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October 13, 2026

Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Mike McNiven
Senior Regulatory Advisor & Board Secretary

Re: *Reliability and Resource Adequacy Study Review* – 2026–2027 Winter Readiness Planning Report – Preliminary Report

Further to correspondence received from the Board of Commissioners of Public Utilities ("Board") on October 13, 2016, directing Newfoundland and Labrador Hydro ("Hydro") to provide an annual report detailing its winter readiness planning, and correspondence received on March 5, 2020, requesting additional detail, please find enclosed Hydro's 2026–2027 Winter Readiness Planning Report.

For the 2026–2027 Winter Readiness reporting cycle, Hydro has streamlined its overall report to focus on risks to Winter Readiness and actions taken to mitigate those risks. Hydro has also included a new section on Frazil Ice Readiness.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
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Encl.

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2026–2027 Winter Readiness Planning Report

October 13, 2026

A report to the Board of Commissioners of Public Utilities



Executive Summary

Newfoundland and Labrador Hydro ("Hydro") closely monitors its supply-related assets and is confident in its ability to service customers during the 2026–2027 winter season. Each year, Hydro completes extensive winter readiness ("WR") activities across its network of assets. This requires detailed scheduling and coordination from across all teams and sites to ensure safe completion of all tasks. As these activities progress towards completion, Hydro will continue to monitor system performance and preparedness to ensure reliable service to its customers, as well as those of Newfoundland Power Inc., throughout the upcoming winter season. It is recognized that increased asset age can result in an increased risk of in-service failures. Hydro mitigates this risk through regular overhaul programs on major components, increased condition assessment work, and a robust critical spares program. While asset condition can impact reliability and availability, Hydro mitigates the associated risk through the application of *good utility practice*;[1] however, it is not possible to completely eliminate the risk.

The results of Hydro's annual work plan ("AWP") and WR activities for both the Island Interconnected System and the Labrador Interconnected System year-to-date indicate that Hydro is on track to meet its target for all regulated generating assets, with the exception of Unit 2 at the Holyrood Thermal Generating Station ("Holyrood TGS") and the Hinds Lake Hydroelectric Generating Station ("Hinds Lake"). Hydro will continue to monitor progress and mitigate work execution and operational risks. The system is well positioned to meet the needs of all customers for the 2026–2027 winter season.

Holyrood TGS Unit 2 is anticipated to return to service in late December 2026 due to the additional work required during the Overhaul Turbine Valves and Generator Program. The Hinds Lake unit is anticipated to return to service in February 2027. In advance of both units return to service, Hydro has sufficient generation reserves and appropriate plans in place to mitigate system risk.

Holyrood TGS is an aging thermal facility with increasingly unpredictable performance. The advanced age of the asset introduces heightened risk and increased costs associated with maintaining its

[1] Hydro defines "*Good Utility Practice*" in the same manner as defined in the *Water Management Regulations* under the *Electrical Power Control Act, 1994*. *Good Utility Practice* means those practices, methods or acts, including but not limited to the practices, methods or acts engaged in or approved by a significant portion of the electric utility industry in Canada, that at a particular time, in the exercise of reasonable judgment, and in light of the facts known at the time a decision is made, would be expected to accomplish the desired result in a manner which is consistent with laws and regulations and with due consideration for reliability, safety, environmental protection, and economic and efficient operations.

operation. Hydro continues to closely monitor the risk associated with the Holyrood TGS, given its ongoing reliability challenges and operational unpredictability.

The Labrador-Island Link ("LIL") continues to reliably support the Island Interconnected System, delivering both capacity and energy to meet system needs, and will be available for bipole operation up to 900 MW this winter, as system conditions permit.

Although Hydro has identified risks as outlined in this report, it is important to note that the identification of risks is a normal and important piece of Hydro's comprehensive planning and preparedness processes. These processes help to ensure reliable operation during our winter operating seasons.

Hydro continues to closely monitor the risk associated with the Holyrood TGS, given its ongoing reliability and operational challenges. A further update will be provided in Hydro's next 2026–2027 Winter Readiness Planning Report, to be filed on November 10, 2026.

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Appendix A: Status of Capital Projects and Programs Related to Winter Readiness

Appendix B: Master Generation Outage Schedule

1.0 Introduction

In 2016, the Board of Commissioners of Public Utilities ("Board") directed Hydro to provide an annual report detailing its WR planning.[2] This report, for the 2026–2027 winter season, addresses the following items as requested by the Board:

- The status of annual work plan items for Hydro's generating plant and transmission and terminal stations, including the completion to date, outstanding items to complete, and any risks to completion or as a result of failure to complete.

- A description and schedule for all outstanding 2026 capital projects for Hydro's generating plant and transmission and terminal stations, including progress on completion status to date and expected completion date.

- The planned generation outage schedule for the period September 1 to December 31, 2026, including an explanation for any planned outages extending beyond December 1, 2026.

- Identification of any risks that could impact the winter readiness of assets as of December 1, 2026, and associated contingency plans.[3]

On April 30, 2026, Hydro filed a report on the frazil ice event that occurred in January 2026 at the Bay d'Espoir Hydroelectric Generating Station ("Bay d'Espoir").[4] Within this report, Hydro indicated that in response to changing environmental and operational conditions, it would assess what options it should pursue to address this risk, which may include additional equipment to enhance physical monitoring and site-specific frazil ice procedures for Bay d'Espoir, with an update to be provided as part of its 2026–2027 Winter Readiness reporting. This update is provided within Section 4.2.3 of this report.

Hydro's AWP integrates all planned activities for the year (i.e., corrective maintenance ("CM"), preventive maintenance ("PM"), and capital project support) that are critical to the safe and reliable production and transmission of electricity. Hydro regularly measures the progress of its AWP execution

[2] "Investigation and Hearing into Supply Issues and Power Outages on the Island Interconnected System – Directions further to the Board's Phase One Report," Board of Commissioners of Public Utilities, October 13, 2016, p. 2, item iii.
[3] "Request to Hydro to file Winter Readiness Planning 2016–2017," Board of Commissioners of Public Utilities, September 13, 2016.
[4] "Frazil Ice at Bay d'Espoir Hydroelectric Generating Station," Newfoundland and Labrador Hydro, April 30, 2026.

in comparison with the plan, and is able to track the AWP status down to the level of individual work plan items. The individual AWPs for various assets are incorporated into an integrated AWP. While some AWP activities are planned for completion through December 2026, those tagged as WR activities are generally planned for completion by December 1, 2026.

To ensure WR, Hydro follows a structured checklist for planning and documenting its testing and inspection of plant and equipment in its thermal and hydroelectric generation facilities.

In its transmission, terminal station, operational technology, and combustion turbine ("CT") operations, Hydro relies on its AWP process to plan and track its WR testing and inspection of these assets. The AWPs in these areas include planned PM activities and CM items, both of which involve inspection and testing. Planned PMs and CMs, and any other activities pertaining to WR, are flagged inside the respective AWPs and may be tracked separately from other AWP items that are not WR related.

Except where otherwise noted, information presented in this report covers both the Island Interconnected System and the Labrador Interconnected System for the period ending September 30, 2026. This report is organized by operating area (i.e., Holyrood TGS, CT Generation, Hydraulic Generation, Muskrat Falls Assets, Transmission and Rural Operations, and Operational Technology), and WR activities for each operating area are discussed in Sections 2.0 through 7.0 and relevant appendices, which contain applicable information on:

- **Annual Work Plan and Winter Readiness Status:** This report provides a consolidated summary of operation and maintenance progress, both for the entire AWP and the WR tasks for each area.

- **Risk and Risk Mitigation:** Discussion of items influencing WR and/or reliable operations.

In line with Board direction, Hydro also provides an update on its capital programs and projects impacting WR in Section 8.0 and Appendix A. As reflected throughout this report, a number of generating unit annual maintenance programs have been completed across the fleet and Hydro plans to complete annual maintenance on all of its units in advance of the winter season, with the exception of Holyrood TGS Unit 2 and Hinds Lake. The Master Generation Outage Schedule for September 1 to December 31, 2026, is provided as Appendix B.

