



NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
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2017-12-04

Ms. Tracey Pennell
Senior Counsel
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Ms. Pennell:

**Re: Newfoundland and Labrador Hydro - Near-term Generation Adequacy Report
Follow up**

On November 15, 2017 Newfoundland and Labrador Hydro ("Hydro") submitted to the Board its semi-annual *Near-term Generation Adequacy Report*. Within the report Hydro stated that it increased thermal generation starting on November 2, 2017 and that it was Hydro's intent to keep thermal generation above minimum until the decline in hydraulic energy storage slows or reverses and analysis signals the need for less thermal generation. The Board requests that Hydro provide more detail with respect to the degree to which thermal and gas turbine units will be required to operate more often this winter due to low water conditions including:

- the current estimated monthly energy output of the Holyrood Thermal Generating Station's Units 1, 2, and 3 and the Holyrood, Hardwoods, and Stephenville gas turbines;
- the previously planned output of these units;
- the extent to which the units might suffer reduced reliability as a result of the increased usage; and
- measures that Hydro is taking to minimize potential reliability issues that may arise from the expected increased operation of the units.

Within the *Near-term Generation Adequacy Report* Hydro also discussed its decision to measure and track both Utilization Forced Outage Probability ("UFOP") and Derated Adjusted Utilization Forced Outage Probability ("DAUFOP") for its gas turbines beginning in January 2018. The analyses presented within the *Near-term Generation Adequacy Report* utilized a 30% value for DAUFOP. The Board requests that Hydro submit to the Board the annual DAUFOP measurements for its Holyrood, Hardwoods, Stephenville, and Happy Valley gas turbines for 2012-2016 inclusively so as to provide a comparison to the 30% value used in the report's analyses.

The Board requests that Hydro submit responses by no later than December 15, 2017. If you have any questions or concerns please do not hesitate to contact the Board's Engineering Advisor, Mike Janes, by email mjanes@pub.nl.ca or telephone (709) 726-3037.

Yours truly,



Cheryl Blundon
Board Secretary

CB/cj

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