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February 17, 2025

The Board of Commissioners of Public Utilities
Prince Charles Building
120 Torbay Road, P.O. Box 21040
St. John's, NL A1A 5B2

Attention: Jo-Anne Galarneau
Executive Director and Board Secretary

Re: Monthly Energy Supply Report for the Island Interconnected System for January 2025

Enclosed please find Newfoundland and Labrador Hydro's Monthly Energy Supply Report for the Island Interconnected System as directed by the Board of Commissioners of Public Utilities.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO

Shirley A. Walsh
Senior Legal Counsel, Regulatory
SAW/mc

Encl.

ecc:

Board of Commissioners of Public Utilities
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Monthly Energy Supply Report for the Island Interconnected System for January 2025

February 17, 2025

A report to the Board of Commissioners of Public Utilities

newfoundland labrador hydro

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1.0 Introduction

On February 8, 2016, the Board of Commissioners of Public Utilities ("Board") requested Newfoundland and Labrador Hydro ("Hydro") file a biweekly report containing, but not limited to, the following:

1) System Hydrology Report;

2) The thermal plant operated in support of hydrology;

3) Production by plant/unit; and

4) Details of any current or anticipated long-term derating.

In July 2016, the Board indicated that a monthly report would thereafter be sufficient. This report provides data for January 2025.

Ownership of the Water Management function resides within Hydro in the Resource and Production Planning department, and is at all times guided by Hydro's operating instructions and environmental standards. This group works in consultation with Energy Marketing to optimize the use of Hydro's hydrologic resources through import/exports and to ensure that the security of supply for domestic load for Hydro's customers remains paramount in all decisions, ensuring the delivery of least-cost, reliable service in an environmentally responsible manner.

2.0 System Hydrology

Reservoir inflows in January 2025 were 39% above the month's historical average.[1] Table 1 summarizes the aggregate storage position of Hydro's reservoirs at the end of the reporting period.

Table 1: System Hydrology Storage Levels

Date	2025 (GWh)	2024 (GWh)	20-Year Average (GWh)	Minimum Storage Limit (GWh)	Maximum Operating Level (GWh)	Maximum Operating Level (%)
31-January-2025	1,873	2,018	1,822	860	2,452	76

[1] Calculated in terms of energy (gigawatt hour ["GWh"]).

The aggregate reservoir storage level on January 31, 2025, was 1,873 GWh, which is 24% below the seasonal maximum operating level and 118% above the minimum storage limit.[2] There was very little change overall in total system energy throughout the month due to several moderate rainfall events coupled with milder temperatures on January 2, January 4–5 and January 19–20, where reservoirs along the Bay d'Espoir System received between 20–30 mm, 10–30 mm and 30–70 mm of precipitation, respectively. Total system energy decreased by 11 GWh overall, resulting in a total system energy storage 51 GWh above the 20-year average. Inflows to the reservoirs of the Bay d'Espoir System were 36% above average in January 2025. Inflows to the Hinds Lake Reservoir were 47% above average and inflows to the Cat Arm Reservoir were 68% above average.

Table 2 summarizes the unit outages experienced during January 2025.

Table 2: **January 2025 Unit Outage Summary**

Unit Name	Date offline	Return to Service	Outage Reason	Notes
Bay d'Espoir Unit 2	January 2	January 2	Planned outage	n/a
Bay d'Espoir Unit 5	January 9	January 9	Forced outage	Unavailable due to a disconnect being unable to be closed. TL202 required to be out of service during work.
Bay d'Espoir Unit 6	January 9	January 9	Forced outage	Unavailable due to a disconnect being unable to be closed. TL202 required to be out of service during work.
Granite Canal Unit	January 24	January 28	Forced outage	Unit shutdown due to a generator oil level alarm.
Paradise River Unit	January 27	January 27	Forced outage	Unavailable due to an incomplete sequence on start up.

Figure 1 plots the 2024 and 2025 storage levels, minimum storage limits, maximum operating level storage, and 20-year average aggregate storage for comparison. In addition to the 2024–2025 limits, Hydro has established the minimum storage limits to April 30, 2025. The 2024–2025 limits were

[2] Minimum storage limits are developed annually to provide guidance in the reliable operation of Hydro's major reservoirs—Victoria, Meelpaeg, Long Pond, Cat Arm, and Hinds Lake. The minimum storage limit is designed to indicate the minimum level of aggregate storage required such that if there was a repeat of Hydro's critical dry sequence, or other less severe sequence, Hydro's load can still be met through the use of the available hydraulic storage supplemented with maximized deliveries of power from the Muskrat Falls Hydroelectric Generating Facility ("Muskrat Falls") over the Labrador-Island Link ("LIL"). Hydro's long-term critical dry sequence is defined as January 1959 to March 1962 (39 months). Other dry periods are also considered during this analysis to ensure that no other shorter-term historic dry sequence could result in insufficient storage.

