

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

Q3

NS Power

December 11, 2023

REDACTED

**2023 Maritime Link Benefits Report Q3
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TABLE OF CONTENTS

1.0 Introduction..... 3
2.0 Q3 2023 Maritime Link Benefits..... 5
 2.1 Additional Commentary..... 5

TABLE OF APPENDICES

APPENDIX A – Q3 2023 BENEFITS

APPENDIX B – Q3 2023 ENERGY DELIVERED

APPENDIX C – Q3 2023 UNDELIVERED ENERGY AND REPLACEMENT COST

2023 Maritime Link Benefits Report Q3
Redacted

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.

**2023 Maritime Link Benefits Report Q3
Redacted**

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 July 1, 2023 to September 30, 2023 and contains the items directed by the NSUARB
6 applicable to NS Power.
7

8 In summary, NS Power confirms that from July 1, 2023 to September 30, 2023 inclusive, 484,609
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 Q3,
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.

**2023 Maritime Link Benefits Report Q3
Redacted**

1 **2.0 Q3, 2023 MARITIME LINK BENEFITS**

2
3 For the period from July 1, 2023 to September 30, 2023 inclusive, NS Power received from Nalcor
4 a total of 484,609 MWh of energy.

5
6 **2.1 Additional Commentary**

7
8 NS Power transacted from Nalcor 166,547 MWh of energy in July 2023, 207,890 MWh of energy
9 in August 2023, and 110,172 MWh of energy in September 2023.

10
11 No emergency energy was delivered in Q3, 2023.

12
13 Sales of wheel-through transmission from Bottom Brook, Newfoundland to New Brunswick-
14 Nova Scotia Interface were [REDACTED] in July 2023, [REDACTED] in August 2023 and [REDACTED] in
15 September 2023.

16
17 The amount of energy delivered over the Maritime Link in the Report period, broken out by Base
18 Block energy, Supplemental energy, Make Up energy and Additional energy, is provided in
19 Partially Confidential Appendix B.

20
21 The total amount of under-delivered energy (excluding any Make Up energy) at the beginning of
22 the Report period was 923,285 MWh. This was offset by Make Up energy resulting in the total
23 amount of outstanding energy at the beginning of the period of 545,717 MWh. The total amount
24 of under delivered energy (excluding any Make Up energy) at the end of the Report period was
25 966,225 MWh. This was offset by Make Up energy resulting in the total amount of outstanding
26 energy by the end of the reporting period of 458,748 MWh. A detailed accounting of all
27 outstanding energy, including the replacement value of under delivered energy and the value of
28 Make Up energy received, is provided in Partially Confidential Appendix C.

**2023 Maritime Link Benefits Report Q3
Redacted**

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.

