

1 Q. **Re: RRAS, 2019 Update, Vol. III, page 44 (160 pdf)**

2 Citation:

3 Currently, there are no forecast violations of the proposed energy criteria. If in future a potential
4 for violation were identified, the opportunity to procure firm imports to supplement native
5 supply could be considered and the planning criteria modified appropriately. Other jurisdictions
6 do consider firm imports from an energy planning perspective. (underlining added)

7 a) Please confirm that the statement to the effect that there are “no forecast violations of the
8 proposed energy criteria” assumes that the resource additions set out in Attachment 2 of
9 Vol. III will be acquired as scheduled. If not, please explain.

10 b) Please confirm that the statement to the effect that there are “no forecast violations of the
11 proposed energy criteria” refers to the NLIS as a whole, and not to either the IIS or the LIS.
12 If not, please explain.

13 c) Please indicate whether or not Hydro foresees violations of the energy criterion for either
14 the IIS or the LIS during the planning period, for any of the scenarios studied.

15 d) Please confirm that the scenarios referred to in the previous response take into account the
16 potential for new cryptocurrency mining activities in Labrador.

17 e) Please explain in detail how Hydro intends to respond to energy needs in Labrador that
18 exceed available resources (Recall Block plus Twinco Block), taking into account the fact that
19 purchases under the Muskrat Falls PPA are reserved for Island use only.

20 f) Please explain why the citation refers only to firm imports and not to the possibility of
21 developing new generating resources.

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24 A. a) The resource requirements identified in Volume III, Attachment 2 of Newfoundland and
25 Labrador Hydro’s (“Hydro”) 2019 Update to the Reliability and Resource Adequacy Study are

- 1 required to satisfy the proposed system capacity planning criteria. There is currently no
2 anticipated requirement for expansion based on the proposed system energy criterion.
- 3 b) Hydro confirms that the statement refers to the energy sufficiency of the Newfoundland
4 and Labrador Interconnected System (“NLIS”). Hydro’s proposed energy criterion is defined
5 on an NLIS basis.
- 6 c) Please refer to Hydro’s response to part a).
- 7 d) The statement includes consideration of requirements in Labrador pursuant to the base and
8 sensitivity forecasts used in Hydro’s analysis in support of the 2019 Update.
- 9 e) As Hydro’s proposed energy criteria is defined on an NLIS basis, violations of the energy
10 criteria in Labrador will be addressed using the same process as a violation of energy criteria
11 elsewhere on the NLIS. Please refer to Hydro’s response to LAB-NLH-003 for further
12 discussion of Hydro’s energy planning process.
- 13 f) Hydro’s proposed energy planning criterion states that there must be adequate firm
14 generation on the system to supply firm load on an annual basis. This means that it is
15 currently Hydro’s intention to have sufficient energy capability installed on the NLIS to fully
16 supply all firm NLIS energy requirements. Imports are mentioned specifically in the citation
17 as this energy would not be installed on the NLIS, but could offer access to least-cost energy
18 to supplement native supply. As there is currently no anticipated requirement for
19 incremental resources to meet firm energy requirements on the NLIS, the proposed criteria
20 is appropriate for the NLIS. Should incremental energy resources be required to supply firm
21 load in the future, Hydro could look to modify its energy planning criteria to include firm
22 imports at that time if appropriate.