

1 **Q. Reference: November 30, 2022, Hydro Presentation**

2 **Island Industrial Non-Firm Rate**

3 With respect to slide 28:

4 **a)** How does Hydro plan to enhance the non-firm rate option in the future to consider
5 avoidance of spill energy? Will such enhancement take the form of lower prices?

6 **b)** When and in what quantities is spill energy available?

7 **c)** Are there possible storage options for such spill energy elsewhere in the system?

8 **d)** Will any of the spill or other energy be made available to any hydrogen generation
9 proposals?

10 **e)** What is the anticipated increased timing on non-firm price updates?

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13 **A. a)** Newfoundland and Labrador Hydro (“Hydro”) will conduct a review of generally accepted
14 utility practices of other jurisdictions in determining the approaches used in non-firm rate
15 designs to minimize spill energy. It is possible that a non-firm rate to minimize spill energy
16 would be lower than the standard approach to pricing non-firm energy. However, it is
17 important to recognize that on the Labrador Interconnected System, transmission system
18 constraints could still limit the capacity that could be delivered to customers, irrespective of
19 whether the supply was surplus energy or spill avoidance energy.

20 **b)** Hydro is unable to specify when and in what quantity spill energy will be available. The
21 potential for spilling water at hydroelectric plant reservoirs generally occurs as a result of
22 extended periods of high precipitation. If there is too much water going through the dam,
23 elements like the turbines cannot function properly and can be damaged. Spillways help
24 protect these parts from damage or complications. During the spring thaw there is a higher
25 probability of spill and the utility operates its storage reservoirs and generating fleet to

1 minimize lost energy due to spill. If demand for electricity in the province or to export is
2 inadequate to manage storage levels, water spillage will occur.

3 **c)** As indicated in Hydro's response to part b), Hydro operates its fleet to minimize spill.

4 **d)** It is premature to speculate on what type of energy may be available to hydrogen proposals
5 in the province.

6 **e)** Please refer to part a) of Hydro's response to IC-NLH-006 of this proceeding with respect to
7 modifying the timing of non-firm rate price updates.