

# 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

Q4

NS Power

March 5, 2024

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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.<sup>1</sup>  
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

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<sup>1</sup> 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.<sup>2</sup>  
3

4     In accordance with the NSUARB's direction, this Report covers the benefits received for the  
5     period from October 1, 2023 to December 31, 2023 and contains the items directed by the  
6     NSUARB applicable to NS Power.  
7

8     In summary, NS Power confirms that from October 1, 2023 to December 31, 2023 inclusive,  
9     620,223 MWh of energy was supplied to NS Power over the Maritime Link. NS Power has  
10    determined that the Company achieved a total of \$ [REDACTED] in quantified benefits for customers  
11    in Q4, 2023, and \$210,696,278 in quantified benefits for the full year, associated with the  
12    Maritime Link. The specific details with respect to the quantifiable benefits achieved are provided  
13    in Confidential Appendix A.

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<sup>2</sup> 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 Q4, 2023 MARITIME LINK BENEFITS**

2  
3 For the period from October 1, 2023 to December 31, 2023 inclusive, NS Power received from  
4 Nalcor a total of 620,223 MWh of energy. For the full year 2023 NS Power received from Nalcor  
5 a total of 1,939,140 MWh of energy compared to 1,119,325 MWh in 2022, an increase of 819,815  
6 MWh.

7  
8 **2.1 Additional Commentary**

9  
10 NS Power transacted from Nalcor 229,432 MWh of energy in October 2023, 192,524 MWh of  
11 energy in November 2023, and 198,267 MWh of energy in December 2023.

12  
13 Additional benefit was realized through the import of emergency energy over the Maritime Link.  
14 On December 6, 2023, emergency energy was imported over the Maritime Link, supplying a total  
15 of 45 MWh to the Nova Scotia system. The import over the Maritime Link provided additional  
16 energy to support reliable supply to customers and load/generation balance during this period.

17  
18 Sales of wheel-through transmission from Bottom Brook, Newfoundland to New Brunswick-  
19 Nova Scotia Interface were [REDACTED] in October 2023, [REDACTED] in November 2023 and [REDACTED] in  
20 December 2023.

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

25  
26 The total amount of under-delivered energy (excluding any Make Up energy) at the beginning of  
27 the Report period was 966,225 MWh. This was offset by Make Up energy resulting in the total  
28 amount of outstanding energy at the beginning of the period of 458,748 MWh. The total amount  
29 of under delivered energy (excluding any Make Up energy) at the end of the Report period was  
30 970,343 MWh. This was offset by Make Up energy resulting in the total amount of outstanding

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1 energy by the end of the reporting period of 258,349 MWh. A detailed accounting of all  
2 outstanding energy, including the replacement value of under delivered energy, is provided in  
3 Partially Confidential Appendix C.

4

5 As reported in NS Power's 2022 10-Year System Outlook Report,<sup>3</sup> Lingan Unit 2 will be laid up  
6 and not made available for economic dispatch. The unit will be placed into cold reserve and  
7 available to be recalled on 2 weeks' notice. Due to near-term capacity shortfalls, including the  
8 Life Extension and Modernization project at the Wreck Cove Generating Station, Lingan Unit 2  
9 will be available, if needed, to provide firm capacity and maintain an adequate Planning Reserve  
10 Margin for the 2023/2024 season. On February 8, 2024 the NSUARB approved capital spending  
11 of \$2,512,341(M11322) for work associated with the Winter Capacity Requirement for Lingan  
12 Unit 2 to provide firm capacity for the 2022/2023 fall and winter period.

13

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<sup>3</sup> M10653 - 2022 10-Year System Outlook Report, Section 3.2.4.



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1 **Figure 2 – 2023 Q4 & Total 2023 Benefits**

	Q4	2023 Total
		\$210,696,278

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<sup>6</sup> Includes bi-lateral energy.

<sup>7</sup> 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.



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**Appendix B**

**2023 Q4 Energy Delivered**

**Figure 3 – 2023 Q4 Base Block Energy**

<b>Base Block Energy</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
2013 Application Commitment	83,725	81,024	83,725	248,474
Delivered MWH (up to Hourly Commitment)	83,725	81,024	80,942	245,690
Make Up MWH (above Hourly Commitment)	71,416	43,922	51,386	166,725
Total Delivered MWH (Gross Generation)	155,141	124,946	132,328	412,415
Make Up Delivered \$				

**Figure 4 – 2023 Q4 Supplemental Block Energy**

<b>Supplemental Energy</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
2013 Application Commitment	0	47,712	49,302	97,014
Delivered MWH (up to Hourly Commitment)	0	47,623	48,057	95,680
Make Up MWH (above Hourly Commitment)	0	19,955	17,837	37,792
Total Delivered MWH (Gross Generation)	0	67,578	65,894	133,472
Make Up Delivered \$				

**Figure 5 – 2023 Q4 Additional Energy<sup>8</sup>**

<b>Additional Energy</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
MWh of Additional Energy	74,291	0	45	74,336

<sup>8</sup> Includes bi-lateral, surplus, and emergency energy.

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Appendix C

2023 Undelivered Energy and Replacement Cost<sup>9</sup>

Figure 6 – 2023 Q4 Undelivered Energy and Replacement Costs (Excluding Cost of Make Up Energy)<sup>10</sup>

	Beginning of Period 1-Oct-23	End of Period 31-Dec-23
Total Base Block Undelivered (MWH)	763,340	766,123
Total Supplemental Block Undelivered (MWH)	202,886	204,220
<b>Total Undelivered (MWH)</b>	<b>966,225</b>	<b>970,343</b>
Replacement Cost of Undelivered Base Block Energy (\$)		
Replacement Cost of Undelivered Supplemental Energy Remaining (\$)		
<b>Replacement Cost of Undelivered Energy (\$)</b>		

<sup>9</sup> [REDACTED]

<sup>10</sup> Starting in Q1 2022 Make Up energy is not deducted from the undelivered energy.