

1 Q. **Reference: Reliability and Resource Adequacy Study 2022 Update, Volume I, page 11, lines 8-**
2 **11.**

3 Explain why Hydro considers the first and second contingency losses to be as stated, since there
4 is a (albeit infrequent but could happen) likelihood of the loss of all power carried on the LIL as a
5 single event.

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8 A. As per its response to PUB-NLH-287 of this proceeding, Newfoundland and Labrador Hydro is
9 considering the treatment of a Labrador-Island Link bipole outage as the single largest
10 contingency; however, the adoption of such a policy would require an assessment of both
11 reliability and cost implications.

12 The cost of an increase in operational reserves from the current value of 296.5 MW up to a
13 value required to withstand the loss of the full bipole would be significant due to the material
14 capital costs required to construct new sources of generation. Additionally, it would result in the
15 inefficient dispatch of hydraulic resources and appreciable increases in thermal generation.