

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
Q3 2018 Report

November 16, 2018

REDACTED

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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 Nova Scotia Power's (NS Power) 2017-2019 Fuel
5 Stability Plan (FSP) and Base Cost of Fuel (BCF) Application, NS Power agreed to track the
6 benefits realized for customers from the Maritime Link prior to the start of the NS Block and
7 provide such information to customers on no less than a quarterly basis. Please accept this report
8 as NS Power's third quarterly report for 2018 in relation to Maritime Link benefits tracking.

9

10 In the third quarter of 2018 5,161 MWh of energy was transmitted across the Maritime Link
11 measured at the Bottom Brook substation, inclusive of all inadvertent, emergency, and
12 commercial energy.

13

14 As of September 30, 2018, NS Power has achieved a total of [REDACTED] year-to-date in benefits
15 for customers associated with the Maritime Link. NS Power has provided details with respect to
16 the nature and quantification of the benefits achieved in Q3 in Confidential Appendix A. The net
17 energy sales benefits arise from commercial transactions with Nalcor over the Maritime Link for
18 Q3 2018.

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1 **2.0 Q3 2018 MARITIME LINK BENEFITS**

2
3 **2.1 Q3 2018 Benefits**

4
5 NS Power had no bilateral transactions over the Maritime Link with Nalcor Energy Marketing
6 Corporation (Nalcor) in July or August. Nalcor could only purchase energy over the Maritime
7 Link during this time and was restricted from making energy sales until a transmission tariff was
8 established which would permit Newfoundland and Labrador Hydro (NLH) to sell electricity to
9 Nalcor within the province of Newfoundland and Labrador. Consistent with expectations, lighter
10 summer seasonal loads in Newfoundland require less thermal generation to be online. As such,
11 there were no opportunities for Holyrood Offset transactions during the third quarter. NS Power
12 began to enter into bilateral transactions with Nalcor at the end of September selling a total of
13 [REDACTED] of energy at an average spread of approximately [REDACTED] over the Maritime Link.

14
15 NS Power also sold Nalcor [REDACTED] of point-to-point (wheel-through) transmission from
16 September 28-30th, capturing [REDACTED] in benefit.

17
18 In August, Nova Scotia experienced a sustained heat wave which translated into higher seasonal
19 loads for NS Power to manage. During this time the Nova Scotia System Operator (NSPSO)
20 requested NLH provide system energy that was dispatched from Newfoundland to Nova Scotia
21 over the Maritime Link. The NSPSO dispatched [REDACTED] of energy on August 7, 2018 from
22 13:30 to 15:30 and on August 8, 2018 [REDACTED] of emergency energy flowed. Without this energy
23 to assist in balancing the NS Power system, there was a possibility that interruptible customers
24 would have been interrupted.

25
26 NS Power continues to be actively engaged in pursuit of benefits associated with the use of the
27 Maritime Link on behalf of customers. NS Power is in the process of analyzing other system
28 benefits (as canvassed in the Interim Assessment proceeding), which NS Power will report on in
29 future updates.

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1 **2.2 Additional Commentary**

2

3 Both NS Power and Nalcor continue working toward creating incremental value above the Nova
4 Scotia Block and promoting the economic and reliability benefits as their respective system
5 operators determine the protocol and rules for energy and capacity exchanges. NS Power and
6 Nalcor continue to improve upon their commercial relationship through operational experience.
7 They remain aligned in seeking to optimize opportunities and the benefit of the Maritime Link in
8 reducing the overall cost of electricity for customers.

9

10 With respect to the regulatory approvals, as noted in NS Power's prior report, the required Tariff
11 amendment was filed with the Newfoundland and Labrador Board of Commissioners of Public
12 Utilities (PUB) on August 23, 2018. Once the application process is complete, it is expected
13 these additional commercial transactions will commence and greater value can be achieved for
14 the customers of Nova Scotia and Newfoundland and Labrador.

15

16 NS Power and Nalcor continue to negotiate an Interim Period Reserve Agreement which is
17 expected to be finalized in the near term. This agreement will outline the framework for NS
18 Power to sell 10-minute spinning reserves to Nalcor. Approval from the PUB will be required
19 before Nalcor can sell reserves to NS Power.

20

21 NS Power and Nalcor are maintaining regularly scheduled meetings to ensure all opportunities
22 are maximized between the parties such that optimization of the Maritime Link can continue to
23 expand. NS Power remains committed to working with Newfoundland and Labrador to provide
24 benefits to both provinces and their respective customers over the two-year assessment period.

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1

[REDACTED]

2

[REDACTED]

3

4 [REDACTED]

5

6 [REDACTED]

7 [REDACTED]

8

9 [REDACTED]

10

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

**Maritime Link Benefits Quarterly Report Tracking
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1	[REDACTED]
2	[REDACTED]
3	[REDACTED]