

1 Q. **Requests for information in relation to Hydro’s Monthly Energy Supply Report for the Island**
2 **Interconnected System for May 2020, filed with the Board on June 16, 2020 (the “May 2020**
3 **Monthly Energy Supply Report”).**

4 At page 2, lines 31-34 of the May 2020 Monthly Energy Supply Report, Hydro states as follows:

5 “Figure 1 plots the 2019 and 2020 storage levels, maximum operating level storage, and the 20-
6 year average aggregate storage for comparison. Hydro has established minimum storage limits
7 to April 30, 2021 in consideration of potential delays in the availability of the Labrador-Island
8 Link (“LIL”) to deliver energy to the Island Interconnected System. This will help ensure sufficient
9 storage to reliably serve customers should the LIL continue to be delayed beyond the fall of
10 2020.”

11 With reference to page 2, lines 33-34 of the May 2020 Monthly Energy Supply Report please
12 explain, in detail, how the minimum storage limits “ensure sufficient storage to reliably serve
13 customers should the LIL continue to be delayed beyond the fall of 2020.” What is the margin
14 for variation in the minimum storage limit that would still ensure reliable service?

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17 A. Minimum storage limits are developed annually to provide guidance in the reliable operation of
18 Newfoundland and Labrador Hydro’s (“Hydro”) major reservoirs. The limits are derived to
19 provide an indication of the minimum level of aggregate storage required such that if there was
20 a repeat of a historically dry period, Hydro’s forecast load could still be met through the use of
21 available hydraulic storage and maximum generation at the Holyrood Thermal Generating
22 Station (“Holyrood TGS”).

23 The 2020 limits were developed in consideration of the historic inflow sequences, hydrologic
24 and thermal generating station capability, an assumed forced outage rate for Holyrood TGS of
25 15%, forecasted power purchases, forecasted Newfoundland Power hydraulic generation, and
26 forecast system load requirements. The limits are recalculated in the event of demand and/or
27 supply side changes which can result from modifications to the load forecast (e.g. resultant from

1 a change in customer requirements due to the COVID-19 pandemic, or the addition of new
2 generating sources to the system, such as the Muskrat Falls Generating Station. Total system
3 storage is continually monitored against the established minimum limits and thermal generation
4 is increased and/or imports are sourced when aggregate storage approaches the minimum
5 limits. Hydro considers the established 2020 minimum storage limits to be conservative as it
6 assumes no deliveries to the Island Interconnected System via the Labrador-Island Link (“LIL”) in
7 advance of April 30, 2021. In addition, the analysis does not include support over the Maritime
8 Link, effectively treating the Island as if it remained isolated.¹ While there is no margin of
9 variation in the targets as established, based on the process as described above, there is a
10 margin of variation associated with the inputs to the minimum storage limits analysis. Primary
11 sources of this variation with respect to the 2020 minimum storage limits include LIL deliveries
12 prior to May 1, 2021, imports over the Maritime Link, and better than planned Holyrood TGS
13 availability.

¹ 326 GWh was purchased from other sources from September 1, 2019 to March 31, 2020 to economically offset production at the Holyrood TGS. These purchases include imports over the Maritime Link and a purchase of Firm Energy from Corner Brook Pulp and Paper Limited as approved in Board Order No. P.U. 35(2019).