

Nova Scotia Utility and Review Board

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

2023 Maritime Link Benefits Report Q2

NS Power

REDACTED

August 23, 2023

2023 Maritime Link Benefits Report Q2

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1 **1.0 INTRODUCTION**

2

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, Board) provided the following direction with respect
6 to Nova Scotia Power Incorporated’s (NS Power, Company) filing of Maritime Link Benefits
7 Reports (Report) as follows:

8

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

13

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

16

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

36

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 7. Report on wheel-through energy between Newfoundland and New
2 Brunswick, along with the associated OATT revenues.²
3

4 In accordance with the NSUARB's direction, this Report covers the benefits received for the
5 period from April 1, 2023 to June 30, 2023 and contains the items directed by the NSUARB
6 applicable to NS Power.

7
8 In summary, NS Power confirms that from April 1, 2023 to June 30, 2023 inclusive, 502,379
9 MWh of energy was supplied to NS Power over the Maritime Link. NS Power has determined
10 that the Company achieved a total of \$ [REDACTED] in quantified benefits for customers in Q2,
11 2023 associated with the Maritime Link. The specific details with respect to the quantifiable
12 benefits achieved are provided in Confidential Appendix A.

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, 2023 MARITIME LINK BENEFITS**

2

3 For the period from April 1, 2023 to June 30, 2023 inclusive, NS Power received from Nalcor a
4 total of 502,379 MWh of energy.

5

6 **2.1 Additional Commentary**

7

8 NS Power transacted from Nalcor 170,059 MWh of energy in April 2023, 182,343 MWh of
9 energy in May 2023, and 149,977 MWh of energy in June 2023.

10

11 Additional benefit was realized through the import of emergency energy over the Maritime Link.
12 In June, 2023, emergency energy was imported over the Maritime Link, supplying a total of 170
13 MWh to the Nova Scotia system. The import over the Maritime Link provided additional energy
14 to support reliable supply to customers and load/generation balance during this period.

15

16 Sale of wheel-through transmission from Bottom Brook, Newfoundland to New Brunswick-Nova
17 Scotia Interface generated \$ [REDACTED] in April, 2023, \$ [REDACTED] in May, 2023, and \$ [REDACTED] in
18 June, 2023.

19

20 The amount of energy delivered over the Maritime Link in the Report period, broken out by Base
21 Block energy, Supplemental energy, Make Up energy and Additional energy, is provided in
22 Partially Confidential Appendix B.

23

24 The total amount of under delivered energy (excluding any Make Up energy) at the beginning of
25 the Report period was 915,577 MWh. This was offset by Make Up energy resulting in the total
26 amount of outstanding energy at the beginning of the period of 649,505 MWh. The total amount
27 of under delivered energy (excluding any Make Up energy) at the end of the Report period was
28 923,285 MWh. This was offset by Make Up energy resulting in the total amount of outstanding
29 energy by the end of the reporting period of 545,717 MWh. A detailed accounting of all
30 outstanding energy, including the replacement value of under delivered energy and the value of
31 Make Up energy received, is provided in Partially Confidential Appendix C.

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1 As reported in NS Power's 2022 10-Year System Outlook Report,³ Lingan Unit 2 will be laid up
2 and not made available for economic dispatch. The unit will be placed into cold reserve and
3 available to be recalled on 2 weeks' notice. Due to near-term capacity shortfalls, including the
4 Life Extension and Modernization project at the Wreck Cove Generating Station, Lingan Unit 2
5 will be available, if needed, to provide firm capacity and maintain an adequate Planning Reserve
6 Margin for the 2023/2024 season.
7

