

1 Q. **Re: RRAS Update (2019), Vol. III, page 12 (128 pdf)**

2 Citation 1 :

3 Expansion Resource Options Under Consideration¹³

4 Note 13: Refer to “Reliability and Resource Adequacy Study,” Newfoundland and Labrador
5 Hydro, September 6, 2019 (rev. 2), originally filed November 16, 2018, vol. III, att. 4 for details
6 on resource options not considered.

7 Citation 2 (RRAS, vol. III, Att. 4 (« Resource Options Not Under Consideration, Nov. 2018”), page
8 1 (373 pdf)) :

9 Labrador Generation

10 Gull Island is a 2,250 MW hydroelectric generation project on the Churchill River with an
11 average annual energy capability of 11.9 TWh. Located 225 kilometres downstream from the
12 existing Churchill Falls Power Plant, Gull Island has been extensively studied over the years and
13 the engineering work completed has led to a high level of confidence in the planned design and
14 optimization of the facility. However, the scale of Gull Island output creates a requirement to
15 either negotiate with neighbouring utilities for export contracts, attract investments in energy
16 intensive industries, or to participate directly in regional wholesale markets to attain the full
17 utilization unit cost; otherwise island supply is the only available market. At this time, the energy
18 output of the facility is materially higher than the load growth demand of the province for the
19 foreseeable future. Further, due to the limited capacity of the Labrador-Island Link, getting the
20 energy to the island would be a constraint and thus not economically desirable.

21 Therefore, the expansion option of the Gull Island Hydroelectric Development is not considered
22 at this time, given the projected load growth in the province. (underlining added)

23 Citation 3 (VOCM, Oct. 9, 2019)¹ :

¹ <https://vocm.com/2019/10/09/ready-or-not-gull-island-coming-sooner-than-you-think-says-stan-marshall/>

1 Marshall says Gull Island will be done, but not until power purchase contracts are in place.
2 Power would be shipped through Quebec.

3 Marshall says there are very few sites left of substantial hydro energy but the biggest and best is
4 Gull Island, and a lot of work has been on it.

5 Citation 4 (The Telegram, Nov. 1, 2019) :

6 Ball, Legault talk mining, fixed link and Gull Island

7 ...

8 Also up for discussion between Ball and Legault: Gull Island.

9 The Gull Island project has been mused about for decades, with the first formal proposal coming
10 in 1972 under premier Frank Moores. The biggest road block for the project, which would
11 generate 2,250 megawatts compared with the Muskrat Falls project's 824 megawatts, has been
12 getting electricity through Quebec.

13 Ball says discussions are still very early, but he believes Quebec will begin to work with
14 Newfoundland and Labrador towards making the project feasible.

15 "The discussions that we've had at the Atlantic Premiers' table is how do we reduce greenhouse
16 gas emissions as a region and look for other sources of power? It could be wind, or it could be
17 hydro, for example," said Ball.

18 "What's important here is for us to speak with Quebec and how collectively we can work
19 together — not just as four provinces, but as five provinces — to be a solution to some of the
20 greenhouse gas emissions that we're seeing in other provinces."

21 Ball says excess power being purchased by the rest of Atlantic Canada from Muskrat Falls is part
22 of the short-term plan, but Gull Island remains in the long-term vision of the province.

23 "It's too early to tell. No matter what the project is, you must have a customer, you must have a
24 customer that can afford the power," he said.

1 “The difference between Muskrat Falls and Gull Island ... is Muskrat Falls had a forced customer
2 – it was the rate payer of Newfoundland and Labrador. That is not something we would ever
3 want to see another province exposed to.”

4 a) Please confirm that Citation 2, from the 2018 RRAS, still represents Hydro’s view concerning
5 the Gull Island Hydroelectric Development. If not, please provide an update to this section.

6 b) In the event that forecast load growth in Labrador were to exceed the resources currently
7 available to the LIS — namely Recall Power and the Twinco Block — would Hydro reconsider
8 its position with respect to Gull Island? If not, why not?

9 c) In the event that Gull Island were developed for export, what (if any) would be the
10 implications for Hydro and its customers a) in Labrador, and b) in Newfoundland.

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13 A. a) Newfoundland and Labrador Hydro (“Hydro”) confirms that Citation 2, from the 2018
14 Reliability and Resource Adequacy Study, still represents Hydro’s view concerning the Gull
15 Island Development.

16 b) For additional information regarding Hydro’s approach to capacity and energy planning for
17 the Newfoundland and Labrador Interconnected System, please refer to Hydro’s response
18 to LAB-NLH-002 and LAB-NLH-003. Gull Island could be considered as a resource option in
19 future; however, it remains Hydro’s opinion at this time that, as stated in Citation 2, the
20 energy output of the facility is materially higher than the current forecast load growth
21 demand of the province for the foreseeable future. Further, due to the limited capacity of
22 the Labrador-Island Link, getting the energy to the island would be a constraint and thus not
23 economically desirable.

24 c) Since the conditions of any future development of Gull Island for export are not known, it is
25 impossible to know for certain the range of implications that such a development would
26 have for Hydro and its customers. However, potential impacts on customers in

- 1 Newfoundland and Labrador or opportunities to meet identified domestic needs at that
- 2 time would be key considerations in any future development of Gull Island.