Newfoundland and Labrador Hydro
Hydro Place. 500 Columbus Drive
P.O. Box 12400. St. John's. NL
Canada A1B 4K7
t. 709.737.1400 I f. 709.737.1800
nlhydro.com

January 19, 2025

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Monthly Energy Supply Report for the Island Interconnected System for December 2025

Enclosed please find Newfoundland and Labrador Hydro's Monthly Energy Supply Report for the Island Interconnected System as directed by the Board of Commissioners of Public Utilities.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/mc

Encl.

ecc:

Board of Commissioners of Public Utilities
Jacqui H. Glynn
Ryan Oake
Board General

Consumer Advocate
Dennis M. Browne, KC, Browne Fitzgerald Morgan & Avis
Stephen F. Fitzgerald, KC, Browne Fitzgerald Morgan & Avis
Sarah G. Fitzgerald, Browne Fitzgerald Morgan & Avis
Bernice Bailey, Browne Fitzgerald Morgan & Avis

Linde Canada Inc.
Sheryl E. Nisenbaum
Peter Strong

Newfoundland Power Inc.
Dominic J. Foley
Douglas W. Wright
Regulatory Email

Teck Resources Limited
Darren Hennessey

Island Industrial Customer Group
Paul L. Coxworthy, Stewart McKelvey
Denis J. Fleming, Cox & Palmer
Glen G. Seaborn, Poole Althouse

Monthly Energy Supply Report for the Island Interconnected System for December 2025

January 19, 2026

A report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

Contents

List of Appendices

1.0 Introduction

On February 8, 2016, the Board of Commissioners of Public Utilities ("Board") requested Newfoundland and Labrador Hydro ("Hydro") file a biweekly report containing, but not limited to, the following:

1) System Hydrology Report;

2) The thermal plant operated in support of hydrology;

3) Production by plant/unit; and

4) Details of any current or anticipated long-term derating.

In July 2016, the Board indicated that a monthly report would thereafter be sufficient. This report provides data for December 2025.

Ownership of the Water Management function resides within Hydro in the Resource and Production Planning department and is at all times guided by Hydro's operating instructions and environmental standards. This group works in consultation with Energy Marketing to optimize the use of Hydro's hydrologic resources through imports/exports and to ensure that the security of supply for domestic load for Hydro's customers remains paramount in all decisions, ensuring the delivery of least-cost, reliable service in an environmentally responsible manner.

2.0 System Hydrology

Reservoir inflows in December 2025 were 10% above the month's historical average.[1] Table 1 summarizes the aggregate storage position of Hydro's reservoirs at the end of the reporting period.

Table 1: System Hydrology Storage Levels

Date	2025 (GWh)	2024 (GWh)	20-Year Average (GWh)	Minimum Storage Limit (GWh)	Maximum Operating Level (GWh)	Maximum Operating Level (%)
31-December-2025	1,586	1,884	1,976	1,057	2,452	65

[1] Calculated in terms of energy [gigawatt hour ("GWh")].

The aggregate reservoir storage level on December 31, 2025 was 1,586 GWh, which is 35% below the seasonal maximum operating level and 50% above the minimum storage limit.[2] Total system energy for the month increased by 73 GWh overall, resulting in a total system energy storage 390 GWh below the 20-year average. Inflows to the reservoirs of the Bay d'Espoir Hydroelectric Generating Station ("Bay d'Espoir") were 112% of average in December 2025. Inflows to the Hinds Lake Reservoir were 104% of average and inflows to the Cat Arm Reservoir were 108% of average during the month.

The total precipitation of rain and snow throughout the month of December across Hydro's reservoir system was 173 mm at Burnt Dam, 169 mm at Long Pond, and 181 mm at Hinds Lake.

Table 2 summarizes the unit outages experienced during December 2025.

