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March 17, 2026

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

Attention: Colleen Jones
Assistant Board Secretary

Re: Monthly Energy Supply Report for the Island Interconnected System for February 2026

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:

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Monthly Energy Supply Report for the Island Interconnected System for February 2026

March 17, 2026

A report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

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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 February 2026.

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 February 2026 were 68% below 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	2026 (GWh)	2025 (GWh)	20-Year Average (GWh)	Minimum Storage Limit (GWh)	Maximum Operating Level (GWh)	Maximum Operating Level (%)
28-February-2026	1,203	1,614	1,628	480	2,452	49

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

The aggregate reservoir storage level on February 28, 2026 was 1,203 GWh, which is 51% below the seasonal maximum operating level and 151% above the minimum storage limit.[2] Total system energy for the month decreased by 370 GWh overall, resulting in a total system energy storage 425 GWh below the 20-year average. Inflows to the reservoirs of the Bay d'Espoir Hydroelectric Generating Station ("Bay d'Espoir") were 26% of average in February 2026. Inflows to the Hinds Lake Reservoir were 41% of average and inflows to the Cat Arm Reservoir were 103% of average during the month.

Total precipitation throughout the month of February across Hydro's reservoir system was 62 mm at Burnt Dam, 40 mm at Long Pond, and 48 mm at Hinds Lake. Daily average temperatures across the island remained below freezing and there were no rain or snowmelt events.

The February snow survey of the island hydroelectric system took place from February 16 to 19, 2026. This survey covered the Bay d'Espoir system and the Hinds Lake watershed. Due to poor weather conditions throughout the week, the Cat Arm watershed, as well as the Granite Lake sub-basin of the Bay d'Espoir system, were unable to be surveyed. This year's survey found that measured snow water equivalents across the island reservoirs were below the long-term historical average at all locations. When compared with the long-term historical averages at each location, Long Pond snowpack was found to be 57% of average, Upper Salmon snowpack was 70% of average, Meelpaeg was 68% of average, Burnt Pond was 70% of average, Victoria Lake was 75% of average and Hinds Lake was 89% of average.

[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.

Table 2 summarizes the unit outages experienced during February 2026.

Table 2: February 2026 Unit Outage Summary

Unit Name	Date Offline	Return to Service	Outage type	Notes
Bay d'Espoir Unit 3	February 4, 2026	February 5, 2026	Unplanned outage	Shear pin failure.
Cat Arm Unit 2	February 5, 2026	February 5, 2026	Unplanned outage	Energy Control Centre lost communication to the unit.
Granite Canal Unit	February 27, 2026	February 27, 2026	Unplanned outage	Overfrequency event caused by Maritime Link trip.
Upper Salmon Unit	February 27, 2026	February 27, 2026	Unplanned outage	Overfrequency event caused by Maritime Link trip.

Figure 1 plots the 2025 and 2026 storage levels, minimum storage limits, maximum operating level storage, and 20-year average aggregate storage for comparison. Hydro has established the minimum storage limits to April 30, 2026.[3,4]

[3] The minimum storage limits for 2025–2026 have been updated as of September 30, 2025 utilizing the LIL 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 ML export path. This resulted in a small adjustment downwards of the monthly minimum storage limits.

[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.

