

Nova Scotia Utility and Review Board

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

2020 Maritime Link Benefits Report Q4

NS Power

February 17, 2021

REDACTED

**2020 Maritime Link Benefits Report Q4
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 (NSUARB or Board) with respect to Nova Scotia Power Incorporated's (NS Power or Company)
5 2017-2019 Fuel Stability Plan (FSP) and Base Cost of Fuel (BCF) Application, NS Power agreed
6 to track the benefits realized for customers from the Maritime Link prior to the start of the Nova
7 Scotia Block and provide such information to customers on no less than a quarterly basis. In its
8 Order dated November 27, 2019 in respect of NSP Maritime Link Incorporated's (NSPML) 2020
9 Interim Cost Assessment (M09277), the NSUARB directed the quarterly reports to be continued.
10 Please accept this report as NS Power's fourth quarter report (Q4) for 2020 in relation to Maritime
11 Link benefits tracking.

12
13 The Maritime Link was in-service since 2018 and has provided NS Power access to a new market,
14 reliability and system loss reductions as well as providing quantifiable benefits related to energy
15 transactions and ancillary services. The Maritime Link continues to provide long term strategic
16 benefits to Nova Scotia and the Atlantic Region, and NS Power remains committed to achieving
17 those benefits for customers in 2020 and beyond. NS Power will also continue working towards
18 creating incremental value above the Nova Scotia Block and promoting the economic and
19 reliability benefits associated with the Maritime Link.

20
21 In accordance with the Board's Decision dated June 11, 2018 on the confidentiality of the Maritime
22 Link Benefits Quarterly Tracking Report, NS Power provides the amount of energy flowing over
23 the Maritime Link (megawatts not dollar amounts) each quarter on a non-confidential basis.
24 Details of total benefits achieved year to date in 2020 are provided in this report.

25
26 NS Power confirms that during Q4 2020, 178,945 MWh flowed over the Maritime Link, which
27 compares to 127,100 MWh in Q4 2019. NS Power has determined that the Company has achieved
28 a total of [REDACTED] in quantified benefits for customers associated with the Maritime Link in Q4
29 2020.

30

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1 Total quantifiable benefits in 2020 were \$4.16 million compared to 2019 benefits of \$5.48 million.
2 The specific details with respect to the quantifiable benefits achieved are provided in Confidential
3 Appendix A.

4
5 In the proceeding before the NSUARB for NSP Maritime Link Incorporated's 2020 Interim Cost
6 Assessment (M09277), Bates White Economic Consulting (Bates White), on behalf of NSUARB
7 Counsel, made certain recommendations with respect to NS Power's quarterly reporting of
8 Maritime Link Benefits.¹

9
10 We recommend that NSPI's Quarterly Reporting of Maritime Link be further
11 standardized and include some reconciliation with previous quarterly reports, its
12 response to BW-IR-2 (c), and its Interim Assessment Application Supplementary
13 Evidence. At a minimum, NSPML should reconcile the [REDACTED] of benefits
14 put forth in its Interim Assessment Application Supplementary Evidence with its
15 [REDACTED] of benefits put forth in its response to BW-IR-2 (c), and restate all
16 six quarterly benefits reports to categorize all benefits to date in a consistent set of
17 benefits categories. NSPML should also elaborate on all MWh of transactions to
18 date on the Maritime Link, distinguishing between transactions flowing power from
19 Nova Scotia from those in which power flows to Nova Scotia. This
20 recommendation will enhance transparency, allow for proper comparisons of
21 benefits accrued through time, and assist future reviews of the determination and
22 calculation of those benefits.²

23
24 The NSUARB has already made a determination on the calculation of benefits and resulting hold
25 back for 2018. As such, NS Power addressed Bates Whites' recommendations in the Q3 and Q4
26 2019 Reports, to the extent applicable, through **Figure 2** in **Confidential Appendix A**. The
27 Company continues to incorporate the same information in this Q4 2020 and future Maritime Link
28 Benefits Reports.

¹ M09277, Evidence of Bates White Economic Consulting, dated August 29, 2019, pages 25-27.

² M09277, Evidence of Bates White Economic Consulting, dated August 29, 2019, pages 26-27, lines 15-23 and 1-2.

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1 **2.0 Q4 2020 MARITIME LINK BENEFITS**

2
3 In Q4, the Maritime Link Project reached a significant milestone with Muskrat Falls energy
4 flowing over the Labrador Island Link (LIL) and, commensurately, greater flows over the
5 Maritime Link into Nova Scotia. This achievement followed the successful commissioning of
6 Nalcor's Muskrat Unit 1 which was completed over the Q4 2020 period.

