

1 **Q: Reference: Liberty Consulting Report, August 19, 2016, Review of**
2 **Newfoundland and Labrador Hydro Power Supply Adequacy and Reliability**
3 **Prior to and Post Muskrat Falls Final Report**
4

5 **How will commercial operation of the HVDC at lower power levels impact the**
6 **performance warranties when commissioned at full power?**
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9 A. Liberty is not aware of any negotiations that may have taken place between Hydro and the
10 Contractors, in respect of the treatment of warranties and guarantees, given the delay in the
11 Muskrat Falls generation resource.
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13 Typically, the performance warranty starts as soon as commissioning is completed and/or
14 when the scheme is used for commercial operation, whichever is the earlier date, irrespective
15 of the power level at which the HVDC scheme will be operated. Typically, the converter
16 station contractor can decide when, following completion of commissioning or start of
17 commercial operation, he wants the first guarantee evaluation period to start, but there is
18 normally a limit of no later than 6 months. Typically, the guarantee period will continue to
19 run, whether or not the scheme is energized and transmitting power.
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21 When the Muskrat Fall generation plant comes on-line, the converter station contractor may
22 need to perform some additional commissioning tests, to ensure that the HVDC scheme will
23 operate satisfactorily at the higher power.
24

25 While operation at low power will not stress some of the equipment as much as will happen
26 at full power, experience shows that not all failures in the early operation period are linked to
27 heavy loading.