2.0 Holyrood Thermal Generating Station

2.1 Annual Work Plan and Winter Readiness Status

All planned 2026 WR work is on target for completion by December 1, 2026, aside from activities related to Unit 2. Unit 2's return to service is anticipated in December 2026 due to additional work identified during the Overhaul Turbine Valves and Generator Program.

It should be noted that Holyrood TGS has exceeded its intended useful life and continues to experience unpredictable reliability, and as such, presents an increased risk to winter readiness. For the past three winters, a unit at the Holyrood TGS has been unavailable for all or a portion of the winter season due to forced extensions to planned outages as a result of found work or complications from repairs. Utilizing any of the three units enables Hydro to have the flexibility to provide system generation despite unplanned outages and reliability issues that arise. The operational dependency on the Holyrood TGS is directly linked to overall system reliability, until its capacity can be replaced by new sources of generation.

2.1.1 Holyrood TGS Unit 1

Holyrood TGS Unit 1 forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 68.4% to date, and WR status is 63.6% complete for 2026.

Unit 1 is scheduled to come online upon completion of its annual maintenance outage; however, the expected return to service date is unknown at this time. All remaining WR activities are scheduled for completion prior to December 1, 2026.

Hydro is monitoring a leak which was discovered in the Unit 1 boiler during the service pressure test. Inspections are ongoing to borescope upstream and downstream of the damaged section to verify there is no further cracking before the new section of tube is welded in place. An investigation is ongoing to determine the cause of a leak. Additional details are outlined in the Risk and Risk Mitigation section of this report.

2.1.2 Holyrood TGS Unit 2

Holyrood TGS Unit 2 forecast winter readiness completion status is on target upon the units return to service.

The overall AWP completion status is 56.7% to date, and WR status is 53.0% complete for 2026.

Unit 2 is scheduled to come online upon completion of its annual maintenance outage by December 21, 2026. All remaining WR activities are scheduled for completion prior to the unit being returned to service in December 2026.

During the execution of the capital project to overhaul the Unit 2 turbine valves, there were some significant findings that led to extensive additional inspections and interventions. As a result of the extra work scope, mechanical completion is anticipated to be November 20, with commissioning complete and return to service by December 21.

Hydro is monitoring risks associated with commissioning of the new flame scanners and installation of the fan shaft within the west Forced Draft ("FD"). Additional details on these items are outlined in the Risk and Risk Mitigation section of this report.

2.1.3 Holyrood TGS Unit 3

Holyrood TGS Unit 3 forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 87.8% to date, and the WR status is 88.5% complete for 2026. Unit 3 returned to service upon completion of its annual maintenance outage on September 26, 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. Hydro is monitoring risks associated with the Unit 3 travelling screens, the West FD fan, the Auxiliary Oil Pump Motor and the Unit 3 boiler feed pump, none of which impact the availability of the unit. Additional details on these items are outlined in the Risk and Risk Mitigation section of this report.

2.1.4 Holyrood Balance of Plant

Holyrood Balance of Plant forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 68.9% to date, and the WR status is 22.2% complete for 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

2.2 Risk and Risk Mitigation

In accordance with capacity requirements as specified by Hydro in its 2024 Resource Adequacy Plan,[5] Hydro has recommended that all three Holyrood TGS units remain available through the "Bridging Period"[6] while Hydro seeks to develop new long-term sources of supply.

In 2021, Hatch Ltd. ("Hatch") completed its Life Extension Condition Assessment Study ("LECA"),[7] including a capital plan to support the standby operation of the Holyrood TGS to 2030. In 2024, Hatch completed a refresh to their capital plan, which also considered operations to 2035 to inform the capital costs of operating beyond 2030, should this be required.[8] It is recognized that increased age can result in an increased risk of in-service failures. Hydro mitigates this risk through regular overhaul programs on major components, increased condition assessment work, and a robust critical spares program.

Hydro anticipates that Units 1 and 3 at the Holyrood TGS will be fully available for the winter period. Unit 2 is undergoing major overhaul of the steam turbine valves and generator, and due to additional work identified during this project, its return to service date has been extended to December 21, 2026. Items influencing WR and/or reliable operations are identified in the sections that follow.

2.2.1 Unit 2 Turbine Valves and Generator Overhaul

The WR scope in this program is to clean, inspect, test, and refurbish or overhaul as required, the turbine valves and generator for Unit 2 at the Holyrood TGS.

During the execution of the capital project to overhaul the Unit 2 turbine valves, there were some significant findings that led to extensive additional inspections and interventions. An investigation is underway to ensure that the causes of these issues are understood and risks have been mitigated. The

[5] "2024 Resource Adequacy Plan – An Update to the Reliability and Resource Adequacy Study," Newfoundland and Labrador Hydro, rev. August 26, 2024 (originally filed July 9, 2024).
[6] Hydro considers the Bridging Period to be from the present to 2030, or until such time that sufficient alternative generation is commissioned, adequate performance of the LIL is proven, and generation reserves are met. During the Bridging Period, the system would rely primarily on existing sources of generation capacity to maintain reliability while new generation capacity is being built. The primary, readily available supply options in this period are extending the retirements of the Holyrood TGS, Stephenville Gas Turbine ("GT") and the Hardwoods GT until their capacities can be adequately replaced.
[7] "*Reliability and Resource Adequacy Study Review* – Assessment to Determine the Potential Long-Term Viability of the Holyrood Thermal Generating Station," Newfoundland and Labrador Hydro, March 31, 2022, att. 2.
[8] "*Reliability and Resource Adequacy Study Review* – Holyrood Thermal Generating Station Capital Plan Refresh," Newfoundland and Labrador Hydro, March 7, 2025, att. 1.

investigation is being supported by the turbine contractor, Mitsubishi Power, with support from third party experts from Hatch.

The first issue was discovered during inspection of the Unit 2 bearing oil deflectors, which is a routine part of a turbine valve overhaul scope. During this work, indications of significant bearing damage were discovered, prompting a roll out of the three turbine bearings for further inspection. All three turbine bearings were found to be wiped, and one bearing showed damage consistent with possible electrical arcing. As a result, all bearings required refurbishment, which required removal of the turbine rotor for access and to properly set the bearings and complete the unit alignment after refurbishment.

Once the turbine was opened, the second stage diaphragm was found damaged and was not secured to the casing. Additionally, damage to the steam path was discovered. Consequentially, the rotor and several stages of diaphragms were sent to the contractor's service facility to be refurbished. Upon removal of the rotor and lower half diaphragms, standing water was found in several areas inside the turbine casing. Water accumulation was also found in some valves, including the non-return valves.

The rotor has been refurbished and returned to site. Refurbishment of five stages of diaphragms at the contractor's facility is complete and the diaphragms have arrived on site. Unit reassembly activities are in progress.

As a result of the extra work scope, mechanical completion is anticipated to be November 20, with commissioning complete and return to service by December 21. To reduce the impact of these findings on winter readiness availability, the site team is pursuing opportunities to advance schedule through extended work hours. However, the FD fan work on Unit 2 is currently the critical path.[9] The ongoing investigation will be completed prior to return to service. An update will be provided in the November filing of the 2026–2027 Winter Readiness Planning Report.

2.2.2 Unit Boiler Tubes

Each of the three thermal generating units at the Holyrood TGS has a boiler that contains tubes, the failure of which are a common issue in thermal power plants.[10] During the service pressure test on

[9] Outlined in Section 2.2.3.

[10] Boiler tube failures are a common issue in thermal power plants due to the inherent design, which requires relatively thin walls for heat transfer to be subjected to high temperatures and stresses.

October 5, 2026, a leak was discovered in the Unit 1 boiler. The contractor identified the leaking tube and it was removed. A crack was found inside the tube near the saddle weld attachment. Inspections are ongoing to borescope upstream and downstream of the damaged section to verify there is no further cracking before the new section of tube is welded in place. An investigation is ongoing to determine the cause of a leak that was discovered on October 13, 2026. Unit 1 expected return to service date is unknown at this time. Hydro will provide an update on the status of this issue in the November filing of the 2026–2027 Winter Readiness Planning Report.

