
Nova Scotia Utility and Review Board

IN THE MATTER OF *The Public Utilities Act*, R.S.N.S. 1989, c.380, as
amended

Maritime Link Benefits Quarterly Tracking

NS Power
Q2 2018 Report

August 28, 2018

REDACTED

Maritime Link Benefits Quarterly Tracking

REDACTED

1 **TABLE OF CONTENTS**

2

3 1.0 INTRODUCTION 3

4 2.0 Q2 2018 MARITIME LINK BENEFITS 4

5

Maritime Link Benefits Quarterly Tracking

REDACTED

1 **1.0 INTRODUCTION**

2
3 As part of the Consensus Agreement approved by the Nova Scotia Utility and Review Board
4 (UARB or Board) with respect to the NS Power's 2017-2019 Fuel Stability Plan (FSP) and Base
5 Cost of Fuel (BCF) Application, NS Power agreed to track the benefits realized for customers
6 from the Maritime Link prior to the start of the NS Block and provide such information to
7 customers on no less than a quarterly basis. Please accept this report as NS Power's second
8 quarterly report for 2018 in relation to Maritime Link benefits tracking.

9
10 In accordance with the Board's Decision dated June 11, 2018 on the confidentiality of the
11 Maritime Link Benefits Quarterly Tracking Report, NS Power is now making public the amount
12 of energy flowing over the Maritime Link. NS Power is providing this information in this report
13 rather than in the Company's quarterly FAM reports.

14
15 As of June 30, 2018, NS Power has calculated that it has achieved a total of [REDACTED] year-to-
16 date in benefits for customers associated with the Maritime Link. In 2018, through June, a total
17 of 51,706 MWhs of energy has been transmitted across the Maritime Link.

18
19 NS Power has provided details with respect to the nature and quantification of the benefits
20 achieved in Q2 in Confidential Appendix A. The net energy sales benefits arise from
21 commercial transactions with Nalcor over the Maritime Link for Q2 2018.

Maritime Link Benefits Quarterly Tracking

REDACTED

1 **2.0 Q2 2018 MARITIME LINK BENEFITS**

2
3 **2.1 Q2 2018 Benefits**

4
5 Year-to-date, through June 30, 2018, NS Power has sent Nalcor Energy Marketing Corporation
6 (Nalcor) a total of [REDACTED] of energy to offset Newfoundland & Labrador Hydro (NLH)
7 Holyrood generation and [REDACTED] through bilateral transactions. Approximately half (27,740
8 MWh) of the 51,706 MWh year-to-date total were transmitted over the Maritime Link in Q2,
9 2018.

10
11 NS Power continues to be actively engaged in pursuit of benefits associated with the use of the
12 Maritime Link on behalf of customers. The reported benefits are the primary benefits achieved
13 to June 30, 2018. NS Power is in the process of analyzing other system benefits (as canvassed in
14 the Interim Assessment proceeding), which NS Power will report on in future updates. Other
15 system benefits include reliability benefits and reduced system losses. During commissioning
16 for the Labrador Island Link (LIL), the Maritime Link played a key role in stabilizing the
17 Newfoundland system and prevented at least two under-frequency load shedding events, while in
18 NS the Maritime Link has allowed system operators to run the system with higher average
19 voltage and reduced losses.

20
21 **2.2 Additional Commentary**

22
23 The Maritime Link is in its first year of operation and both NS Power and Nalcor are working
24 toward extracting incremental value above the Nova Scotia Block and will continue to promote
25 the economic and reliability benefits, as the two system operators determine the protocol and
26 rules for energy and capacity exchanges. NS Power and Nalcor continue to learn and improve
27 upon its commercial relationship through operational experience, with a view of extracting
28 maximum value for customers. NS Power and Nalcor remain aligned in seeking to optimize
29 opportunities and the benefit of the Maritime Link in reducing the overall cost of electricity for

Maritime Link Benefits Quarterly Tracking

REDACTED

1 customers. For example, such opportunities include the sale of energy by NS Power to Nalcor to
2 offset expensive oil-fired generation at Holyrood in peak winter months, and the purchase by NS
3 Power of Nalcor's Recapture Energy from Churchill Falls in non-peak months.

4
5 The challenges associated with the early stages of the operation of the interconnection, which NS
6 Power and Nalcor/NLH faced in the first quarter of operation, are behind us. As NS Power,
7 NLH and Nalcor adapt to the newly integrated system between the two provinces, the Labrador
8 Island Link in-service status is advancing, punch-list items on the Maritime Link are nearing
9 completion and necessary regulatory approvals between Nalcor and NLH are filed with the
10 Newfoundland and Labrador Board of Commissioners of Public Utilities (PUB) for approval.

