

1 Q. For each scenario in IC-NLH-009 above, please provide a narrative of the
2 reasonableness of the assumptions, the risks inherent in the scenario, and the
3 justification for maintaining reservoir levels above the range of the dotted line
4 discussed in IC-NLH-007 and IC-NLH-008 above.

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7 A. As indicated in Hydro’s response to IC-NLH-008, simulations ran to create the
8 aggregate system storage targets make assumptions about the system load,
9 historical inflow sequences and generating plant availability (including Holyrood).
10 However, it is possible that conditions may be worse than assumed, especially in
11 the short term. The methodology used in generating the curve attempts to balance
12 a level of conservatism required to reduce the risk of supply disruptions, while not
13 leading to excessive use of thermals and the associated cost.

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15 The minimum targets are developed to ensure that the system is operated to
16 maintain sufficient water in storage for continued generation through a repeat of
17 the historic dry period. When storage approaches the minimum target, the
18 generation mix is changed to progressively inject more thermal into the system, up
19 to its maximum. When thermal production is maximized, and provided that all
20 aforementioned assumptions hold, storage levels will not get to critical levels, i.e.,
21 the system is planned such that aggregate storage may fall below the minimum
22 target but not to the extent that there is a risk to the supply of energy and capacity
23 to the Island Interconnected System. Hydro also considers the storages of
24 individual reservoirs (e.g., Long Pond), to ensure that the capacity of each individual
25 plant is secured; in order to maintain reliable supply to customers.