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February 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 January 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 January 2026

February 17, 2026

A report to the Board of Commissioners of Public Utilities



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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 January 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 January 2026 were 27% 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

	2026	2025	20-Year	Minimum	Maximum	Maximum
Date	(GWh)	(GWh)	Average	Storage Limit	Operating	Operating
			(GWh)	(GWh)	Level	Level
					(GWh)	(%)
31-January-2026	1,573	1,873	1,818	787	2,452	64

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

1 The aggregate reservoir storage level on January 31, 2026 was 1,573 GWh, which is 36% below the
2 seasonal maximum operating level and 100% above the minimum storage limit.² Total system energy for
3 the month decreased by 13 GWh overall, resulting in a total system energy storage 245 GWh below the
4 20-year average. Inflows to the reservoirs of the Bay d’Espoir Hydroelectric Generating Station (“Bay
5 d’Espoir”) were 130% of average in January 2026. Inflows to the Hinds Lake Reservoir were 122% of
6 average and inflows to the Cat Arm Reservoir were 134% of average during the month.

7 Total precipitation throughout the month of January across Hydro’s reservoir system was 110 mm at
8 Burnt Dam, 187 mm at Long Pond, and 57 mm at Hinds Lake. This fell mostly as snow apart from one
9 rain and snowmelt event which occurred on January 15 and 16, 2026. During this event, 37 mm of
10 rainfall was recorded at Burnt Dam, 51 mm was recorded at Long Pond and 19 mm at Hinds Lake. Daily
11 average temperatures across the island were 2-5°C above freezing for about two days resulting in
12 significant snowmelt. Totals inflows were sustained two to four times the month’s historical average for
13 nearly a full week.

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.

1 Table 2 summarizes the unit outages experienced during January 2026.

Table 2: January 2026 Unit Outage Summary

Unit Name	Date Offline	Return to Service	Outage type	Notes
Bay d'Espoir Unit 1	March 31, 2025	January 8, 2026	Planned outage	n/a
Paradise River Unit	January 12, 2026	January 13, 2026	Unplanned outage	Unit tripped due to trip on Power Line (MKS-02-R).
Bay d'Espoir Unit 1	January 21, 2026	January 25, 2026	Unplanned outage	Frazil Ice build-up
Bay d'Espoir Unit 2	January 21, 2026	January 25, 2026	Unplanned outage	Frazil Ice build-up
Bay d'Espoir Unit 3	January 21, 2026	January 25, 2026	Unplanned outage	Frazil Ice build-up
Bay d'Espoir Unit 4	January 21, 2026	January 25, 2026	Unplanned outage	Frazil Ice build-up
Bay d'Espoir Unit 5	January 21, 2026	January 25, 2026	Unplanned outage	Frazil Ice build-up
Bay d'Espoir Unit 6	January 21, 2026	January 25, 2026	Unplanned outage	Frazil Ice build-up
Bay d'Espoir Unit 7	January 21, 2026	January 31, 2026	Unplanned outage	Frazil Ice build-up
Paradise River Unit	January 27, 2026	January 28, 2026	Unplanned outage	Cooling water alarm – caused by low levels of bearing shaft cooling water

