Nova Scotia Utility and Review Board

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

2022 Maritime Link Benefits Report Q2

NS Power

REDACTED

August 11, 2022

2022 Maritime Link Benefits Report Q2 REDACTED

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1.0 INTRODUCTION

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- 3 In its Decision dated February 9, 2022 with respect to NSP Maritime Link's (NSPML) application
- 4 for final approval of the Maritime Link project costs and the 2022 cost assessment, the Nova
- 5 Scotia Utility and Review Board (NSUARB or Board) provided the following direction with
- 6 respect to Nova Scotia Power Incorporated's (NS Power, Company) filing of Maritime Link
- 7 Benefits Reports (Report) as follows:

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10 11 Therefore, the Board finds that NSPML and NS Power need to continue filing quarterly reports until otherwise directed by the Board. Any transition away from the stand-alone reports to some form of FAM reporting will be addressed at the appropriate time.¹

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The NSUARB provided the following further direction to NS Power and NSPML with respect to the contents of those Reports:

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- 1. Maintain current quarterly Maritime Link reports, supplemented with the enhancements identified in the Bates White Undertaking U-23 response regarding the interim period. Those reports are also to include summaries focused on the quantities and values of makeup energy and capacity, with details being better addressed during a FAM audit process. In addition, the reports are to include financial data comparing capital and operating expenditures against budgeted amounts, reports on the status of MFGS and LIL commissioning, outstanding contractual, warranty and insurance claims, final close out punch list matters, outstanding expropriations, and outstanding operating agreements yet to be finalized.
- 27 28 29
- 2. Maintain current quarterly Maritime Link Benefits reports which also identify costs associated with replacement cost of undelivered energy and costs associated with extended operation of Lingan 2 and another thermal resource that was intended to be displaced by Muskrat Falls deliveries.
- 3. File the annual Independent Engineer O&M Report.
- 32 4. File the annual marine survey report.
 - 5. File the Long Term Asset Management Plan (LTAMP) once completed.
 - 6. Report on any forced outages experienced on the assets extending from MFGS to Woodbine.

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¹ M10206, NSP Maritime Link Application for final approval of the Maritime Link Project Costs and approval of the 2022 Cost Assessment, NSUARB Decision, February 9, 2022, pages 88-89 of 94.

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1 2 3	7. Report on wheel-through energy between Newfoundland and New Brunswick, along with the associated OATT revenues. ²
4	The items applicable to NS Power are included in this Report.
5	
6	In accordance with the NSUARB's direction, this Report covers the benefits received for the
7	period from April 1, 2022 to June 30, 2022 and contains the items directed by the NSUARB
8	applicable to NS Power.
9	
10	In summary, NS Power confirms that from April 1, 2022 to June 30, 2022 inclusive, 282,741
11	MWh of energy was supplied to NS Power over the Maritime Link. NS Power has determined
12	that the Company achieved a total of \$ in quantified benefits for customers in Q2,
13	2022 associated with the Maritime Link. The specific details with respect to the quantifiable
14	benefits achieved are provided in Confidential Appendix A.
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² M10206, NSP Maritime Link Application for final approval of the Maritime Link Project Costs and approval of the 2022 Cost Assessment, NSUARB Decision, February 9, 2022, page 89 of 94.

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1	2.0	Q2, 2022 MARITIME LINK BENEFITS
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3	For the	e period from April 1, 2022 to June 30, 2022 inclusive, NS Power received from Nalcor a
4	total of	f 282,741 MWh of energy.
5		
6	2.1	Additional Commentary
7		
8	NS Po	wer received from Nalcor 107,193 MWh of energy in April 2022, 110,670 MWh of energy
9	in May	2022, and 64,878 MWh of energy in June 2022.
10		
11	No wh	neel-through transmission sales between the New Brunswick border to Bottom Brook,
12	Newfo	undland occurred in Q2, 2022.
13		
14	The an	nount of energy delivered over the Maritime Link in the Report period, broken out by Base
15	Block	energy, Supplemental energy, Makeup energy and Additional energy, is provided in
16	Partial	ly Confidential Appendix B.
17		
18	The to	tal amount of under delivered energy (excluding any makeup energy) at the beginning of
19	the Re	port period was 527,652 MWh and was 600,924 MWh at the end of the Report period.
20	Offsett	ing this total under delivered energy with make-up energy that has been delivered since
21	the cor	mmencement of NS Block up to the end of June 30, 2022, there remains a total of 484,276
22	MWh	of under delivered energy which will be delivered at a later date. A detailed accounting of
23	all und	er delivered energy, including the replacement value, is provided in Partially Confidential
24	Appen	dix C.
25		
26	As rep	orted in NS Power's 2022 10-Year System Outlook Report, ³ Lingan Unit 2 will be laid up
27	and no	t made available for economic dispatch. The unit will be placed into cold reserve and
28	availab	ble to be recalled on 2 weeks' notice. Due to near-term capacity shortfalls, including the
29	forced	outage at Brooklyn Power and the scheduled outages associated with the Life Extension

³ M10653 - 2022 10-Year System Outlook Report, Section 3.2.4.

