

1 Q. LAB-NLH-59: Re: LAB-NLH-028

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3 **Citation:**

- 4 d) This project was placed on hold pending a restart decision by Alderon.
- 5 e) The existing transmission system supplying western Labrador has a transfer
- 6 capacity of 345 MW (delivered to the 46 kV bus). Schedule 3-II indicates an
- 7 IOC load forecast of 245 MW in 2018 and 2019. Of the 162.4 MW required
- 8 for Hydro Rural Interconnected in 2018, 89 MW is forecast for supply to
- 9 western Labrador. Combined, the 2018 peak load for western Labrador
- 10 equals 334 MW, excluding transmission system losses. Load growth of 11
- 11 MW would therefore require an expansion of the transmission system.
- 12 f) ...
- 13 g) Hydro is presently studying the power supply options for Labrador West
- 14 including supply from Hydro-Quebec.

**Table 1 Forecast Electricity Sales for Labrador West**

	2017 Forecast		2018 Test Year		2019 Test Year	
	MW	GWh	MW	GWh	MW	GWh
<b>Hydro Rural Interconnected</b>						
Domestic		175.2		175.0		174.9
General Service		156.3		163.8		172.4
Other		18.9		19.3		19.8
<b>Total Hydro Rural Interconnected</b>	<b>79.5</b>	<b>350.4</b>	<b>80.6</b>	<b>358.3</b>	<b>81.7</b>	<b>367.0</b>
<b>Industrial Customers</b>	<b>245.4</b>	<b>1735.5</b>	<b>245.3</b>	<b>1734.3</b>	<b>245.0</b>	<b>1733.1</b>
<b>Total Deliveries</b>	<b>324.9</b>	<b>2085.9</b>	<b>325.9</b>	<b>2092.6</b>	<b>326.7</b>	<b>2100.1</b>

**Notes:**

1. Other includes area lights, distribution losses and Hydro company use.
2. Demands by retail class are not separately forecasted. Demands for Total Deliveries are the sum of the non-coincident peaks.
3. Table includes rounding errors.
4. On October 11, 2017, Hydro received a request from IOC to increase their power on order for 2018. The requested increase is 5MW relative to the 2018 Test Year customer requirement.

1           **Preamble:**

2           LAB-NLH-027, Attachment 1 indicates the 2018 capacity forecast for Labrador as  
3           follows:

4           HVGB:	81.5 MW
5           Churchill Falls:	0.3 MW
6           Wabush	22.5 MW
7           Labrador City:	58.1 MW

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9           a) Has NLH received any indication that the Alderon project is likely to be restarted  
10           in the foreseeable future? Please elaborate.

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12           b) Please explain the source of the value of 89 MW in paragraph e), given that  
13           Table 1 indicates Rural Interconnected load of 80.6 MW in 2018;

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15           c) Please correct paragraph e), if necessary.

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17           d) Please explain how transmission losses are treated in Table 1 (“Forecast  
18           Electricity Sales”, which shows 80.6 MW for Hydro Rural Interconnected  
19           customers in 2018, and in LAB-NLH-027, Attachment 1 (“... Electricity  
20           Requirements ...”), which shows a total of 80.9 (0.3 + 22.5 + 58.1) MW for  
21           Labrador West in 2018.

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23           e) Please explain why Hydro sees the need for new transmission in Labrador West,  
24           given that Table 1 shows an increase in forecast deliveries of just 1.8 MW from  
25           2017 to 2019.

1 f) Please provide further details concerning the discussions of supplying power to  
2 Labrador West from Hydro-Quebec, including but not limited to the following  
3 questions:

4 a. Under what eventualities would such additional supply be required?

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6 b. What volumes and prices are under discussion?

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8 c. Would this option in any way reduce pressure on the Labrador West  
9 transmission system? If so, please explain how.

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12 A. a) Hydro has not received any indication from Alderon regarding restarting the  
13 Kami Mine Project.

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15 b) The value of 89 MW in paragraph e) in Hydro's response to LAB-NLH-028 is  
16 incorrect. The correct value is 80.6 MW, as per Hydro's response to LAB-NLH-  
17 028, Table 1.

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19 c) The paragraph is corrected as follows:

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*The existing transmission system supplying western Labrador has a transfer capacity of 345 MW (delivered to the 46 kV bus). Schedule 3-II indicates an IOC load forecast of approximately 245 MW in 2018 and 2019. Of the 162.4 MW required for Hydro Rural Interconnected in 2018, 80.6 MW is forecast for supply to western Labrador. Combined, the 2018 peak load for western Labrador equals approximately 326 MW, excluding transmission system losses. Load growth of*

1                    *approximately 19 MW would therefore require an expansion of the*  
2                    *transmission system.*

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4                    Hydro has revised its response to LAB-NLH-028 to reflect the correct information.

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6                    d) Hydro's forecast electricity sales provided in Hydro's response to LAB-NLH-028,  
7                    Table 1 reflects delivered power at the Wabush Terminal Station that does not  
8                    include the transmission losses associated with delivering power between  
9                    Churchill Falls and the Wabush Terminal Station.

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11                    Please note that the forecast 80.6 MW for Hydro Rural Interconnected  
12                    customers in 2018 reflects forecast power requirements for Labrador City and  
13                    Wabush and does not include the power requirements for Churchill Falls retail  
14                    customers. The forecast power requirements for Churchill Falls retail customers  
15                    of 0.3 MW is not served by the transmission lines serving Labrador West.

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17                    e) Transmission system expansion in Labrador West would not be required for the  
18                    loads forecasted in Hydro's response to LAB-NLH-028, Table 1. However, as per  
19                    Hydro's responses to IC-NLH-078 and PUB-NLH-035, additional service  
20                    applications have been received relating to the set up and operation of data  
21                    processing centers in Labrador West. Transmission system expansion would be  
22                    required if forecasts increase beyond system capacity.

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24                    f) As per Hydro's response to LAB-NLH-052, it has been agreed that the two  
25                    utilities will work cooperatively to perform regional transmission planning for  
26                    the area. On this basis, a joint analysis will be undertaken to investigate  
27                    interconnection alternatives that will allow for increased capacity and security

1 for both utilities. Further details concerning the discussions with Hydro Quebec  
2 are summarized as follows:

3 a. The requirement for additional capacity is summarized in Hydro's response  
4 to Part e) above.

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6 b. Hydro is not discussing volumes and prices at this stage of the investigation.  
7 Rather, the initial analysis will involve an assessment of the technical  
8 viability of interconnection alternatives and the transmission system  
9 capacity that would be afforded by each.

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11 c. As the analysis with Hydro Quebec is not yet complete, Hydro is unable to  
12 comment in detail with respect to how an interconnection would impact  
13 power flows in the existing transmission system. However, such an  
14 expansion would allow for increased capacity under normal operating  
15 conditions and under contingency. The capability for such an  
16 interconnection to reduce pressure on the Labrador West transmission  
17 system would depend on the ratio of forecasted load to the interconnected  
18 system capacity.