

February 3, 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 – January 2022*

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.¹ 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

As previously reported, the LCP permitted GE Canada (“GE”) to release the current version of Full Function Bipole (“FFB”) software to site to continue testing the stability and robustness of the software. During the month of January 2022, a maximum of 424 MW was transferred over the LIL. GE continued to perform dynamic commissioning tests with this version of software in January 2022 in order to identify any issues that will require fixing before the next version of software is released. GE identified an issue that could increase the risk of a bipole trip in the event of a monopole trip, which requires fixing in the

¹ Hydro’s report has been adjusted to reflect the Board’s request, with the exception of information related to the LIL monthly energy transfers, 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.

next version of software. As a result of the identified issue, Hydro has taken appropriate steps to establish protocols for LIL transfer limits to help ensure reliable operation for customers. As previously reported, Operations has set a 450 MW limit on the LIL power transfer with this current version of software; the Newfoundland and Labrador System Operator (“NLSO”) will operate the LIL based on system conditions and the limits set to mitigate potential under-frequency load shedding events that could impact customers. Established protocols are such that LIL power flows would be curtailed to ensure no risk of customer impact under conditions when there is an elevated risk of a disturbance to the LIL or its poles. GE is working to release a new version of software in the first quarter of 2022, which is planned to be used for Trial Operations and Final Commissioning. 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

GE Power is continuing with the bearing replacement work on Synchronous Condenser (“SC”) 1, which remains on schedule for completion by June 2022.

The 100% Load Tests for SC2 and SC3 were successfully completed as planned in January 2022. The 100% Load Tests for SC1 will be schedule at a later date, post bearing replacement.

1.2 Operations

The LIL operated at various levels throughout the month of January 2022, with a peak power transfer of 424 MW. The LIL is currently in operation in accordance with protocols established by the NLSO, as described above.

1.3 Outages

There were no outages to report for January 2022.

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. As previously noted, Unit 2 has been set at a constant output of 140 MW, at which vibration is within acceptable limits.

2.1.3 Unit 3

Unit 3 is out of service on a planned outage.

2.1.4 Unit 4

Unit 4 is in operation.

3.0 LABRADOR ISLAND LINK SCHEDULE

There is no change to the schedule since the last reporting period. GE is 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

Milestones	GE Schedule
Factory Acceptance Testing: Complete	First Quarter of 2022
Dynamic Commissioning: Complete	First Quarter of 2022
Trial Operations: Start (at available power)	First Quarter of 2022
Trial Operations: Complete ²	Second Quarter of 2022

4.0 CF(L)CO³ MULTI-PARTY POOLING AGREEMENT AND HYDRO-QUÉBEC IOA⁴

As of the end of January 2022, weekly discussions to progress the IOA continued between the NLSO and Hydro-Québec, with CF(L)Co as an observer; however, the deadline has been extended to March 15, 2022. The reason for the extension is to provide time for a final legal review by both parties and negotiation of any legal language issues that arise before the Churchill Falls Board meeting in February 2022.

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

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Michael S. Ladha
Vice President, Chief Legal Officer & Corporate Secretary
MSL/sk

ecc:

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² Trial Operations is complete after 30 consecutive days of power transfer without a trip attributed to the HVdc system.

³ Churchill Falls (Labrador) Corporation (“CF(L)Co”).

⁴ Interconnection Operators Agreement (“IOA”).