

1 Q. **Reference: Hydro’s response to PUB-NLH-011, Volume III, Table 8 of the Reliability and**
2 **Resource Adequacy Study 2022 Update filed October 3, 2022, and October 6, 2022 Technical**
3 **Conference**

4 Please confirm that Hydro, based on its current information including but not limited to the
5 RRAS 2022 Update, has no intention or expectation of filing any application for supplementary
6 capital expenditures on the Holyrood TGS prior to the filing of its 2024 Capital Budget
7 Application.

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10 A. Newfoundland and Labrador Hydro (“Hydro”) is currently reviewing two capital projects for the
11 Holyrood Thermal Generating Station (“Holyrood TGS”) to determine the appropriate
12 alternative selection and execution timeframe. Depending on the results of the review, these
13 projects may be proposed as supplemental to the 2023 Capital Budget Application.

14 The first is a proposal to repair and recoat the concrete surfaces of the three exhaust stacks. The
15 current coating is no longer providing the necessary protection against water and salt
16 contamination, which can cause the concrete to become dislodged and fall to the ground below,
17 posing a risk to the employees who frequent the area. Hydro has been mitigating this risk with
18 annual inspections and refurbishment.

19 Hydro is also exploring requirements for additional spare power transformation for its
20 generating units and will likely be submitting a supplemental capital budget proposal. Various
21 solutions are being examined for hydraulic generators and Units 1, 2, and 3 at the Holyrood TGS.
22 Solutions under investigation include spare power transformers that would be able to
23 accommodate both applications. As advised in Hydro’s “2022–2023 Winter Readiness Planning
24 Report,”¹ the spare that was on site for the Holyrood TGS was used to replace generator step-up
25 transformer T2 upon failure.² In addition, the spare transformer from the Upper Salmon

¹ “Reliability and Resource Adequacy Study Review – 2022–2023 Winter Readiness Planning Report, Newfoundland and Labrador Hydro, October 11, 2022.

² “Holyrood Thermal Generating Station Unit 2 Transformer Failure – Allowance for Unforeseen Items Notification,” Newfoundland and Labrador Hydro, November 19, 2021.

1 Hydroelectric Generating Station was required in service to replace generator step-up
2 transformer T5 at the Bay d’Espoir Hydroelectric Generating Facility.

3 Hydro notes that applications for approval of a supplemental capital expenditure, which were
4 not included in the capital budget application for the year, are made when the expenditure is
5 necessary and cannot be delayed until the next year (but is not so urgent as to justify using the
6 Allowance for Unforeseen Items Account). Hydro cannot confirm at this time that there will be
7 no circumstances that arise that would necessitate further applications for supplemental work
8 at the Holyrood TGS prior to the 2024 Capital Budget Application.