

1     **Q.       Reference: Response to NP-NLH-105**

2             Hydro identifies four reasons for requesting Newfoundland Power to maximize available  
3             hydraulic generation, (i) economic dispatch (i.e., before increasing loading on Holyrood units),  
4             (ii) to support system reserves. (iii) facilitating equipment outages and (iv) offsetting  
5             transmission line corridor limits.

6             **a)** When did Hydro begin using these four reasons to formally request Newfoundland  
7             Power to maximize its hydraulic generation?

8             **b)** Explain how each of these four reasons relate to the requirement for Newfoundland  
9             Powers hydraulic generators to support peak day capacity needs.

10            **c)** Rank the four reasons in order of priority from highest to lowest with the highest  
11            priority having the greatest impact on the operation of the Island Interconnected  
12            System.

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15     **A.       a)** Newfoundland and Labrador Hydro (“Hydro”) developed an operating procedure on  
16             September 26, 2014 that contained the reasons for requesting Newfoundland Power Inc.  
17             (“Newfoundland Power”) generation. At that time, economic dispatch, supporting system  
18             reserves<sup>1</sup> and facilitating equipment outages were all documented in the operating  
19             procedure. When this operating procedure was revised in October 2018, offsetting  
20             transmission line corridor limits was added. The reason for this addition is to ensure system  
21             operating limits (“SOL”) are not violated. The request for Newfoundland Power hydraulic  
22             generation for this reason is primarily related to the TL201/TL217 transmission and would  
23             involve a request to maximize Avalon generation.

24            **b)** The four reasons provided in Hydro’s response to NP-NLH-105 of this proceeding outline all  
25            of the reasons Hydro has requested Newfoundland Power to run its hydraulic and thermal

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<sup>1</sup> Initially named “maintaining generation reserve capacity.”

1 generation. When Hydro requests Newfoundland Power to maximize hydraulic generation  
2 to support peak day capacity needs, it is to support Island system reserves, which in turn can  
3 reduce loading on Holyrood units, if the Holyrood units are operating above minimum  
4 output. Hydro's requests for Newfoundland Power to maximize hydraulic generation to  
5 facilitate equipment outages and/or offset transmission line corridor limits to ensure system  
6 operating limits are not exceeded, typically occur during the non-winter period.

7 c) Hydro would rank the reasons for dispatching Newfoundland Power generation in the  
8 following order of priority, from highest to lowest impact on the operation of the Island  
9 Interconnected System:

- 10 i. Supporting system reserves and/or offsetting transmission line corridor limits to  
11 ensure SOLs are not violated.
- 12 ii. Facilitating equipment outages.
- 13 iii. Economic dispatch (e.g., before increasing loading on Holyrood units).

14 This ranking reflects the principle that maintaining system reliability takes precedence over  
15 operational flexibility and economic considerations. Preventing violations of transmission  
16 SOLs and maintaining adequate operating reserves are fundamental reliability  
17 requirements. Facilitating equipment outages is an important operational consideration but  
18 can generally be planned for in advance. Economic dispatch objectives are pursued only  
19 after reliability requirements have been satisfied.