

January 14, 2022

Board of Commissioners of Public Utilities  
Prince Charles Building  
120 Torbay Road, P.O. Box 21040  
St. John's, NL, A1A 5B2

Attention: Ms. Cheryl Blundon  
Director of Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: *Reliability and Resource Adequacy Study Review – Labrador-Island Link Monthly Update – December 2021***

On November 21, 2019, the Board of Commissioners of Public Utilities (“Board”) requested that Newfoundland and Labrador Hydro (“Hydro”) provide further information as a result of the findings in The Liberty Consulting Group’s (“Liberty”) Eighth Quarterly Monitoring Report on the Integration of Power Supply Facilities to the Island Interconnected System. In its response, Hydro committed to providing Liberty and the Board with a monthly status update regarding the schedule for the Labrador-Island Link (“LIL”) software development and testing, updated information in response to the specific requests detailed in the Board’s November 21, 2019 correspondence, and other pertinent information with respect to the Muskrat Falls Project. On January 19, 2021, the Board requested Hydro continue monthly reporting and outlined specific information, at a minimum, to be included.<sup>1</sup> Enclosed please find the update as requested.

The Lower Churchill Project (“LCP”) and its contractors continue to follow all COVID-19 Health and Safety measures as per the established guidelines. The LCP will continue to closely monitor the COVID-19 pandemic and follow advice from medical experts and Public Health guidance.

## **1.0 LABRADOR-ISLAND LINK**

### **1.1 Commissioning Activities**

#### **1.1.1 Bipole Commissioning**

GE Canada (“GE”) released a version of Full Function Bipole (“FFB”) software to site on December 9, 2021. Following a series of Dynamic Commissioning tests, the LIL was released for operation on December 17, 2021. As previously reported, this version of software is not suitable for Trial Operations and Final Commissioning due to unresolved critical punches. The LCP permitted GE to release this version of software in order to test the stability and robustness of the software. This version of software has been operating continuously at various levels, up to 435 MW, since December 17, 2021. GE is

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<sup>1</sup> Hydro’s report has been adjusted to reflect the Board’s request, with the exception of information related to the LIL monthly energy transfers and Maritime Link availability and exports and imports in the month. Both pieces of information are currently included in Hydro’s monthly energy supply report and are not available in a time frame that corresponds with the timing of this report.

working to release a new version of software in the first quarter of 2022 which is planned for use for Trial Operations and Final Commissioning, targeted for completion by May 31, 2022. Any critical punchlist items that do not prevent power transfer will be resolved after Trial Operations; GE has six months after commissioning to resolve outstanding punchlist items.

### **1.1.2 Soldiers Pond Synchronous Condensers**

As previously reported, GE Power is believed to have damaged a bearing in Synchronous Condenser ("SC") 1 while making an adjustment to the lubrication system. GE Power is on site to start the bearing replacement work which is scheduled for completion by June 2022. SC2 and SC3 are currently in operation.

There is a planned LIL outage from January 17 to 22, 2022 to allow GE Power to conduct 100% load tests on SC2 and SC3. These tests are pending suitable grid conditions.

## **1.2 Operations**

As previously noted, following conclusion of the dynamic commissioning tests, LIL was released for operation on December 17, 2021 and to date has transferred up to 435 MW without incident.

## **1.3 Outages**

On December 11, 2021 the LIL experienced a Bipole trip resulting in a under frequency event affecting approximately 22,000 customers. Power was restored within 18 minutes.

## **2.0 MUSKRAT FALLS GENERATION**

### **2.1 Operations**

#### **2.1.1 Unit 1**

Unit 1 is in operation.

#### **2.1.2 Unit 2**

Unit 2 is in operation. The runner inspection related to the vibration issue did not confirm the root cause. Andrtiz engineering will continue to investigate the issue. Unit 2 has been set at a constant output of 140 MW, at which no vibration is observed.

#### **2.1.3 Unit 3**

Unit 3 was taken out of service on January 12, 2022 to clear punchlist items.

#### **2.1.4 Unit 4**

Unit 4 is in operation. On December 30, 2021, during a routine check of the Unit 4 transformer, a reading indicated a high level of gas in the transformer oil. Unit 4 was taken offline to investigate. Independent laboratory analysis of an oil sample from the transformer determined that the gas levels were acceptable and that the gas detection instrumentation required recalibration. Unit 4 was returned to service on January 10, 2022.

### 3.0 LABRADOR ISLAND LINK SCHEDULE

As noted above, GE are working to release a new version of FFB software in the first quarter of 2022 and complete Trial Operations by May 31, 2022.

**Table 1: LIL FFB Software Commissioning Schedule**

<b>Milestones</b>	<b>GE Schedule</b>
FAT: Complete	Q1 <sup>2</sup> 2022
Dynamic Commissioning: Complete	Q1 2022
Trial Operations: Start (at available power)	Q1 2022
Trial Operations: Complete <sup>3</sup>	Q2 2022

### 4.0 CF(L)CO<sup>4</sup> MULTI-PARTY POOLING AGREEMENT AND HYDRO-QUÉBEC IOA<sup>5</sup>

As of December 2021, weekly discussions to progress the IOA continued between the Newfoundland and Labrador System Operator and Hydro-Québec, with CF(L)Co as an observer. Discussions also continued pertaining to which entities will be party to the agreement. Overall, the target date to complete the IOA remains January 2022.

If you have any questions or comments, please contact the undersigned.

Yours truly,

#### **NEWFOUNDLAND AND LABRADOR HYDRO**



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Vice President, Chief Legal Officer & Corporate Secretary  
MSL/sk

ecc:

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<sup>2</sup> First quarter ("Q1").

<sup>3</sup> Trial Operations is complete after 30 consecutive days of power transfer without a trip attributed to the HVdc system.

<sup>4</sup> Churchill Falls (Labrador) Corporation ("CF(L)Co").

<sup>5</sup> Interconnection Operators Agreement ("IOA").