Table 2: December 2025 Unit Outage Summary

Unit Name	Date Offline	Return to Service	Outage type	Notes
Bay d'Espoir Unit 1	March 31	Ongoing[3]	Planned outage	n/a
Bay d'Espoir Unit 2	March 31	December 19	Planned outage	n/a
Granite Canal	December 26	December 26	Unplanned outage	Unit lockout due to vibration alarm.
Cat Arm Unit 1	December 29	December 30	Unplanned outage	Unit experienced issue on startup. No generation data signal due to loose terminal box connection.

Figure 1 plots the 2024 and 2025 storage levels, minimum storage limits, maximum operating level storage, and 20-year average aggregate storage for comparison. In addition to the 2024–2025 limits presented in Figure 1, Hydro has established the minimum storage limits to April 30, 2026.[4] The minimum storage limits for 2025–2026 have been updated as of September 30, 2025 utilizing the LIL

[2] Minimum storage limits are developed annually to provide guidance in the reliable operation of Hydro's major reservoirs—Victoria, Meelpaeg, Long Pond, Cat Arm, and Hinds Lake. The minimum storage limit is designed to indicate the minimum level of aggregate storage required such that if there was a repeat of Hydro's critical dry sequence, or other less severe sequence, Hydro's load can still be met through the use of the available hydraulic storage supplemented with maximized deliveries of power from the Muskrat Falls Hydroelectric Generating Facility ("Muskrat Falls") over the Labrador-Island Link ("LIL"). Hydro's long-term critical dry sequence is defined as January 1959 to March 1962. Other dry periods are also considered during this analysis to ensure that no other shorter-term historic dry sequence could result in insufficient storage.

[3] The unit was released for service on January 8, 2026.

[4] The minimum storage methodology was updated to ensure Hydro's reservoirs could continue to provide reliable service to customers at the lowest possible cost, in an environmentally responsible manner. The 2025–2026 analysis assumed that only two units at the Holyrood Thermal Generating Station ("Holyrood TGS") would be online and operating at minimum load during the winter 2025–2026 period.

transmission limits associated with the full or final under-frequency load shedding ("UFLS") scheme as opposed to the previously presented and interim UFLS scheme. The final UFLS scheme was implemented on November 24, 2025. The LIL final UFLS scheme allows for incrementally more LIL energy to be brought to the Island without the need to export more energy over the Maritime Link ("ML") export path. This resulted in a small adjustment downwards of the monthly minimum storage limits.

