

1 Q. **Reference: Hydro's 2027 CBA, Schedule 3, page 14**

2 Hydro states *"It is assumed that units will be mostly online during the winter Operating Months,*
3 *and as such, there will not be a requirement to exercise idle units by starting them and running*
4 *them up to full load regularly."* Further, *"Holyrood TGS units will typically be online and staged to*
5 *meet load requirements, as needed, from mid-October through the March timeframe."*

6 a) Will Holyrood TGS units be online during non-winter months?

7 b) It is understood from CA-NLH-009, Attachment 1 from Hydro's 2025 Build Application
8 that capacity reserve margins in 2027 and 2028 are about 45%. Why is it necessary to
9 keep all three Holyrood TGS units online in the winter months?

10 c) Would the cost of fuel for bringing 3 Holyrood units online during a winter period be
11 about \$144 million ($\$0.21/\text{kWh} * 136 \text{ days} * 24 \text{ hours/day} * 70,000 \text{ kW} * 3 \text{ units}$)?[1]
12 Correct this calculation as necessary.

13 d) Is Hydro committing capital on Holyrood TGS consistent with maintaining current
14 reliability levels equating to a DAUFOP of about 20%?

15 e) If Holyrood were to remain in service beyond 2030, would Hydro commit capital
16 consistent with maintaining current reliability levels equating to a DAUFOP of about
17 20%?

18 f) Will planned outages for work at Bay d'Espoir extend into the winter months?

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21 A. a) In the 2027 Test Year, Holyrood Thermal Generating Station ("Holyrood TGS") units are
22 forecasted to be online outside of the December 1 to March 31 operating months. A
23 single unit is forecasted to be online from October 16 to November 30. The detailed
24 commitments to the model are below:

- 25 • Two Units: January 1–February 28;
- 26 • One Unit: March 1–March 31 (50 MW commitment from March 15–March 31);

- Zero Units: April 1–October 15;
- One Unit: October 16–November 30; and
- Two Units: December 1–December 31.

b) The planning reserve margin is typically used for long-term system planning analysis. In developing the planning reserve margin in the 2024 Resource Adequacy Plan,¹ reference year of 2032 was used with the assumption that Holyrood TGS would be retired by then. Therefore, the reserve margin of about 45% cannot be directly compared to the planning reserve margin.

During the winter, it is not necessary to keep three units online. As described in Newfoundland and Labrador Hydro's ("Hydro") response to part a), two units at Holyrood TGS are required during the peak winter period, with the third unit offline but available.

c) If three units at Holyrood TGS were brought online at minimum for the entire generating period (October 16 to March 31), the total generation would be 817.2 GWh. This assumes that there are no forced outages and the units are allowed to reduce generation to 50 MW from March 15 onward.

Based on the forecasted cost of fuel at Holyrood TGS in the 2027 Test Year of \$142.8/MWh, this represents a fuel cost of about \$117 million.

d) Hydro is committed to investing necessary capital expenditures to ensure the availability of all three units at Holyrood to support system reliability until such time that generation at Holyrood is displaced by new supply options, such as those currently before the Board of Commissioners of Public Utilities in Hydro's 2025 Build Application.² It is Hydro's opinion that the information requested is not necessary for a satisfactory

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).

² "2025 Build Application – Bay d'Espoir Unit 8 and Avalon Combustion Turbine", Newfoundland and Labrador Hydro, March 21, 2025.

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

3 **e)** Please refer to Hydro's response to part d).

4 **f)** Planned outages for Bay d'Espoir Hydroelectric Generating Station are forecasted to
5 begin after March 31 and end prior to December 1; thus, they are not expected to
6 extend into the winter months.