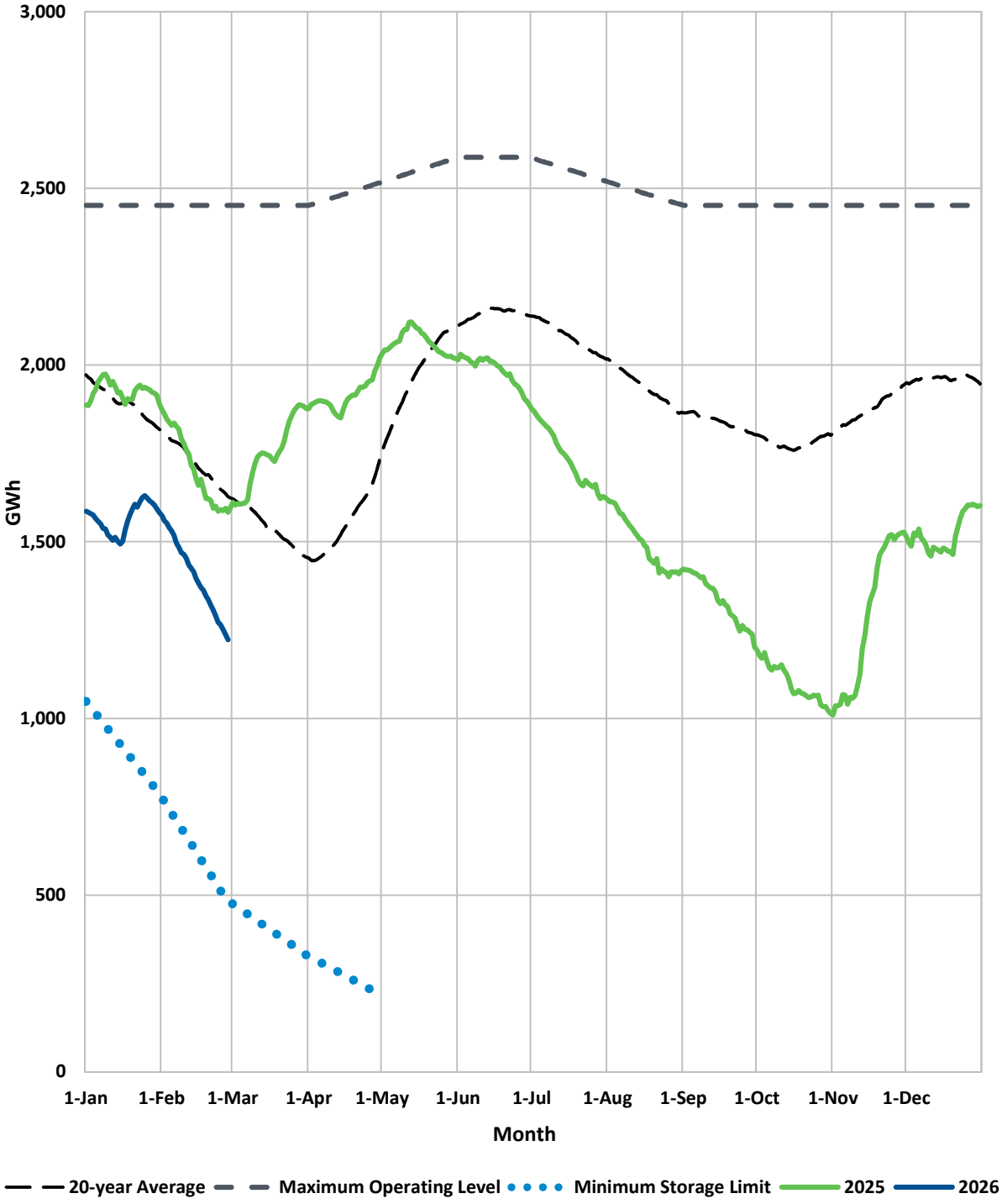

Figure 1: Total System Energy Storage[5]

[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 Maritime Link ("ML") during February 2026. 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 February 2026, 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**
28-February-2026	-	-	-	-	-	-
YTD Total	**0.0**	**0.0**	**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 February 2026.[9] There was no energy repaid from Corner Brook Pulp and Paper ("CBPP") to Energy Marketing under the Temporary Energy Exchange Agreement in February 2026. There was 0.2 GWh of emergency energy, including losses, supplied to Nova Scotia over the ML during February 2026.

4.0 Thermal Production

Holyrood TGS Units 1 to 3 were online during the month of February 2026 for system requirements and testing purposes. Total energy production from Holyrood TGS for the month was 114.8 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	647.1	0.0	647.1
Unit 2	551.1	0.0	551.1
Unit 3	338.8	0.0	338.8
Combustion Turbines			
Hardwoods GT	5.5	666.5	672
Stephenville GT	3.4	0	667.8
Holyrood CT	2.1	0	668.5

5.0 Unit Deratings

Holyrood TGS Unit 1 was operating under a derate to 160 MW at the beginning of February 2026 due to an issue with high condenser back pressure. On February 3, the unit was taken offline for a planned maintenance outage to change generator brushes and complete an air heater wash. The unit was

[9] In January 2026, Hydro entered into a fourth power purchase agreement ("PPA") with CBPP as directed by Government. The power purchase agreement with CBPP provides Hydro with 140 GWh of non-firm energy from the expiry of the October 2025 PPA to June 30, 2026, inclusive. The October 2025 PPA was delivered in full in January 2026.

returned to service on February 4. On February 6, the unit was load tested to 165 MW, marking a small increase in unit capability upon completion of the outage. Between February 7 and 9, Hydro had a contractor on site to complete online vacuum leak testing of the condenser. This testing identified issues with the Unit 1 vacuum pumps. Despite efforts to improve the vacuum pump performance, the unit remains de-rated to 165 MW and may remain de-rated until the annual outage, when vacuum pump issues will be fully addressed.

