

1 Q. **Reference: RFI V-NLH-074 (rev 1), table 1**

2 Please detail the reasons for the forecasted fuel conversion factor to be lower in  
3 2017 than in 2016.

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6 A. In Hydro's response to V-NLH-074, Hydro indicated a forecasted fuel conversion  
7 factor of 606 kWh/bbl in 2016 and 599 kWh/bbl in 2017. The conversion rate is  
8 forecast to be lower in 2017 due to a lower average unit loading expectation in that  
9 year.

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11 There are two primary drivers:

- 12 • Energy production requirements are expected to be lower in 2017 when  
13 compared to 2016 because the hydraulic generation output is forecast to be  
14 higher; and  
15 • The number of unit operating hours is expected to be higher in 2017 when  
16 compared to 2016 due to a requirement to operate a Holyrood unit  
17 throughout the summer of 2017 for Avalon transmission support.

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19 These factors result in a lower average unit loading in 2017 (91 MW) when  
20 compared to 2016 (106 MW). As indicated in Hydro's Amended Application,  
21 Section 2.6.1, with all things being equal, the fuel conversion performance of a  
22 thermal unit improves at higher levels of generation.