

1 Q. Reference: Hydro’s Recovery of the 2015 and 2016 Balances Application,
2 response to Request for Information NP-NLH-022, page 2 of 4, lines 21–25.

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4 *“The Island Interconnected reserve criterion was also reviewed and spinning reserve*
5 *targets were established to cover **the loss of the single largest operating unit**. This*
6 *is typically in the range of 150-170 MW, depending on the largest unit in operation.*
7 *Maintaining this level of spinning reserve positions the system for an expedient*
8 *restoration of customers in the event of the loss of a major generating unit.”*

9 [emphasis added]

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11 Footnote 52 on page 3.23 of Hydro’s 2017 General Rate Application states that
12 Hydro attempts to achieve spinning reserve equal to **the capacity of the largest**
13 **generating unit**. In the Supply Cost Deferrals 2015, 2016 and 2017 Application
14 Evidence, page 2, footnote 3, it is indicated that Hydro operates its generation fleet
15 to position the power system to withstand **the single worst contingency event**.
16 Please compare and contrast these two criteria with **the loss of the single largest**
17 **operating unit** as referred to in the response to Request for Information NP-NLH-
18 022, and specify the circumstances in which each criterion is applicable.

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21 A. Hydro maintains that it operates its generation fleet to position the power system
22 to withstand the single worst contingency event. A contingency refers to the
23 unexpected failure or outage of a system component, such as a generator,
24 transmission line, circuit breaker, switch, or other electrical element.¹ As such, the
25 loss of a generator would be considered a contingency event. In Hydro’s current

¹ IESO, Glossary of Standard Operating Terms.

1 system, the loss of the largest generating unit is often the largest single contingency
2 and is used to determine Hydro’s spinning reserve target.

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4 Similarly, before the in-service of TL267, the loss of a major 230 kV transmission line
5 was also a significant single contingency. As such, Hydro developed an Avalon
6 operating instruction which provides for the method of assessment, stakeholder
7 notification criteria, and operator dispatch guidelines related to Avalon capability
8 and reserves.

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10 Currently, for the Island Interconnected System the loss of the largest generating
11 unit is the largest single contingency,² and therefore is the criterion on which
12 spinning reserve requirements should be determined to mitigate the potential of
13 sustained interruption to customers.

² Assumes TL201, TL202, and TL267 in-service. If one of the aforementioned lines is taken out of service Avalon Operating Instruction T-096 continues to apply.