

1 Q. **Reference: Responses to NP-NLH-104 and NP-NLH-108**

2 Should a performance-based analysis of the thermal credit be conducted given the thermal
3 generation requests reported in NP-NLH-104 and the operation of the Greenhill and Wesleyville
4 gas turbines reported in NP-NLH-108? If no, state what additional data would be required and
5 when Hydro expects to have it.

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8 A. At this time, a performance-based assessment of the thermal generation credit has limited
9 applicability due to the small number of instances in which Newfoundland and Labrador Hydro
10 ("Hydro") has requested thermal generation from Newfoundland Power Inc., as shown in
11 Table 1 of Hydro's response to NP-NLH-104 of this proceeding. The limited historical dataset
12 does not provide a sufficient basis to establish a reliable credit derived from observed
13 performance.

14 Furthermore, thermal generation is inherently less variable than hydraulic generation because
15 its output is not dependent on hydrological conditions. As a result, there is less uncertainty
16 associated with the availability and performance of thermal generation. Given both the limited
17 historical dataset and the lower variability of thermal generation relative to hydraulic
18 generation, Hydro has not recommended any changes to the existing methodology used to
19 determine the thermal generation credit.