**2023 Maritime Link Benefits Report Q3
Redacted**

1

Appendix A

2

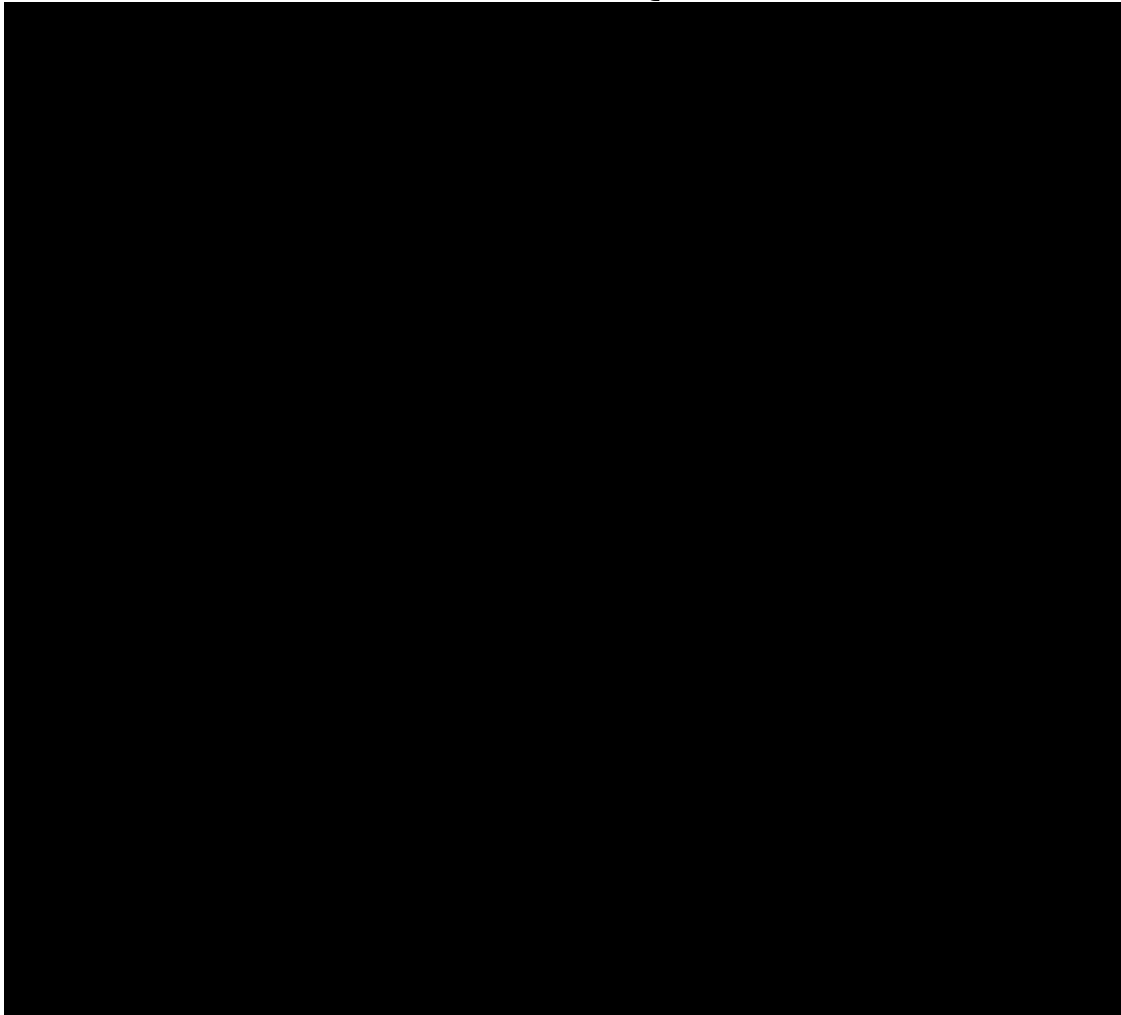
2023 Benefits to End of Q3

3

Figure 1 – 2023 Q3 & Total 2023 Benefits

Q3

2023 Total



4

5

⁴ Includes bi-lateral and surplus energy. Note, a small correction of 144 MWh was made to June 2023 data, which occurred because of a data entry error. Also note, emergency energy is not assigned a benefit value and is not included here. However, emergency MWhs are included in Figure 5 – Additional Energy.

