

- 1 Q. In its application, Hydro (Schedule 1, page 1 footnote 4) defines electrification as “...the process
2 of converting customer end uses from fossil fuels to electricity.”
- 3 a) Should this definition be clarified to state that the electricity is from a renewable source or,
4 at least, not generated by fossil fuel?
- 5 b) In light of the recent Hydro announcement ([vocm.com/2022/02/07/hydro-holyrood-](https://vocm.com/2022/02/07/hydro-holyrood-extension)
6 extension) of the extension of Holyrood as an energy source and the concerns raised over
7 the reliability of the LIL (e.g., Haldar & Associates report of March 2021), can Hydro assure
8 those ratepayers who participate in electrification programs from 2021 to 2025 that they
9 will have their electricity needs over those years met by the Muskrat Falls surplus and not by
10 thermal energy from Holyrood? Can such an assurance be made to all IIS ratepayers?
- 11 c) What is Hydro’s estimate of the minimum amount of energy and capacity that can be
12 guaranteed for reliable delivery to the IIS for each year from 2022 to 2025?
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- 15 A. a) The footnote referenced in the question describes the *process* of electrification, which is
16 correct regardless of the generation mix of electricity in a jurisdiction.¹ The *objectives* of
17 electrification initiatives can vary. In the context of the Electrification, Conservation and
18 Demand Management Plan 2021–2025 (“2021 Plan”), the primary objective of the proposed
19 electrification programs is to increase domestic consumption of electricity in a manner that
20 provides a rate mitigating benefit for customers.
- 21 b) As stated in the 2021 Plan and in the news article referenced, until full and reliable
22 integration of the Muskrat Falls Project assets into the provincial electrical network, the
23 Holyrood Thermal Generating Station (“Holyrood TGS”) will continue to act as a backup
24 resource for the Island Interconnected System. In its role as a backup facility, Newfoundland
25 and Labrador Hydro (“Hydro”) anticipates that future operation of the Holyrood TGS would

¹ “Application for Approvals required to Execute Programming Identified in the Electrification, Conservation and Demand Management Plan 2021–2025,” Newfoundland and Labrador Hydro, rev. 1, July 8, 2021 (originally filed June 16, 2021), sch. 1, p. 1, f.n. 4.

1 be on an as required basis for system reliability, meaning that when units at the Holyrood
2 TGS are online, it is expected that those units would be held to minimum loading. While it is
3 likely that Island Interconnected System customers, including participants in electrification
4 programs, will be served by the Holyrood TGS during this time period, it is anticipated that
5 the additional energy requirements as a result of electrification activities would be served
6 by deliveries to the Island Interconnected System via the Labrador-Island Link (“LIL”).

7 c) In its most recent update regarding the LIL,² Hydro advised that commissioning activities
8 remain ongoing with General Electric (“GE”) working to complete Trial Operations by May
9 31, 2022. It was acknowledged that given the delay in completion of Factory Acceptance
10 Testing, there is risk that GE’s schedule will slip beyond this date. Once operating at its full
11 capability, it is expected that the LIL will be capable of delivering its full capacity of 900 MW
12 to the Island Interconnected System, making that capacity, less the commitment associated
13 with the Nova Scotia Block, available to the Island Interconnected System. From an energy
14 perspective, as noted in Hydro’s response to part b), it is anticipated that the Holyrood TGS
15 will serve as a backup resource only and that sufficient energy will be able to be delivered to
16 the Island Interconnected System to allow any online Holyrood TGS units to be operated at
17 minimum loading.

² “Reliability and Resource Adequacy Study Review – Labrador-Island Link Monthly Update – February 2022,” Newfoundland and Labrador Hydro, March 3, 2022.