2.2.3 Unit 2 West FD Fan

In late April 2026, Unit 2 was returned to service to enable commissioning of new flame scanners installed on Unit 2. The west FD fan failed during startup of the unit. This failure resulted in damage to the bearing housings and the fan shaft. The OEM for the fan was engaged and completed an inspection and assessment of the fan. The OEM advised that the bearings and shaft would have to be replaced. Because of the damage to the housing, available spare liners could not be used. The lead time to receive a replacement bearing was nearly a year; therefore, it was necessary to convert to alternate bearings with much shorter lead times. A new pedestal design is required to accommodate the new bearing design.

The OEM has completed engineering of the replacement components and all parts, including shaft, bearings, and pedestal, have been ordered. The parts are expected on site in early November, and Hydro is working with the fan OEM and boiler service contractor in an effort to advance this delivery. Regular meetings are being held with the vendor to track progress of these components and to look for opportunities to advance delivery.

The work to replace the fan shaft and to install the new pedestals and bearings is significant. The OEM and other third-party support have been engaged to assist in planning this work to make the fan available as early as possible. This includes planning of the work, completing the removal of the fan and other pre-work before the new components arrive, having expert oversight during execution of the work, and working double shifts, where practicable.

As discussed above, mechanical completion of the Unit 2 turbine is expected on November 20, 2026. The boiler will have to be fired to complete hot commissioning of the turbine approximately a week

after this date. It is not possible to perform the installation of the fan shaft with the unit online. To prevent further delay of the Unit 2 start up, Hydro is targeting a return to service date of November 27, 2026. Hydro will provide an update on the status of this issue in the November filing of the 2026–2027 Winter Readiness Planning Report.

2.2.4 Flame Scanners

The combustion of fuel in the boilers at Holyrood TGS is supervised by safety devices called flame scanners. Each burner has its own flame scanner, which is an optical device that detects the presence of flame. If the flame scanner does not detect flame, then it will shut off the fuel going to that burner. This prevents the accumulation of unburned fuel inside the boiler, which could lead to an explosive condition. These devices are required by code. Unit 1 and Unit 2 each have twelve burners, while Unit 3 has nine. To reliably generate full load, all burners are required to be operational.

Hydro's existing flame scanner system is no longer supported by the OEM, and it is no longer possible to purchase additional scanners. To mitigate the risk of obsolescence and the minimal availability of spare parts, the flame scanners on Unit 2 have been replaced with a newer model procured from the OEM. The new system was installed on Unit 2 during the 2025 annual outage; however, during start-up of the unit in October 2025, technical issues occurred with the new system, which prevented the unit from returning to service. After several days of troubleshooting supported by the OEM, it was agreed to return to the original scanner system to enable the unit to return to service. Hydro continued to work with the OEM to resolve the technical issues during the 2025–2026 operating season, and in April, installed and commissioned the new system up to a load of about 40 MW with no outstanding issues. The load was limited due to the aforementioned failure of the Unit 2 west FD fan.

When Unit 2 is returned to service for the 2026–2027 operating season, the commissioning of the flame scanners up to full load will be completed. Due to the delay in return to service as a result of the turbine valve project findings, this is expected to happen in December. Based on the successful commissioning of the new system at low loads, Hydro considers the risk to the Holyrood TGS for this winter operating season to be low. Unit 1 will also be returned to service for the coming winter using the new flame scanners. Commissioning of this system is expected to be completed in October, and this experience will be beneficial for the Unit 2 commissioning. Hydro will update the status of this in the November filing of the 2026–2027 Winter Readiness Planning Report.

2.2.5 Unit 3 Travelling Screens

The Unit 3 travelling screens are located in the pump house. Each generating unit has two screens. They are designed to screen debris from the sea water that enters the pump house sump, before it is pumped to the condenser for cooling. The screens are arranged as a continuous loop that is rotated when they become fouled, replacing the fouled section with a clean section. The fouled section is then washed and prepared to be rotated back in service when required.

Both of the screens on Unit 3 were found to be seized in place, requiring a significant overhaul to free them. A diving inspection was completed to determine the condition of the underwater components, which appeared to be fine. After delays related to ongoing restrictions that prevented heavy equipment from entering the pump house, and delays related to a failure of the pump house crane, overhaul of the screens is underway. Having one screen available will allow the unit to be returned to service. Both screens will need to be in-service to achieve full load.

The East screen overhaul is complete, and the West screen is expected to be in-service by November 23, 2026, to support operation of Unit 3 at full load. Hydro will update the status of this in the November filing of the 2026–2027 Winter Readiness Planning Report.

2.2.6 Unit 3 West FD Fan

On February 24th, 2026, Unit 3 tripped offline following the loss of the West FD fan. After the West FD fan tripped, the East FD fan overloaded and tripped, resulting in a Unit trip due to loss of airflow to the boiler. The problem was believed to be due to an issue with the vibration probe, and the fan was returned to service the next day without the vibration probe installed, as it had been damaged in the previous event. Once back in service, excessive vibration was observed. The fan was removed from service, and both the drive end and non-drive end bearings were inspected. Damage was found and the bearings were replaced.

After completion of the bearing replacement, the fan was returned to service on March 1, 2026. Vibration was deemed acceptable. However, on March 15, 2026, vibration was again observed to be excessive on the West FD Fan. As the bearings had already been recently replaced, the West Fan was removed from service and the unit remained in single fan operation until the outage, which began on March 29, 2026.

During the annual maintenance outage, the OEM of the fan was hired to complete a detailed internal inspection of the fan and all related components. There were no significant findings identified during this assessment. Balancing has since been completed, with good results. The fan is expected to operate reliably for the coming winter season.

2.2.7 Unit 3 Boiler Feed Pump Element Assembly

The Unit 3 west boiler feed pump was unexpectedly found to be seized during the 2026 outage season. To restore the pump, it was necessary to remove the internal element and replace it with the capital spare element. The pump has been returned to service, utilizing the spare. However, the seized element must be overhauled by the pump service contractor at its shop and returned to site to serve as a future spare for the two Unit 3 boiler feed pumps.

The return date for this pump has not yet been determined and will depend on the found inspection results and required refurbishment scope. The pump service contractor is aware of this criticality. Hydro is working with the contractor to have this assembly returned to service as soon as possible.

Hydro will provide an update to this issue in the November filing of the 2026–2027 Winter Readiness Planning Report.

2.2.8 Unit 3 Auxiliary Pump Motor

The auxiliary oil pump is designed to supplement flow of lube oil from the main oil pump to the turbine and generator bearings on Unit 3. During normal operation, the auxiliary oil pump is not in service, as the main oil pump, which is driven from the rotation of the main turbine shaft, carries the load. The auxiliary oil pump is primarily used during starting up and shutting down the turbine, when the turbine rotational speed is below normal operating speed, and the main oil pump capability is consequently reduced.

A failure of the auxiliary oil pump motor occurred during the 2025–2026 operating season. The spare motor was installed, and the pump was returned to service. The failed motor was sent to the motor service contractor, who determined that the motor could not be refurbished. The contractor was also unable to find a replacement motor, given the age and specifications of the motor. An engineering assessment to find a suitable spare motor is underway.

Hydro will provide an update on motor in the November filing of the 2026–2027 Winter Readiness Planning Report.

3.0 Combustion Turbine Generation

3.1 Annual Work Plan and Winter Readiness Status

The status of AWP and WR execution at the Holyrood CT, Hardwoods GT, Stephenville GT, and Happy Valley GT is summarized below. Planned WR work for all CTs is on target for completion by December 1, 2026.