developed considering maximized delivery of power from Muskrat Falls, supplemented by available Recapture Energy from the Churchill Falls Hydroelectric Generating Station over the LIL, utilizing the transmission limits associated with the >58.0 Hz under frequency load shedding scheme.[3]

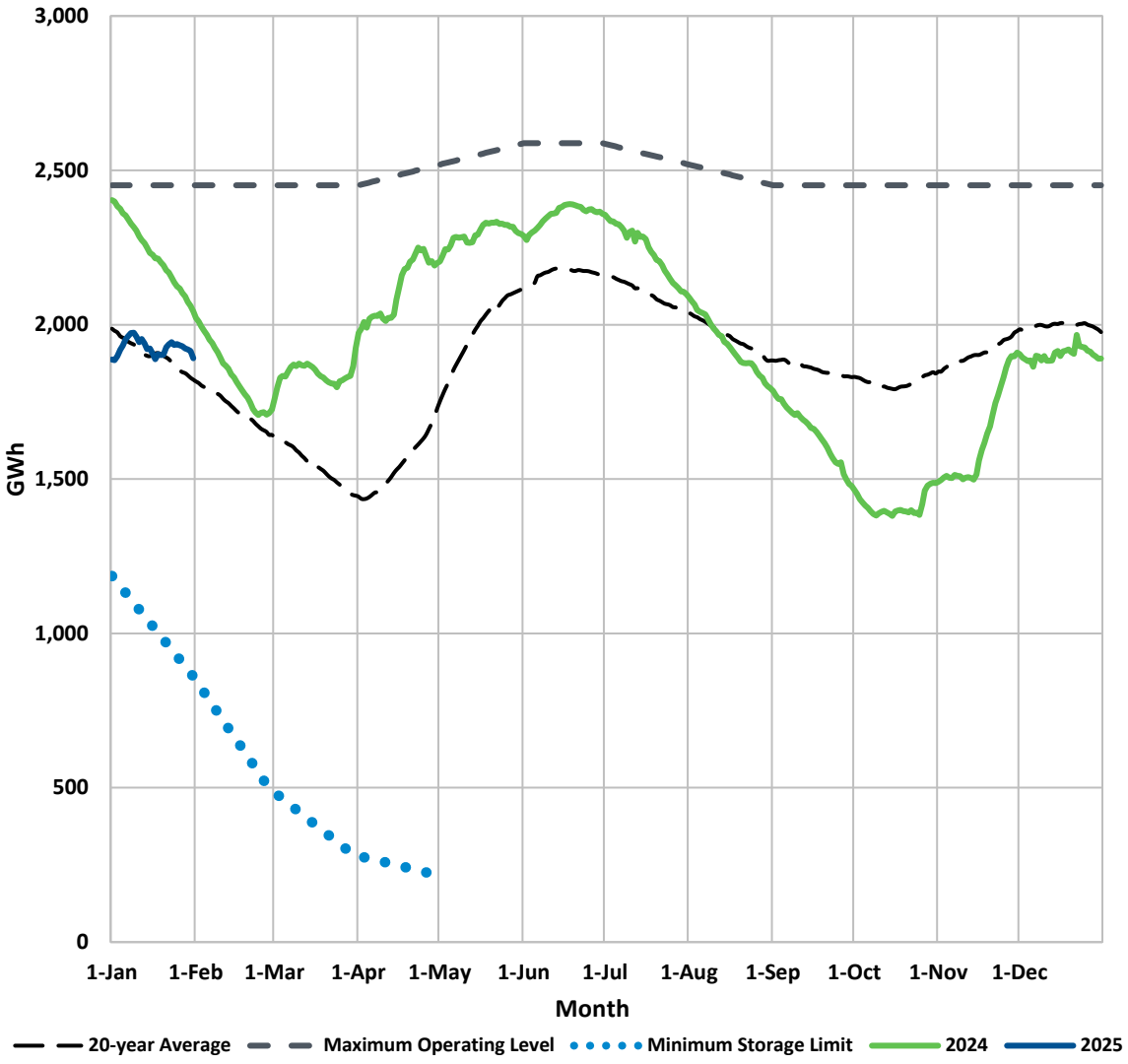

Figure 1: Total System Energy Storage[4]

[3] The 2024–2025 analysis assumed that only two units at the Holyrood Thermal Generating Station ("Holyrood TGS") would be online and operating at minimum load during the winter 2024–2025 period. Hydro plans to have all three units at the Holyrood TGS available at full capability, if needed. The minimum storage methodology was updated to ensure Hydro's reservoirs could continue to provide reliable service to customers at the lowest possible cost, in an environmentally responsible manner. In this context, Hydro expects Island reservoirs to be supported with Muskrat Falls energy instead of thermal energy from the Holyrood TGS.