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

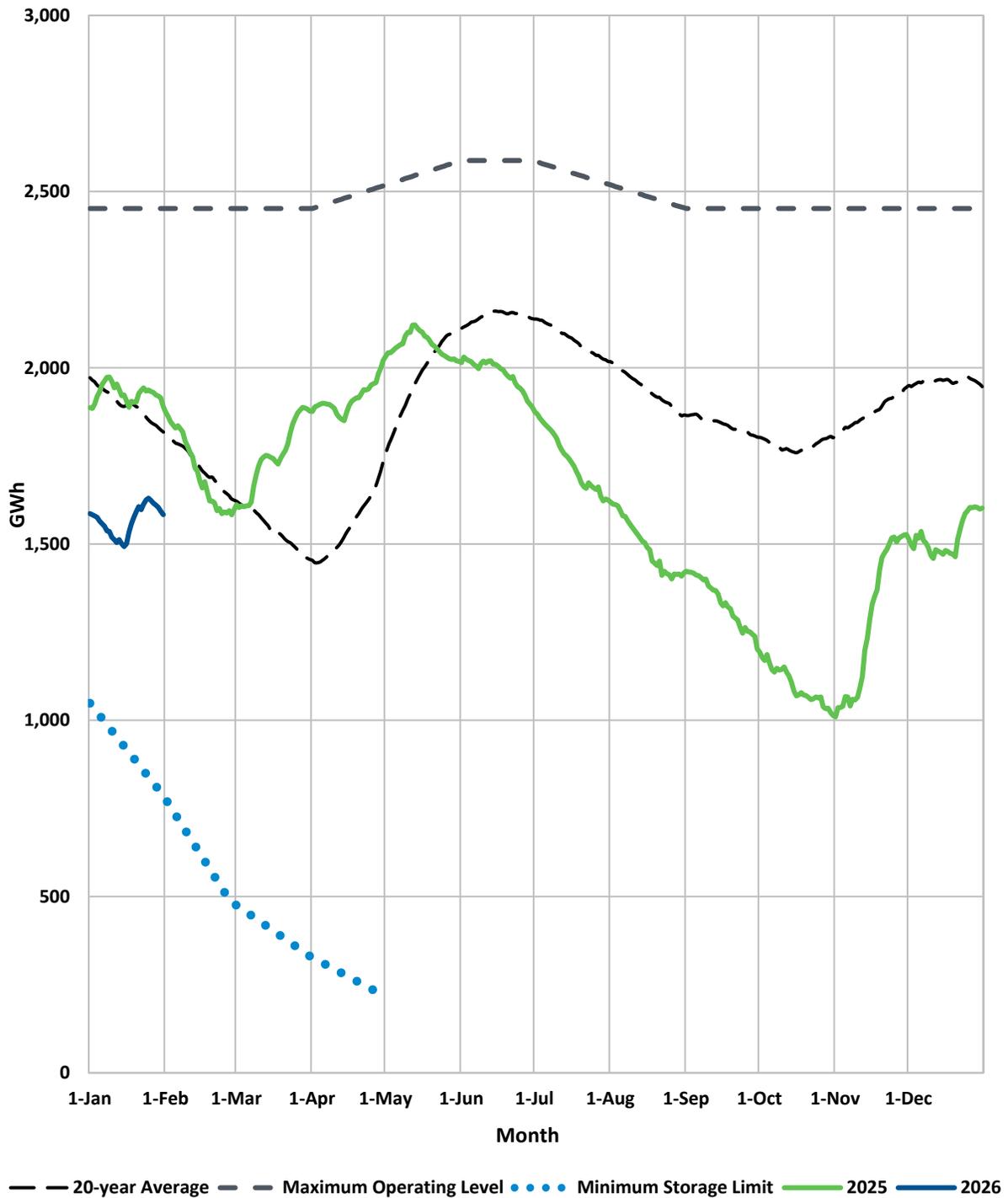


Figure 1: Total System Energy Storage⁵

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 January 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 January 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 MCM⁸ 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-January-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 January 2026.^{9,10} There was no energy repaid from CBPP to Energy Marketing under the Temporary Energy Exchange Agreement in January 2026. There was 1.1 GWh of emergency energy, including losses, supplied to Nova Scotia over the ML during January 2026.

Hydro engaged Energy Marketing to seek imports over the ML during the unplanned outage of the Bay d'Espoir Facility from January 21 through January 26, 2026. The ML imports reduced the Nova Scotia Block and the Supplemental Block export flow by amounts up to equal the scheduled exports, or in excess of the scheduled exports by up to 150 MW. Approximately 16.0 GWh¹¹ of non-firm energy was imported to the Island during this period. Deliveries of energy to the Island Interconnected System from Labrador via the LIL were also being maximized to the extent possible during this time.

4.0 Thermal Production

Holyrood TGS Units 1 and 2 were online during the month of January 2026 for system requirements. Total energy production from Holyrood TGS for the month was 116.5 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.

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 ("Government"). The power purchase agreement with CBPP provides Hydro with 80 GWh of non-firm energy from October 1, 2025 to March 31, 2026, inclusive.

¹⁰ In January 2026, Hydro entered into a fourth power purchase agreement 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.

¹¹ This value includes 0.6 GWh of emergency energy supplied from the Nova Scotia System Operator.

Table 4: Holyrood TGS and Combustion Turbines Operating Hours

	Operating Hours	Sync Condense Hours	Available Hours
Holyrood TGS			
Unit 1	744.0	0.0	744.0
Unit 2	706.1	0.0	706.1
Unit 3	0.0	0.0	0.0
Combustion Turbines			
Hardwoods GT	74.0	664.4	744.0
Stephenville GT	46.1	5.9	744.0
Holyrood CT	122.0	0.0	744.0

5.0 Unit Deratings

Holyrood TGS Unit 1 was operating under a derate to 160 MW for the entire month of January 2026 due to an issue with high condenser back pressure. Hydro engaged a condenser testing contractor to complete vacuum testing on the unit, which identified potential issues with the vacuum pump gland seals. Crews continue to attempt to rectify this issue with the unit online, but have not been successful to date. If these issues cannot be resolved with the unit online, Hydro plans to address these issues during the annual Unit outage.