3.1.1 Holyrood CT

Holyrood CT forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 59.9% to date, and the WR status is 51.0% complete for 2026. The annual maintenance outage is scheduled for mid-October 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

3.1.2 Hardwoods GT

Hardwoods GT forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 46.1% to date, and the WR status is 43.9% complete for 2026. The annual maintenance outage is scheduled for early November. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

3.1.3 Stephenville GT

Stephenville GT forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 12.0% to date, and the WR status is 8.3% complete for 2026. The annual maintenance outage is scheduled for early-October 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

3.1.4 Happy Valley GT

Happy Valley GT forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 9.8% to date, and the WR status is 0.0% complete for 2026. The

annual maintenance outage is scheduled for late-October 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

3.2 Risk and Risk Mitigation

Hydro anticipates that all CTs will be fully available by December 1, 2026. There are currently no existing risks to WR and/or reliable operations related to CT operations.

4.0 Hydraulic Generation

4.1 Annual Work Plan and Winter Readiness Status

The status of AWP and WR execution at hydraulic generation facilities is shown below for:

- Bay d'Espoir Hydroelectric Generating Station ("Bay d'Espoir");
- Cat Arm Hydroelectric Generating Station ("Cat Arm");
- Hinds Lake Hydroelectric Generating Station ("Hinds Lake");
- Paradise River Hydroelectric Generating Station ("Paradise River");
- Upper Salmon Hydroelectric Generating Station ("Upper Salmon"); and
- Granite Canal Hydroelectric Generating Station ("Granite Canal").

WR work for all hydraulic generation facilities is on target for completion by December 1, 2026, aside from activities related to Hinds Lake. The return to service of the Hinds Lake unit is anticipated in February 2027.

4.1.1 Bay d'Espoir

Bay d'Espoir forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 64.2% to date, and the WR status is 62.0% complete for 2026. The annual maintenance outage is complete for Units 1 through 7. All remaining WR activities are scheduled for completion prior to December 1, 2026.

Hydro is also monitoring residual risks associated with Penstock 2 or 3 failure before further life extension work is completed, [11] and assessing options to address the risk of frazil ice at Bay d'Espoir

[11] "Life Extension Application – Bay d'Espoir Unit 7," Newfoundland and Labrador Hydro, June 20, 2025.

following the January 2026 event. Additional details on these items are outlined in the Risk and Risk mitigation section of this report.

4.1.2 Cat Arm

Cat Arm forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 69.9% to date, and the WR status is 91.5% complete for 2026. The annual maintenance outage is complete. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

4.1.3 Hinds Lake

Hinds Lake forecast winter readiness completion status is on target upon the units return to service.

The overall AWP completion status is 38.0% to date, and the WR status is 2.0% complete for 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026.

The annual maintenance outage is ongoing, with return to service expected on February 17, 2027.

Additional details on these items are outlined in the Risk and Risk Mitigation section of this report.

4.1.4 Paradise River

Paradise River forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 85.3% to date, and the WR status is 95.7% complete for 2026. The annual maintenance outage is complete. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

4.1.5 Upper Salmon

Upper Salmon forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 44.3% to date, and the WR status is 14.3% complete for 2026. The annual maintenance outage is scheduled for October 11–30, 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

4.1.6 Granite Canal

Granite Canal forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 60.4% to date, and the WR status is 78.6% complete for 2026. The annual maintenance outage is complete. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

4.2 Risk and Risk Mitigation

All hydraulic generating facilities are expected to be fully available by December 1, 2026, with the exception of Hinds Lake. Two risks to WR and/or reliable operations are identified in the sections that follow.

4.2.1 Bay d'Espoir Penstocks

As a result of previous ruptures of the Bay d'Espoir Penstocks, with the most recent being September 2019, Hydro decided to complete annual inspections of Bay d'Espoir Penstocks 1 through 3 to monitor penstock condition and ensure reliability in the short-term. One notable change in 2026 is the removal of Bay d'Espoir Penstock 1 from the annual inspection program, since it has recently undergone major capital investment to extend the reliable service life, which includes inspection activities.[12]

Penstock 2 was inspected in July 2026. During the inspection, two new indications were discovered. The newly identified indications were determined to be minor in nature and do not currently warrant repair. This approach allows repair activities to be prioritized based on asset condition and coordinated with planned rehabilitation work, where appropriate.

Penstock 3 was inspected in April 2026. During the inspection, three new indications were discovered. In consultation with Hydro's third-party inspector, it was determined the newly identified indications and the outstanding indications identified in 2025 pose no material concerns at this time and the penstock could safely be returned to service.[13] Since the previous filing of this report, Hydro has received approval to proceed with the refurbishment of Penstock 3,[14] with construction scheduled to commence in Spring 2027. Hydro continues to advance planning activities associated with this work.

Although Hydro has mitigated the risk of penstock failure to the extent possible, there is residual risk that a failure could occur on Penstocks 2 or 3 before further life extension work is completed. Modifications remain in place, which are designed to limit the amount of rough zone operation, as well

[12] In Board Order No. P.U. 6(2023), Hydro received approval for the refurbishment of Penstock 1 at Bay d'Espoir in 2023, and the project is now complete.
[13] Repairs were deferred to align with the major rehabilitation work planned for 2027 and will be addressed as part of that project scope.
[14] As approved in Board Order No. P.U. 22(2026).

as a more prescriptive operating regime for Units 5 and 6 due to the results of annual inspections of Penstock 3 in recent years.[15] Hydro has estimated a 13- to 23-day repair timeline, depending on circumstances, should a new failure occur, and has continued to take proactive measures to reduce generating unit downtime in the event of failure.

4.2.2 Hinds Lake Unit Vibration and Shaft Seal Leakage

Prior to being removed from service, the Hinds Lake unit was experiencing higher-than-normal vibration levels and shaft seal leakage rates, which resulted in operational modifications until inspection and interventions were completed. Hydro procured bearing components and shaft seal replacement parts to support corrective work associated with these issues.

Due to delays associated with stator materials[16] required for the capital refurbishment project, the project schedule has been delayed, and completion is now expected to occur beyond the 2026 WR Planning period. Hydro continues to advance the planned corrective work related to the vibration and shaft seal leakage issues; however, commissioning of this work cannot occur until the capital refurbishment project is complete, as the unit cannot be released for service prior to completion of the capital work.

Upon completion and commissioning of the capital refurbishment project and the associated vibration and shaft seal corrective work in February 2027, Hydro anticipates that the Hinds Lake unit will be available for operation at full rated capacity. Hydro will update the status of this in the November filing of the 2026–2027 Winter Readiness Planning Report.

4.2.3 Frazil Ice Readiness at Bay d'Espoir

In January 2026, weather patterns caused frazil ice to form at Bay d'Espoir, forcing the plant to shut down for the first time in its history during a period of high electricity demand across the province. As the formation of frazil ice began, Bay d'Espoir units were derated and removed from service to protect

[15] Under this operating regime, once dispatched, Units 5 and 6 are limited to a minimum loading of 50 MW and are not cycled or shut down as part of normal system operations. In previous years, operational modifications were in place on Penstock 1 (ie. Units 1 and 2); however, these modifications are no longer be required after capital investment was completed in January 2026.

[16] In consultation with Andritz, it has been confirmed that a coating of conductive room-temperature-vulcanizing material is required on stator bars to ensure that air gaps and electrical contacts within stator slots are within acceptable tolerances. This coating requirement has resulted in schedule delays.

the assets.[17] This ultimately resulted in the decision to proactively shut down all seven Bay d'Espoir generating units on January 21, 2026. Units 1–6 were returned to service on January 25, 2026, and Unit 7 was returned to service on January 31, 2026.

This event has influenced Hydro's approach to future work at Bay d'Espoir by emphasizing the need to improve monitoring, better understand the risk of frazil ice at the Bay d'Espoir intake, and maintain interim operating practices that reduce reliability risk while additional data is collected.

Hydro has frazil ice monitoring systems installed at Hind's Lake, Upper Salmon, and Granite Canal that support winter operations by monitoring conditions associated with frazil ice risk and providing information to operations staff. These systems collect relevant environmental and operating information, including air temperature, wind speed and direction, ice cover, and other localized conditions that can indicate increased frazil ice risk. Hydro's preliminary assessment indicates that similar monitoring capability is necessary at Bay d'Espoir to collect data and provide early warning of conditions that could lead to frazil ice formation. As this data is collected, Hydro will use it to refine operating triggers, confirm the effectiveness of interim measures, and determine whether additional capital work is required.