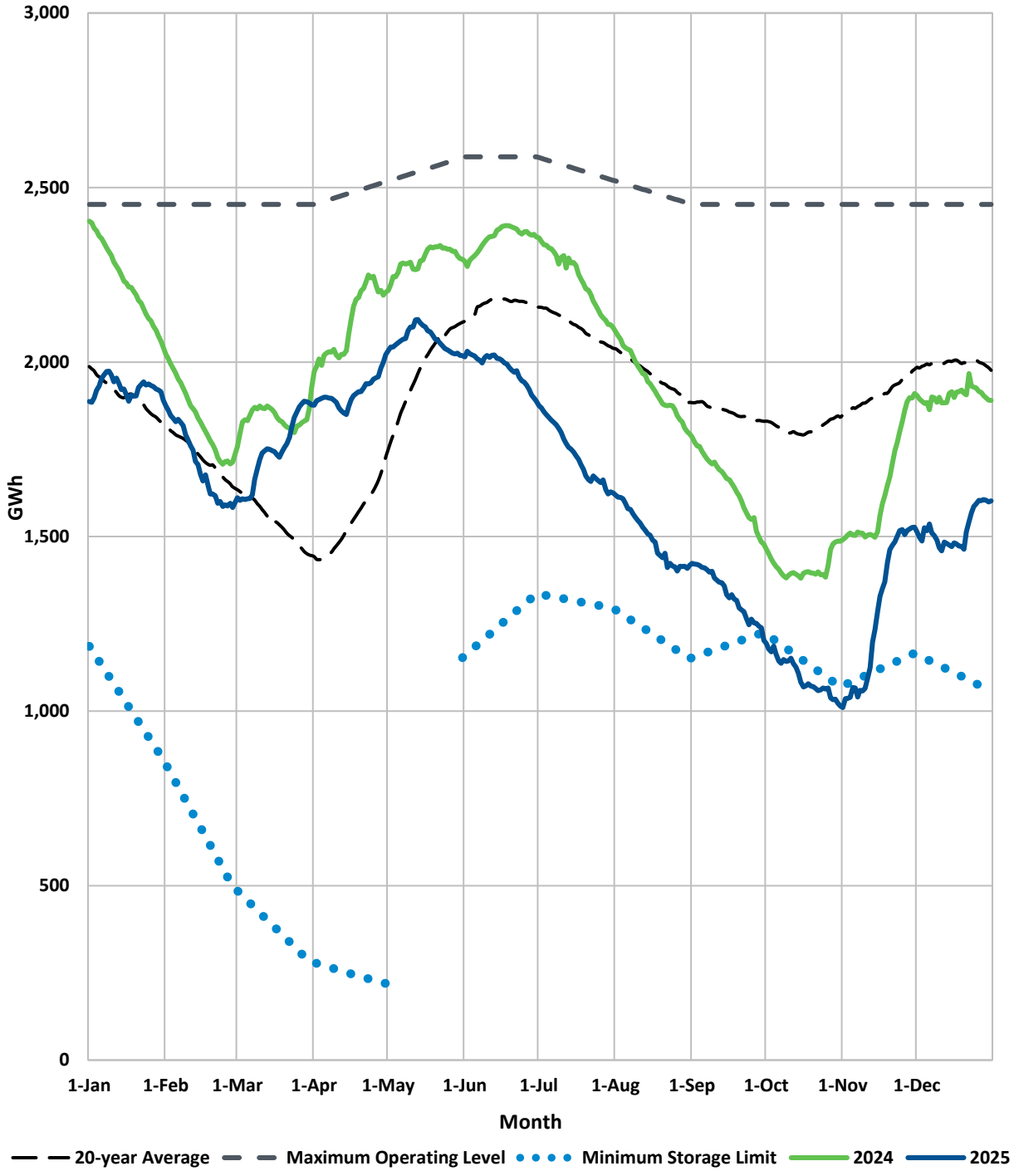

Figure 1: Total System Energy Storage[5]

[5] Data points in Figure 1 represent storage at the beginning of each day. Table 1 reports the end-of-day storage values, which results in a small difference between the storage data presented in Table 1 and Figure 1.

2.1 Ponding

In Board Order No. P.U. 49(2018), the Board approved Hydro's application for approval of a Pilot Agreement for the Optimization of Hydraulic Resources ("Pilot Agreement").[6] The intent of the Pilot Agreement is to optimize Hydro's hydraulic resources through the strategic use of its storage capabilities, taking advantage of the variability of energy pricing in external markets over time.

Appendix A provides information regarding imported and exported energy transactions under the Pilot Agreement during the month. No ponding exports or imports occurred over the ML during December 2025. Exports from Island sources have been placed on hold since July 2025.

2.2 Spill Activity

Appendix A provides information regarding spill avoidance export transactions undertaken.[7] No releases of water were required at any locations on the Island Interconnected System in December 2025, and no spill avoidance exports were required during the month. A summary of the year-to-date ("YTD") total volumes spilled or bypassed in both MCM[8] and GWh can be found in Table 3.

Table 3: Spill Activity

	Granite Canal Bypass		Upper Salmon Bypass		Burnt Dam Spillway	
	MCM	**GWh**	**MCM**	**GWh**	**MCM**	**GWh**
31-December-2025	0.0	0.0	0.0	0.0	0.0	0.0
YTD Total	**22.8**	**2.2**	**0.0**	**0.0**	**0.0**	**0.0**

[6] The Third Amended and Restated Pilot Agreement for the Optimization of Hydraulic Resources was approved as per Board Order No. P.U. 35(2022), and was extended as per Board Order No. P.U. 30(2023), Board Order No. P.U. 29(2024), and again in Board Order No. P.U. 37(2025).