7
8 In Q4 2020, NS Power received from Nalcor a total of [REDACTED] of energy, with [REDACTED]
9 flowing in late December after the commencement of Muskrat Falls energy over the LIL. NS
10 Power also sold energy to Nalcor in Q4, [REDACTED], through bilateral transactions.

11
12 **2.1 Additional Commentary**

13
14 NS Power purchased from Nalcor [REDACTED] of energy in October 2020, purchased from Nalcor
15 [REDACTED] and sold [REDACTED] of energy in November 2020 and purchased from Nalcor [REDACTED]
16 [REDACTED] of energy for the month of December 2020.

17
18 Value was also created through the sale of wheel-through transmission from the New Brunswick
19 border to Bottom Brook, Newfoundland; [REDACTED] in October, 2020; [REDACTED] in November, 2020,
20 and [REDACTED] in December, 2020.

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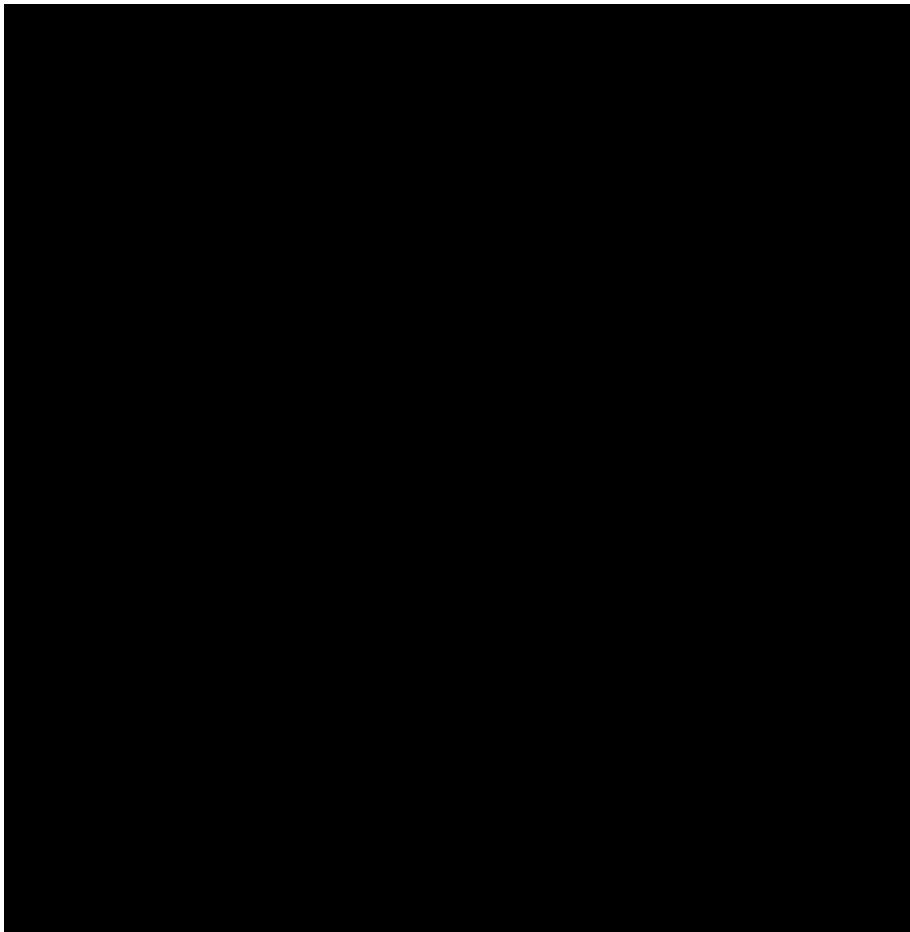
1

Appendix A

2

2020 Benefits to End of Q4

Figure 1. 2020 Q4 & Total 2020 Benefits



3

4

* The Q3 2020 Total amount for Total Energy Benefit in Figure 1 and Figure 2 in the Q3 2020 Maritime Link Benefits Report showed [REDACTED] but should have showed [REDACTED]. All other benefits including the Total 2020 Quantifiable Benefits were shown correctly in the Q3 report.

5

6

7

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Figure 2. 2020 Q4 & Total Benefits

Q4

2020 Total

