Q. **Reference: CA-NLH-050.**

The proposed $10.5 million heating system for the Holyrood Thermal Station.

a) Under the proposal, would the heating system be available for first use in Winter 2027/28 or Winter 2028/29?

b) Until the proposed heating system is available for use, can Holyrood be heated according to current practice and is that Hydro's intention?

c) Please clarify the statement regarding Holyrood's three units: "*All three have not been simultaneously unavailable to date*." Specifically, does "to date" mean since the third unit was installed? What is the number of years associated with "to date"?

d) Regarding the statement (CA-NLH-050(d)) "*a failure of one or more units while the remaining units are on standby is also a potential issue*", could this potential issue be avoided by running at least two units during times when heating of the Holyrood Station is required?

e) Once Units 1 and 2 are taken out of service, would a less extensive and expensive heating system be sufficient to enable continued operation of just Unit 3 as a synchronous condenser?

A. **a)** As proposed, the heating system will be available for first use for winter 2027–2028.

b) Until the proposed heating system is available, Newfoundland and Labrador Hydro ("Hydro") will continue to heat the Holyrood Thermal Generating Station according to current practice, which uses steam from one or more of the unit boilers.

Until the heating system is commissioned, Hydro is taking additional steps to mitigate the risk of having no steam available for heating should all three boilers become simultaneously unavailable during the winter months. Again this winter, rental diesel-fired heaters will be

staged around the powerhouse and pump houses as a short-term solution to provide heat should a total loss of steam occur.

c) This statement intended to confirm that since the auxiliary boilers were removed from service in 1992, there has not been a situation where all three boilers were unavailable simultaneously during the winter period.

d) Having at least two units online at any given time during the winter provides contingency should one unit fail; however, the concern remains that all three boilers could fail simultaneously. As stated in Hydro's response to CA-NLH-050 of this proceeding, Hydro believes the likelihood of such an event is low, but the consequence could be severe.

Furthermore, the fuel cost associated with running a unit at a minimum load for this purpose would be high. For example, in November 2021 when Unit 1 and Unit 3 were not available and the Unit 2 transformer failed, the Unit 2 boiler was operated with the unit offline to provide heat to the plant. The fuel cost associated with running this boiler for approximately a week, solely for heat, was approximately $150,000.

e) With the retirement of the three boilers post steam, there will be less critical equipment at risk of freezing; however, it will still be necessary to keep the powerhouse above freezing temperatures to protect the remaining equipment and to maintain the building structure and foundation. Hydro is assessing options for plant heating and will submit a project as early as practical to address the near-term and long-term needs. Evaluation of alternatives in this project will consider solutions which meet the needs of the plant through the retirement of the generating units, and in its role as a synchronous condenser once the steam components are retired. The project timing is subject to change but currently planned for submission in the 2026 Capital Budget Application as a two-year project.