

1 Q. **Reference: Application, paragraph 12.**

2 Please confirm that Hydro does not plan to provide N-2 redundancy to its other remote diesel
3 systems. If this cannot be confirmed, please explain including potential cost impacts.

4

5

6 A. Please refer to Newfoundland and Labrador Hydro's ("Hydro") response to PUB-NLH-001
7 regarding the planned N-2 redundancy as part of Hydro's proposed "Long-Term Supply for
8 Southern Labrador –Phase 1". While Hydro currently does not have plans to provide N-2
9 redundancy to other remote diesel systems, Hydro notes that its generation reliability criterion
10 for the Isolated Rural Systems is as follows: Hydro shall maintain firm generation capacity to
11 meet the system peak load. Firm generation capacity is defined as the total installed capacity on
12 the system not including non-firm energy sources as noted above minus the largest single unit
13 (N-1). Exemptions or modifications to this criterion may be considered in the following
14 situations:

- 15 ● Additional generation may be prudent in situations where a sub-transmission system (or
16 interconnection) supplies multiple geographically dispersed communities to ensure
17 system reliability is maintained.
- 18 ● Less generation may be prudent in situations where non-firm generation has a historical
19 record of operating at a low unavailability rate.
- 20 ● Additional temporary generation may be prudent in situations where major diesel plant
21 modifications are planned and the addition of generation is required to mitigate
22 customer impact during project execution.
- 23 ● Additional generation may be prudent in situations where mobile gensets are the sole
24 source of generation for an extended period of time. Due to the reliability concerns
25 associated with utilizing solely mobile gensets the level of redundancy should be
26 increased.