

Questions and Answers

Holyrood Thermal Generating Station

July 2014

Q1. The recent power blackouts have accentuated the importance of maintaining an emergency power supply on the Avalon Peninsula. Have these events led to reconsideration of the role of the Holyrood plant after interconnection and the investments needed to maintain it in a state of readiness?

A1. Newfoundland and Labrador Hydro (Hydro) has been clear with its plans to decommission the Holyrood plant in 2021. Hydro plans to keep the plant available for service in the early years following full commissioning of the Muskrat Falls hydroelectric generating facility and the Labrador-Island Transmission Link.

The addition of the Maritime Link between the island of Newfoundland and Nova Scotia provides other benefits as well, including further enhancing the reliability of our provincial electricity system. Following in-service, we will have the ability to import power from other markets if we require energy in an emergency. The Interconnection Operators Agreement established between Hydro and Nova Scotia Power includes provisions for emergency assistance and emergency energy transactions. These arrangements are common practice between neighbouring utilities. This agreement can be viewed in full on our website, at www.muskratfalls.nalcorenergy.com/newsroom/reports

In addition the 100MW (nominal) combustion turbine being constructed at Holyrood will provide ongoing secure capacity in eastern Newfoundland for HVdc transmission line contingencies. Also the proposed transmission line between Bay d'Espoir and Western Avalon required for system reliability purposes enables additional power transfer to the Avalon Peninsula in the event of HVdc transmission line contingencies.

Q2. Will the Holyrood plant be required as a backup when Muskrat Falls is commissioned, to ensure reliability of the system, particularly for Eastern Newfoundland? Has Nalcor given sufficient weight to the question of reliability and sufficiently compensated for the risks associated with a long distance transmission line from Muskrat Falls to the Avalon Peninsula, given the adverse maritime climate, the sub-sea crossing under the iceberg-scoured Strait of Belle Isle and the high wind and icing conditions prevalent in Alpine conditions on high ground in southern Labrador, on top of the Long Range Mountains and across the Isthmus of Avalon?

A2. Please refer to the answer provided to question #1 above.

- Q3. Does NLH still plan to decommission the Holyrood thermal plant as a generating facility after 2021? Is this prudent? Will the facility need to be kept in readiness for events which isolate the Avalon Peninsula from the rest of the system, after interconnection with Labrador, and when power cannot be supplied over the Maritime Link?**
- A3. Please refer to the answer provided to question #1 above.

January 2014

- Q1. Are there any plans to decommission any of the existing generating plants (Holyrood, Stephenville or Hardwoods) after Muskrat is commissioned and if so where would a source of power be secured for the island from when the Muskrat Falls plant has to shut down for any extended period of when there is a major power interruption due to extensive repairs being carried out to the transmission line after a major ice storm has destroyed a large portion of the line.**
- A1. Hydro has been clear with its plans to decommission the Holyrood plant in 2021. Hydro plans to keep the plant available for service in the early years following full commissioning of the Muskrat Falls hydroelectric generating facility and the Labrador-Island Transmission Link. There are no plans to decommission other generating assets on the island following in-service of Muskrat Falls and the Labrador-Island Transmission Link. Some thermal generation will be maintained on the island to provide peak capacity and system reserve. This is outlined on page 13 of the Manitoba Hydro Decision Gate 3 report and is available online at: <https://muskratfalls.nalcorenergy.com/wp-content/uploads/2013/03/MHI-Review-October-2012.pdf>.

The reserve requirements on the Island will be reviewed on a regular basis to ensure conformance with our energy availability standards.