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

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Appendix A

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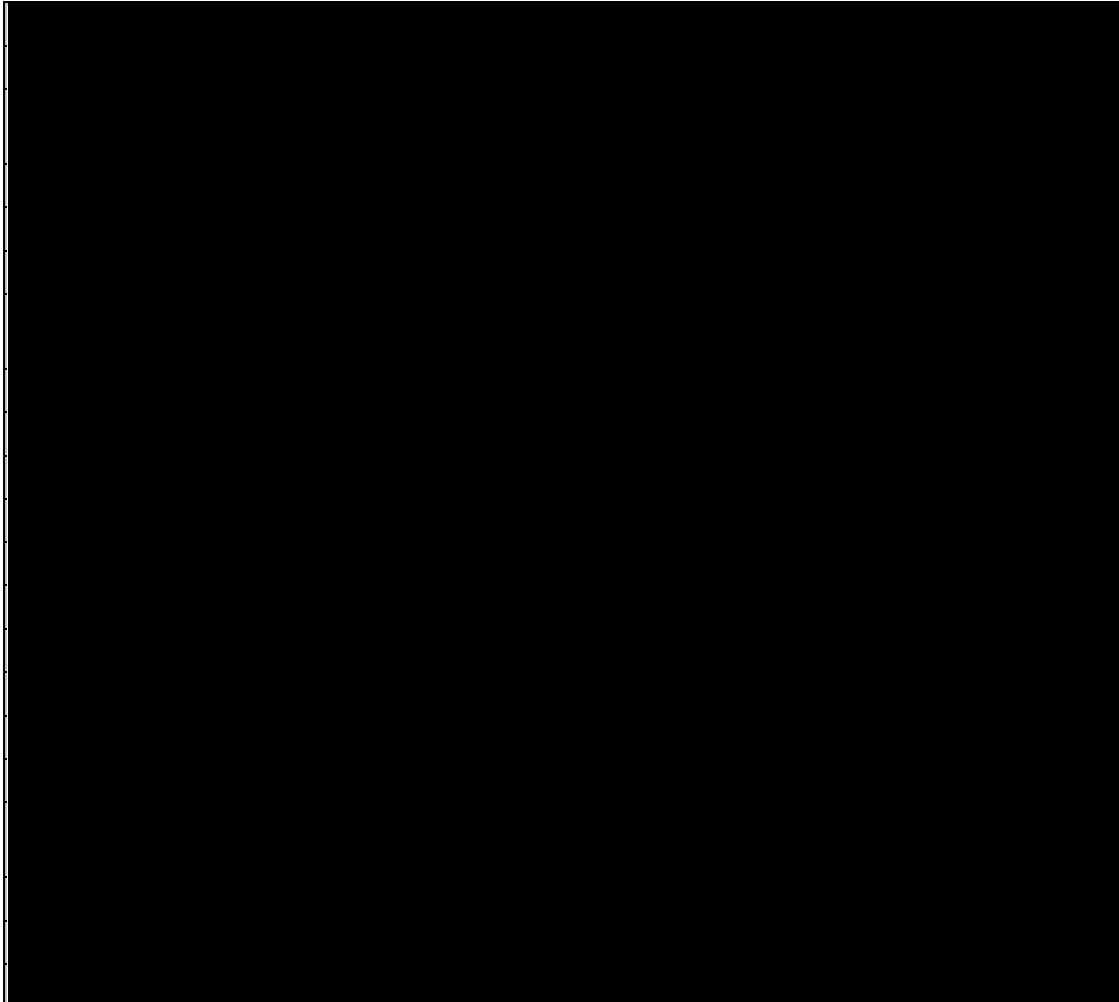
2023 Benefits to End of Q2

3

Figure 1 – 2023 Q2 & Total 2023 Benefits

Q2

2023 Total



4

⁴Gross Benefit prior to Maritime Link Assessment costs which are recovered from customers through the FAM.

