

1 Q. **Reference: Update 2022, Vol. II, pages 22 and 23**

2 In the near term reliability report, five of the nine scenarios for the years 2023 to 2027, namely  
3 scenarios 5 to 9, assume "no LIL."

4 a) Please describe the circumstances under which no annual availability of the LIL could occur.

5 b) How would Hydro satisfy its Nova Scotia commitments under the Energy and Capacity  
6 Agreement in the circumstances?

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9 A. a) Newfoundland and Labrador Hydro ("Hydro") continues to closely monitor the reliability of  
10 the Lower Churchill Project Assets, while carefully planning to ensure a reliable system for  
11 its customers in advance of the full, reliable in-service of the Muskrat Falls Project.

12 In the Near-Term Reliability Report – November Report,<sup>1</sup> Hydro presented the results of  
13 system reliability metrics considering the assets: 1) in service as planned, 2) in service at  
14 levels that have already been demonstrated, and 3) not in service to ensure that it has a  
15 fulsome understanding of the resultant system reliability considering the full range of  
16 operating scenarios for the Lower Churchill Project Assets.

17 Hydro continues to monitor and mitigate the risks associated with the timing of the in-  
18 service of the Labrador-Island Link to supply off-island capacity and energy to the Island  
19 Interconnected System.

20 b) As stated in the Near-Term Reliability Report – November Report<sup>2</sup> and as per the Energy and  
21 Capacity Agreement, in instances where the LIL is fully unavailable, Hydro is not obligated to  
22 deliver the Nova Scotia Block or Supplemental Energy.

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<sup>1</sup> "Reliability and Resource Adequacy Study - 2022 Update – Volume II: Near-Term Reliability Report – November Report," Newfoundland and Labrador Hydro, November 15, 2022.

<sup>2</sup> Ibid., p. 14/8–8.