

1 Q. (Reference response to CA-NLH-108) How will the capacity assistance agreements
2 provide value once the LIL and ML links are in service? Please provide a table
3 comparing total capacity supply availability (generation capacity, capacity available
4 over the LIL and ML links, capacity assistance, reserve requirement, etc.) to peak
5 demand on the Island Interconnected System in 2019.

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8 A. Capacity assistance and/or interruptible arrangements are used in many Canadian
9 jurisdictions as a means of minimizing disruptions to customers in the event of a
10 contingency, maintaining sufficient level of operating reserves for reliable operation
11 of the grid, and reducing peak system demand.

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13 Since the winter of 2014-2015, Hydro has been working with the Island Industrial
14 Customers to identify cost effective opportunities for the Island Industrial
15 Customers to provide capacity to the system while maintaining the integrity of their
16 operations.

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18 Please refer to Table 1 for Hydro's Island Interconnected System Capacity at Peak
19 (Line A), available firm capacity over the Labrador-Island Link (LIL) (Line B), P90 peak
20 demand requirements (Line D), capacity assistance agreements (Line E), and reserve
21 requirement for the Island Interconnected System for 2019 (Line F). As no
22 commercial arrangements currently exist for supply over the Maritime Link (ML) or
23 for supply in excess of recapture over the LIL, Hydro does not consider the
24 additional capacity that the ML and the LIL could provide as firm supply at this time
25 for capacity planning purposes.

**Table 1 Island Interconnected System
P90 Demand Forecast Reserve Margin Analysis Winter 2018-2019**

A	Island Interconnected System Installed Capacity at Peak ¹	1,997 MW
B	Available Firm Capacity over Labrador Island Link ²	110 MW
C	Total Available IIS Supply	2,107 MW
D	IIS Forecast P90 Peak Demand ³	1,801 MW
E	Less Available Capacity Assistance (111 MW) ⁴	1,690 MW
	Reserve Margin (C-E)	417 MW
	Reserve Margin	18%
F	Reserve Requirement ⁵	240 MW

¹ Reflects Hydro's anticipated Island Interconnected System Gross Continuous Unit Rating, as reflected in Hydro's Near-term Generation Adequacy report, filed November 15, 2017.

² Reflects firm recapture available to meet Island Interconnected System peak demand.

³ Island Interconnected System Forecast Peak Demand as reported in Hydro's Near-term Generation Adequacy report, filed November 15, 2017.

⁴ Reflects Hydro's expectation for available capacity assistance (MW) as reflected in Hydro's Near-term Generation Adequacy report, filed November 15, 2017.

⁵ As reflected in Hydro's response to IC-NLH-102.