



NEWFOUNDLAND AND LABRADOR  
**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**  
120 Torbay Road, P.O. Box 21040, St. John's, Newfoundland and Labrador, Canada, A1A 5B2

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February 8, 2016

Mr. Geoff Young  
Senior Legal Counsel  
Newfoundland and Labrador Hydro  
P.O. Box 12400  
St. John's, NL A1B 4K7

Dear Mr. Young:

**Re: Newfoundland and Labrador Hydro - Request for Energy Supply Report on the Island Interconnected system for the period 2015 to 2019**

At a meeting on January 19, 2016 Hydro advised Board staff in relation to low precipitation levels and low reservoir storage levels on the Island Interconnected system. Further information was provided at a subsequent meeting on January 29, 2016. On February 5, 2016 Hydro filed additional information in relation to this matter as a part of an application for interim relief for increased fuel costs associated with higher than forecast use of the combustion turbine at Holyrood.

Based on the information provided by Hydro it appears that hydraulic generation will be significantly lower than forecast this year and that increased generation from fuel driven sources will be required. In addition it appears that there are ongoing issues at Holyrood which may result in reduced thermal generation coincident with the reduced hydraulic generation.

In the circumstances, the Board requires that Hydro file a comprehensive report in relation to energy supply circumstances on the Island Interconnected system for the period 2015 to 2019, setting out detailed annual actual and forecast information, including:

1. An up-to-date load forecast (GWh) for each year, in the format set out in the Generation Planning Issue Report last updated by Hydro in 2012.
2. For each year, a table setting out the available yearly production at all plants similar to the format set out in the Generation Planning Issues Report last updated by Hydro in 2012, with detailed explanation in relation to actual and forecast restrictions/reductions in capacity and energy.
3. System energy storage charts identifying how the energy storage will be recovered while meeting the anticipated load forecast.

4. Details of when the Labrador Island Link and the Maritime link are expected to be available to provide energy for the Island Interconnected system and how this will impact the energy supply circumstances.

The report should be filed with the Board by Wednesday, February 17, 2016. Thereafter, Hydro should file a bi-weekly report commencing Monday, February 29, 2016 containing, but not limited to, the following:

1. System Hydrology Report as contained in Hydro's Quarterly report;
2. the thermal plant operated in support of hydrology;
3. production by plant / unit; and
4. details of any current or anticipated long-term de-rating.

Based on the information which is filed by Hydro the Board may subsequently determine that further information should be provided.

In addition to the above the Board would like Hydro to undertake to provide a full risk assessment in relation to generation supply (capacity and energy) until the expected North American Grid interconnection, including alternatives and options available to address the energy supply circumstances in the interim. Board staff will contact you to discuss the scope and timing of this report.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, via [jglynn@pub.nl.ca](mailto:jglynn@pub.nl.ca) or (709) 726-6781.

Yours truly,



Cheryl Blundon  
Board Secretary