

June 2, 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 – May 2022 – Revision 1*

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

As reported last month, after review of the Factory Acceptance Testing (“FAT”) results, it was decided that the bipole software would not be released to site due to the identification of punchlist items during testing. GE Canada (“GE”) has advised that the punchlist items that required resolution have been resolved and the bipole software will be ready to start the next round of FAT during the second week of June 2022. After completion of FAT, the results will be reviewed to determine if the software is acceptable to release to site for commencement of Dynamic Commissioning and should that execute satisfactorily, the subsequent 30-day Trial Operations period.

1.1.2 Soldiers Pond Synchronous Condensers

The synchronous condenser (“SC”) 1 re-assembly is complete; commissioning tests are ongoing. SC1 Return to Service remains on schedule for July 2022. GE Power has provided the SC1 bearing damage

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.

Root Cause Analysis for Hydro and LCP review. Hydro will advise the Board on GE Power's corrective actions to resolve the issue once a final decision has been made. SC2 and SC3 are online.

1.2 Operations

The LIL operated at various levels throughout May 2022 as determined by the Newfoundland and Labrador System Operator ("NLSO"). The 450 MW power transfer limit is still applied to the current version of software.

1.3 Outages

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

2.0 MUSKRAT FALLS GENERATION

2.1 Operations

All four Muskrat Falls Units are operational and released to the NLSO for dispatch.

As previously reported, Andritz is planning to undertake an internal inspection of the Unit 2 turbine during the upcoming summer shutdown. The exact timing has not been finalized. Andritz will provide a report of its findings and recommendation for resolution.

3.0 LABRADOR-ISLAND LINK SCHEDULE

As noted above, GE are preparing to execute FAT during the second week of June 2022, which is planned to take several days to complete. The decision to proceed with Dynamic Commissioning will be based on the outcome of FAT, at which time the schedule for commencement of Dynamic Commissioning will be determined.

4.0 CF(L)CO² MULTI-PARTY POOLING AGREEMENT AND HYDRO-QUÉBEC IOA³

The IOA between the NLSO and Hydro-Québec and CF(L)Co has been agreed by all parties and approved by the CF(L)Co Board. The amended **Multi-Party Pooling Agreement** will now be circulated to the original signatories for approval.

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

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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

² Churchill Falls (Labrador) Corporation ("CF(L)Co").

³ Interconnection Operators Agreement ("IOA").

ecc:

Board of Commissioners of Public Utilities

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