11
12 With respect to the regulatory approvals, NS Power understands that a Tariff amendment
13 application has been filed by NLH that would enable NLH to sell energy to Nalcor. Absent the
14 Tariff amendment, additional commercial transactions such as hydro ponding were not able to be
15 achieved, which impacts forecasted value over the Maritime Link. The required Tariff
16 amendment was filed with the PUB on August 23, 2018. Once the application process is
17 complete, it is expected these additional commercial transactions will commence and greater
18 value can be achieved for the customers of Nova Scotia and Newfoundland & Labrador.

19
20 With respect to the in-service status of the LIL, the commissioning process for Pole 1 is
21 advancing, and as such will see an increase in the throughput of the LIL from 40-80MW to
22 potentially in excess of 200MW. This increase capacity will allow greater access to Recapture
23 Energy from Churchill Falls.

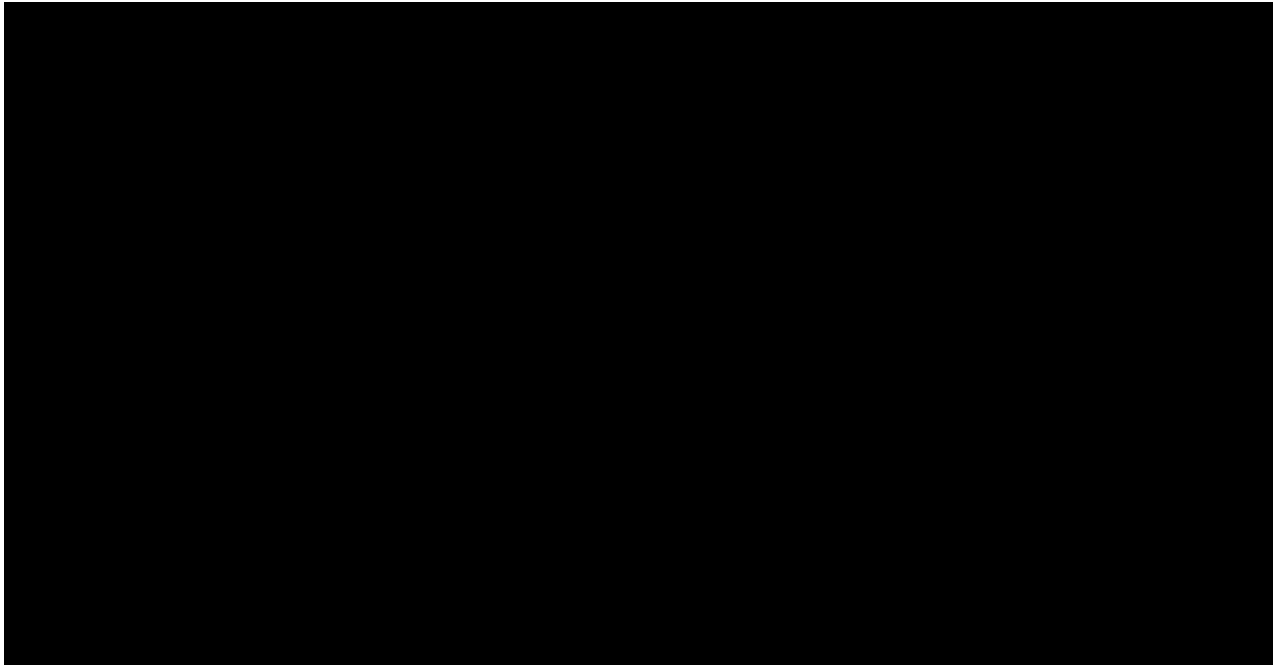
24
25 NS Power and Nalcor have been in ongoing discussions to ensure all opportunities are
26 maximized between the parties such that optimization can expand as each challenge is cleared in
27 the first year of operation, creating increased benefits opportunities for year two of the
28 assessment period. NS Power remains committed to working with Newfoundland and Labrador

Maritime Link Benefits Quarterly Tracking

REDACTED

1 to provide benefits to both provinces and their respective customers over the two-year
2 assessment period.

3 **Appendix A**
4



5
6 A small horizontal black redaction box is located on line 6, partially obscuring the text.

7
8 A large rectangular black redaction box covers the bottom half of the page's main content area, starting from line 8 and extending to line 14.
9
10
11
12
13
14

Maritime Link Benefits Quarterly Tracking

REDACTED

1
2
3
4
5
6
7
8
9
10
11
12
13
14

[Redacted]

[Redacted]

[Redacted]