[7] Pursuant to the Pilot Agreement, exporting when system load is low allows for increased generation from Island hydraulic facilities and the utilization of water (energy) that would have otherwise been spilled, while not increasing the risk of spill elsewhere in the system.

[8] Million cubic metres ("MCM").

3.0 Production and Purchases

Appendix B provides a breakdown of power purchases, including the import and export activity over the LIL and ML and production by plant during December 2025.[9] There was no energy repaid from CBPP to Energy Marketing under the Temporary Energy Exchange Agreement in December 2025. There was 3.2 GWh of emergency energy, including losses, supplied to Nova Scotia over the ML during December 2025.

4.0 Thermal Production

Holyrood TGS Units 1 and 2 were online during the month of December 2025 for system requirements. Total energy production from Holyrood TGS for the month was 99.6 GWh. Standby generation was not used to support reservoir storage. The operating hours for the Holyrood TGS, Holyrood Combustion Turbine ("CT"), and the Hardwoods and Stephenville Gas Turbines ("GT") are summarized in Table 4.

Table 4: **Holyrood TGS and Combustion Turbines Operating Hours**

	Operating Hours	Sync Condense Hours	Available Hours
Holyrood TGS			
Unit 1	742.6	0.0	742.6
Unit 2	657.2	0.0	657.2
Unit 3	0.0	0.0	0.0
Combustion Turbines			
Hardwoods GT	3.2	735.1	738.2
Stephenville GT	1.5	0.0	744.0
Holyrood CT	14.5	0.0	744.0

5.0 Unit Deratings

Holyrood TGS Unit 1 was operating under a scheduled derate to 150 MW at the beginning of December pending completion of on-line safety valve testing. The safety valve testing was completed on December 2, 2025 and a load test determined that the unit was derated to 163 MW due to an issue with condenser back-pressure. The issue is being investigated but no resolution has yet been determined. This derating remained during the entire month of December. On December 17, 2025, the unit tripped during a load

[9] On October 1, 2025, Hydro entered into a third six-month power purchase agreement with Corner Brook Pulp and Paper Limited ("CBPP") as directed by the Government of Newfoundland and Labrador. The power purchase agreement with CBPP provides Hydro with 80 GWh of non-firm energy from October 1, 2025 to March 31, 2026, inclusive.

test when the bypass valve on the Number 6 high pressure feedwater heater failed to operate. The unit was returned to service on the same day. The on-going derate due to condenser back-pressure was adjusted to 160 MW based on the results of that load test. The unit remained derated for the remainder of the month.

Holyrood TGS Unit 2 was on-line with full capability for the month of December with three exceptions. On December 9, 2025, the unit was derated to 130 MW due to a fuel pump issue. On December 10, the unit was taken off-line for a planned maintenance outage to perform several activities including an air heater wash, generator brush change-out, correction of hydrogen leaks on the generator, correction of a hydraulic leak on the turbine control system. This outage also corrected fuel pump issues which had resulted in the unit derating to 130 MW on December 9, 2025. The unit was returned to service at full capacity on December 13, 2025. On December 17, 2025 the unit tripped offline due to an issue with the feedwater control system. The unit was returned to service the same day.

Holyrood TGS Unit 3 was on a planned annual outage to complete the turbine overhaul until December 2, 2025. From December 2, 2025 to December 18, 2025 the unit was on a forced extension of the planned outage due to additional work required to restore the stage #7 diaphragm in the intermediate pressure section of the turbine. For the remainder of December, the unit was on a planned outage to complete the turbine overhaul, which was extended as a result of the failure of the turbine hall overhead crane at the Holyrood TGS.

The Holyrood CT and Stephenville GT were available for the entire month of December.

