

December 17, 2018

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

Attention: Ms. Cheryl Blundon
Director Corporate Services & Board Secretary

Dear Ms. Blundon:

**Re: Newfoundland and Labrador Hydro – 2018 Capital Budget Application –
Labrador East Reliability Plan Update – Monthly Report**

As per the Board's instruction of April 19, 2018, attached is the monthly report noted above.

Should you have any questions, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



Shirley A. Walsh
Senior Legal Counsel - Regulatory
SAW/sk

cc: Gerard Hayes – Newfoundland Power
Paul Coxworthy – Stewart McKelvey
Denis J. Fleming – Cox & Palmer
ecc: Benoît Pepin – Rio Tinto
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Labrador East Reliability Plan
Monthly Status Report

December 17, 2018

A Report to the Board of Commissioners of Public Utilities



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1 **1.0 Background**

2 In response to a letter received from the Newfoundland and Labrador Board of Commissioners
3 of Public Utilities (“Board”) on April 19, 2018 requesting greater detail on Hydro’s plan for the
4 provision of reliable service in Labrador East during the 2018-2019 winter season, Hydro
5 submitted its plan to the Board on April 24, 2018.

6
7 Hydro’s plan for the provision of reliable service for the 2018-2019 winter season is
8 summarized into eight individual activities:

- 9 1) Ensure Reliability of the North Plant for Peak Loading Conditions;
- 10 2) Ensure Reliability of the Gas Turbine for Peak Loading Conditions;
- 11 3) Inspections of L1301/L1302;
- 12 4) Curtailable/Interruptible Service Option;
- 13 5) New Customer Connections;
- 14 6) Operations Protocol;
- 15 7) Labrador East Customer Communication Initiatives; and
- 16 8) Minimizing Customer Impacts in Case of Loss of Supply.

17
18 This report to the Board is intended to provide a monthly status update on the eight previously
19 listed activities.

20

21 **2.0 Progress Summary**

22 A progress update for each activity is outlined below. All activities are currently on schedule.
23 Activities with no change since the last update remain in this report for completeness.

24

25 **2.1 Ensure Reliability of the North Plant for Peak Loading Conditions**

26 **Status:** Closed

27 **Progress to Date:** A third-party service provider for the North Plant Diesels carried out an on-
28 site assessment on April 26, 2018. The assessment indicated that the units were not in a

1 condition to guarantee reliable service for the 2018-2019 winter season. Hydro does not
2 anticipate seeking Board approval for capital work related to the North Plant.

3

4 **2.2 Ensure Reliability of the Gas Turbine for Peak Loading Conditions**

5 **Status:** Closed

6 **Progress to Date:** Hydro internal forces carried out an on-site assessment on April 26, 2018. No
7 specific actions resulted from this assessment. Hydro has completed all required preventive and
8 corrective maintenance on the Happy Valley Gas Turbine. Testing of the Gas Turbine including
9 transitioning between synchronous condenser mode and generation mode was carried out
10 successfully on September 18, 2018.

11

12 **2.3 Inspections of L1301/L1302**

13 **Status:** Ongoing

14 **Progress to Date:** Ongoing

15 Hydro has carried out infrared inspection of all line splices on L1301/L1302, with no defective
16 splices discovered. Hydro has carried out several aerial patrols, most recently on November 5,
17 2018. No additional deficiencies were identified from the last aerial patrol. Patrols will continue
18 at six-week intervals throughout the 2018-2019 winter season, with the next patrol scheduled
19 for December 19, 2018.

20

21 **2.4 Curtailable/Interruptible Service Option**

22 **Status:** Closed

23 **Progress to Date:** Hydro received approval in Board Order P.U. 37(2018) to implement its
24 proposed Interruptible Load Service Agreement. Hydro's operating protocol has been revised to
25 incorporate the interruption of customer load, effective December 1, 2018 to March 31, 2019.

1 **2.5 New Customer Connections**

2 **Status:** Closed, Regulation in Effect

3 **Progress to Date:** Hydro received approval in Board Order No. P.U. 36(2018) for its revised
4 regulation temporarily restricting load additions greater than 100 kW in Labrador East. The
5 revised regulation will remain in effect until May 30, 2019.

