

October 2, 2025

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: *Reliability and Resource Adequacy Study Review – Labrador-Island Link Update for the Quarter Ended September 30, 2025*

In 2019, Newfoundland and Labrador Hydro ("Hydro") committed to providing the Board of Commissioners of Public Utilities ("Board") and its consultant with a monthly status update reflecting specific requests by the Board and other pertinent information with respect to the Muskrat Falls Project.^{1,2} Hydro's update is as follows.

Since commissioning in April 2023, the Labrador-Island Link ("LIL") has been in service and successfully providing power to the provincial grid. Since the last update, the LIL has been operating at various power transfer levels, as required by the system. In total, approximately 699 GWh were delivered over the LIL from July 1, 2025 to September 30, 2025. Hydro continues to ensure the availability of generation at the Holyrood Thermal Generating Station; however, energy and capacity delivered over the LIL are used to minimize thermal generation whenever possible.

As reported in Hydro's most recent Quarterly Report on Asset Performance in Support of Resource Adequacy ("Rolling 12"),³ despite expectations of unavailability being at the higher end of this range early in its commissioned operation, the equivalent forced outage rate ("EqFOR") for the LIL from July 1, 2024 to June 30, 2025, was approximately 0.65%.⁴ This is slightly below the assumed long-term range of 1% to 10%. Hydro will provide an update on EqFOR for the twelve months ended September 30, 2025, in its next Rolling 12 report due to the Board on October 31, 2025.

1.0 Labrador-Island Link

1.1 900 MW Test and Software

All software functionality required for operation up to 900 MW was proven and accepted as satisfactory during pole overload tests in winter 2023 prior to the April 2023 commissioning; however, as

¹ "Newfoundland and Labrador Hydro – Reliability and Resource Adequacy Study Review – Information Required for Monthly Reports," Board of Commissioners of Public Utilities, January 19, 2021.

² On July 25, 2023, the Board directed Hydro to reduce the frequency of reporting to quarterly from monthly.

³ "Quarterly Report on Asset Performance in Support of Resource Adequacy for the Twelve Months Ended June 30, 2025," Newfoundland and Labrador Hydro, July 31, 2025.

⁴ This EqFOR is calculated on a base LIL capacity of 700 MW. On a base capacity of 900 MW, the EqFOR is calculated to be approximately 1.16%. Following the completion of the 900 MW test, all calculations will be adjusted to reflect the change in assumptions.

committed, controlled testing at the highest power levels will be performed prior to operation in this range when system conditions permit.

As previously reported, Hydro is planning to conduct the 900 MW test in late 2025. The following are prerequisite conditions for the test to occur:

- Satisfactory system conditions are present, including both those in Newfoundland and Labrador, where a high system load can be reasonably expected to occur, and in neighbouring jurisdictions;
- Successful coordination with all relevant neighbouring system operators is attained; and
- Identification of risks and implementation of all necessary risk mitigation actions are in place.

New LIL software was commissioned in October 2024. This software, as with the previous version, allows for full operation of the LIL up to 900 MW. Through dynamic commissioning, non-critical software-related issues were identified. Hydro continues to work with General Electric (“GE”) on the development of a version of software to resolve these issues, and installation is now anticipated once Factory Acceptance Testing is completed and system conditions allow. A version of software was already delivered by GE, and an attempt was made to install it in April of 2025; however, a version control error prevented full installation, and the software had to be removed. The new version of the software is expected to be delivered in the forth quarter of this year; however, due to system constraints within the Newfoundland and Labrador Interconnected System as well as neighbouring provinces, software installation is planned for spring 2026.

1.2 Operations

During the third quarter of 2025, there was one trip event on the LIL which occurred on September 20, 2025. Pole 2 tripped while in monopole mode as a result of an electrode imbalance protection following a temporary fault. Pole 1 was on a planned maintenance outage at this time. Impacted customers were returned to service within an hour. The faulted pole was returned to service on September 21, following an inspection that confirmed no issues.

Hydro will include an update on the LIL, including forced outages, for the twelve months ended September 30, 2025, in its next Rolling 12 report.

2.0 Soldiers Pond Synchronous Condensers

Outside of planned outages, the Soldiers Pond Synchronous Condensers have been in continuous operation at all times since the last LIL update.

Hydro will include an update on the total number of hours of operation for the Soldiers Pond Synchronous Condensers for the twelve months ended September 30, 2025, in its next Rolling 12 report.

3.0 Muskrat Falls Generation

As reported in its most recent Rolling 12 report, the Muskrat Falls Hydroelectric Generating Station (“Muskrat Falls”) total plant DAFOR⁵ performance through the end of the second quarter of 2025 was

⁵ Derated Adjusted Forced Outage Rate (“DAFOR”).

2.32%, which was significantly better than the Electricity Canada average of 5.27% for similar units across Canada.⁶

Hydro will include an update on the performance of the Muskrat Falls generation for the twelve months ended September 30, 2025, in its next Rolling 12 report.

If you have any questions or comments, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Michael S. Ladha, KC
Vice President, Chief Legal Officer & Corporate Secretary
MSL/kd

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

Labrador Interconnected Group

Senwung F. Luk, Olthuis Kleer Townshend LLP
Nicholas E. Kennedy, Olthuis Kleer Townshend LLP

Island Industrial Customer Group

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

Newfoundland Power Inc.

Dominic J. Foley
Douglas W. Wright
Regulatory Email

⁶ Electricity Canada five-year average (2019–2023).