

1 Q. Please provide the detailed Newfoundland power system reliability study for Nalcor
2 and Newfoundland Hydro for the Muskrat Falls and Labrador Island Link HVDC
3 system.

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6 A. North American Electric Reliability Corporation (NERC) Standard TPL-005-0 –
7 Regional and Interregional Self-Assessment Reliability Reports requires that each
8 Regional Reliability Organization annually conduct reliability assessments of its
9 respective existing and planned Regional Bulk Electric System including generation
10 and transmission. Neither Nalcor nor Newfoundland Hydro are part of any Regional
11 Reliability Organization such as the Northeast Power Coordinating Council, Inc.
12 (NPCC) as a transmission operator/owner or generator operator/owner. As a result
13 Nalcor and Newfoundland Hydro do not prepare detailed annual power system
14 reliability study reports as contemplated under NERC Standard TPL-005-0. Instead,
15 Nalcor and Newfoundland Hydro use traditional system planning procedures to
16 plan the power system within the Province consistent with least cost reliable
17 supply.

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19 Generation Planning exercises are typically conducted annually and the results
20 published in a document entitled “Generation Planning Issues” which is filed with
21 the Public Utilities Board. In general the document presents the latest provincial
22 load forecast, the existing system capability, the planning criteria, identification of
23 need for new resources, the near term resource options available, results of the
24 generation expansion analysis completed using Strategist, the timing of the next
25 decision on generation resources and discussion of other relevant issue to the
26 decision at hand.

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1 Transmission planning exercises are generally conducted annually beginning with
2 the development of base case load flows for the coming five year planning horizon.
3 Contingency analysis is conducted to determine the need for transmission system
4 reinforcements such as transformer capacity and transmission line additions. The
5 required additions in turn are added to the Newfoundland Hydro capital budget and
6 five year plan, which in turn is submitted to the Board for approval with appropriate
7 justification documentation.

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9 Large projects such as the Lower Churchill Project are considered under separate
10 integration studies. Final integration studies for the Lower Churchill Project are
11 underway with an expected completion date of November 2011.

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13 Exhibit 24 provides an overview of the transmission outlook within the Island
14 transmission system.