

February 18, 2019

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: The Liberty Consulting Group Report – Analysis of Newfoundland Island
Interconnected System Power Supply Adequacy for the Winter of 2018-2019 –
Biweekly Update Report**

In its correspondence of September 19, 2018, the Board of Commissioners of Public Utilities (“Board”) requested that Newfoundland and Labrador Hydro (“Hydro”) provide a biweekly report on Hydro’s supply adequacy for winter 2018-2019, commencing October 1, 2018.

This biweekly report provides an update on the in-service of the Labrador-Island Link (“LIL”) and how it relates to winter 2018-2019 supply adequacy, as well as details on Hydro’s production facilities asset management.

The LIL In-Service Update

This report contains:

- an overview of the critical path tasks required for reliable operation of the LIL for winter 2018-2019;
- an overview of the highest risks being monitored and mitigated for the LIL in-service in winter 2018-2019;
- Hydro’s updated modelled assumptions for winter 2018-2019 supply adequacy planning; and
- Hydro’s proposed contingency plan to mitigate the consequences of unavailability or unreliability of the LIL for all or part of winter 2018-2019.

Should you have any questions, please contact the undersigned.

Ms. C. Blundon
Public Utilities Board

2

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel – Regulatory
SW/kd

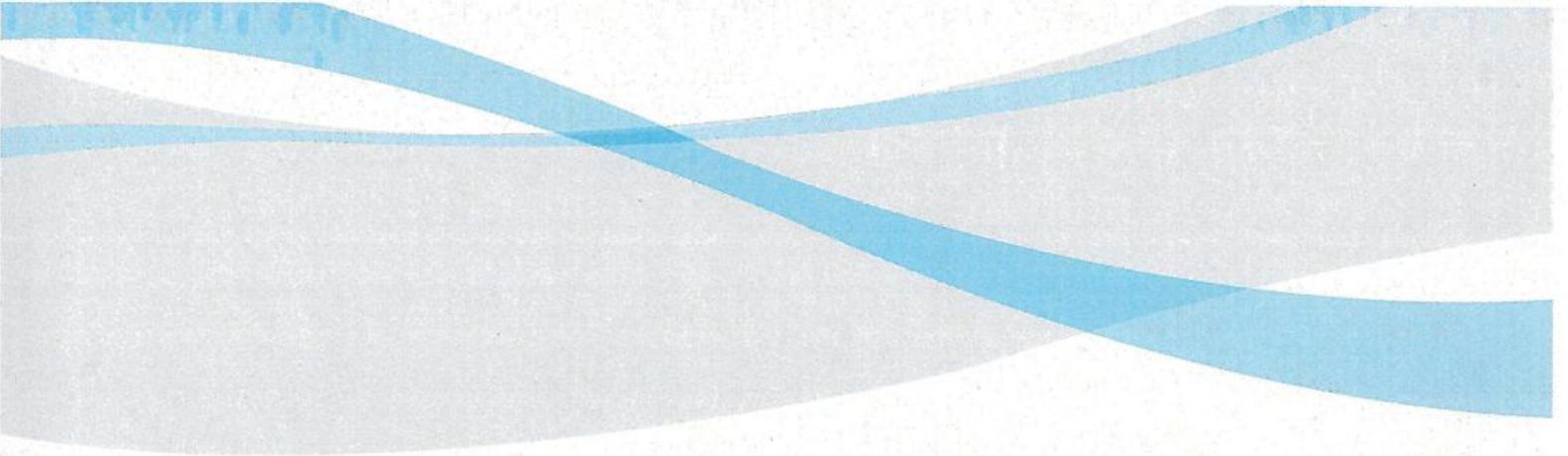
Enc.

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey
Denis J. Fleming – Cox & Palmer

ecc: Van Alexopoulos – Iron Ore Company
Senwung Luk – Olthuis Kleer Townshend LLP

Dennis Browne, Q.C. – Brown Fitzgerald Morgan & Avis
Dean Porter – Poole Althouse

Benoît Pepin – Rio Tinto



Labrador-Island Link In-Service Update

February 18, 2019

A Report to the Board of Commissioners of Public Utilities



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1 **1. Introduction**

2 Newfoundland and Labrador Hydro (“Hydro”) closely monitors its supply-related assets and
3 issues to ensure its ability to provide reliable service to customers. The availability of power
4 over the Labrador-Island Link (“LIL”) for winter 2018-2019 was identified in previous reports to
5 the Board by both Hydro and Liberty as contributing to supply adequacy in advance of
6 availability of the Muskrat Falls generation supply to the Island. Hydro is working closely with
7 Nalcor’s Power Supply leadership [Transition to Operations (“TTO”), Power Supply Transmission
8 Operations, and the Lower Churchill Project (“LCP”) Transmission Project] to monitor and
9 mitigate the risks associated with the timing of the in-service of the LIL to supply off-Island
10 capacity and energy to the Island Interconnected System. In each biweekly report, Hydro will
11 also provide an update on supply adequacy for winter 2018-2019 with the most up-to-date in-
12 service assumptions of the LIL, as required. The information in this report is current as of
13 February 14, 2019. It is noted that typical commissioning issues will be occurring as
14 commissioning continues. Updates regarding those issues known to materially affect the
15 assumptions of capacity and availability for the 2018-2019 winter season will be provided as
16 they become known. Otherwise, any developments occurring after the preparation of the
17 biweekly report will be included in the next biweekly report.

18
19 **2. In-Service Activities Update**

20 The following outlines the specific critical path activities required for operation of the LIL for
21 winter 2018-2019,¹ as well as schedule or constraint information for those tasks. As this report
22 is updated on a biweekly basis, Hydro will provide information on the key activities and the
23 associated schedule to inform the Board if any potential supply issues arise from the delivery of
24 those activities.

25
26 As reported in the February 4, 2019 report, biweekly leadership level meetings that were
27 initiated in the fall of 2018 have ceased since all material efforts to place the LIL in service have

¹ This report discusses operational readiness for winter 2018-2019. The final in-service review of the LIL is undertaken separately with the Board’s consultant, Liberty, on a quarterly basis with TTO.

1 been completed. The leadership level meetings that track progress will proceed if there is a
2 material issue related to availability. The day-to-day operation of the LIL is now being
3 communicated at the morning system meetings, with any technical items addressed similar to
4 any other resource asset on the system – the operational teams work with project and
5 engineering support and communicate results to the appropriate Hydro and Nalcor
6 representatives.

7
8 Previous reports have included a Gantt chart to show the status of all critical path activities;
9 however, the only activities that remain incomplete are Activities 9 and 12, which are both
10 contingent on the completion of monopole commissioning. Since these are the only ongoing
11 activities, and details on such are included in the section that follows, the chart is no longer
12 included in this report.

13

14 **Project Delivery**

15 **Activity 1 – Churchill Falls Breaker Upgrade**

16 ***Status: Completed, no further updates.***

17

18 **Activities 2 and 3 – 315 kV GIS Voltage Transformer² Replacements**

19 ***Status: Completed, no further updates.***

20

21 **Transitions to Operations Delivery**

22 **Activity 4: Emergency Response Plan (“ERP”)/Emergency Restoration and Recovery (“ERR”):**

23 **Interim ERP/ERR in place as required at all sites/assets**

24 ***Status: Completed, no further updates.***

25

26 **Activity 5 – Contracts: Support Services in Place and Resources on Board**

27 ***Status: Completed, no further updates.***

² 315 kV instrument transformers.