

**NEWFOUNDLAND AND LABRADOR
BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

**AN ORDER OF THE BOARD
NO. P. U. 10(2009)**

1 **IN THE MATTER OF** the *Electrical Power*
2 *Control Act*, RSNL 1994, Chapter E-5.1 (the
3 "*EPCA*") and the *Public Utilities Act*, RSNL 1990,
4 Chapter P-47 (the "*Act*"), as amended;

5
6 **AND**

7
8 **IN THE MATTER OF** an application by
9 Newfoundland and Labrador Hydro ("Hydro")
10 for approval of improvements to the
11 continuous emission monitoring system
12 at the Holyrood Thermal Generating Station
13 (the "Application"), pursuant to Section 41
14 of the *Act*.

15
16 **WHEREAS** Hydro is a corporation continued and existing under the *Hydro Corporation*
17 *Act*, is a public utility within the meaning of the *Act*, and is subject to the provisions of
18 the *EPCA*; and

19
20 **WHEREAS** subsection 41(3) of the *Act* states that a public utility shall not proceed with
21 the construction, purchase or lease of improvements or additions to its property where:

- 22
23 a) the cost of construction or purchase is in excess of \$50,000; or
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25 b) the cost of the lease is in excess of \$5,000 in a year of the lease,

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27 without prior approval of the Board; and

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29 **WHEREAS** in Order No. P.U. 36(2008) issued December 23, 2008 the Board approved,
30 *inter alia*, Hydro's 2009 Capital Budget of \$47,856,000; and

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32 **WHEREAS** in Order No. P.U. 4(2009) the Board approved a supplementary 2009
33 Capital Budget expenditure of \$351,000 for the replacement of the power transformer at
34 the Wiltendale terminal station due to a failure of the existing transformer; and

35
36 **WHEREAS** in Order No. P.U. 8(2009) the Board approved a further supplementary
37 2009 Capital Budget expenditure of \$1,092,900 for the replacement of programmable
38 logic controllers at the Holyrood Thermal Generating Station's Gas Turbine Plant; and

1 **WHEREAS** on January 16, 2009 Hydro applied to the Board requesting approval of an
2 estimated capital expenditure of \$703,700 for the upgrade of the continuous emission
3 monitoring system (CEMS) at the Holyrood Thermal Generating Station; and
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5 **WHEREAS** the Consumer Advocate, Hydro's Island Industrial Customers and
6 Newfoundland Power were notified of the Application and provided an opportunity to
7 make comments but did not present evidence or make submissions; and
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9 **WHEREAS** the CEMS samples gases from the exhaust stack to better characterize
10 emissions and monitor combustion; and
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12 **WHEREAS** the operation of the Holyrood Thermal Generating Plant is subject to the
13 conditions of a Certificate of Approval issued February 2, 2006 by the provincial
14 Department of Environment and Conservation (the "Department") which, in Condition
15 #75, required Hydro to file a plan by August 2, 2006 for the CEMS to meet the
16 requirements of Environment Canada's 1993 Report *Protocols and Performance*
17 *Specifications for Continuous Monitoring of Gaseous Emissions from Thermal Power*
18 *Generation (EPS1/PG/7)*, or its successor (the "CEM Guidelines"); and
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20 **WHEREAS** on August 2, 2006 Hydro filed with the Department the required plan to
21 meet the CEM Guidelines; and
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23 **WHEREAS** on July 23, 2007 as part of its 2008 Capital Budget application Hydro
24 applied for approval to proceed with upgrades to the CEMS to make it compliant with the
25 Certificate of Approval; and
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27 **WHEREAS** on November 27, 2007 the Board issued Order No. P.U. 30(2007) rejecting
28 the proposed improvements to the CEMS on the basis that Hydro did not demonstrate
29 that the improvements were necessary to be compliant with the Certificate of Approval or
30 to be inadequate for the intended purpose; and
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32 **WHEREAS** on April 25, 2008 a review and report was completed on behalf of Hydro,
33 *Suitability of the Continuous Emission Monitoring System for Meeting Requirements of*
34 *the Environment Canada CEM Guidelines EPS 1/PG/7*, which recommended that the
35 CEMS be replaced (the "CEMS Report"); and
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37 **WHEREAS** on April 30, 2008, based on its review of the CEMS Report, the Department
38 directed Hydro to revise and resubmit by June 30, 2008 a plan for compliance with the
39 CEM Guidelines; and
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41 **WHEREAS** Hydro filed with the Department a revised compliance plan dated June 30,
42 2008 to meet the CEM Guidelines which outlined the testing, equipment modifications,
43 and other activities required to be undertaken by the third quarter of 2009 for compliance
44 in 2010; and

1 **WHEREAS** on December 1, 2008 the Department issued a letter approving Hydro's
2 revised plan for compliance with the CEM Guidelines and directing Hydro to implement
3 the actions of the plan in accordance with the target dates identified in the plan; and
4

5 **WHEREAS** the Board has reviewed the Application and supporting documentation and
6 is satisfied that the proposed improvements are necessary to ensure compliance with the
7 directions of the Department as well as the conditions of the Certificate of Approval for
8 the Holyrood Thermal Generating Plant and should be approved.
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10 **IT IS THEREFORE ORDERED THAT:**
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- 12 1. The Board approves the capital expenditure of \$703,700 for the upgrade of the
13 continuous emission monitoring system at the Holyrood Thermal Generating
14 Station, pursuant to subsection 41(3) of the *Act*.
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16 2. Hydro shall pay all expenses of the Board arising from this Application.

DATED at St. John's, Newfoundland and Labrador, this 20th day of March 2009.

Andy Wells
Chair & Chief Executive Officer

Darlene Whalen, P.Eng.
Vice-Chair

Dwanda Newman, LL.B
Commissioner

Cheryl Blundon
Board Secretary