Q. (Summary Report – Additional Cost of Service Information, page 9, lines 14 to 15) It is stated that the Holyrood capacity factor for the 2019 test year is 15.7%. Given the assumption that purchases over the Maritime Link will be 10% lower than forecast No. 6 fuel prices, why is Holyrood capacity factor not closer to zero (i.e., 1 or 2%) consistent with operation in standby mode; i.e., for supply during system emergencies? Please provide documentation explaining how Hydro arrived at a projected Holyrood capacity factor of 15.7% in the 2019 test year.

A. While both the Maritime Link and the Labrador-Island Link are both in service and available in 2019, the dispatch of Holyrood units at minimum average unit loading (70 MW for each unit) is still required in the winter operating season for system reliability requirements, as detailed in Hydro's response to CA-NLH-252. This dispatch results in 641.7 GWh of production from the Holyrood Thermal Generating Station in the 2019 Test Year results for the Expected Supply Scenario.

The forecast Holyrood capacity factor is then calculated in accordance with Hydro's approved Cost of Service methodology as follows:

$$\text{Holyrood Capacity Factor} = \frac{\text{Holyrood Energy Production}}{\text{Net Holyrood Capacity x 8760 hours}}$$

$$= \frac{\text{641.7 GWh}}{\text{(466 MW/1000) x 8760 hours}} = 15.7\%$$