

1 Q. (Reference 2017 GRA Volume I) In reference to the 300 MW of recall, it has been  
2 reported that Labrador may need 220 MW for winter peak. This would leave 80  
3 MW for Muskrat Falls rate relief. Please advise if this is the Applicant's position?  
4 Furthermore, the Liberty Report indicates the in service for Muskrat Falls to be  
5 2022-2023, whereas Nalcor has stated that in service would be 2020. Please advise  
6 who is correct?

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9 A. Hydro does not agree with the above projection of available capacity associated  
10 with the Recapture block. Please refer to Hydro's response to CA-NLH-123 for more  
11 information regarding Hydro's assessment of the available capacity associated with  
12 the Recapture block.

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14 From a reliability perspective, Hydro's analysis considers only firm capacity at  
15 winter peak for both the Labrador Interconnected System and Island  
16 Interconnected System. The capacity available on peak is not representative of the  
17 average amount of energy, and thus fuel cost savings, that are expected to be  
18 available. Please refer to Hydro's response to NP-NLH-115 for more information as  
19 to the volume of Recapture Energy Hydro expects to use on the Island  
20 Interconnected System.

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22 As indicated in Nalcor Energy's update of June 23, 2017, the Muskrat Falls Project is  
23 expected to be on-line in 2020. With respect to Liberty's comments from its  
24 "*Evaluation of Pre-Muskrat Falls Supply Needs and Hydro's November 30, 2016*  
25 *Energy Supply Risk Assessment Final Report*" provided to the Board on February 27,  
26 2017, as part of the Board's *Investigation and Hearing into Supply Issues and Power*  
27 *Outages on the Island Interconnected System – Phase 2*, Hydro notes that Liberty's

1 comments were made prior to the latest Nalcor announcement, and as stated by  
2 Liberty, was speculation on their part.<sup>1</sup>

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<sup>1</sup> Please refer to Liberty's "*Evaluation of Pre-Muskrat Falls Supply Needs and Hydro's November 30, 2016 Energy Supply Risk Assessment Final Report*", filed with the Board on February 27, 2017, at page 28: "We have, somewhat arbitrarily, settled on two years as being the amount of a delay that would heavily influence the supply decision...We acknowledge that we are susceptible to criticism for speculating on the Muskrat Falls schedule in the absence of hard data."