

1 Q. **Reference: Life Extension Application, Schedule 1, Attachment 1, Bay d’Espoir Unit 7 Condition**
2 **Assessment Condition Report, page 145 of 225.**

3 “Overall, Bay D’Espoir Unit 7 is in fair condition. There are a few urgent conditions that need to
4 be addressed, but Hatch expects there are a few more years remaining before major overhauls
5 of the turbine and generator are required. Hatch recommends continued monitoring of known
6 deficiencies and to consult the Hatch Uprate Report in addition to this Condition Assessment
7 Report when planning future operations work, major maintenance, and capital improvements.
8 Based on the Uprate Report and the assessed condition of the unit, Hatch recommends
9 overhauling the generator, including a rewind of the stator, refurbish the rotor and to replace
10 the runner with a more efficient and more cavitation resistant design.”

11 The Bay d’Espoir Unit 7 Condition Assessment Condition Report was prepared by Hatch
12 throughout 2023 and approved and filed with Hydro on May 3, 2024. Do the conclusions made
13 by Hatch with respect to the condition assessment of Unit 7 still apply?

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16 A. Yes, the conclusions made by Hatch Ltd. in the Bay d’Espoir Unit 7 Condition Assessment
17 Condition Report (“2023 Condition Assessment”)¹ still apply. The 2023 Condition Assessment
18 recommended that refurbishment be undertaken within five years, as key components are at
19 the end of their service life. This work aligns with Newfoundland and Labrador Hydro’s (“Hydro”)
20 legislated mandate to provide safe, reliable service at the lowest possible cost, in an
21 environmentally responsible manner.

22 Appendix D to the 2023 Condition Assessment identifies 49 deficiencies and recommendations.
23 Of the 49 deficiencies and recommendations, over 65% are categorized as medium or high
24 priority. Complete disassembly of Unit 7 is complex, requires significant outage time and
25 resources, incurs significant cost and has the potential to introduce risk to the assets; therefore,

¹ “Bay D’Espoir Unit 7 Condition Assessment Condition Report,” Hatch Ltd., Rev B0, May 3, 2024.

1 completing the full recommended scope of work as a clustered project within a single outage
2 results in design and contractual efficiencies and also saves customers the cost of the
3 subsequent disassembly and reassembly, estimated at approximately \$5 million.

4 If not executed, the consequences of delaying the project would include elevated risk of unit
5 failure, significant capacity loss to the Island Interconnected System, and an increased
6 probability of unplanned outages, particularly during peak winter periods. Deferral of this work
7 would impose interface issues with the construction of Unit 8, impacting the execution and
8 schedule of that proposed project.

9 Since the report's approval, there has been no indication of any substantial change in Unit 7's
10 condition that would alter these findings. Therefore, Hydro believes it is prudent to perform the
11 unit overhaul as proposed in 2028 to address the identified deficiencies and mitigate the risk of
12 in-service failure of this critical generating asset.