Wind direction is a critical parameter at the Head of Bay d'Espoir, as westerly to south-westerly winds provide the longest fetch[18] toward the intake and can contribute to frazil ice generation, movement and accumulation at the trash racks. This maximizes exposure to supercooling conditions and, consequently, increases the potential for frazil ice formation when open water is present. If the wind is not directed towards the intake, there is very low potential for frazil ice formation at the intake, based on the determination that frazil ice formation is primarily wind driven. Hydro is installing additional visual surveillance equipment at the Bay d'Espoir intake, in addition to anemometers in the Bay d'Espoir watershed to monitor wind speed and direction, and this information will be monitored with forecast air temperature, real-time conditions, and reservoir ice cover. Installation of the Bay d'Espoir monitoring

[17] Generating units are derated and/or removed from service to protect assets such as the intake structure, trash racks, penstocks, turbine runners, and associated mechanical and electrical equipment from ice blockage, vibration, and potential damage caused by ice accumulation and restricted flow. If the units are not derated and/or removed in an appropriate timeframe, the continued differential increase poses significant risk of trash rack collapse and subsequent catastrophic damage.
[18] Fetch is the uninterrupted distance of open water over which wind blows in a constant direction.

system is planned for completion by the end of 2026, with further scope refinement scheduled for 2027.[19] As data is collected, Hydro will refine site-specific trigger conditions and operating responses.

Until sufficient data is collected, Hydro will continue winter operating practices intended to reduce the potential reliability impact of frazil ice. These practices include enhanced monitoring of forecast and real-time conditions, early communication with Resource Production Planning and Energy Marketing, visual inspection of intake conditions throughout winter, and assessment of alternate generation options where frazil ice conditions could affect unit availability. Where trigger conditions indicate increased frazil ice risk, Hydro will increase monitoring and assess available operating actions, including changes to generation dispatch and, where necessary, unit shutdown to avoid blockage of the trash racks and reduce the potential duration of forced outages.

Currently, the only alarm data historically tracked and retained for reference and trending purposes are the trash rack differential values at all four Bay d'Espoir intakes. Since operations commenced in 1967, frazil ice has not been a significant operational concern at Bay d'Espoir, and this data has primarily been used to monitor and trend trash accumulation at the intakes. Given the significant frazil ice event experienced in January 2026, Hydro will continue to closely monitor these values during periods when frazil ice conditions exist.

Hydro considers this approach prudent, as it is based on site-specific risk assessment, operating experience, consultant input, and targeted interim mitigation while additional data is collected. The approach supports reliability by identifying adverse conditions in advance and enabling timely operational response, while also supporting cost-effectiveness by prioritizing lower-cost and operational mitigations before committing to significant infrastructure investments. This supports Hydro's staged approach to future projects, capital expenditures, and operating costs.

The evaluation and assessment of the risks associated with frazil ice at Bay d'Espoir is an extensive process that requires ongoing monitoring, data collection, and analysis to support a comprehensive understanding of the risk and potential mitigation options A more comprehensive understanding of the risk is required to support Hydro's assessment of whether the probability of occurrence should remain

[19] In 2026, Hydro will connect key data points to the Supervisory Control and Data Acquisition system, install cameras at each of the four intakes, and install a temporary anemometer and air temperature sensor near the intake canal. In 2027, permanent water temperature sensors and a permanent anemometer will be installed.

low or remote. To better understand this risk, a qualitative assessment is required to provide a preliminary understanding of the risk, establish the best path forward for identifying reasonable mitigation options, and to understand necessary infrastructure upgrades. This involves the assessment and trending of available data and information and identifying if additional data is required. As such, Hydro is developing the scope for a probabilistic assessment to better quantify the return period of the combined conditions that could lead to a severe frazil ice blockage at Bay d'Espoir, including consideration of climate change parameters that may impact the frequency or severity of these conditions. This assessment will help determine whether additional infrastructure upgrades are justified and ensure that any future investments are responsible, effective, and proportionate to the risk. Until this work is complete, Hydro will continue to prioritize proven interim mitigation measures and operating practices that reduce risk without requiring significant capital investment.

For events such as frazil ice at Bay d'Espoir, while analysis of past data may indicate that the risk is low, climate change can increase this risk; therefore, changing the risk profile moving forward. Hydro has consulted with subject matter experts and other utilities to collect lessons learned, assess industry best practices, and evaluate potential approaches for implementing frazil ice mitigation solutions. Hydro will continue to actively monitor this risk during the 2026–2027 winter period as it undertakes further assessment of the risks associated with frazil ice at Bay d'Espoir.

5.0 Muskrat Falls Assets

5.1 Annual Work Plan and Winter Readiness Status

The status of AWP and WR execution for the Muskrat Falls Assets is summarized below for:

- Muskrat Falls Hydroelectric Generating Station ("Muskrat Falls");
- Labrador-Island Link;
- Labrador Transmission Assets ("LTA"); and
- Soldiers Pond Synchronous Condensers ("SOP SC").

LIL will be available for bipole operation up to 900 MW this winter, as system conditions permit.

5.1.1 Muskrat Falls Generating Assets

Muskrat Falls generating assets forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion for Muskrat Falls Units 1 through 4 is 91.1% to date,[20] and the WR status is 93.8% complete for 2026.[21] All remaining WR activities are scheduled for completion prior to December 1, 2026.

The repair to concrete spalling on the Unit 1 intake will be inspected during the 2027 annual maintenance outage to confirm the effectiveness of the repair. Additional details on this item are outlined in the Risk and Risk Mitigation section of this report.

5.1.2 LIL, LTA and SOP SC

LIL, LTA and SOP SC forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion for the LIL, LTA, and SOP SC is 90.2% to date,[22] and the WR status is 51.0% complete for 2026.[23] All remaining WR activities are scheduled for completion prior to December 1, 2026.

A capital project addressing LIL strengthening as a result of significant ice loading is underway, with an expected completion in 2028. Hydro is monitoring the effectiveness of solutions to cold weather impacts on equipment including Direct Current Current Transformers ("DCCT") and transition compound disconnects . Additional details on these items are outlined in the Risk and Risk Mitigation section of this report.

5.2 Risk and Risk Mitigation

All Muskrat Falls assets are expected to be fully available by December 1, 2026. Existing risk to WR and/or reliable operations related to these assets is discussed in the sections that follow.

5.2.1 Muskrat Falls Unit 1 Intake – Concrete Spalling

During the 2024 planned annual outage to Unit 1, concrete debris was observed in the turbine scroll case. Further inspection indicated some scuffing on the wicket gate lower operating ring caused by the

[20] AWP activity status is as of August 31, 2026.
[21] WR activity status is as of August 31, 2026.
[22] *Supra,* f.n. 22.
[23] *Supra,* f.n. 23.

passage of this debris through the turbine, which has since been repaired. This damage did not affect the unit's output or availability.

Remote operated vehicle inspection of the intake civil works identified an area where concrete had cracked and dislodged. In October 2024, a specialized team assessed the condition of the remaining concrete in the area where spalling had been observed. Upon completion of further concrete cutting and removal, sounding of the entire Intake Bay 3 lintel beam was completed with no further areas identified for remedial action. Unit 1 was returned to service on October 16, 2024, with a final repair to the intake civil works planned during the 2025 annual outage.

Due to the unforeseen extension of the planned outage to repair the Muskrat Falls Unit 2 turbine runner, there was insufficient time to complete final repairs on the Unit 1 intake structures in 2025. An inspection to assess the current condition of the intake civil works was carried out during the 2025 annual outage for Unit 1; during the inspection, some minor issues were found and rectified. A further remote access assessment was completed in late November 2025, which found no major risks. During the 2026 annual maintenance outage for Unit 1, the concrete on the lintel beam was repaired. The repair will be inspected during the 2027 annual maintenance outage to confirm the effectiveness of the repair.

