Q. In section 4.2, page 6 of the ESRA Report, Hydro notes that it is committed to maintaining a megawatt (MW) reserve of greater than 240 MW to provide the ability to withstand the most onerous single contingency (loss of Holyrood Unit 1 or 2) while maintaining a spinning reserve of 70 MW. Please detail how the 240 MW reserve will provide a spinning reserve of 70 MW with the loss of Holyrood Unit 1 or 2.

A. As stated in the Energy Supply Risk Assessment (ESRA) report,

> "…*Hydro has committed to maintaining a megawatt (MW) reserve of greater than240 MW. The 240 MW reserve provides the ability to withstand the most onerous single contingency (loss of Holyrood Unit 1 or 2) while maintaining a spinning reserve of 70 MW."*

Under normal operating conditions, Hydro plans to operate with a minimum reserve of 240 MW during peak demand. In this case, the loss of Unit 1 or 2 at Holyrood would decrease this reserve by 170 MW, reducing Hydro's reserve to 70 MW (240 MW – 170 MW = 70 MW).

Therefore, in the case of the most onerous contingency (loss of Holyrood Unit 1 or 2), Hydro would have at least 70 MW of generation available in excess of its forecast peak demand that it could hold in spinning reserve.