

1 Q. Reference: Supply Cost Deferrals 2015, 2016 and 2017 Application Evidence,
2 Appendix B, Specific Examples of the Requirement for Standby Generation, page
3 5, lines 4-8.

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5 *“Standby generation was operated throughout this period to support load, as well*
6 *as Island and Avalon spinning reserve requirements. On January 6, 2016, Holyrood*
7 *Unit 2 was taken out of service at 04:28 due to boiler tube issues. At the time,*
8 *Holyrood unit 1 was de-rated to 155 MW. Figures 3 – 10 provide a depiction of the*
9 *forecast requirement for standby production through this period.”*

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11 Please explain why it was appropriate to use 170 MW as the spinning reserve target
12 when Holyrood Unit 2 was out of service and, according to the information
13 provided in the response to Request for Information NP-NLH-020 of the Recovery of
14 the 2015 and 2016 Balances Application, Holyrood Unit 1 underwent significant
15 deratings of between 50 and 120 MW.

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18 A. Please refer to Hydro’s response to NP-NLH-308.

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20 As noted in this RFI question, in recent years there have been operational issues at
21 the Holyrood thermal generation station that have resulted in material unit
22 deratings and, at times, unavailability for extended periods. With this primary
23 source of generation unavailable, Hydro’s dependence on standby generation has
24 increased significantly in order to reliably supply customers. In its response to NP-
25 NLH-022 of the October 2016 Application - *Recovery of the 2015 and 2016 Balances*
26 *(NP-NLH-324, Attachment 1),* Hydro highlighted that standby units make up an
27 integral portion (approximately 300 MW or 15%) of the overall Island generation

- 1 fleet and, with load growth and the recent issues at Holyrood, are part of the plan
- 2 for dispatch that provides reliable service for customers.