Q. On page 2.74 of the Amended 2013 GRA Hydro notes that "[t]he decline in fuel conversion performance in recent years is primarily due to changes external to the operation of the Holyrood thermal generating station...". Please explain what are the changes external to the operation of the Holyrood noted by Hydro. Is there any impact from running Holyrood in summer for Avalon transmission support?

A. The changes external to the operation of the Holyrood Thermal Generating Station are as indicated in the evidence. In recent years, production requirements from the plant have been lower due to reduced system loads, higher energy purchases and higher levels of hydraulic generation. This has caused Holyrood to be operated only as required for reliability considerations (i.e., system peak support and to support the transmission into the Avalon Peninsula). The lower levels of generation that have resulted from these conditions, external to the plant, have resulted in lower conversion rates. Another significant factor negatively influencing the conversion rate has been the lower heating content in the fuel received at the plant in recent years.

There is an impact in running a Holyrood unit in the summer at low inefficient levels of generation for Avalon transmission support if the unit is not required for energy during that period. Otherwise, the unit would not be operated and an equivalent amount of energy could be produced outside of the summer period at higher, more efficient levels of unit loading.