

1 Q. **Reference: Reliability and Resource Adequacy Study 2022 Update, Volume I, page 33.**

2 Explain:

3 **a)** If a long-term outage (for example, two days or more) of the LIL would be very likely to be a
4 very rare event (say 50 years return time), and Hydro would be prepared to take this risk,
5 how much less stand-by generation would be required; and

6 **b)** What would be the economic impact on the consumers in Newfoundland and Labrador for a
7 10-day outage.

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10 A. **a)** The “Reliability and Resource Adequacy Study – 2022 Update” (“2022 Update”)¹ contains a
11 detailed examination of the implications of a long-term Labrador-Island Link bipole outage.
12 It also examines the implications of adding additional standby generation to mitigate such
13 an outage. Since there is no established criterion to apply against the shortfall analysis, the
14 answer to this question depends on the amount of risk that Newfoundland and Labrador
15 Hydro (“Hydro”) is willing to accept. Regardless of the duration of the outage (i.e., two days
16 or six weeks), the amount of standby generation recommended to mitigate the risk of
17 outages remains the same. As stated in the 2022 Update, “Hydro remains committed to
18 working with the Board and stakeholders to contemplate how this extended outage
19 scenario should be incorporated into Hydro’s planning process, particularly in how best to
20 balance cost and reliability.”²

21 **b)** Hydro does not currently place a specific value on unsupplied energy in its planning studies
22 and does not have the information necessary to determine the economic impact of such an
23 outage.

¹ "Reliability and Resource Adequacy Study - 2022 Update," Newfoundland and Labrador Hydro, October 3, 2022, vol. III, sec. 5.5.

² "Reliability and Resource Adequacy Study - 2022 Update," Newfoundland and Labrador Hydro, October 3, 2022, vol. III, sec. 5.5.2., p. 38/5–8.