

1 Q. Reference: Hydro's November 30, 2016 *Energy Supply Risk Assessment*
2 On Page ES-2 of the Liberty Consulting Group *Review of Newfoundland and*
3 *Labrador Hydro Power Supply Adequacy and Reliability Prior to and Post Muskrat*
4 *Falls – Final Report*, it states:
5 *“Liberty expects that new supply will be needed before Muskrat Falls is in service, to*
6 *mitigate near-term supply issues, and after Muskrat Falls is in service, to mitigate*
7 *the impact of extended outages of the Labrador Island Link (LIL). The additional*
8 *supply can be sourced through firm purchases, if available, over the Maritime Link or*
9 *additional new generation on the IIS.”*

10 Please provide Hydro's current views on the need for new supply to mitigate the
11 impact of extended outages on the Labrador Island Link after Muskrat Falls is in
12 service.

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15 A. Hydro's currently accepted planning criteria underlies all analysis performed in the
16 justification of additional generation on the system. The analysis that has been
17 completed to date by Hydro, covering the timeframes before the integration of the
18 Muskrat Falls project, through integration and after decommissioning of the
19 Holyrood Generating Station, do not provide adequate justification to install any
20 additional generation supply. Therefore, it is Hydro's current view that, based on its
21 current planning criteria, there is no requirement to supply additional generation
22 on the Island Interconnected System.

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24 Hydro understands that through the process of the Phase II Inquiry, there may be
25 adjustments to planning criteria required as a result of the analysis and input from
26 the parties and ultimately, by a decision of the Board. Hydro respects the process

1 underway and looks forward to a thorough discussion on the planning criteria, the
2 cost impact, and the potential impact on any changes to reliability.

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4 Hydro continues to maintain a portfolio of potential generation additions, and will
5 ensure that appropriate engineering estimates are maintained for expedited
6 decision making should additional generation be required.