

1 Q. Under the contract with North Atlantic Refining, would Hydro cut firm demand
2 before cutting supply to North Atlantic Refining? Where does supply to North
3 Atlantic Refining stand in terms of control actions during a system emergency?
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6 A. Under the terms of the Service Agreements ("Agreement") with the Industrial
7 Customers (ICs), the customer declares an amount of Power on Order or "firm"
8 demand and energy prior to October 1 for the upcoming year. Also under the
9 Agreement and in addition to this contracted amount of power on order, the ICs
10 may take an amount of Interruptible or 'non-firm' demand and energy as per the
11 following:
12

13 *Provided the Amount of Power on Order is equal to or greater than*
14 *20,000 kW, the amount of Interruptible Demand and Energy*
15 *available shall be the greater of 10% of the Amount of Power on*
16 *Order and 5,000 kW. If the Amount of Power on Order is less than*
17 *20,000 kW, the Amount of Interruptible Demand and Energy*
18 *available shall be 25% of the Amount of Power on Order.¹*
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20 In its responses to PUB-NLH-033 and CA-NLH-009, Hydro outlined the steps it would
21 take in the event of a generation shortage on the Island Interconnected System.²
22 Hydro would first advise ICs, including North Atlantic Refining Limited, that if they
23 are taking non-firm or Interruptible power, the energy will be charged at higher
24 standby generation rates (Step 6). Further into the protocol, as the generation

¹ For the year 2014 North Atlantic Refining Limited has "contracted" 29,500 kW of Power on Order from Hydro and may take up to 5,000 kW of Interruptible power and energy.

² Hydro's "Generation Loading Sequence and Generation Shortages" protocol is filed as PUB-NLH-033, Attachment 1 (now referred to as the "Generation Reserves" protocol).

1 shortage worsens (Step 9), all non-firm power delivery to customers is cancelled
2 and all ICs are requested to reduce power consumption to within contractual limits.
3 Under Step 12 of the protocol, Hydro requests that Industrial Customers shed non-
4 essential loads and informs them of the deteriorating system conditions. Under
5 Step 13, Hydro requests that Industrial Customers shed additional load. The
6 customer load that is shed under the latter two steps is within the contracted firm
7 block (Power on Order).