



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

2023-05-05

Newfoundland and Labrador Hydro

Shirley Walsh
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7
E-mail: shirleywalsh@nlh.nl.ca

Newfoundland Power Inc.

Dominic Foley
55 Kenmount Road
P.O. Box 8910
St. John's, NL A1B 3P6
E-mail: dfoley@newfoundlandpower.com

Industrial Customer Group

Paul Coxworthy
Stewart McKelvey
Cabot Place, 100 New Gower Street
P.O. Box 5038
St. John's, NL A1C 5V3
E-mail: pcoxworthy@stewartmckelvey.com

Consumer Advocate

Dennis Browne, K.C.
Browne Fitzgerald Morgan & Avis
Terrace on the Square, Level 2
P.O. Box 23135
St. John's, NL A1B 4J9
E-mail: dbrowne@bfma-law.com

Labrador Interconnected Group

Senwung Luk
Olthuis Kleer Townshend LLP
250 University Ave, 8th Floor
Toronto, ON M5H 3E5
E-mail: sluk@oktlaw.com

Dear Sirs/Madam:

Re: Newfoundland and Labrador Hydro - Reliability and Resource Adequacy Study Review - To Parties - Further Process

Newfoundland and Labrador Hydro ("Hydro") filed the 2022 update of its Reliability and Resource Adequacy Study on October 3, 2022 ("2022 RRAS Update"). The 2022 RRAS Update outlined a number of recommendations that were significantly different than the 2018 RRAS and subsequent updates. The 2022 RRAS update outlined an increase in load requirements due to electrification and other demands and continuing uncertainty on the reliability of the Labrador Island Link ("LIL"). It also included the results of analyses that demonstrate that the Island Interconnected system will have insufficient capacity to meet customers' load at certain LIL forced outage rates and the amount of insufficient capacity is increased if the Holyrood Thermal Generating Station ("Holyrood TGS") and the Hardwoods gas turbine ("Hardwoods")

Sara Kean, Assistant Board Secretary

Tel: 709-726-1119 / Website: www.pub.nl.ca / E-mail: skean@pub.nl.ca

are retired as previously planned. Hydro recommended that operation of Holyrood TGS and Hardwoods be extended to 2030 or until such time as sufficient alternative generation is commissioned. Hydro also recommended that, given the projected long-term needs for incremental on-island generation, it continues to investigate resource alternatives and prepare an application for approval to construct an additional generating unit at Bay d'Espoir.

Given the significant changes in the 2022 RRAS Update and the potential implications for the Island Interconnected system and Hydro's ability to meet customers' electricity requirements, the Board determined that it was necessary to ask Requests for Information ("RFIs") on the 2022 RRAS Update to obtain clarification of the analyses presented in it, the recommendations, the potential implications for customers and Hydro's plans and schedule to address the issues. The parties and the Board asked a number of RFIs and Hydro filed responses on February 17, 2023. A technical conference was held on May 1 and 2, 2023 to further discuss the issues.

This matter has been ongoing for a number of years. The Board has previously expressed its opinion that this matter should proceed as expeditiously as possible given the continuing uncertainty on the reliability of the LIL.¹ The 2022 RRAS Update also indicates that the load is forecast to be greater than previously anticipated. This proceeding raises significant issues for customers and the future of the province's electricity system which must be addressed in a timely way. The Board expects Hydro to undertake the necessary studies and analyses and to prepare the appropriate filings with the Board as soon as possible to allow for a full consideration of the issues. To assist with this process, the Board directs the following:

1. Hydro shall file by May 19, 2023 a comprehensive list of all reports, studies and analyses it has currently underway or planned with respect to the reliability of the LIL, potential alternative generation resources, the load forecast, and any other issues raised in the 2022 RRAS Update and the May 1-2, 2023 technical conference. This list shall include a description of the scope of each study, report and analysis, the consultant or group undertaking the work and the schedule for completion.
2. Hydro shall file with the Board a copy of each report, study or analysis listed in response to number 1 above as it is completed.
3. Hydro shall file by June 19, 2023 its current schedule for future RRAS updates and its proposed application for approval for a new generation addition.
4. The parties shall file by June 13, 2023 a list of issues or topics that they want addressed in the work being undertaken by Hydro.

The Board will schedule a meeting for all parties in the Fall of 2023 to provide an opportunity for Hydro to provide an update on the issues, its work and schedule.

If you have any questions, please do not hesitate to contact the Board's Hearing Counsel for this matter, Maureen Greene by email, mgreene@pub.nl.ca or telephone (709) 726-3175.

¹ For example: Correspondence to parties dated 2021-03-25 and 2022-01-20.

Sincerely,



Sara Kean
Assistant Board Secretary

SK/cj

ecc **Newfoundland and Labrador Hydro**
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Industrial Customer Group
Dean Porter, E-mail: dporter@poolealthouse.ca
Denis Fleming, E-mail: dfleming@coxandpalmer.com
Labrador Interconnected Group
Nick Kennedy, E-mail: nkennedy@oktlaw.com

Newfoundland Power Inc.
NP Regulatory, E-mail: regulatory@newfoundlandpower.com
Consumer Advocate
Stephen Fitzgerald, E-mail: sfitzgerald@bfma-law.com
Sarah Fitzgerald, E-mail: sarahfitzgerald@bfma-law.com
Bernice Bailey, E-mail: bbailey@bfma-law.com