[4] Data points in Figure 1 represent storage at the beginning of each day. Table 1 reports the end-of-day storage values, which results in a small difference between the storage data presented in Table 1 and Figure 1.

2.1 Ponding

In Order No. P.U. 49(2018), the Board approved Hydro's application for approval of a Pilot Agreement for the Optimization of Hydraulic Resources ("Pilot Agreement").[5] The intent of the Pilot Agreement is to optimize Hydro's hydraulic resources through the strategic use of its storage capabilities, taking advantage of the variability of energy pricing in external markets over time.

Appendix A provides information regarding imported and exported energy transactions under the Pilot Agreement during the month. No ponding exports or imports over the Maritime Link occurred during January 2025.

2.2 Spill Activity

Appendix A provides information regarding spill-avoidance export transactions undertaken.[6] From January 24–28, 2025, bypass occurred through the Granite Canal Bypass Structure as a result of a forced outage on the Granite Canal unit and elevated reservoir levels from a recent rainfall event. In total, 1.4GWh of system energy was bypassed before the unit returned to operation. A summary of the year-to-date ("YTD") total volumes spilled or bypassed in both MCM[7] and GWh can be found in Table 3.

Table 3: Spill Activity

	Granite Canal Bypass		Upper Salmon Bypass		Burnt Dam Spillway	
	MCM	**GWh**	**MCM**	**GWh**	**MCM**	**GWh**
31-January-2025	14.4	1.4	-	-	-	-
YTD Total	**14.4**	**1.4**	**0.0**	**0.0**	**0.0**	**0.0**

[5] The Third Amended and Restated Pilot Agreement for the Optimization of Hydraulic Resources was approved as per Board Order No. P.U. 35(2022), and was extended as per Board Order No. P.U. 30(2023), and again in Board Order No. P.U. 29(2024).
[6] Pursuant to the Pilot Agreement, exporting when system load is low allows for increased generation from Island hydraulic facilities and the utilization of water (energy) that would have otherwise been spilled, while not increasing the risk of spill elsewhere in the system.
[7] Million cubic metres ("MCM").

3.0 Production and Purchases

Appendix B provides a breakdown of power purchases, including the import and export activity over the LIL and Maritime Link and production by plant during January 2025.[8] There was no energy repaid from CBPP to Energy Marketing under the Temporary Energy Exchange Agreement in January 2025. There was 2.6 GWh of emergency energy, including losses, supplied to Nova Scotia over the Maritime Link during January 2025.

4.0 Thermal Production

Unit 2 and 3 at the Holyrood TGS were online for system requirements during January 2025. Total energy production from the Holyrood TGS was 106.1 GWh during the month. Standby generation was not used to support reservoir storage. The operating hours for the Holyrood TGS, Holyrood Combustion Turbine ("CT"), and the Hardwoods and Stephenville Gas Turbines ("GT") are summarized in Table 4.

Table 4: **Holyrood TGS and Combustion Turbines Operating Hours**

	Operating Hours	Synch Condense Hours	Available Hours
Holyrood TGS			
Unit 1	0.0	0.0	0.0
Unit 2	600.4	0.0	600.4
Unit 3	744.0	0.0	744.0
Combustion Turbines			
Hardwoods GT	11.7	732.3	744.0
Stephenville GT	18.1	445.1	744.0
Holyrood CT	22.8	0.0	742.4

5.0 Unit Deratings

Holyrood TGS Unit 1 was taken offline for a planned annual outage on April 12, 2024. It remained on planned outage until the planned return to service date of October 19, 2024. Since that date, including the entire month of January 2025, the unit was on a forced extension of the planned outage. Work to commission the turbine and return the unit to service in January was delayed due to issues found with

[8] On October 1, 2024, Hydro entered into a second six-month power purchase agreement with Corner Brook Pulp and Paper Limited ("CBPP") as directed by the Government of Newfoundland and Labrador. The power purchase agreement with CBPP provides Hydro with 80 GWh of non-firm energy from October 1, 2024, through March 31, 2025, inclusive.

the turbine stop valve. Additional work is proceeding on the stop valve and the anticipated return to service for Unit 1 is now the third week of February 2025.

