

1 Q. (Reference 2017 GRA Volume I, page 1.9) It is stated (lines 12 to 17) *"In 2020,*
2 *commissioning period energy is anticipated to be available from the Muskrat Falls*
3 *Plant. The Maritime Link will also be available and there may be opportunities via*
4 *the ML to purchase short term supplies to further reduce fuel use. This opportunity*
5 *will be managed by Nalcor Energy Marketing, on behalf of Hydro, who has met with*
6 *Nova Scotia Power and other market participants to determine if, and how much,*
7 *non-firm "economy" energy is available."* It is understood that purchases over the
8 ML could be made as early as December 1, 2017 (GRA Volume I, page 6.8, lines 14
9 to 19). Please explain how the process for making purchases over the ML will work.
10 For example, how will Nalcor Energy Marketing know how much energy to purchase
11 to displace generation at Holyrood TGS, how will the energy be procured (i.e.,
12 through a competitive bid process, by purchasing energy in a U.S.-based day-ahead
13 market, etc.) and how will Hydro prove to the Board and the Parties that this energy
14 has been procured on a least cost basis? Name the potential suppliers Nalcor
15 Energy has found to supply this energy?

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18 A. Hydro will provide Nalcor Energy Marketing with guidelines regarding Hydro's
19 required dispatch of on-island resources, including Holyrood Thermal Generating
20 Station, based on a number of factors including reliability requirements, forecast
21 customer requirements, and the safe and reliable operation of Hydro's generating
22 assets. With this information, Nalcor Energy Marketing will then optimize the
23 supply portfolio and identify opportunities where thermal generation can be
24 minimized to provide savings for Hydro's customers. Hydro will provide oversight
25 regarding processes implemented and the resultant production plans.

1 Hydro is committed to ensuring the provision of least-cost reliable service for
2 customers. Hydro will develop an appropriate review process to ensure activities
3 carried out by Nalcor Energy Marketing on Hydro's behalf are to the benefit of
4 Hydro's customers. Hydro will work with the Board to develop appropriate
5 reporting mechanisms around the same.

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7 Given the confidential nature of negotiations, with the exception of Nova Scotia
8 Power which has disclosed that commercial discussions with Nalcor are ongoing to
9 the Nova Scotia Utility and Review Board, Hydro is unable to provide details
10 regarding market participants approached by Nalcor Energy Marketing.