

1 Q. **Reference: Application, Schedule 1: Upgrade Report – Penstock 1 Life Extension – Bay**
2 **d'Espoir, Page 12, line 21 to Page 13, line 2.**

3 The current operational restrictions of operating Penstock 1 in the rough zone
4 will continue, restricting Hydro's flexibility in operating Units 1 and 2. From a
5 system reliability perspective, Hydro does not consider Option 1 to be a viable
6 strategy.

7 Please describe in detail the restrictions Hydro is experiencing in operating units 1 and 2 in the
8 rough zone. How do these restrictions impact Hydro's customers?

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11 A. Due to the reliability concerns associated with Penstock 1 and the uncertainty of correlation
12 between rough zone operation and previous failures, Penstock 1 should remain watered-up at
13 all times and can only be dewatered for maintenance activities. Therefore, Units 1 and 2 at the
14 Bay d'Espoir Hydroelectric Generating Facility ("Bay d'Espoir") are required to remain above an
15 operational minimum of 50 MW at all times outside of planned maintenance. These restrictions
16 have an operational impact, especially during lower loading periods when the Energy Control
17 Centre must keep these units online. As a result, they cannot be utilized for economic dispatch,
18 potentially resulting in the less efficient operation of Units 1 and 2 and the Bay d'Espoir
19 generating resources as a whole.