

1 Q. When is the latest date by which Hydro requires approval of this project in order to
2 successfully complete the transmission work for the 2018-19 winter season? If
3 approval of the project is not received by this date, what are the available
4 alternatives to prepare for the 2018-19 winter season and what is Hydro's
5 recommended option?

6

7

8 A. In order to maintain the possibility of completing the planned 2018 work, Hydro has
9 commenced the engineering required to support the issuance of tenders for long
10 lead equipment. At this point it is critical to advance the detailed design so that
11 engineering can be completed and tenders for construction contracts prepared.
12 These activities are critical to support a June construction start, which is essential
13 given the short Labrador construction season. Hydro is in a position to award a
14 contract to start the detailed design, and is awaiting Board approval in order to
15 award that contract. Originally, Hydro's plan had detailed engineering beginning at
16 the end of February. At this point, any further delay in starting this critical design
17 element puts pressure on the completion date. If approval is granted around Friday,
18 March 16, 2018, Hydro expects to achieve the in-service date of the
19 interconnection, and the increase in capacity to Labrador East.

20

21 An available alternative that only address capacity would be the installation of
22 temporary diesel generation, as described in the response for question 5 in
23 "Attachment 1 – Responses to PUB Questions", submitted by Hydro on March 6,
24 2018. Another alternative would be to install a mobile gas turbine; however, it is
25 expected that the cost would be higher than the diesel option, and availability
26 would have to be investigated. With respect to both options, given the timelines

1 required to develop, submit, and receive approval for a supplemental capital
2 budget application, develop, submit, and receive release of an environmental
3 assessment, and complete construction and commissioning of either option, it is
4 very unlikely that implementation of supplemental generation at Happy Valley prior
5 to the winter of 2018/2019 will be achievable.

6
7 It should be noted that neither of these options address reliability concerns, and
8 that it is Hydro's opinion that these options are not representative of the provision
9 of least cost, reliable service. Given the high risk of failure of the capacity-only
10 options, it is Hydro's opinion that neither diesels nor a mobile gas turbine
11 represents a suitable option to the capacity and reliability concerns that the
12 proposed project can resolve.