

1 Q. **Reference: Summary Report of Probabilistic Based Transmission Reliabilities**
2 **Assessment - Island Interconnected System:**
3 ***“Hydro’s current deterministic based Transmission Planning Criteria are similar to***
4 ***North American Electric Reliability Corporation (NERC) Transmission Planning***
5 ***standards; however, deviations from the NERC standards have been applied due***
6 ***to the isolated nature of the IIS and the potential cost impact of full compliance on***
7 ***the limited customer base.” (pg 1-2)***

8 Has Hydro determined whether it will be required to implement full compliance
9 with NERC Transmission Planning standards upon interconnection? Please provide
10 any operating restrictions that will be required until Hydro is in full compliance with
11 NERC Transmission Planning standards and provide the completion date for Hydro
12 to be in full compliance with NERC Transmission Planning standards.

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15 A. The requirement for the application of NERC reliability standards in Newfoundland
16 and Labrador for bulk electric system operation and planning is determined under
17 the laws of the Province of NL. The Province of NL currently does not have this as a
18 requirement for the owners and operators of the related facilities. Within
19 commercial agreements, Hydro has agreed through the Interconnection Operators
20 Agreement with Nova Scotia Power Incorporated that the Maritime Link will be
21 operated in accordance with the reliability standards of Nova Scotia which are NERC
22 standards. Beyond that, there is only a requirement to operate in accordance with
23 the reliability standards established for Newfoundland and Labrador by an
24 authorized authority. Therefore there are no operating restrictions nor dates
25 required or established with respect to being in full compliance with NERC
26 Transmission Planning standards.

1 However, regardless of the commercial requirements, Hydro is committed to
2 operate in accordance with good utility practice to provide safe reliable power at
3 least cost to its customers. Hydro will therefore operate in accordance with NERC
4 reliability standards where it is appropriate in the circumstances.

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6 With respect to NERC Transmission Planning standards, Hydro is in the process of
7 completing a high level review to determine what would be required to be in
8 compliance to the point of being audited in accordance with NERC practices. This
9 review has not indicated the requirement to make any power system changes or
10 additions due to the changes already being implemented as part of the integration
11 of the Lower Churchill Project to the IIS. It has determined the changes required are
12 related to formalizing documentation of the planning process. In particular, this
13 review has indicated that to ensure compliance with the formal requirements of the
14 TPL group of NERC standards, NLH should rewrite its processes and procedures as
15 follows to:

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17 • Formally document the annual Planning Assessment process, its
18 assumptions, and the results of the steady state analyses, short circuit
19 analyses, and stability analyses.
20 • Formally develop procedures for the annual assessment of the Near-Term
21 Transmission Planning Horizon portion of the steady state analysis.
22 • Formally establish suitable criteria for acceptable System steady state
23 voltage limits, post-Contingency voltage deviations, and the transient
24 voltage response for the system.

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- Formally define and document within the Planning Assessment the criteria or methodology used in the analysis to identify System instability for conditions such as cascading, voltage instability, or uncontrolled islanding.