, posing a risk to system reliability.

For information on Hydro's contingency plans should the project start and not be fully complete in the April to November outage window, please refer to Hydro's response to part c) of this response, and part c) of PUB-NLH-010 of this proceeding.

² "Bay D'Espoir Unit 7 Condition Assessment Condition Report," Hatch Ltd., Rev B0, May 3, 2024.

1 **c)** In the event that Hydro proceeded with the Unit 7 work in 2028 and that work could not be
2 completed in sufficient time to enable Unit 7 to return to service in advance of the winter
3 season, Hydro may need to avail of the Holyrood Thermal Generating Station (“Holyrood
4 TGS”) and standby generation to support system reserves, as required. Hydro will continue
5 capital investment to maintain the Holyrood TGS, Stephenville Gas Turbine, and the
6 Hardwoods Gas Turbine until new supply resources can be added to the system.

7 Hydro’s planning basis during the Bridging Period assumes that two Holyrood TGS units will
8 be online, operating at minimum output (70 MW) during winter, with the third unit available
9 if required. In such a circumstance, deliveries of energy to the Island Interconnected System
10 from Labrador via the Labrador-Island Link can also be maximized to the extent possible to
11 support the Island Interconnected System, if required.