The Hardwoods GT was available at full capacity for the entire month of December except for a forced derating of the unit to 25 MW that started on November 20, 2025. End A was made unavailable due to the on-engine fuel pump gear box which experienced a bearing failure. A replacement gear box was installed and the unit returned to service on December 6, 2025. The unit was also unavailable on December 11, 2025 due to a planned outage to complete winter readiness checks.

Appendix A

Ponding and Spill Transactions

Table A-1: Ponding Transactions

Date	Ponding Imports (MWh)	Ponding Exports (MWh)	Ponding Imports Purchased by Hydro (MWh)	Transfer of Pond Balance to Spill Avoidance (MWh)	Energy Losses to Export (MWh)	Cumulative Ponded Energy (MWh)
Opening Balance	-	-	-	-	-	**(5,097)**
Total[1]	-	-	-	-	-	-

Table A-2: Avoided Spill Energy

Date	Avoided Spill Exports (MWh)	Energy Losses to Export (MWh)	Transfer of Pond Balance to Spill Avoidance (MWh)	YTD Avoided Spill Energy (MWh)
Opening Balance	-	-	-	-
Total[2]	-	-	-	-

[1] Total transactions for December 2025.
[2] Total transactions for December 2025.

Appendix B

Production and Purchases

Table B-1: Generation and Purchases (GWh)[1,2]

	Dec-25	YTD Dec 2025
Hydro Generation (Hydro)		
Bay d'Espoir		
Unit 1	0.0	121.6
Unit 2	17.7	127.7
Unit 3	32.5	403.7
Unit 4	25.0	238.7
Unit 5	43.5	278.1
Unit 6	44.0	346.1
Unit 7	96.2	850.6
Subtotal Bay d'Espoir	258.9	2,366.5
Upper Salmon	45.3	527.7
Granite Canal	22.1	214.5
Hinds Lake	33.9	304.9
Cat Arm		
Unit 1	27.7	363.3
Unit 2	28.9	369.7
Subtotal Cat Arm	56.6	733.0
Paradise River	4.7	28.4
Star Lake	12.7	119.2
Rattle Brook	1.0	12.0
Exploits	38.4	503.5
Mini Hydro	0.0	0.0
Total Hydro Generation (Hydro)	**473.6**	**4,809.7**
Thermal Generation (Hydro)		
Holyrood TGS		
Unit 1	53.5	296.7
Unit 2	46.1	341.6
Unit 3	0.0	138.4
Subtotal Holyrood TGS Units	99.6	776.7
Holyrood Combustion Turbine and Diesels	0.8	5.6
Hardwoods Gas Turbine[6]	0.0	1.4
Stephenville Gas Turbine	0.0	1.1
Other Thermal	0.0	0.4
Total Thermal Generation (Hydro)	**100.4**	**785.3**
Purchases		
Requested Newfoundland Power and Vale	0.0	0.1
CBPP		
Capacity Assistance	0.0	0.0
Power Purchase Agreement	31.4	106.1
Secondary	0.0	0.6
Co-Generation	0.0	32.8
Subtotal CBPP	31.4	139.6
Wind Purchases	20.6	181.2
Maritime Link Imports[3]	0.0	21.7
New World Dairy	0.2	1.5
Labrador Island Link Delivery to IIS[4,5]	208.1	1,214.4
Total Purchases	**260.3**	**1,558.5**
Total	**834.3**	**7,153.5**

[1] Gross generation.

[2] Actuals reflect rounded values to the nearest tenth of a GWh. Differences between total versus addition of individual components due to rounding.

[3] Includes energy flows as a result of purchases and inadvertent energy.

[4] LIL deliveries to the Island Interconnected System are calculated as LIL imports of 374.4 GWh less ML exports of 166.3 GWh.

[5] Net energy delivered to the Island Interconnected System is less than the total energy delivery to Hydro under the Muskrat Falls Power Purchase Agreement because of transmission losses on the LIL.