Q. **In Section 5.4: Holyrood Capacity Versus Energy Classification, the IIC's Consultants state that 100% classification to energy of Holyrood's fuel costs does not properly reflect the cost driver as sometimes the plant operates at inefficient levels to provide transmission support/capacity in contrast to when it operates at efficient levels to provide energy. Do you agree that before Holyrood's role changes (Island-Labrador Interconnection) to a 100% backup and reliability resource, Holyrood continues to be the marginal resource to produce energy to the system? Please explain your answer.**

A.

Yes, prior to the Island – Labrador interconnection, Holyrood continues to be the marginal resource to produce energy on the Island Interconnected system.

However, as noted in response to PUB-IC-7, Holyrood is being used in a manner that is not consistent with a 100% energy allocation for fuel units that are not reflective of dispatch in the most efficient manner, particularly where this inefficient operation is driven by transmission system weaknesses and not bulk annual energy loads per se.

For clarity, Messrs Bowman and Najmidinov take no issue with the classification of the vast majority of Holyrood fuel to energy for this GRA, as shown in PUB-IC-7.