1 Q. **Off Island Purchases** 2 Page 6.2, lines 15-17 – Explain how the use of the LIL and LTA will improve reliability for customers in 2018 and 2019. 3 4 5 6 The Labrador Island Link (LIL) and the Labrador Transmission Assets (LTA) are A. 7 expected to be in service in 2018. This will allow power to flow between the 8 Labrador Interconnected System and the Island Interconnected System, and 9 reinforce the interconnection of the Island Interconnected System to the North 10 American grid. Additionally, once these assets have been placed in service, excess 11 Recapture Energy in Labrador, and/or market purchases, will become available to 12 the Island Interconnected System. 13 14 In 2018 and 2019 specifically, Recapture Energy in excess of Labrador 15 Interconnected System requirements will be available for Island Interconnected 16 System customers on a firm basis. The availability of this additional firm capacity 17 increases reliability for Island Interconnected System customers. This firm capacity, 18 combined with the access to economy energy from both Recapture Energy and 19 market purchases, also reduces the Island Interconnected System's reliance on the 20 Holyrood Thermal Generating Station by reducing the required output, both MW 21 and GWh, of the Holyrood units. 22 23 Hydro also continues to advance commercial discussions to provide additional 24 reliability for Island Interconnected System customers by pursing economic 25 opportunities to maximize the use of the LIL in advance of generation at Muskrat 26 Falls Generating Station, further increasing the amount of capacity available to the

PUB-NLH-014 2017 General Rate Application

Page 2 of 2

- 1 Island Interconnected System, and decreasing reliance on the Holyrood Thermal
- 2 Generating Station.