

1 Q. Further to the response to PUB-NLH-018, which states that there is a capacity
2 deficit identified for 2015, explain in detail each of the *“several generating options*
3 *potentially available to meet winter peak demand”* that Hydro stated it was
4 pursuing, including the status of the review of each option and the time required to
5 construct or install each option.

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8 A. The options under consideration for meeting the deficit currently expected in 2015
9 include the following and may be a combination of two or more to meet the
10 potential deficit:

11 1. **Retain the 16 MW diesel facility at Holyrood (presently under a lease-to-own**
12 **arrangement).** Once installed, 10 MW can immediately be supplied to the
13 system on a sustained basis. This facility is currently being prepared for
14 commissioning in early March 2014.

15 2. **Review what is needed to make the remaining diesel power available to the**
16 **system.** Please refer to Hydro's response to PUB-NLH-064.

17 3. **Enter into interruptible contracts with large Industrial Customers.**
18 Discussions with Industrial Customers (CBPP, Vale and North Atlantic Refining)
19 were initiated in fall 2013. These discussions are ongoing and options
20 continue to be explored. Please refer to Hydro's response to PUB-NLH-050.

21 4. **Seek already built combustion turbines in the 50 to 85 MW range.**
22 Preliminary discussions indicate that these options can provide in-service to
23 meet the 2015 requirement. However, discussions with manufacturers,
24 brokers and owners are ongoing to determine the delivery times, operating
25 experiences, the extent of modifications required, and the facilities required
26 to connect to the Island Interconnected System.

- 1 5. **Initiate the supply of a new 60MW (nominal) combustion turbine for the**
2 **Holyrood site to supply deficit and blackstart functionality.** All preliminary
3 engineering is complete. With final approval by June 2014, this plant could be
4 in-service by 2015.
- 5 6. **Conservation and demand management initiatives, with the focus on**
6 **demand management.** Work is being conducted to assess customer end use
7 options with a view of providing demand management. This is considered a
8 supplemental means of meeting the deficit and may provide further cost
9 savings opportunities when combined with other options.