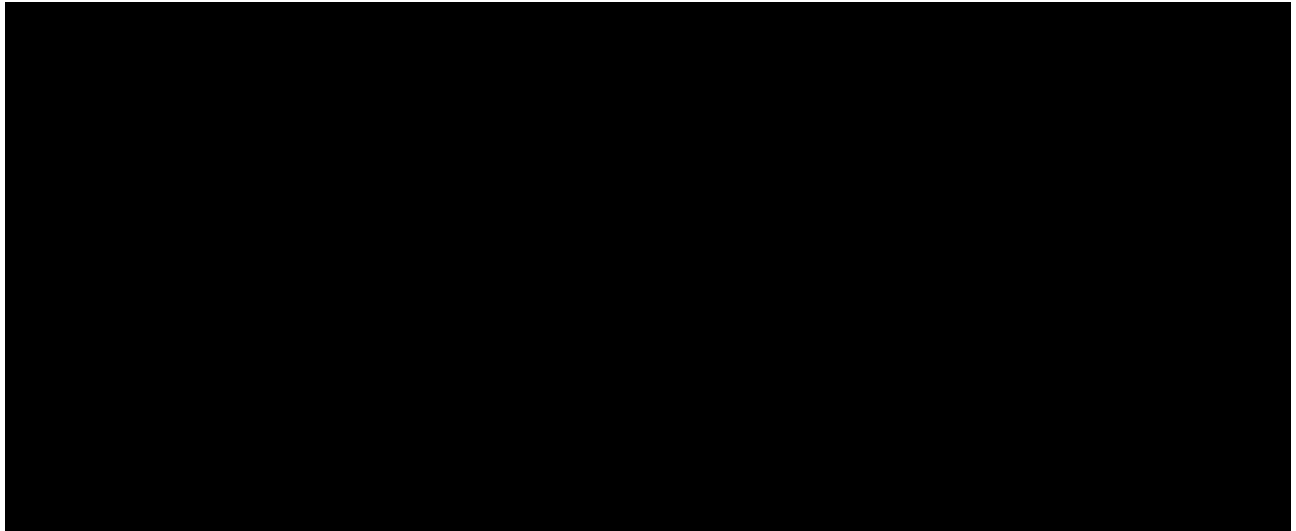
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1 Figure 2 – 2023 Q2 & Total 2023 Benefits

Q2

2023 Total



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Appendix B

2023 Q2 Energy Delivered

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Figure 3 – 2023 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)	79,336	82,980	75,749	238,065
Make Up MWH (above Hourly Commitment)	40,101	41,691	29,704	111,496
Total Delivered MWH	119,437	124,671	105,453	349,561
Make Up Delivered \$				

6
7
8
9

Figure 4 – 2023 Q2 Supplemental Block Energy

Supplemental 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)	0	0	0	0
Total Delivered MWH	0	0	0	0
Make Up Delivered \$				

10
11
12
13

Figure 5 – 2023 Q2 Additional Energy including Bilateral

Additional Energy	Apr	May	Jun	Total
MWh of Additional Energy	50,622	57,672	44,524	152,818

14

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Appendix C

2023 Undelivered Energy and Replacement Cost⁵

Figure 6 – 2023 Q2 Undelivered Energy and Replacement Costs (Excluding Cost of Make Up Energy)⁶ and Value of Make Up Energy Received

	Beginning of Period 1-Apr-23	End of Period 30-Jun-23
Total Base Block Undelivered (MWH)	712,691	720,399
Total Supplemental Block Undelivered (MWH)	202,886	202,886
Total Undelivered (MWH)	915,577	923,285
Replacement Cost of Undelivered Base Block Energy (\$)		
Replacement Cost of Undelivered Supplemental Energy Remaining (\$)		
Replacement Cost of Undelivered Energy (\$)		

⁵ [REDACTED]

⁶ Starting in Q1 2022 Make Up energy is not deducted from the undelivered energy.

⁷ A small adjustment has been made to Replacement Cost of Undelivered Base Block Energy that was reported in the Q1 2023 report as follows: End of Period of Q1 2023 also the beginning of Q2 2023 was \$ [REDACTED] which has been corrected to \$ [REDACTED].