

1 Q. **2018 Capital Projects \$500,000 and Over, Increase Fuel and Water Treatment**
2 **System Capacity, Volume I, Page C-9**

3 *“...the demineralized water requirement for NOx control has at times exceeded the*
4 *capacity of the water treatment system and when this occurs, generation is not*
5 *compliant with the Certificate of Approval. The gas turbine is operated under*
6 *Certificate of Approval No. AA14-125602. As per Section 38 of this approval, Hydro*
7 *shall not operate the 123 MW gas turbine unless the NOx control system associated*
8 *with the unit is in full operation.”*

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10 Does the water treatment system aspect of this project qualify as a mandatory
11 project within the meaning of the Capital Budget Application Guidelines? If not,
12 why not?

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15 A. Yes, the water treatment system aspect of this project qualifies as a mandatory
16 project within the meaning of the Capital Budget Application Guidelines, as it is an
17 expenditure required under Hydro’s Certificate of Approval for the operation of the
18 plant (issued by the provincial Department of Municipal Affairs and Environment
19 under section 83 of the *Environmental Protection Act*, SNL 2002 c E-14.2), which
20 requires that the plant cease operations if the NOx control system associated with
21 the unit is not fully operational.