

1     Q.     Has Hydro made a determination as to the appropriate level of capacity assistance  
2           that is required in 2014/2015? If so, what is that level?

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5     A.     Hydro investigated whether it could receive capacity assistance from its Island  
6           Industrial Customers and determined that 60 MW was available from CBPP (which  
7           Hydro had availed of in January – March of 2014) and approximately 16 MW was  
8           available from Vale. In consultation with the Board’s consultant, the Liberty  
9           Consulting Group, Hydro determined that gaining access to a significant amount of  
10          capacity at a low cost was advisable in order to avoid, or to assist with, capacity  
11          shortage issues in the unlikely event that problems were encountered of the sort  
12          experienced in January of 2014. This is emergency capacity and, by its nature, it is  
13          not intended or expected to be used in the normal course. Its purpose is to provide  
14          an extra contingency resource to be deployed in rare and extreme cases.<sup>1</sup> It is  
15          therefore not practicable or meaningful to measure or calculate with precision the  
16          amount of such emergency capacity needed, it is a matter of judgment.

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<sup>1</sup> Periods of extreme cold weather conditions coincident with an above average outage rate to generation equipment.