Q. **Reference: Chapter 1, page 1.1**

The Application states *"The Muskrat Falls Hydroelectric Generating Facility, the Labrador Transmission Assets and the Labrador-Island Link (collectively known as the "Muskrat Falls Assets") provide customer benefits by improving system reliability and export/import capability, enabling significant reductions in Holyrood TGS generation and fuel usage, as included in the 2027 Test Year."*

a) Is the effective load meeting capability of the Muskrat Falls assets during a LIL shortfall event 0 MW for six weeks in the winter period?

b) Quantify the benefits that the Muskrat Falls assets have on the reliability of the IIS from a capacity and energy planning perspective. Specifically, provide a comparison of the reliability of the IIS both with and without the Muskrat Falls assets under the LOLH criterion and alternatively, the LIL shortfall event criterion.

c) How does the equivalent forced outage rate assumed for the LIL compare to HVDC transmission elsewhere?

A. Newfoundland and Labrador Hydro's ("Hydro") 2024 Resource Adequacy Plan[1] outlined Hydro's Minimum Investment Expansion Plan, based on a scenario that assumes, among other things, a high level of Labrador-Island Link ("LIL") reliability and the lowest load growth reasonably anticipated for the Island Interconnected System. These assumptions were conservative and intended to serve as a "bookend" scenario, identifying the minimum investment required to serve customers. Importantly, this scenario does not assume zero capacity from the LIL; rather, it assumes that 700 MW of capacity is available from the LIL. It is Hydro's opinion that this and the other information requested is not necessary for a satisfactory understanding of the matters

[1] "2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequacy Study," Newfoundland and Labrador Hydro, rev. August 26, 2024 (originally filed July 9, 2024).

to be considered in the 2026 General Rate Application as required by the *Board of Commissioners of Public Utilities Regulations, 1996*.