1Q.Reference: Reliability and Resource Adequacy Study 2022 Update, Volume III, Attachment 3,2page 4

States: "An additional consideration for Hydro is the need, as discussed in the resource planning
 and R&RA analyses, for locational resource planning – that is each region of NL must plan
 assuming there will be no support from outside its current infrastructure."

- Discuss Hydro's current views on provincial version regional planning given questions about
 long-term LIL reliability.
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- 9

In the 2018 "Reliability and Resource Adequacy Study,"¹ Newfoundland and Labrador Hydro 10 Α. 11 proposed the migration to planning on a regional and sub-regional basis due to the fact that the Labrador-Island Link is now part of the provincial system. As a part of this migration, separate 12 reliability criteria were proposed for the Island Interconnected System and the Newfoundland 13 and Labrador Interconnected System. At the time, it was determined that there was no 14 15 requirement for planning criteria for the Labrador Interconnected System due to the high reliability of the TwinCo² and Recapture Energy blocks as well as the fact that the peak load in 16 Labrador could be entirely supplied by both blocks. 17

- Currently, there is the potential for significant load growth on the Labrador Interconnected
 System, which would be mainly driven by significant industrial growth in the region. Separate
 reliability criteria for the Labrador Interconnected System will be necessary once the peak load
 in Labrador exceeds the capacity of the TwinCo and Recapture Energy blocks. This will be
 addressed in the Reliability and Resource Adequacy Study 2023 Update ("2023 Update").
 The development of reliability criteria for the Newfoundland and Labrador Interconnected
- System was based on the assumption that the transmission line between the Labrador
 Interconnected System and the Island Interconnected System, the Labrador Island Link ("LIL"),

¹ "Reliability and Resource Adequacy Study," Newfoundland and Labrador Hydro, rev. September 6, 2019 (originally filed November 16, 2018).

² Twin Falls Power Corporation ("TwinCo").

1	would be highly reliable per the design. Based on the significant increase in the bipole forced
2	outage rate assumptions for the LIL in the scenarios assessed in the "Reliability and Resource
3	Adequacy Study – 2022 Update," ³ it is necessary to revisit the appropriateness of adopting
4	criteria for the combined Newfoundland and Labrador Interconnected System if the LIL has a
5	high forced outage rate. This will be addressed in the 2023 Update.

³ "Reliability and Resource Adequacy Study – 2022 Update," Newfoundland and Labrador Hydro, October 3, 2022.