

1 Q. Liberty states (*Summary of and Comments on LIL Study Reports Issued in April 2020*, page 6) “At
2 lower Island demand levels, the LIL’s operating limit falls, as assumed levels of ML exports do.
3 Without the ML in operation, the LIL can operate at maximum level of 750MW at maximum
4 Island loads. That operating limit falls to 500MW for Island loads at about 950MW.” How does
5 Hydro incorporate outages of the ML in its reliability planning? Where do outages of the ML
6 rank in terms of criticality to the reliability of supply to the Island Interconnected System?

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9 A. From a capacity perspective, consistent with practices outlined in the North American Electric
10 Reliability Corporation (“NERC”) “Probabilistic Assessment Technical Guideline Document” and
11 the NERC “Reliability Assessment Guidebook,” only firm imports and exports are considered
12 when modelling system reliability. Currently, the only firm extra-provincial capacity
13 arrangement is the export of the Nova Scotia Block. The export of the Nova Scotia Block does
14 not impact the reliability of the Newfoundland and Labrador Interconnected System as given
15 that it is an export arrangement, any outage to the Maritime Link will have a reliability benefit to
16 the Newfoundland and Labrador Interconnected System as it will make additional energy
17 available to the Newfoundland and Labrador Interconnected System that would otherwise have
18 been delivered to Nova Scotia. Finally, as outages to the Maritime Link are expected to be
19 relatively infrequent the relative impact on system reliability would be expected to be relatively
20 low.

21 From a transmission perspective, the following considers both situations posed in Liberty’s
22 statement. Firstly, with respect to the statement that “*Without the ML in operation, the LIL can*
23 *operate at maximum level of 750MW at maximum Island loads,*” as discussed above, if the
24 Maritime Link is unavailable, the capacity that would have otherwise been delivered as part of
25 the Nova Scotia Block becomes available to the Newfoundland and Labrador Interconnected
26 System. The peak load reduction in Labrador-Island Link (“LIL”) capability from 900 MW to 750
27 MW in the event of an Maritime Link outage results in a reduction of 150 MW, which is more
28 than offset by the incremental capacity that would be available to the Newfoundland and

1 Labrador Interconnected System if the Nova Scotia Block was unable to be delivered due to the
2 outage of the Maritime Link.

3 Secondly, in the case where island load is 950 MW, the LIL capability is further reduced to 500
4 MW. However, given that the generating capacity on the island is approximately 1,400 MW,
5 which greatly exceeds the 950 MW of stated load, there would be no reasonable risk of
6 generation shortfall.