

1 Q. Project 1 Rewind Stator (2025–2026) – Hinds Lake. In response to PUB-NLH-056, Hydro indicated
2 it was Hydro’s decision to propose a rewind.

3 a) Please describe the role of third-party consultants in previously approved stator rewinds
4 for generation facilities. Has Hydro previously completed stator rewinds based on the
5 recommendation of a third-party consultant or were previous decisions to complete
6 stator rewinds made by Hydro staff?

7 b) Please provide a risk assessment of delaying this project one year.

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10 A. a) Newfoundland and Labrador Hydro (“Hydro”) has used a combination of third-party
11 consultants and/or internal technical reviews to justify rewinds. The reliance on external
12 opinion is based on various criteria such as winding material composition, age, and
13 operating conditions. Third-party consultants provide opinions on condition and reliability in
14 situations where Hydro requires additional information to formulate a clear justification for
15 major capital intervention.

16 For example, Hydro retained the services of a third-party consultant to provide an opinion
17 on the condition and replacement of the stator windings for Bay d’Espoir (“BDE”) Units 1–4
18 because the windings were of asphalt composition and no longer used by industry due to
19 their negative environmental impacts. However, the replacement of the stator windings for
20 BDE Units 5 and 6 was determined using Hydro's internal asset monitoring and maintenance
21 practices to identify whether the windings were at the end of life.

22 b) As described in the *Reliability and Resource Adequacy Study Review* proceeding, the
23 performance of Hydro assets impacts reliability outcomes including loss of load hours.
24 During the “Bridging Period,” reliability metrics are driven most significantly by Holyrood
25 and the Labrador-Island Link. Forced outage rates for these assets can vary significantly and
26 Hydro must therefore ensure that every effort is made to maintain reliable performance
27 from hydraulic assets, including the generator at Hinds Lake. On this basis, preventative
28 maintenance activities such as planned overhauls must be completed on a timely basis.

1 Hydro has a significant capital plan for hydraulic assets in the coming years to ensure
2 reliable operation. Projects include major capital intervention work on penstock and
3 generation assets, all of which will require extensive outage planning to limit the amount of
4 generation that will be unavailable. On this basis, a plan has been developed to schedule
5 major hydraulic generator work in a sequence to ensure effective outage management
6 during maintenance season. This is essential to balance resources and reserves to ensure
7 reliable operation.

8 In 2025, 2027, and 2028, Hydro is planning for major outages to refurbish Penstock 1, 2, and
9 3. Additionally, Hydro has planned a major outage to Unit 7 in 2029 for the completion of
10 refurbishment activities.

11 The Hinds Lake rewind, expected to take several months, is strategically scheduled for 2026.
12 If the project is deferred, it would mean delaying the work to 2030 rather than 2027. As a
13 result, the deferral of the work is not a viable alternative due to the increased risk of stator
14 winding failure and the potential for the extended loss of 75 MW of generation on the
15 system.