

1 Q. **Reference: CA-NLH-025**

2 It is stated "The requested information relates specifically to Newfoundland and Labrador
3 Hydro's ("Hydro") 2025 Build Application and Reliability and Resource Adequacy Study Review
4 proceeding." The context of the RFI relates to the various classifications and allocations used in
5 the 2027 Test Year Cost of Service Study. In this context, please provide the following.

6 a) What is the risk of loss-of-load in 2027 during the winter and non-winter months, and
7 how much of this is attributable to the unreliability of i) the LIL, and ii) Holyrood?

8 b) What is the risk of loss-of-load in 2027 during a LIL Shortfall Event?

9 c) What is Hydro's target capacity reserve margin in 2027 based on: 1) its operating
10 criterion, 2) its LOLH criterion, and 3) the LIL Shortfall Event criterion, and which of these
11 criteria is used to define the number of Holyrood TGS units required for service?

12 d) Why is it necessary to have a LIL shortfall event criterion in addition to the LOLH
13 criterion which assumes different LIL outage probabilities?

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16 A. Newfoundland and Labrador Hydro ("Hydro") notes that the majority of the cost of service
17 methodology applicable to the 2027 Test Year Cost of Service Study has already been addressed
18 through the 2026 Cost of Service Settlement Agreement and Board of Commissioners of Public
19 Utilities ("Board") Order No. P.U. 14(2026). The Board accepted the cost of service methodology
20 recommendations contained in that Settlement Agreement. The matters concerning the
21 continuation of the cost of service treatment of the Holyrood Thermal Generating Station
22 ("Holyrood TGS") were deferred to the 2026 General Rate Application ("GRA").

23 As discussed in Chapter 6, Section 6.2.2 of Hydro's 2026 GRA, Hydro has referenced its Reliability
24 and Resource Adequacy Study – 2022 Update¹ in describing the operational characteristics of

¹ "Reliability and Resource Adequacy Study – 2022 Update," Newfoundland and Labrador Hydro, October 3, 2022.

1 the Holyrood TGS and, in particular, Hydro's conclusion that the Holyrood TGS is not suitable for
2 operation as a standby generating facility to be called upon in the event of an unplanned
3 Labrador-Island Link outage. This evidence provides context regarding the operational role of
4 the Holyrood TGS relevant to Hydro's proposed cost of service treatment.

5 However, Hydro's proposed cost of service treatment is not based on the reliability analyses
6 requested in parts a) through d). Hydro proposes to continue the cost of service treatment
7 previously approved by the Board (i.e., that the classification of the Holyrood TGS generation
8 costs, excluding fuel, be based on a test year forecast capacity factor and that Holyrood TGS fuel
9 costs be classified as 100% energy). The basis for this proposal is provided in Chapter 6, Section
10 6.2.2 and Exhibit 14 of Hydro's 2026 GRA.

11 Accordingly, Hydro does not consider it necessary for a satisfactory understanding of the cost of
12 service proposals before the Board in this GRA to reproduce or develop the additional reliability
13 and resource adequacy analyses requested. Please refer to the evidence and responses to
14 requests for information filed in Hydro's *Reliability and Resource Adequacy Study Review* and
15 2025 Build Application² proceedings for information concerning Hydro's reliability planning
16 criteria and associated analyses.

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