5.2.2 Optical Ground Wires Tower Peak and Top Plate Design

Since 2022, several incidents of damage to the OPGW tower peaks occurred in heavy ice loading conditions, and there were two failures at the connection of the OPGW top plate during an icing event on the line in December 2022. The incidents involving these tower components did not cause a prolonged LIL outage; however, brief outages were required to repair the damage.[24]

As a result, a new design to reinforce tower peaks and replace the impacted top plates has been completed. A project to rectify the tower peaks and two remaining top plates has commenced, with contract and procurement activities underway and an expected completion in 2028.[25]

[24] As the OPGW relates to communications functionality, Hydro does not anticipate that further occurrences of similar damage would result in a prolonged power interruption or customer outage.
[25] Analysis confirmed that 63 towers across two tower types (A3 and A4) were identified to have top plates replaced; as of the end of 2024, 61 of 63 were replaced, which represents all A3 towers. The two remaining top plates are on A4 tower types.

To mitigate risk to near-term reliability, Hydro has its Emergency Response Plan in place, and has proceeded with the procurement of required materials to ensure they are on hand in the event a repair is required.

5.2.3 Electrode Conductors

During December 2022, March 2024, and January 2025, there were issues with the electrode conductor during significant ice loading, the root cause of which was determined to be overloading due to ice and ice shedding.

In order to further investigate the issue, three alternative suspension clamp designs were installed on the electrode conductor at ten structures and will be inspected yearly for performance. An assessment of the electrode suspension assembly and a re-design of the assembly was completed in 2025, with the assemblies to be purchased and installed as required through a capital project which is expected to be completed by the end of the 2028 maintenance season. Additional conductor testing has been completed from these incidents, with further recommendations outlined within the most recent investigation report.[26] Hydro will investigate the possibility of conductor damage from extreme weather events and plastic deformation resulting from exceedance of the conductor tension limits as a potential contributing factor to failure. Additionally, Hydro has initiated investigation of radiography and other methods of non-destructive testing by performing a preliminary corona discharge survey of conductor and substation equipment in Labrador.

To mitigate risk to near-term reliability, Hydro has its Emergency Response Plan in place and has proceeded with the procurement of required materials to ensure they are on hand in the event a repair is required.

5.2.4 DCCT Cold Weather Operation

In 2023, the OEM and Hydro determined that extremely low air temperatures were influencing the measurement accuracy of some DCCTs, resulting in false protection trips and power control issues on the LIL. The OEM identified the root cause of the issue to be a manufacturing defect with the Delay Coil Fiber Optical Cable located within the DCCTs. This issue occurred with a select batch of fiber optic

[26] "Quarterly Report on Asset Performance in Support of Resource Adequacy for the Twelve Months Ended September 30, 2025," Newfoundland and Labrador Hydro, October 31, 2025, att. 1.

cables, affecting six DCCTs at the Muskrat Falls HVdc Converter Station, which have since been replaced.[27]

In November 2025, the OEM provided a revised plan to address DCCTs which have low risk indicators of the issues related to cold weather operation. The OEM has worked with a new provider and six new DCCTs have been built, completed appropriate factory acceptances tests, and witnessed by Hydro. The new DCCTs have arrived at Hydro's warehouse. These DCCTs will be retained as spare units to support future maintenance and replacement requirements.

5.2.5 Cable Switching

As reported in Hydro's final 2024–2025 Winter Readiness Report,[28] new equipment was successfully installed to mitigate cable switching transients at the LIL Transition Compounds in mid-October 2024. Since that time, Hydro has identified an icing issue with transition compound disconnects that can impact cable switching in winter conditions. A solution to resolve this issue was installed during the September 2026 outage window in preparation for this winter season.

6.0 Transmission and Terminal Stations

6.1 Annual Work Plan and Winter Readiness Status

The status of AWP and WR execution for transmission line and terminal station facilities on both the Island Interconnected System and the Labrador Interconnected System is summarized below. All planned WR activities are scheduled for completion by December 1, 2026.

6.1.1 Transmission and Rural Operations Island ("TROI") Transmission

TROI Transmission forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 82.8% to date, and the WR status is 87.8% complete for 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

[27] The remaining DCCT which had an operation rating to -40°C was replaced with a DCCT rated to -50°C in June 2026.
[28] "Reliability and Resource Adequacy Study Review – 2024–2025 Winter Readiness Planning Report – Final Report," Newfoundland and Labrador Hydro, December 10, 2024.

6.1.2 TROI Terminal Stations

TROI Terminal Stations forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 66.2% to date, and the WR status is 66.6% complete for 2026. Several equipment outages are planned for October and November. All remaining WR activities are scheduled for completion prior to December 1, 2026.

Hydro does not currently have a spare for the Holyrood TGS generator step-up transformers and is in the process of procuring a spare. Additionally, Hydro plans to install a new bushing at the Western Avalon Terminal Station C in October 2026. Additional details on these items are outlined in the Risk and Risk Mitigation section of this report.

6.1.3 Transmission and Rural Operations Labrador ("TROL") Transmission

TROL Transmission forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 76.3% to date, and the WR status is 75% complete for 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

6.1.4 TROL Terminal Stations

TROL Terminal Stations forecast winter readiness completion status is on target for December 1, 2026. The overall AWP completion status is 50.8% to date, and the WR status is 58.3% complete for 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

6.2 Risk and Risk Mitigation

Existing risk to WR and/or reliable operations related to Hydro's Transmission and Terminal Station assets are discussed in the sections that follow.

6.2.1 Generator Step-Up Transformer Spares

Generator Step-Up Transformer 6 was repaired by the OEM in January 2024 following its failure in July 2023 and is available for use as a spare at Bay d'Espoir, Granite Canal, or Upper Salmon.[29]

[29] Cat Arm also has a spare on site; however, the spare can only be used at that facility due to the connection to the Gas Insulated Switchgear ("GIS") at that location.

Hydro does not currently have a spare for the Holyrood TGS generator step-up transformers and is in the process of procuring a spare.[30] This spare is not expected to be delivered until the third quarter of 2028 due to increasing power transformer lead times.

6.2.2 Western Avalon Terminal Station – Replace Bushing Connecting the Gas Insulated Switchgear to Transmission Line TL267

The Western Avalon Terminal Station C phase bushing connecting the gas insulated switchgear to Transmission Line TL267 experienced a failed top terminal seal in July 2023. Leakage of its SF_6 insulating gas was stopped using a temporary seal of a metal repair composite material. This temporary seal has been effective since its implementation in October 2023.

Hydro placed an order with the supplier in March 2024 and received the bushing in October 2026. Hydro plans to install the bushing in October 2026. To mitigate the risk of failure prior to the completion of the bushing replacement work, Hydro performs regular visual inspections and will apply additional repair material as necessary.

7.0 Operational Technology

7.1 Annual Work Plan and Winter Readiness Status

The status of AWP and WR execution for Operational Technology is summarized below. All planned WR activities are scheduled for completion by December 1, 2026.

Operational Technology forecast winter readiness completion status is on target for December 1, 2026.

The overall AWP completion status is 77.5% to date, and the WR status is 67.8% complete for 2026. All remaining WR activities are scheduled for completion prior to December 1, 2026. There are no exceptions at this time.

8.0 Status of Winter Readiness for Capital Projects and Programs

The status of 2026 planned capital project and program scopes of work related to 2026–2027 WR for the Island Interconnected System and the Labrador Interconnected System are provided in Appendix A.

[30] "Purchase Spare Generator Step-Up Transformer," Newfoundland and Labrador Hydro, September 21, 2023.

Table 1 summarizes the status of the WR scope of these projects and programs by asset category. A discussion of the risk and risk mitigation associated with each capital project and program expected to be completed after December 1, 2026, has been provided within the sections above by operating area.