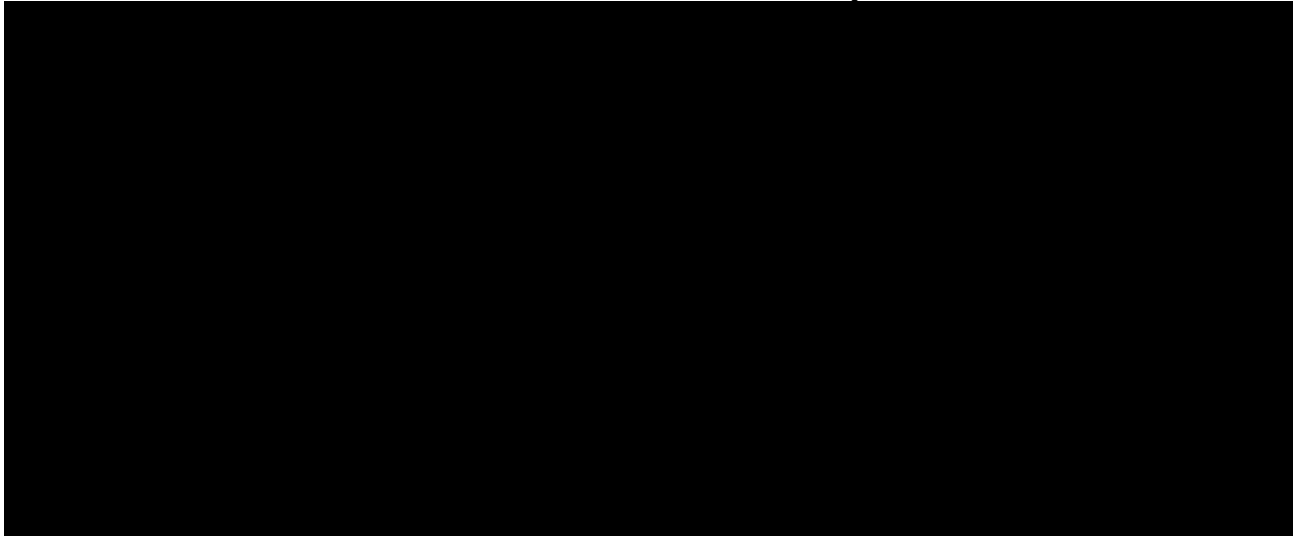
⁵ Gross Benefit prior to Maritime Link Assessment costs which are recovered from customers through the FAM.

**2023 Maritime Link Benefits Report Q3
Redacted**

1 **Figure 2 – 2023 Q3 & Total 2023 Benefits**

Q3

2023 Total



⁶ Includes bi-lateral energy. Note that in the 2023 Q2 report, bi-lateral energy was inadvertently entered in line 3 – Additional Energy Transactions with Nalcor.

⁷ Includes surplus energy. Note, emergency energy is not assigned a benefit value and is not included here. However, emergency energy MWhs are included in Figure 5 - Additional Energy.

**2023 Maritime Link Benefits Report Q3
Redacted**

Appendix B

2023 Q3 Energy Delivered

Figure 3 – 2023 Q3 Base Block Energy

Base Block Energy	Jul	Aug	Sep	Total
2013 Application Commitment	83,725	83,725	81,024	248,474
Delivered MWH (up to Hourly Commitment)	68,493	83,248	53,793	205,533
Make Up MWH (above Hourly Commitment)	46,780	62,215	20,915	129,909
Total Delivered MWH (Gross Generation)	115,272	145,462	74,708	335,442
Make Up Delivered \$				

Figure 4 – 2023 Q3 Supplemental Block Energy

Supplemental Energy	Jul	Aug	Sep	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 (Gross Generation)	0	0	0	0
Make Up Delivered \$				

Figure 5 – 2023 Q3 Additional Energy⁸

Additional Energy	Jul	Aug	Sep	Total
MWh of Additional Energy	51,275	62,428	35,464	149,167

⁸ Includes bi-lateral, surplus, and emergency energy.

2023 Maritime Link Benefits Report Q3
Redacted

Appendix C

2023 Undelivered Energy and Replacement Cost⁹

Figure 6 – 2023 Q3 Undelivered Energy and Replacement Costs (Excluding Cost of Make Up Energy)¹⁰ and Value of Make Up Energy Received

	Beginning of Period 1-Jul-23	End of Period 30-Sep-23
Total Base Block Undelivered (MWH)	720,399	763,340
Total Supplemental Block Undelivered (MWH)	202,886	202,886
Total Undelivered (MWH)	923,285	966,225
Replacement Cost of Undelivered Base Block Energy (\$)		
Replacement Cost of Undelivered Supplemental Energy Remaining (\$)		
Replacement Cost of Undelivered Energy (\$)		

⁹ [REDACTED]

¹⁰ Starting in Q1 2022 Make Up energy is not deducted from the undelivered energy.