

1 Q. **Newfoundland and Labrador Hydro – Near-Term Reliability Report, May 15, 2020**

2 **Other Near-Term Issues**

3 With respect to running of the synchronous condensers for a continuous period of many months
4 assuming continuation of past observed level of vibrations, please:

5 a. Describe Hydro’s understanding (informed by Nalcor if required) of rights and obligations of
6 General Electric with respect to permitting and taking responsibility for any consequences of
7 doing so and the risks that the exercise of such rights may present to permitting such
8 synchronous condenser operation.

9 b. The positions of Nalcor and Hydro with respect to the need, wisdom, desirability, and
10 consequences of doing so.

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13 A. a. As the units have not been turned over to Nalcor Energy (“Nalcor”), General Electric (“GE”)
14 retains contractual rights and obligations to operate the units for testing, trouble shooting,
15 and commissioning. All contractual protection parameters and monitoring remain in place.
16 Should Nalcor take over one or more units for utilization, GE remains responsible for both
17 warranty and performance of the units as per its contractual agreements.

18 b. The need, wisdom, and desirability of operating one or more synchronous condensers with
19 past observed levels of vibration will depend on a number of factors. These factors include,
20 but are not limited to, the degree to which observed vibration exceeds industry standards,
21 the advice of Nalcor's retained experts, the need for synchronous condenser availability
22 given the number of generators being operated at the time by Newfoundland and Labrador
23 Hydro, the loading being transmitted over the Labrador-Island Link (“LIL”), the observed
24 reliability of LIL, and the system loading being experienced at the time. Consequences will
25 depend on factors including, but not limited to, the duration of operation, the load
26 experienced by the units, the number of starts/stops required, and the success of mitigation
27 factors currently being installed on the units.