6
7 **2.6 Operations Protocol**

8 **Status:** Ongoing

9 **Progress to Date:** Hydro has revised its operations protocols to reflect the new interruptible
10 service agreement, advanced notification protocol, and distribution system modifications and is
11 now undergoing final review and approval by the Newfoundland Labrador System Operator.
12 The approved protocol is anticipated to be in effect by December 21, 2018.

13
14 **2.7 Labrador East Customer Communication Initiatives**

15 **Status:** Closed

16 **Progress to Date:** An Advance Notification Protocol communications plan for Labrador East has
17 been developed and approved, stakeholders have been notified, and the protocol is now in
18 effect.

19
20 Conservation and Demand Management (“CDM”) efforts will continue as part of Hydro’s
21 ongoing takeCHARGE commitment. CDM efforts aim to educate customers on the benefits of
22 energy conservation, and to incentivize customers to participate. An outline of targeted
23 takeCHARGE initiatives implemented this fall in Labrador East is found in Appendix A.

24
25 **2.8 Minimizing Customer Impacts in Case of Loss of Supply**

26 **Status:** Closed

27 **Progress to Date:** Hydro received approval in Board Order No. P.U. 34(2018) for its
28 supplementary Capital Budget Application for the procurement and installation of five gang-

- 1 operated switches and an associated line extension on the Happy Valley-Goose Bay Distribution
- 2 System. Hydro has completed this work and is now in the project close-out process.

Appendix A

takeCHARGE CDM Initiatives for Labrador East

1 Hydro's takeCHARGE program is a one-stop-shop for everything customers need to know about
2 energy efficiency. Through its takeCHARGE programs, Hydro aims to educate its customers on
3 energy conservation and incentivize customers to avail of energy conservation measures.

4
5 An increase in social media promotions, education and events will be used to directly target
6 customers in Labrador East to educate and promote ways to save energy and money. Hydro
7 aims, through an increase in promotion and education, to increase the number of homes that
8 insulate, install programmable thermostats, and/or install energy efficient Heat Recovery
9 Ventilators. This, in turn, will help reduce the demand on the electricity system.

10 11 **Social Media Promotions**

- 12 • In addition to a provincial advertising campaign of television, radio, print, digital online and
13 social media, Happy Valley-Goose Bay received nine additional insulation and thermostat
14 Facebook ads that were promoted between July and November 2018, totalling \$500. These
15 targeted social media posts were shown in Facebook accounts that have an IP address in
16 the area, even if they do not follow the takeCHARGE account. This is a precise and cost-
17 effective way to increase knowledge on the benefits of insulation and thermostats. The
18 focus for the 2018 summer and early fall timeframe was education and the latter part of the
19 fall was focused on rebates.
- 20 • The nine ads reached a large portion of the 8,109 residents. The ads had a reach (i.e., the
21 number of people who saw the ads at least once) on average per ad of 3,207 and a total of
22 25,659.
- 23 • The number of people who clicked on the ads for more information totaled 447.
- 24 • The takeCHARGE Facebook page shows that Happy Valley-Goose Bay is now in the tenth
25 highest position for page likes from all towns in the province. Twenty of those likes occurred
26 since the additional promotions started.
- 27 • Website analytics: When comparing July 15, 2017 to November 30, 2017 to the same date
28 range in 2018, there was a significant increase in website usage by the residents of Happy
29 Valley-Goose Bay. In 2017 there were 1,066 users and in 2018 it went up significantly to

1 1,840 users. This cannot be confirmed as solely related to the increase in promotions, but it
2 was a factor in the increase.

3

4 **In-Store Retailer Promotions**

- 5 • Discussions with retailers in Labrador East took place to coordinate promotions and store
6 sales on energy efficient products in an effort to maximize uptake.
- 7 • Through the fall of 2018, takeCHARGE worked with a local retailer to offer an at-cash double
8 rebate for electronic and programmable thermostats at Pike’s Home Hardware in Happy
9 Valley-Goose Bay from November 19 to 30, 2018. In-store promotional signage was
10 provided for the promotion and a Facebook ad was run promoting the event.
- 11 • Double rebate for programmable thermostat: Hydro held an in-store event at local retailers
12 to promote the sale and installation of programmable thermostats. The regular \$10 rebate
13 was doubled to \$20 per thermostat to increase sales.
- 14 • This campaign ended with five electronic and ten programmable thermostats sold to five
15 different customers. The savings for these 15 thermostats totalled approximately 3,195
16 kWh.