

1 Q. **Reference: Application, Schedule 3 relating to Holyrood TGS, page 8**

2 It is stated

3 To continue to minimize the investment in assets that are not planned for long-
4 term operation, Hydro has been working with a consultant and the regulator to
5 extend the operating life of the fuel oil storage tanks as is summarized in Table
6 2.

7 Please elaborate on the regulator and the “work” being undertaken with the regulator.

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10 A. The regulator for the fuel oil storage tanks is the Government of Newfoundland and Labrador’s
11 Department of Environment and Climate Change. As discussed in the Refurbish Fuel Oil Storage
12 Tank 4 (2024) – Holyrood project proposal¹, the Department of Environment and Climate
13 Change has issued a Certificate of Approval (“COA”) to Newfoundland and Labrador Hydro
14 (“Hydro”) for the operation of the Holyrood Thermal Generating Station (“Holyrood TGS”). As
15 per the terms and conditions of the COA and in accordance with common industry practice, the
16 fuel oil storage tanks are subject to the API Standard 653.² This requirement is outlined in
17 Attachment 1 to the Refurbish Fuel Oil Storage Tank 4 (2024) – Holyrood (Project 6) proposal.³

18 API Standard 653 also provides requirements and methods for determining re-inspection
19 intervals. For all heavy oil fuel storage tanks at the Holyrood TGS, Hydro has hired a local
20 API 653⁴ certified engineering company to review previous inspection data and propose the next
21 out-of-service⁵ re-inspection date based on engineering analysis and within the requirements of
22 API Standard 653. These proposals are presented to the Department of Environment and
23 Climate Change for their review and approval. Through this process, Hydro has been successful

¹ “2024 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. August 18, 2023 (originally filed July 12, 2023), sch. 6, proj. 6.

² American Petroleum Institute. (2014). API Standard 653, *Tank Inspection, Repair, Alteration, and Reconstruction* (5th ed.).

³ “2024 Capital Budget Application,” Newfoundland and Labrador Hydro, rev. August 18, 2023 (originally filed July 12, 2023), sch. 6, proj. 6, att. 1.

⁴ API 653 – Aboveground Storage Tank Inspector.

⁵ Out-of-service tank inspections are completed after draining the fuel and cleaning the tank.

- 1 in extending the out-of-service re-inspection interval for its fuel oil storage tanks,⁶ thereby
- 2 eliminating any unnecessary or premature capital expenditure.

⁶ Fuel Oil Storage Tank 3 is the only tank that has not been fully extended; work is in progress to extend the re-inspection schedule beyond the current date of 2025.