

March 3, 2022

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 of Corporate Services & Board Secretary

Dear Ms. Blundon:

Re: *Reliability and Resource Adequacy Study Review – Labrador-Island Link Monthly Update – February 2022*

On November 21, 2019, the Board of Commissioners of Public Utilities (“Board”) requested that Newfoundland and Labrador Hydro (“Hydro”) provide further information as a result of the findings in The Liberty Consulting Group’s (“Liberty”) Eighth Quarterly Monitoring Report on the Integration of Power Supply Facilities to the Island Interconnected System. In its response, Hydro committed to providing Liberty and the Board with a monthly status update regarding the schedule for the Labrador-Island Link (“LIL”) software development and testing, updated information in response to the specific requests detailed in the Board’s November 21, 2019 correspondence, and other pertinent information with respect to the Muskrat Falls Project. On January 19, 2021, the Board requested Hydro continue monthly reporting and outlined specific information, at a minimum, to be included.¹ Enclosed please find the update as requested.

The Lower Churchill Project (“LCP”) and its contractors continue to follow all COVID-19 Health and Safety measures as per the established guidelines. The LCP will continue to closely monitor the COVID-19 pandemic and follow advice from medical experts and Public Health guidance.

1.0 LABRADOR-ISLAND LINK

1.1 Commissioning Activities

1.1.1 Bipole Commissioning

GE Canada (“GE”) continues to resolve and verify punchlist items to release the next version of software, which is planned to be used for Trial Operations and Final Commissioning. GE has advised that delivery of software has moved from the first quarter of 2022 to the second quarter of 2022. One of the reasons for this delay was the resolution of new issues discovered during Dynamic Commissioning. GE is working to complete Trial Operations by May 31, 2022. Based on GE’s continuous delays to deliver the P&C software, there is likely to be a delay in completion of Trial Operations; however, it is not possible to

¹ Hydro’s report has been adjusted to reflect the Board’s request, with the exception of information related to the LIL monthly energy transfers and Maritime Link availability and exports and imports in the month. Both pieces of information are currently included in Hydro’s monthly energy supply report and are not available in a time frame that corresponds with the timing of this report.

predict the extent of any possible delay at this point in time. Any critical punchlist items that do not prevent power transfer will be resolved after Trial Operations. In accordance with the contract, GE has six months after commissioning to resolve outstanding punchlist items.

1.1.2 Soldiers Pond Synchronous Condensers

GE Power is continuing with the bearing replacement work on Synchronous Condenser (“SC”) 1. Completion of the work is on schedule for June 2022. SC2 and SC3 are online.

1.2 Operations

The LIL operated at various levels throughout the month of February 2022, with a peak power transfer of approximately 320 MW. On February 20, 2022, the fire alarm in Pole 1 at Muskrat Falls was activated, which caused a pole trip. LIL pole compensation operated properly and the load was transferred to Pole 2. Upon investigation, it was discovered to be a false alarm due to a damaged sensor. On February 25, 2022, after the fire alarm investigation, the operations group was preparing to re-energize Pole 1 and bring the LIL back from monopole to bipole operation when a procedural step was missed, causing Pole 1 to trip. The operations group attempted to rampdown the LIL following the pole trip but an issue with the P&C software prevented the correct operation. The operations group de-energized LIL to investigate. There was no customer impact related to this event. The LIL will remain offline while these incidents are investigated.

1.3 Outages

There were no LIL-related customer outages to report for February 2022.

2.0 MUSKRAT FALLS GENERATION

2.1 Operations

All four Muskrat Falls Units are in operation and released to the Newfoundland and Labrador System Operator (“NLSO”) for control.

Unit 2 is in operation. Andritz is preparing a plan to address next steps for the Unit 2 vibration issue. Andritz’s schedule to be determined.

3.0 LABRADOR-ISLAND LINK SCHEDULE

As previously noted, GE is continuing to resolve the remaining punchlist items to release the next version of software; however, GE has advised that software release has been moved to the second quarter of 2022. GE is still working to complete Trial Operations by May 31, 2022. Given the delay in completion of Factory Acceptance Testing, there is risk that GE’s schedule will slip beyond this date.

4.0 CF(L)CO² MULTI-PARTY POOLING AGREEMENT AND HYDRO-QUÉBEC IOA³

Weekly discussions to progress the IOA continued between the NLSO and Hydro-Québec and CF(L)Co; however, the deadline has been extended to March 15, 2022 to provide time for a final legal review by all parties and negotiation of any legal language issues that may arise. The legal review is ongoing.

² Churchill Falls (Labrador) Corporation (“CF(L)Co”).

³ Interconnection Operators Agreement (“IOA”).

If you have any questions or comments, please contact the undersigned.

Yours truly,

NEWFOUNDLAND AND LABRADOR HYDRO



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Vice President, Chief Legal Officer & Corporate Secretary
MSL/sk

ecc:

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