

1 Q. **Reference: November 30, 2022, Hydro Presentation**

2 **Interruptible/Capacity Assistance**

3 With respect to Slide 10:

4 a) What contracts does Hydro have for interruptible load/capacity assistance power on the
5 Island Interconnected System?

6 b) How will the construction of the transmission interconnection between Muskrat Falls
7 and Happy Valley-Goose Bay affect firm, interruptible and/or curtailable power? When
8 will it be built and/or commissioned and/or in service? How much power will be carried
9 on the lines; to whom will it be made available; and at what rates? Please explain with
10 reference to Schedule 1 Attachment 1 Appendix A.

11 c) Has Hydro curtailed any of Newfoundland Power's 12 MW curtailable load since January
12 1, 2018? Has any compensation been paid?

13 d) What additional interruptible/capacity assistance agreements is Hydro considering and
14 why? What is the quantity of power and which customers will be affected?

15 e) Does Hydro pay compensation or give credits for interruptions that it requests or
16 requires?

17

18

19 A. a) On the Island Interconnected System, Newfoundland and Labrador Hydro ("Hydro")
20 currently has a capacity assistance contract with Corner Brook Pulp and Paper Ltd.

21 b) The Muskrat Falls to Happy Valley Interconnection ("MF to HVY Interconnection") entered
22 service in 2021, with the remaining project scope completed in 2022, increasing the
23 available transmission capacity by an additional approximate 29 MW.

1 As indicated on slide 25 of Hydro’s presentation,¹ Hydro plans to continue the current
2 regulation limiting firm load additions to 200 kW per customer. Additionally, as per Order in
3 Council OC2022-266, firm service will not be made available to cryptocurrency customers.
4 Even without the requirement to provide firm supply to cryptocurrency customers,
5 supplying the current applications for firm load in Labrador East may fully utilize the
6 available transmission capacity. As described in Appendix A,² the allocation of firm capacity
7 will be determined by Hydro as part of the ongoing analysis being performed in support of
8 the implementation of the Network Additions Policy.

9 To address transmission transfer capacity limitations prior to the completion of the MF to
10 HVY Interconnection, Hydro entered interruptible/curtailable load agreements from 2018 to
11 2021 to enable curtailment of customer loads in the event of transmission capacity
12 constraints. With the interconnection in place, ad-hoc curtailable load agreements are no
13 longer required to support reliable service in Labrador East. In its Non-Firm Rates
14 Application, Hydro is proposing the addition of a non-firm rate option to the Network
15 Additions Policy for the Labrador Interconnected System, as described in Schedule 1.³

16 The rates charged for firm power and non-firm power will be in accordance with the
17 Schedule of Rates, Rules, and Regulations approved by the Board of Commissioners of Public
18 Utilities.

19 c) Hydro has not made any requests to curtail the load of Newfoundland Power Inc.
20 (“Newfoundland Power”) since January 1, 2018.

21 A Curtailable Credit is included in the Utility Rate, as outlined in the Newfoundland and
22 Labrador Hydro Schedule of Rates, Rules and Regulations.⁴ Newfoundland Power also
23 provides a billing credit to its customers that successfully curtail.

¹ “Non-Firm Rate Application – Information Session for Interested Parties,” Newfoundland and Labrador Hydro, November 30, 2022, slide 25.

² “Application for a Non-Firm Rate for Labrador,” Newfoundland and Labrador Hydro, September 15, 2022, sch. 1, att. 1, app. A, p. 3.

³ “Application for a Non-Firm Rate for Labrador,” Newfoundland and Labrador Hydro, September 15, 2022, sch. 1.

⁴ “Newfoundland and Labrador Hydro Schedule of Rates, Rules and Regulations,” Newfoundland and Labrador Hydro, July 1, 2022, <https://nlhydro.com/wp-content/uploads/2022/08/2022-07-01_NLH_Schedule-of-Rates-Rules-and-Regulations-July-1-Rural.pdf>.

- 1 **d)** Hydro anticipates additional interruptible/capacity assistance agreements to limit the peak
2 demand impacts of decarbonization/electrification. For example, customers converting from
3 oil boilers to electric boilers could maintain their oil boilers so they can be operated in
4 response to interruptible requests.
- 5 **e)** Interruptible/capacity assistance agreements normally include compensation to the
6 customer providing the service. The compensation can be in the form of a billing reduction
7 or a payment separate from regular customer billing.