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

In an effort to determine if Holyrood TGS remains used and useful and if expenditures proposed in the 2027 CBA are justified, please respond to the following.

a) Please define Hydro's short-term and long-term planning criteria, and the planning criteria applicable to the winter of 2027/28. Please explain why different planning criteria are used for the short-term versus the long-term.

b) Assuming no prolonged LIL shortfall event, will Hydro be in a position to provide sufficient capacity and energy to the IIS in the winter of 2027/28 if none of the 3 units at Holyrood TGS are available in generation mode? If not, please identify the frequency and magnitude of expected shortfalls.

c) Assuming no prolonged LIL shortfall event, if only Holyrood TGS Unit 3 is available in generation mode, will there be sufficient capacity and energy available to supply the IIS in the winter of 2027/28? If not, please identify the frequency and magnitude of expected shortfalls.

A. The Holyrood Thermal Generating Station ("Holyrood TGS") is providing service to customers on the Island Interconnected System, and Newfoundland and Labrador Hydro's ("Hydro") analysis in its previous proceedings is that the Holyrood TGS will continue to be needed through the Bridging Period until such time that it is displaced by additional generation on the Island Interconnected System. Hydro notes that the determination of whether particular assets are reflected in customer rates is a matter addressed in rate proceedings and is not the subject of the present Capital Budget Application ("CBA").

a) Hydro's planning criteria were reviewed in the *Reliability and Resource Adequacy Study Review* proceeding. The parties to the Settlement Agreement entered into in that proceeding agreed that the planning criteria used in developing Hydro's

recommendations, including the requirement for the Holyrood TGS to continue operations in the near term, were adequate at that time. It was also agreed that Hydro would continue to study that criteria and report on their applicability for planning purposes in Hydro's next Resource Adequacy Plan.

b) Hydro is currently evaluating a range of system configurations and resource availability scenarios as part of the 2026 Near-Term Reliability Report. The requested scenarios form part of that broader reliability assessment and the results will be provided through that process. Hydro's evaluation of those scenarios remains ongoing. Following the conclusions of this analysis, Hydro will assess any potential impacts to its capital plans. However, it is Hydro's opinion that the requested information is not relevant to the determination of the necessity or prudence of the proposed capital expenditures in the 2027 CBA.

c) Please see Hydro's answer to part b).