

1 Q. Ratepayers were assured that the Maritime Link could be used to import electricity onto the
2 island.

3 (a) What electricity was imported onto the island during this past winter and how did any such
4 imports affect the operation of the Holyrood Thermal Generation Station and gas turbines?

5 (b) Electricity is currently available on open markets at an estimated price of \$0.02/kWh. What
6 arrangements has Hydro made for the purchase of the same through the efforts of Nalcor
7 Energy Marketing? Can Hydro utilize such purchases to curtail the usage of the Holyrood
8 Thermal Generation Station, gas turbines and resulting fuel cost savings? Has this been
9 considered prior to making this Application?

10 A. (a) Since the February 2018 in-service of the Maritime Link and through testing activities over
11 the Labrador-Island Link (“LIL”), 744 GWh of energy has been delivered to the Island
12 Interconnected System to offset higher cost thermal production. Over the past fall and
13 winter specifically, 326 GWh was purchased from other sources to offset production at the
14 Holyrood Thermal Generating Station (“Holyrood TGS”).^{1,2} Newfoundland and Labrador
15 Hydro (“Hydro”) will continue to use imports over the Maritime Link and the LIL, once
16 available, to minimize thermal production on the Island Interconnected System. However,
17 Hydro notes that the projects contemplated in this Application are necessary to maintain
18 the Holyrood TGS at full capacity until March 31, 2022.

19 (b) The availability of economic market energy will continue to be used to minimize the amount
20 of production required at the Holyrood TGS and the gas turbines. However, these economic
21 activities have no bearing on the requirement to execute the identified projects. In advance
22 of the reliable in-service of the Muskrat Falls Project, Holyrood TGS will continue to play a
23 necessary role in supporting the Island Interconnected System and, therefore, it is critical
24 that the plant be maintained at its full capacity. While Maritime Link imports provide for a
25 source of economic offset of the Holyrood TGS they are unable to fully provide for the same

¹ In this context, winter has been interpreted to mean the period from September 1, 2019 to March 31, 2020.

² Includes imports over the Maritime Link and a purchase of Firm Energy from Corner Brook Pulp and Paper Limited as approved in Board Order No. P.U. 35(2019).

1 reliability support for the Island Interconnected System.³ As such, purchases cannot fully
2 curtail the current operational requirements of the Holyrood TGS.

³ A firm and dependable source on the Avalon Peninsula continues to be required to maintain the reliability of the transmission network. This function will be performed by the LIL once it is reliably in-service.