Q. **Reference: *Reliability and Resource Adequacy Study – 2019 Update*, November 15, 2019, Volume 1: Study Methodology and Planning Criteria, Attachment 1, page 7, Footnote 16.**

To assess potential resource shortages, the NPCC Reliability Assessments consider: (i) two different system conditions (Base Case and Severe Case); and (ii) an Expected Peak demand forecast and an Extreme Peak demand forecast. Has Hydro considered using the NPCC approach as a part of its Reliability and Resource Adequacy Study? If so, please provide Hydro's views and observations on this approach. If not, why not?

A. The Reliability Assessments prepared by the Northeast Power Coordinating Council ("NPCC") provide a summary of each jurisdiction's reliability for the upcoming season, as well as an assessment of the reliability of the aggregate region. Newfoundland and Labrador Hydro ("Hydro") notes that the Reliability Assessments are primarily focused on assessing and providing commentary on operational readiness for each system and the jurisdiction as a whole for the upcoming season (e.g. the NPCC Reliability Assessment For Winter 2019–2020 was approved and posted by the Reliability Coordinating Committee on December 3, 2019), rather than providing a long-term view with respect to resource adequacy. Hydro's near-term reliability assessments and Reliability and Resource Adequacy reports currently serve this function for the Island Interconnected System. In Hydro's most recent Near-Term Reliability Report, filed May 15, 2020, Hydro considered ten scenarios, which assumed no deliveries over the Labrador-Island Link ("LIL"), and varied the availability of the Holyrood Thermal Generating Station,[1] and the level of support that could be procured via the Maritime Link,[2] as these three factors are the primary contributors of uncertainty in Hydro's ability to reliably supply customers in the near-term. It is Hydro's opinion that given the evolving nature of the current system, the analysis presented in Hydro's Near-Term Reliability Report provides stakeholders with a more in-depth view to the anticipated reliability of the system than would be available through consideration

[1] Holyrood availability was varied by increasing the plant de-rated adjusted forced outage rate ("DAFOR") from the base assumption of 15% to 18% and 20%.
[2] Maritime Link imports were varied between 0 MW, 50 MW, and 100 MW.

of a base and severe case only. In the future system, once the Muskrat Falls assets have been fully integrated and deemed reliably in-service, the methodology used by NPCC in its seasonal reliability assessments, or a similar streamlined approach, may be appropriate for annual analysis of operation risk, and a report using this format could replace the current form of the Near-Term Reliability Reports.