

1 Q. Please explain how Hydro differentiates between spinning reserve and non-spinning
2 reserve in meeting its generation reserve criteria.

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5 A. Please refer to Hydro's response to NP-NLH-022 for a description of Hydro's
6 operating philosophy related to on-line or spinning reserves. Hydro plans for 240
7 MW in reserve, including spinning and non-spinning reserve, for customer
8 notification purposes and to meet the minimum spinning reserve requirements in
9 the case of the loss of the largest on-line generating unit. This minimum spinning
10 reserve covers off performance uncertainties in generating units, in particular wind
11 and other non-dispatchable variable generation, and unanticipated increases in
12 demand. As the name suggests, non-spinning reserves are off-line but include fast
13 starting generators (such as hydro or standby units) and interruptible load
14 arrangements which do not require lengthy advance notification periods.¹

¹ Hydro is reviewing its spinning and non-spinning reserve criteria as the Island Interconnected System approaches interconnection with the North American grid.