Holyrood TGS Unit 2 was on-line with full capability at the beginning of January. On January 22, 2026, the unit tripped offline from 155 MW. Investigation has determined that this trip was a result of an issue with a turbine steam pressure transmitter. This has been corrected. However, subsequent attempts to return the unit to service on January 23, 2026 were unsuccessful. Each time, the unit tripped offline before reaching 70 MW. Investigation focused on an issue with the turbine control valves. On January 24, the unit was again returned to service but with a de-rating to 40 MW. This de-rating allowed for the turbine to be controlled from the turbine stop valve instead of the control valves. The unit was reliable under this configuration and was able to supply 40 MW through critical power demands. On January 28, 2026, the unit was taken offline for additional work related to the turbine control valves. The hydraulic cylinder that controls the turbine control valves was removed and sent to a local vendor where it was bench tested and found to have failed; likely caused by the January 22, 2026 trip. The vendor configured the spare cylinder for use. It was installed and the unit was returned to service and brought to 70 MW on January 31, 2026. When attempting higher loads from the unit, one of the boiler safety valves began to lift. This valve will require a unit outage of approximately 5 days to refurbish. It is

1 likely that this safety valve issue was also a result of the January 22, 2026 trip. Work on the valve has
2 been completed, and the Unit is expected to return to service on February 17, 2026.

3 Holyrood TGS Unit 3 has been on a planned annual outage to complete the turbine overhaul since
4 March 30, 2025. This outage had been extended due to the failure of the turbine hall overhead crane.
5 On January 22, 2026, during commissioning activities, a large amount of lubrication/seal oil was
6 inadvertently leaked into the generator. For the remainder of January, the unit remained on an outage
7 to allow for investigation, removal of the oil, and testing of the generator to ensure full recovery. As of
8 February 5, 2026, the recovery effort has been completed and commissioning has resumed.

9 The Holyrood CT and Stephenville GT were available for the entire month of January 2026.

10 The Hardwoods GT was available at full capacity for the entire month of January except for a brief forced
11 derating of the unit to 25 MW on January 25, 2026. The derating was caused by the unavailability of End
12 A due to a false low gas generator oil pressure alarm caused by air ingress into the instrumentation
13 tubing. The air was removed from the tubing and the unit was released for full capacity on the same
14 day.

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 Pondered 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 January 2026.

² Total transactions for January 2026.

Appendix B

Production and Purchases



Table B-1: Generation and Purchases (GWh)^{1,2}

	<u>Jan-26</u>	<u>YTD Jan 2026</u>
Hydro Generation (Hydro)		
Bay d'Espoir		
Unit 1	25.2	25.2
Unit 2	22.1	22.1
Unit 3	28.8	28.8
Unit 4	18.7	18.7
Unit 5	37.8	37.8
Unit 6	37.9	37.9
Unit 7	62.1	62.1
Subtotal Bay d'Espoir	<u>232.6</u>	<u>232.6</u>
Upper Salmon	47.2	47.2
Granite Canal	20.9	20.9
Hinds Lake	42.8	42.8
Cat Arm		
Unit 1	36.4	36.4
Unit 2	32.8	32.8
Subtotal Cat Arm	<u>69.2</u>	<u>69.2</u>
Paradise River	4.1	4.1
Star Lake	12.3	12.3
Rattle Brook	1.2	1.2
Exploits	45.3	45.3
Mini Hydro	0.0	0.0
Total Hydro Generation (Hydro)	<u>475.5</u>	<u>475.5</u>
Thermal Generation (Hydro)		
Holyrood TGS		
Unit 1	61.0	61.0
Unit 2	47.4	47.4
Unit 3	0.0	0.0
Subtotal Holyrood TGS Units	<u>108.3</u>	<u>108.3</u>
Holyrood Combustion Turbine and Diesels	6.3	6.3
Hardwoods Gas Turbine	0.8	0.8
Stephenville Gas Turbine	0.8	0.8
Other Thermal	0.2	0.2
Total Thermal Generation (Hydro)	<u>116.5</u>	<u>116.5</u>
Purchases		
Requested Newfoundland Power and Vale CBPP	0.2	0.2
Capacity Assistance	0.0	0.0
Power Purchase Agreement	44.8	44.8
Secondary	0.0	0.0
Co-Generation	0.0	0.0
Subtotal CBPP	<u>44.8</u>	<u>44.8</u>
Wind Purchases	20.4	20.4
Maritime Link Imports ³	1.2	1.2
New World Dairy	0.3	0.3
Labrador Island Link Delivery to IIS ^{4,5}	<u>205.0</u>	<u>205.0</u>
Total Purchases	<u>271.9</u>	<u>271.9</u>
Total	<u>863.9</u>	<u>863.9</u>

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 375.7 GWh less ML exports of 170.7 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.