Holyrood TGS Unit 2 was online and available for full load from January 1 until January 7, 2025 when the unit was taken offline due to an issue with the hydraulic ram that is used to control the amount of steam that is entering the turbine for power generation. The ram was rebuilt and the unit put back on-line on January 12, 2025. The unit tripped shortly after returning to service due to an issue in the switchyard on the B2T2 disconnect. Total Resource Cost ("TRO") replaced a motor on this disconnect and the unit was returned to service on January 13, 2025. The unit was available for full load for the remainder of January 2025.

Holyrood TGS Units 2 and 3 had a 25 MW reduction in maximum capacity from January 24 to 28. The plant was experiencing problems heating its fuel oil adequately up to its desired combustion temperature, this became a constraint at higher loads.

Unit 3 was available for full load for the remainder of January 2025 with the exception of a period of deration noted above.

The Hardwoods GT, Holyrood CT and Stephenville GT were available for the entire month of January 2025.

Appendix A

Ponding and Spill Transactions

Table A-1: Ponding Transactions

Date	Ponding Imports (MWh)	Ponding Exports (MWh)	Ponding Imports Purchased by Hydro (MWh)	Transfer of Pond Balance to Spill Avoidance (MWh)	Energy Losses to Export (MWh)	Cumulative Ponded Energy (MWh)
Opening Balance						**(4,774)**
Total[1]		-	-	-	-	

Table A-2: Avoided Spill Energy

Date	Avoided Spill Exports (MWh)	Energy Losses to Export (MWh)	Transfer of Pond Balance to Spill Avoidance (MWh)	YTD Avoided Spill Energy (MWh)
Opening Balance	-	-	-	-
Total[2]	-	-	-	-

[1] Total transactions for January 2025.
[2] Total transactions for January 2025.

Appendix B

Production and Purchases

Table B-1: Generation and Purchases (GWh)[1]

	January 2025	YTD Jan 2025
Hydro Generation (Hydro)		
Bay d'Espoir		
Unit 1	42.5	42.5
Unit 2	32.5	32.5
Unit 3	39.6	39.6
Unit 4	18.6	18.6
Unit 5	16.5	16.5
Unit 6	23.0	23.0
Unit 7	90.6	90.6
Subtotal Bay d'Espoir	263.3	263.3
Upper Salmon	52.8	52.8
Granite Canal	20.6	20.6
Hinds Lake	45.1	45.1
Cat Arm		
Unit 1	38.8	38.8
Unit 2	38.8	38.8
Subtotal Cat Arm	77.7	77.7
Paradise River	3.9	3.9
Star Lake	12.2	12.2
Rattle Brook	1.3	1.3
Nalcor Exploits	59.2	59.2
Mini Hydro	0.0	0.0
Total Hydro Generation (Hydro)	**536.0**	**536.0**
Thermal Generation (Hydro)		
Holyrood TGS		
Unit 1	0.0	0.0
Unit 2	46.4	46.4
Unit 3	57.5	57.5
Subtotal Holyrood TGS Units	103.9	103.9
Holyrood Gas Turbine and Diesels	1.5	1.5
Hardwoods Gas Turbine	0.3	0.3
Stephenville Gas Turbine	0.4	0.4
Other Thermal	0.0	0.0
Total Thermal Generation (Hydro)	**106.1**	**106.1**
Purchases		
Requested Newfoundland Power and Vale	0.0	0.0
CBPP		
Capacity Assistance	0.0	0.0
Power Purchase Agreement	18.6	18.6
Secondary	0.0	0.0
Co-Generation	0.0	0.0
Subtotal CBPP	18.6	18.6
Wind Purchases	18.4	18.4
Maritime Link Imports[2]	0.0	0.0
New World Dairy	0.0	0.0
Labrador Island Link Delivery to IIS[3,4]	134.5	134.5
Total Purchases	**171.4**	**171.4**
Total[5]	**813.5**	**813.5**

[1] Gross generation.
[2] Includes energy flows as a result of purchases and inadvertent energy.
[3] LIL deliveries to the Island Interconnected System are calculated as LIL imports of 316.0 GWh less Maritime Link exports of 181.5 GWh for 134.5 GWh delivered.
[4] Net energy delivered to the Island Interconnected System is less than the total energy delivery to Hydro under the Muskrat Falls Power Purchase Agreement because of transmission losses on the LIL.
[5] Actuals reflect rounded values to the nearest tenth of a GWh. Differences between total versus addition of individual components due to rounding.