

1 Q. **Reference: 2018 Cost of Service Methodology Review Report dated November 15, 2018**

2

3 Please explain how Hydro’s planners depend on Recapture Energy for meeting capacity  
4 demands on the Island Interconnected System.

5

6

7 A. In conducting assessments of resource adequacy, Newfoundland and Labrador Hydro  
8 (“Hydro”) models each of its available resources (i.e. generating units, contracted resources  
9 including power purchases and capacity assistance agreements) and its forecast customer  
10 requirements. Through modelling exercises, the available resources are dispatched to meet  
11 the forecast customer requirements in accordance with economic dispatch.

12

13 In its “Reliability and Resource Adequacy Study”, Hydro has proposed migrating to planning  
14 on a regional and sub-regional basis once the Lower Churchill Project assets are fully in  
15 service. As Hydro’s models are designed to ensure that system reliability is within planning  
16 criteria, Hydro does not specifically rely on Recapture Energy to meet Island Interconnected  
17 System requirements. Rather, the models ensure that the expected system performance  
18 provides the level of reliability prescribed by the planning criteria.

19

20 In this approach, Recapture Energy would be modelled as an available source, capable of  
21 being dispatched to meet customer requirements in the Newfoundland and Labrador  
22 Interconnected System. As such, in instances where customer requirements in Labrador  
23 have been fully satisfied, excess Recapture Energy can then be dispatched to meet  
24 customer requirements on the Island Interconnected System, as required.