Table 1: Status of Planned Capital Projects and Programs with WR Scope

Asset Category	Complete as of September 24, 2026	Incomplete, Expected Completion before December 1, 2026	Incomplete, Expected Completion after December 1, 2026	Total
Regulated Hydraulic Generation	1	-	2	**3**
Regulated Thermal Generation	1	3	2	**6**
Regulated GT Generation	1	-	-	**1**
Regulated Terminal Stations	2	3	-	**5**
Muskrat Falls Generation Assets[31]	-	-	-	**-**
Muskrat Falls Transmission Assets[32]	-	-	1	**1**
Total	**5**	**6**	**5**	**16**

As of September 24, 2026, the WR scope for five of the sixteen planned capital projects and programs is complete. WR scope for an additional six projects and programs is expected to be completed by December 1, 2026. A portion of the WR scope within five projects and programs is expected to be completed after December 1, 2026, including:

- Hinds Lake – Rewind Stator (2025–2026);
- Various Locations – Overhaul Hydraulic Units (2026);[33]
- Holyrood – Overhaul Turbine Valves and Generator – Unit 2 (2026);
- Holyrood – Overhaul Major Pumps (2026); and
- Various Locations – LIL Transmission Line Strengthening.[34]

[31] There are currently no capital projects or programs that will impact 2026–2027 WR for Muskrat Falls Generation Assets.
[32] The Muskrat Falls Transmission assets include the LIL, LTA, and SOP SC.
[33] Work associated with the overhaul of Hinds Lake can not be completed until the unit is reassembled as part of the stator rewind project.
[34] This is a multi-year program to supply and install an extended wood pole electrode line, which is intended to remove the electrodes from the steel structures near the south coast of Labrador. This includes the supply and installation of materials for the replacement OPGW tower peaks and top plates, and the installation of new electrode line suspension assemblies and OPGW suspension assemblies. The risk and risk mitigation of these items is outlined in Section 5.2. This program will continue until work is complete in 2028.

9.0 System Energy Capability

In order to reliably serve customers, Hydro maintains minimum limits for aggregate energy storage in its major hydroelectric reservoirs on the Island Interconnected System. These limits are developed annually to ensure that Hydro is capable of meeting customer demands throughout the year in the event of a repeat of Hydro's critical dry sequence.[35] The limits are established such that Hydro will have sufficient hydraulic storage to be able to meet load in this critical sequence, or another less severe sequence, through the use of Island hydraulic production supplemented with maximized deliveries of energy to the Island from Labrador over the LIL. This includes energy from Muskrat Falls as well as recapture energy available to Hydro from the Churchill Falls Hydroelectric Generating Station.

The established limits assume that one Holyrood TGS unit will be online, operating at minimum output (70 MW) during winter 2026–2027, and do not include the use of standby thermal generation to support reservoir storage, or the other two units at Holyrood TGS.[36] This assumption was made to de-risk Island system energy storage based on global market uncertainty associated with fuel prices and supply, while maintaining appropriate balance between system reliability and efficient utilization of water resources. The minimum storage methodology ensures Hydro's reservoirs can continue to provide reliable least-cost service to customers in an environmentally responsible manner by supporting Island load with hydroelectric energy instead of thermal energy to the extent possible.[37]

Except for February and April, monthly inflows in 2026 to Hydro's Island reservoirs have been at or above average, as reported in Hydro's Monthly Energy Supply reports. As of September 30, 2026, aggregate reservoir storage was 1,782 GWh (21 GWh below the 20-year average), which is 27% below the seasonal maximum operating level and 44% above the minimum storage limit.

Figure 1 plots the 2025 and 2026 storage levels, minimum storage limits, maximum operating level storage, and the 20-year average aggregate storage for comparison.

[35] Hydro's long-term critical dry sequence is defined as January 1959 to March 1962 (39 months). Other dry periods are also considered during this analysis to ensure that no other shorter-term historic dry sequence could result in insufficient storage.
[36] Hydro plans to have all three units at the Holyrood TGS available at full capability, if needed, with two units online. However, Hydro expects Island reservoirs to be supported with Muskrat Falls energy instead of thermal energy from the Holyrood TGS.
[37] The limits also do not consider the availability of imports over the Maritime Link, though imports can provide an additional opportunity to supplement storage and economically reduce the amount of thermal generation required to maintain sufficient energy in storage in the event that import opportunities arise.

Hydro will continue to closely monitor Island storage and inflows at both the overall system and the individual reservoir levels to ensure its hydroelectric assets can operate through the winter season at full rated output. At this time, the use of thermal or standby generation is not deemed to be required to support reservoir storage.

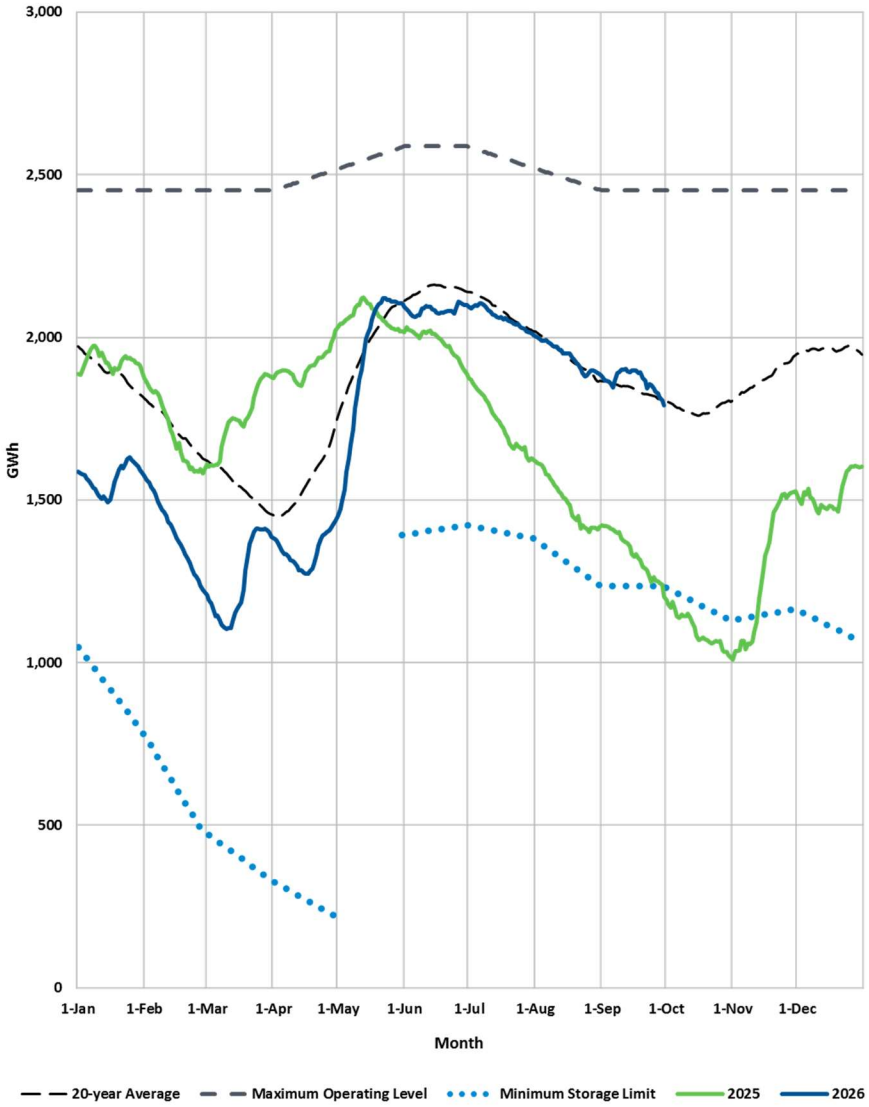


Figure 1: Total System Energy Storage[38]

[38] Data points in Figure 1 represent storage at the beginning of each day. The body of the report text reports the end-of-day storage value, which results in a small difference between the storage data presented in the text and Figure 1.

10.0 Conclusion

As AWP and WR activities progress towards completion, Hydro will continue to monitor system performance to ensure reliable service to customers throughout the upcoming winter season. It is recognized that increased asset age can result in an increased risk of in-service failures. Hydro mitigates this risk through regular overhaul programs on major components, increased condition assessment work, and a robust critical spares program. While asset condition can impact reliability and availability, Hydro mitigates the associated risk through the application of good utility practice; however, it is not possible to completely eliminate the risk.