Holyrood TGS Unit 2 was online with a de-rating to 70 MW at the beginning of February. This de-rating was due to a failed boiler safety valve that had been damaged during a unit trip that occurred on January 22, 2026. Repair of this valve required an outage of approximately 5 days to complete, which was approved to begin on February 11. The outage work was completed and the unit returned to service on February 16, with a scheduled de-rate to 150 MW pending completion of online safety valve testing. This safety valve testing was completed on February 20 and a load test was completed, which was limited to 163 MW due to high condenser back pressure. Operations completed a backwash of the condenser and on February 24, the unit was load tested to 170 MW. The unit remained capable of full load for the remainder of February.

Holyrood TGS Unit 3 was on a forced extension of a planned outage to complete the turbine overhaul at the beginning of February 2026. This outage had been extended on January 22, when during commissioning activities, a large amount of lubrication/seal oil was inadvertently leaked into the generator. For the remainder of January and until February 5, the unit was on a forced extension of the planned outage to allow for investigation, removal of the oil, and testing of the generator to ensure full recovery. On February 5, the recovery effort had been completed and commissioning resumed under the planned outage. Unit 3 was synchronized to the grid on February 12 to begin online commissioning, including overspeed testing, turbine valve commissioning, as well as commissioning of the boiler and other systems that had not been operational for approximately one year. On February 14, the Over Speed Testing had been completed and commissioning continued, with the unit available for 70 MW. On February 17, online boiler safety valve testing was completed and the unit was run up to 100 MW. Additional commissioning of burners was required and a failed lube oil gasket on the west boiler feed pump had to be replaced before further load increases could be made. On February 22, the west boiler feed pump had been returned to service and other commissioning was completed. The unit was considered available for full load. A load test was completed on February 24 with the unit limited to 142 MW due to burner issues. On February 24, the unit tripped due to vibration on the west forced draft fan.

The unit was returned to service later the same day. The burner issues were corrected, which allowed a full load test to be completed on February 25. However, vibration of the west forced draft fan again became an issue and on February 26 the fan was taken out of service to allow further investigation, which de-rated the unit to 40 MW. On March 1, the fan bearings had been replaced and the fan was returned to service, making the unit once again available for full load.

The Holyrood CT was available for the entire month of February 2026, except for a planned outage on February 19, and a brief forced outage on February 26. On February 19, the unit was made unavailable to complete the planned repair to a water injection line. On February 26, during a monthly test run, the unit was unable to start due to an issue with the unit's fuel pilot valve. The valve was inspected and repaired, and the unit was released for full service.

Stephenville GT was available for the entire month of February 2026, with the exception of a planned derating on February 6 to complete an inspection of the End B power turbine.

The Hardwoods GT was available at full capacity for the entire month of February 2026.

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 February 2026.
[2] Total transactions for February 2026.

Appendix B

Production and Purchases

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

	Feb-26	YTD Feb 2026
Hydro Generation (Hydro)		
Bay d'Espoir		
Unit 1	34.9	60.1
Unit 2	20.8	42.9
Unit 3	31.5	60.3
Unit 4	16.9	35.6
Unit 5	38.6	76.5
Unit 6	38.7	76.6
Unit 7	86.2	148.3
Subtotal Bay d'Espoir	267.7	500.3
Upper Salmon	50.4	97.6
Granite Canal	19.0	39.9
Hinds Lake	40.2	83.0
Cat Arm		
Unit 1	39.5	75.8
Unit 2	32.5	65.3
Subtotal Cat Arm	71.9	141.1
Paradise River	1.0	5.1
Star Lake	10.5	22.8
Rattle Brook	0.3	1.5
Exploits	47.0	92.3
Mini Hydro	0.0	0.0
Total Hydro Generation (Hydro)	**508.0**	**983.5**
Thermal Generation (Hydro)		
Holyrood TGS		
Unit 1	48.6	109.6
Unit 2	40.7	88.0
Unit 3	25.6	25.6
Subtotal Holyrood TGS Units	114.8	223.2
Holyrood Combustion Turbine and Diesels	0.1	6.4
Hardwoods Gas Turbine	0.0	0.9
Stephenville Gas Turbine	0.1	0.9
Other Thermal	0.0	0.2
Total Thermal Generation (Hydro)	**115.1**	**231.5**
Purchases		
Requested Newfoundland Power and Vale	0.0	0.2
CBPP		
Capacity Assistance	0.0	0.0
Power Purchase Agreement	36.6	81.4
Secondary	0.0	0.0
Co-Generation	0.0	0.0
Subtotal CBPP	36.6	81.4
Wind Purchases	18.0	38.4
Maritime Link Imports[3]	0.0	1.2
New World Dairy	0.3	0.6
Labrador Island Link Delivery to IIS[4,5]	78.6	283.6
Total Purchases	**133.4**	**405.3**
Total	**756.5**	**1,620.4**

[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 286.5 GWh less ML exports of 207.9 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.