

- 1 Q. Regarding Hydro’s NAP, has Hydro examined and considered the possibility of using existing
2 curtailment (interruptible) rates as an alternative to its NAP?
- 3 a. If yes, describe and discuss any analysis conducted and policy considerations.
4 b. If no, comment on using curtailment rates in lieu of or as a complement to the NAP.
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- 7 A. a. and b. Curtailment rates are considered as an alternative to system upgrade options in
8 determining the least-cost alternative to deal with increased customer load requirements,
9 consistent with reliable service. Curtailment was considered as part of the “Labrador
10 Interconnected System Transmission Expansion Study” (“Study”).¹ For eastern Labrador, this
11 solution was presented in section 5.1.1 of the Study. As per section 6.1.1 of the Study, the
12 curtailment option was not found to be the lowest-cost alternative, consistent with reliable
13 service. For western Labrador, the basis of the expansion analysis was to ensure adequate
14 supply for customers without curtailment. This is due to the fact that the curtailment of
15 industrial customers, as per Newfoundland and Labrador Hydro’s (“Hydro”) current operating
16 practice, is not a viable long-term solution, as discussed in section 6.1.2 of the Study.
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- 18 Hydro does not have a curtailable rate as an approved option available to customers on the
19 Labrador Interconnected System. Due to the extended periods of extremely cold weather in
20 Labrador, there are material challenges to standardize curtailment rate terms that would: (i)
21 meet system reliability requirements to ensure the curtailable rate would achieve its objective
22 as a reliable substitute for transmission capacity additions; and (ii) provide a level of service to
23 curtailable customers that would be considered reasonable given the material number of
24 curtailment hours that could be required. Under Hydro’s current approach, if the system impact
25 study determines that curtailment rates are a sound alternative to reliably meet system load
26 requirements, Hydro would determine the required curtailment terms and contact customers to
27 assess interest.

¹ “Labrador Interconnected System Transmission Expansion Study,” April 3, 2019 (rev. 2), originally filed October 31, 2018.