

NLH-213 PUB (Re: Pages 33-35, regarding centralized dispatching)

Please explain how this is different from the current practice of Hydro as outlined in Exhibit JRH-3 Appendix A, given there is only one steam generating station, Holyrood, and Hydro dispatches NP thermal generation as per step 5 of the referenced instruction.

Response:

Centralized dispatching, as referenced in EES Consulting's evidence, is different from the current practice referenced in JRH-3 Appendix A in the following respects:

- Centralized dispatching would occur in all hours, not just in the event of a "system generation shortage".
- Centralized dispatching would be according to increasing order of short-run marginal cost (stacking order), subject to operational constraints, required reserves, and ancillary services.
- Short-run marginal cost of all generation available to the interconnected system, and the resulting stacking order, would be subject to Board review

Centralized dispatch would also be subject to contract and operational constraints.

Although not necessarily recommended in EES Consulting's evidence, it is also possible that the task of centralized dispatch could be assigned to a third party. This option, however, would not be necessary to resolve the issues discussed in EES Consulting's evidence.