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- and Modernization project at the Wreck Cove Generating Station, Lingan Unit 2 will be available,
- 2 if needed, to provide firm capacity and maintain an adequate Planning Reserve Margin for the
- 3 2022/2023 season.

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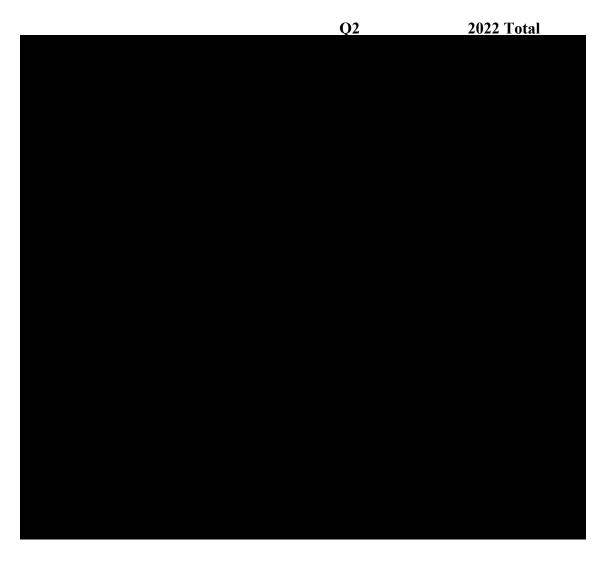
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Appendix A 2022 Benefits to End of Q2

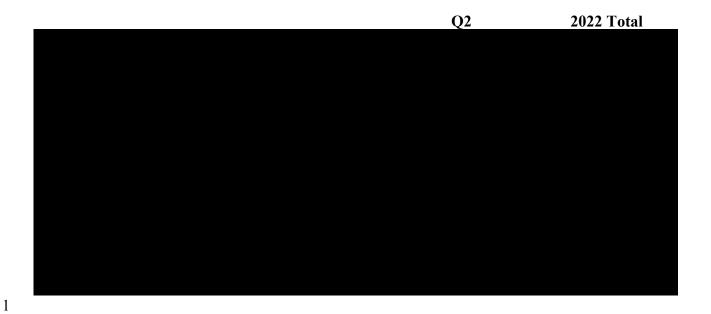
Figure 1. 2022 Q2 & Total 2022 Benefits



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Figure 2. 2022 Q2 & Total 2022 Benefits



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Appendix B

2022 Q2 Energy Delivered

Figure 3. 2022 Q2 Base Block Energy

Base Block Energy	Apr	May	Jun	Total
2013 Application Commitment	81,024	83,725	81,024	245,773
Delivered MWh (up to Hourly Commitment)	66,898	71,452	34,151	172,501
Make Up MWh (above Hourly Commitment)	3,896	1,322	4,577	9,795
Total Delivered MWh	70,794	72,775	38,728	182,297
Make Up Delivered \$				

Figure 4. 2022 Q2 Supplemental Block Energy

Supplemental Block Energy	Apr	May	Jun	Total
2013 Application Commitment	0	0	0	0
Delivered MWh (up to Hourly Commitment)	0	0	0	0
Make Up MWh (above Hourly Commitment)	33,900	36,637	11,794	82,331
Total Delivered MWh	33,900	36,637	11,794	82,331
Make Up Delivered \$				

Figure 5. 2022 Q2 Additional Energy including Bilateral

Additional Energy	Apr	May	Jun	Total
MWh of Additional Energy				

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Appendix C

2022 Undelivered Energy and Replacement Cost⁴

Figure 6. 2022 Q2 Undelivered Energy and Replacement Costs (Excluding Cost of Make Up Energy)⁵

	Beginning of Period April 1, 2022	End of Period June 30, 2022
Total Base Block Undelivered (MWh)	395,528	468,800
Total Supplemental Block Undelivered (MWh)	132,124	132,124
Total Undelivered (MWh)	527,652	600,924
Replacement Cost of Undelivered Base Block		
Energy (\$)		
Replacement Cost of Undelivered Supplemental		
Energy Remaining (\$)		
Replacement Cost of Undelivered Energy (\$)		

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⁵ Starting in Q1 2022 make-up energy is not deducted from the undelivered energy.