

1 Q. **Reference: Application, Schedule 1: Upgrade Report – Penstock 1 Life Extension – Bay**
2 **d’Espoir, Page 15, lines 9-10.**

3 It is estimated that this option can be completed in 138 days, with the outage
4 facilitated during low demand and low flow periods between May and
5 November.

6 What measures will Hydro undertake to ensure reliability of supply in the event that Penstock 1
7 is not able to be returned to service in advance of the 2025-2026 winter season? For example,
8 will Hydro make arrangements to acquire additional temporary generation capacity or secure
9 generation capacity from the Maritime Link?

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12 A. Newfoundland and Labrador Hydro (“Hydro”) plans to implement mitigation measures to
13 minimize schedule risks, as identified through the risk workshops facilitated by Kleinschmidt.
14 These workshops aided in the identification and evaluation of cost and schedule risks associated
15 with the various activities defined within the project execution plan.¹ To further mitigate
16 schedule risk, Hydro plans to conduct a risk workshop with the engaged contractor, utilizing the
17 contractor’s detailed schedule, and will assess the schedule risk prior to penstock disassembly.

18 In the event that Penstock 1 cannot be returned to service in advance of the 2025–2026 winter
19 season, Hydro may need to avail of the Holyrood Thermal Generating Station (“Holyrood TGS”)
20 and/or standby generation to support system conditions as required. Hydro will continue
21 prudent capital investment to maintain the Holyrood TGS and the Hardwoods Gas Turbine until
22 new supply resources can be added to the system. Currently, there are no long-term firm import
23 contracts in place, although there is a possibility that import contracts could become available at
24 some point in the future. To date, Hydro has not secured any capacity support from external
25 markets for a duration longer than one month and does not have the basis to assume that such
26 solutions would be available to meet Hydro’s requirements to support a delayed return to

¹ “Application for Approval of Capital Expenditures for Section Replacement and Weld Refurbishment for Bay d’Espoir Hydroelectric Generating Facility Penstock 1,” Newfoundland and Labrador Hydro, December 7, 2022, sch. 1, app. M.

1 service date of Units 1 and 2 at the Bay d'Espoir Hydroelectric Generating Facility ("Bay
2 d'Espoir"). For additional discussion on Hydro's supply options to replace generation from Bay
3 d'Espoir Units 1 and 2, please refer to Hydro's response to NP-NLH-002 of this proceeding.