

1 Q. (Re: CA-NLH-28) Hydro indicates that generation capacity will be available from
2 neighboring jurisdictions to make full use of the available transmission capacity. Is
3 there not an expectation that neighboring jurisdictions might coincidentally
4 experience capacity shortfalls during emergency conditions in NL? What is practice
5 elsewhere in this regard; i.e., in their planning studies, what generation capacity,
6 relative to available transmission import capacity, do interconnected jurisdictions
7 such as Ontario, British Columbia, Nova Scotia and New Brunswick assume will be
8 available during emergency situations?

9
10
11 A. There is no expectation that neighboring jurisdictions might coincidentally
12 experience any greater than normal capacity shortfalls during emergency
13 conditions. Typically, abnormal weather events could be a cause of simultaneous
14 capacity shortfalls in neighbouring jurisdictions. In the case of Newfoundland, there
15 is a large enough distance between the island and neighbouring jurisdictions that
16 weather events do not tend to have major implications for all of the jurisdictions at
17 the same time.

18
19 Many interconnected jurisdictions across Canada manage operating reserves
20 on a regional basis where the utilities pool reserves to cover off contingency
21 and emergency conditions. Such arrangements already exist in the Maritime
22 provinces. Hydro and Nova Scotia Power Inc., through Article 5 of the
23 Interconnection Operators Agreement (see Hydro's response to PUB-NLH-
24 220 (Revision 1) Attachment 7), have already agreed to provide each other
25 assistance mitigating emergencies on their respective power systems as
26 indicated below:

ARTICLE 5

EMERGENCY ASSISTANCE

5.1 Emergency Assistance

To the extent practical in accordance with Good Utility Practice and all applicable Reliability Standards, each Party shall exercise due diligence to mitigate an Emergency occurring on its respective Transmission System that affects the Interconnection Facilities.

Without limiting the foregoing, where appropriate, each Party shall strive to implement commercial transactions to assist in mitigating such Emergency as soon as possible.

5.2 Emergency Energy Transactions

Each Party shall, to the maximum extent it deems consistent with the safe and proper operation of its respective Transmission System, provide Emergency Energy to the other Party in accordance with the provisions of Schedules A3 and C9.0.

Over the next 12 to 18 months, Hydro will be working with Nova Scotia Power Inc. to finalize the referenced Schedules. Hydro will also be exploring opportunities with the other Maritime utilities to further enhance the agreement. Once finalized, it will be determined what (if any) impact these agreements would have on the overall capacity planning process.