

July 7, 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 – June 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.

1.0 LABRADOR-ISLAND LINK

1.1 Commissioning Activities

1.1.1 Bipole Commissioning

GE Canada (“GE”) completed Factory Acceptance Testing (“FAT”) of the bipole software on June 8, 2022. After completion of FAT, the results were reviewed by Hydro and it was determined the software was acceptable to release to site for the next testing phase, Dynamic Commissioning.

Dynamic Commissioning started on June 14, 2022 and was expected to take two to three weeks to complete. Part way through testing, GE discovered issues with the software and stopped the testing plan. GE has completed its investigation into the issues and provided the findings to Hydro. Hydro is working closely with GE to define the full scope of software fixes and suite of testing required to ensure the root causes of the issues are addressed before approving the release of software for Dynamic Commissioning. GE expects to complete the software fixes and regression testing in July 2022. The new

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 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.

version of software will then go through FAT before being released to site to restart Dynamic Commissioning.

1.1.2 Soldiers Pond Synchronous Condensers

Synchronous condenser ("SC") 1 re-assembly is complete. GE Power has performed additional tests on SC1 to support findings in their Root Cause Analysis ("RCA"), as a result commissioning tests have been delayed and Return to Service has moved to August 2022. Hydro is reviewing the RCA and the results of these additional tests. SC2 and SC3 are online.

1.2 Operations

Due to the issues discovered during Dynamic Commissioning, the latest version of software was removed from the system and replaced with the previous version to allow LIL to operate while GE completes the software fixes. LIL is currently operating in monopole mode on Pole 2 while GE completes an equipment investigation to confirm all hardware on Pole 1 is functioning properly after the issues experienced during Dynamic Commissioning. LIL can return to bipole mode once the investigation is complete and it has been determined that all Pole 1 equipment is functioning correctly.

1.3 Outages

There were no LIL-related customer outages to report for June 2022.

2.0 MUSKRAT FALLS GENERATION

2.1 Operations

Muskrat Falls Units 2 and 3 are currently offline for their planned summer maintenance.

During the noted maintenance outage, Andritz is conducting an internal inspection of the Unit 2 turbine to determine the cause of the vibration observed during operation. Andritz will provide a report of its findings and recommendation for resolution.

3.0 LABRADOR-ISLAND LINK SCHEDULE

As noted above, GE has not provided an updated schedule; however, it currently anticipates that FAT will start in July 2022. The decision to proceed with Dynamic Commissioning will be based on the outcome of FAT, at which time the schedule for that phase of testing will be determined.

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/kd

ecc:

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