

- 1 Q. Reference: Public Utilities Board Muskrat Falls Review, *Manitoba Hydro*
2 *International: Report on Two Generation Expansion Alternatives for the Island*
3 *Interconnected Electrical System*, January 2012, page 54.
4 *“MHI finds that Nalcor currently does not comply with North American Electric*
5 *Reliability Corporation (NERC) standards. A majority of utilities in Canada have*
6 *adopted the definition of “good utility practice” that incorporates adherence to*
7 *NERC standards. Also, should the Maritime Link proceed, and Nalcor participates in*
8 *the electricity marketplace, NERC standards will ultimately apply. MHI recommends*
9 *that Nalcor complete a self-assessment and prepare for compliance to NERC*
10 *standards with or without the Maritime Link.”*
11 Please confirm Nalcor/Hydro is not currently NERC compliant and outline what
12 measures would be required for Nalcor/Hydro’s generation and transmission
13 system to achieve and maintain NERC compliance following interconnection to the
14 North American grid.
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17 A. At present, Hydro has not been audited for NERC compliance. Many of its practices
18 are consistent with those of NERC compliant utilities; however, these practices have
19 not been audited and verified to be certified as NERC compliant. The anticipated
20 measures that Hydro would need to undertake for its generation and transmission
21 operations to achieve and maintain NERC compliance are outlined in Hydro's
22 response to PUB-NLH-157.