Q: Reference: *Review of Newfoundland and Labrador Hydro Power Supply Adequacy and Reliability Prior to and Post Muskrat Falls Final Report,* page ES-3.

"Adequate backup capacity will be new combustion turbines or firm, dependable capacity from Nova Scotia via the Maritime Link."

Please explain the relative advantages and disadvantages of providing backup capacity in the form of (i) new combustion turbines, and (ii) firm, dependable capacity from Nova Scotia.

A. Factors that might be considered in evaluating the inputs associated with such a decision are cost, reliability, starting time, amount of capacity available, proximity of the source to the Avalon (including losses), and control of the supply. Several of these factors might favor on-island generation (starting time, proximity/losses, and local control). In addition, the Maritime Link source is in the extreme west of the IIS while the load is primarily in the east. Accordingly, regardless of where on-island generation would be located, it will have locational advantages over capacity supplied from Nova Scotia. Notwithstanding these observations, Liberty does not have the information to quantify or balance the various attributes of the two options.

Liberty also notes that an appropriate analysis could potentially conclude that the optimum result is not “either-or”, but a combination of both on-island capacity and capacity supplied over the Maritime Link.