As the operational performance of Holyrood TGS is increasingly unpredictable, this introduces heightened risk and increased costs associated with maintaining its operation. Hydro continues to closely monitor the risk associated with the Holyrood TGS, given its ongoing reliability challenges and operational unpredictability.

Hydro anticipates the full availability of generating sources by December 1, 2026, with the exception of Unit 2 at the Holyrood TGS and Hinds Lake. Unit 2's return to service is extended to December 2026 due to the additional work required to refurbish the steam turbine rotor during the Overhaul Turbine Valves and Generator Program. The Hinds Lake unit is anticipated to return to service in February 2027. Hydro will continue to monitor progress and mitigate work execution and operational risks.

Hydro continues to closely monitor the risk associated with the Holyrood TGS, given its ongoing reliability and operational challenges. A further update will be provided in Hydro's next 2026–2027 Winter Readiness Planning Report, to be filed on November 10, 2026.

Appendix A

Status of Capital Projects and Programs Related to Winter Readiness



Status of Planned Winter Readiness Scope in 2026 Capital Projects and Programs on the Island and Labrador Interconnected Systems

Asset Category	Project or Program Title	Expected Completion of Winter Readiness Scope (24-Sep-2026 Update)
Regulated Hydraulic Generation	Various Locations - Overhaul Hydraulic Units (2025)	Complete
	Hinds Lake - Rewind Stator (2025–2026)	7-Feb-2027
	Various Locations - Overhaul Hydraulic Units (2026)	7-Feb-2027
Regulated Thermal Generation	Holyrood - Overhaul Turbine and Valves – Unit 3 (2025)	Complete
	Holyrood - Refurbish Marine Terminal (2025–2026)	15-Oct-2026
	Holyrood - Update Flame Scanners - Unit 3 (2025)[1]	30-Oct-2026
	Holyrood - Perform Boiler Condition Assessment and Miscellaneous Upgrades (2026)	30-Nov-2026
	Holyrood - Overhaul Turbine Valves and Generator – Unit 2 (2026)	21-Dec-2026
	Holyrood - Overhaul Major Pumps (2026)	21-Dec-2026
Regulated Gas Turbine Generation	Happy Valley - Replace Fuel Storage Tanks (2026)	Complete
Regulated Terminal Stations	Various Locations - Replace Instrument Transformers (2025–2026)	Complete
	Various Locations - Upgrade Power Transformers (2025–2026)	Complete
	Various Locations - Replace Disconnects (2026–2028)	30-Oct-2026
	Various Locations - Replace Terminal Station Battery Banks and Chargers (2025–2026)	6-Nov-2026
	Wabush - Perform Major Inspection - Synchronous Condenser 2 (2025–2026)	14-Nov-2026
Muskrat Falls Transmission Assets	Various Locations – LIL Transmission Line Strengthening	Ongoing[2]

[1] Newfoundland and Labrador Hydro changed the scope from Unit 3 to Unit 1 to realize a cost-saving opportunity.
[2] The Labrador Island Link Transmission Line Strengthening Program will continue until work is complete in 2028.

Appendix B

Master Generation Outage Schedule





2026 Generation Outage Schedule[1]

Location	Asset	Capacity (MW)	Sept 1	Sept 6	Sept 13	Sept 20	Sept 27	Oct 4	Oct 11	Oct 18	Oct 25	Nov 1	Nov 8	Nov 15	Nov 22	Nov 29	Dec 6	Dec 13	Dec 20	Dec 27	Scheduled Annual Maintenance Outages
Holyrood	G1	170.0																			Unplanned extension to maintenance outage - RTS unknown
	G2	170.0																			May 6 to December 21
	G3	150.0																			March 29 to September 26
	GT	123.5																			October 18 to 30
Bay d'Espoir	G1	76.5																			September 1 to 4
	G2	76.5																			September 1 to 4
	G3	76.5																			June 15 to October 7
	G4	76.5																			June 15 to October 7
	G5	76.5																			
	G6	76.5																			
	G7	154.4																			
Upper Salmon	Unit	84.0																			October 11 to 30
Granite Canal	Unit	40.0																			
Hinds Lake	Unit	75.0																			May 24, 2026 to February 7, 2027
Cat Arm	G1	67.0																			August 9 to September 4
	G2	67.0																			August 16 to September 11
Paradise River	Unit	8.0																			
Hardwoods	GT	50.0																			November 1 to 13
Stephenvillle	GT	50.0																			October 4 to 16
Star Lake	Unit	18.0																			September 13 to October 2
Exploits	Units	63.0																			
CBPP	CBPP[2] CoGen	8.0																			
Hawkes Bay, Holyrood, St. Anthony	Diesels[3]	24.7																			
Newfoundland Power	Hydro & Standby[4]	119.3																			
CBPP	CBPP 60 Hz	99.1																			
Available Island Capacity[5]		2,000.0	995.0	1,215.0	1,251.1	1,251.1	1,401.1	1,394.1	1,633.1	1,547.5	1,484.5	1,642.0	1,705.0	1,755.0	1,755.0	1,755.0	1,755.0	1,755.0	1,925.0	1,925.0	
Maximum LIL Contribution to Island Reserves at Peak[6,7]			421.7	15.0	0.0	0.0	15.0	530.7	544.9	554.3	568.6	582.8	592.3	601.7	611.2	620.7	630.2	630.2	630.2	630.2	Based on the Final UFLS limits
Forecasted Gross Island Peak Load			947.0	976.0	1013.0	1050.0	1095.0	1206.0	1259.0	1313.0	1367.0	1446.0	1495.0	1543.0	1591.0	1639.0	1743.0	1743.0	1743.0	1743.0	
Total Island Reserves[8,9]			519.7	304.0	288.1	251.1	371.1	768.7	969.0	838.8	736.1	778.8	902.3	913.7	875.2	836.7	742.2	742.2	912.2	912.2	
Largest Operating Unit			154.4	154.4	154.4	154.4	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	170.0	
Island N-1 Reserves[10]			365.3	149.6	133.7	96.7	201.1	598.7	799.0	668.8	566.1	608.8	732.3	743.7	705.2	666.7	572.2	572.2	742.2	742.2	
Labrador Island Link		900.0																			P2 outage September 8 to 14; Bipole outage September 14 to 23; P1 outage September 24 to 30
Happy Valley	GT	25																			
Muskrat Falls	G1	206																			August 14 to Ocotber 2
	G2	206																			
	G3	206																			October 19 to Novmeber 16
	G4	206																			

Legend

Available	White
Unavailable	Dark Blue
Derated	Light Blue
Unplanned/Extension	Grey

[1] Preventive maintenance items that require short duration outages are not reflected. They are planned in conjuction with system operation for an appropriate time.

[2] Corner Brook Pump and Paper Limited ("CBPP").

[3] 24.7 MW includes Hawkes Bay (5 MW), Holyrood Diesels (10 MW), and St. Anthony (9.7 MW).

[4] 119.3 MW includes Newfoundland Power hydro (77.8 MW) and Newoundland Power Standby (41.5 MW).

[5] Available Island Capacity only includes Island Resources and does not include any contribution from Soldiers Pond, Labrador Island Link, Happy Valley or Muskrat Falls Units.

[6] Maximum LIL contribution to Island reserves at peak is a function of Island load, LIL operating mode, number of available Muskrat Falls units and Maritime Link exports, and is measured at Soldier's Pond.

[7] NL Hydro has the option to use the LIL economic limits during a monopole outage, which would increase the "Maximum LIL Contribution to Island Reserves at Peak."

[8] September and October Total Island Reserves include CBPP Capacity Assistance (50 MW)

[9] November and December Total Island Reserves include CBPP Capacity Assistance (80 MW) and System Voltage Reduction (20 MW).

10 The available N-1 reserves are the result of available generation and the forecasted Island peak load. Outages are granted to proceed based on the short-term load forecast, which ensures there isn't a violation of the N-1 reserves should unit availability differ from what was previously planned.