

1 Q. **Re: RRAS, 2019 Update, Vol. I, page 3 (29 pdf)**

2 Citation:

3 Proposed changes included:

4 The migration to planning on a regional and sub-regional basis<sup>7</sup>;

5 Note 7 : From a capacity planning perspective, the Island Interconnected System and the  
6 Labrador Interconnected System form a planning region called the Newfoundland and Labrador  
7 Interconnected System, and Island Interconnected System forms a subregion. For additional  
8 detail, please refer to Hydro's 2018 Filing.

9 a) Please clarify if Hydro also intends to carry out energy planning on a regional, as opposed to  
10 a sub-regional, basis. If so, please explain in detail the implications of this new approach.  
11 More specifically, does it mean that:

12 i. Energy needs on the Island can be met either on the Island or in Labrador?

13 ii. Energy needs in Labrador can be met either on the Island or in Labrador?

14 b) Please describe in detail the reasons that led Hydro to propose carrying out energy planning  
15 on a regional basis (the NLIS), instead of on a subregional basis.

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18 A. a) Newfoundland and Labrador Hydro ("Hydro") confirms it intends to complete its energy  
19 planning on a regional basis for the Newfoundland and Labrador Interconnected System.

20 This will result in least-cost system planning and the economic dispatch of all assets to  
21 achieve the lowest overall system cost. This is consistent with Hydro's mandate under  
22 Section 3 (b) (iii) of the *Electrical Power Control Act*, 1994 which states "It is declared to be  
23 the policy of the province that all sources and facilities for the production, transmission and  
24 distribution of power in the province should be managed and operated in a manner that  
25 would result in power being delivered to consumers in the province at the lowest possible

1 cost consistent with reliable service.” Therefore, this means that in the future, energy needs  
2 on either the Island or in Labrador will be supplied by the source which results in the lowest  
3 total system cost which satisfies specified reliability requirements.

4 b) The sub-regional capacity planning required for the Island Interconnected System is  
5 required on the basis of reliability. Please refer to Hydro’s response to LAB-NLH-002 for  
6 additional information on the requirement for sub-regional capacity planning for the Island  
7 Interconnected System. Hydro has proposed to perform its energy planning for the  
8 Newfoundland and Labrador Interconnected System as a whole as there is no reliability-  
9 driven requirement to conduct energy planning on a sub-regional basis. Hydro notes that  
10 prior to the in-service of the Labrador-Island Link, the Labrador Interconnected System and  
11 the Island Interconnected System were electrically isolated from each other, meaning that  
12 Hydro’s proposed approach with respect to regional planning was not possible prior to this  
13 time.