

Nova Scotia Utility and Review Board

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

2024 Maritime Link Benefits Report

Q1

NS Power

May 21, 2024 Refile

REDACTED

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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 January 1, 2024 to March 31, 2024 and contains the items directed by the NSUARB
6 applicable to NS Power.

7
8 In summary, NS Power confirms that from January 1, 2024 to March 31, 2024 inclusive, 539,071
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 Q1,
11 2024, 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 Q1, 2024 MARITIME LINK BENEFITS**

2
3 For the period from January 1, 2024 to March 31, 2024 inclusive, NS Power received from Nalcor
4 a total of 539,071 MWh of energy.

5
6 **2.1 Additional Commentary**

7
8 NS Power transacted from Nalcor 160,877 MWh of energy in January 2024, 186,723 MWh of
9 energy in February 2024, and 191,471 MWh of energy in March 2024.

10
11 Additional benefit was realized through the import of emergency energy over the Maritime Link.
12 On January 20, 2024, emergency energy was imported over the Maritime Link, supplying a total
13 of 124 MWh to the Nova Scotia system. The import over the Maritime Link provided additional
14 energy to support reliable supply to customers and load/generation balance during this period.

15
16 Sales of wheel-through transmission from Bottom Brook, Newfoundland to New Brunswick-
17 Nova Scotia Interface were [REDACTED] in January 2024, [REDACTED] in February 2024 and [REDACTED] in March
18 2024.

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 970,343 MWh. This was offset by Make Up energy resulting in the total
26 amount of outstanding energy at the beginning of the period of 258,349 MWh. The total amount
27 of under delivered energy (excluding any Make Up energy) at the end of the Report period was
28 990,135 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 110,225 MWh. A detailed accounting of all

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1 outstanding energy, including the replacement value of under delivered energy, is provided in
2 Partially Confidential Appendix C.

3
4 As reported in NS Power's 2023 10-Year System Outlook Report,³ effective August 15, 2022,
5 Lingan Unit 2 was laid up and not made available for economic dispatch. The unit was placed
6 into cold reserve and available to be recalled on 2 weeks' notice. Due to near-term capacity
7 shortfalls, including the Life Extension and Modernization project at the Wreck Cove Generating
8 Station, Lingan Unit 2 will be available, if needed, to provide firm capacity and maintain an
9 adequate Planning Reserve Margin for the 2023/2024 season. On May 13, 2024, NS Power filed
10 the capital application for C0059283 – LIN2 2023/2024 Winter Capacity Requirement to support
11 safe operations and provide firm capacity through the fall and winter of 2023 into 2024 totaling
12 \$1,661,834 capital spending.

³ M11221 - 2023 10-Year System Outlook Report, Section 3.2.3.

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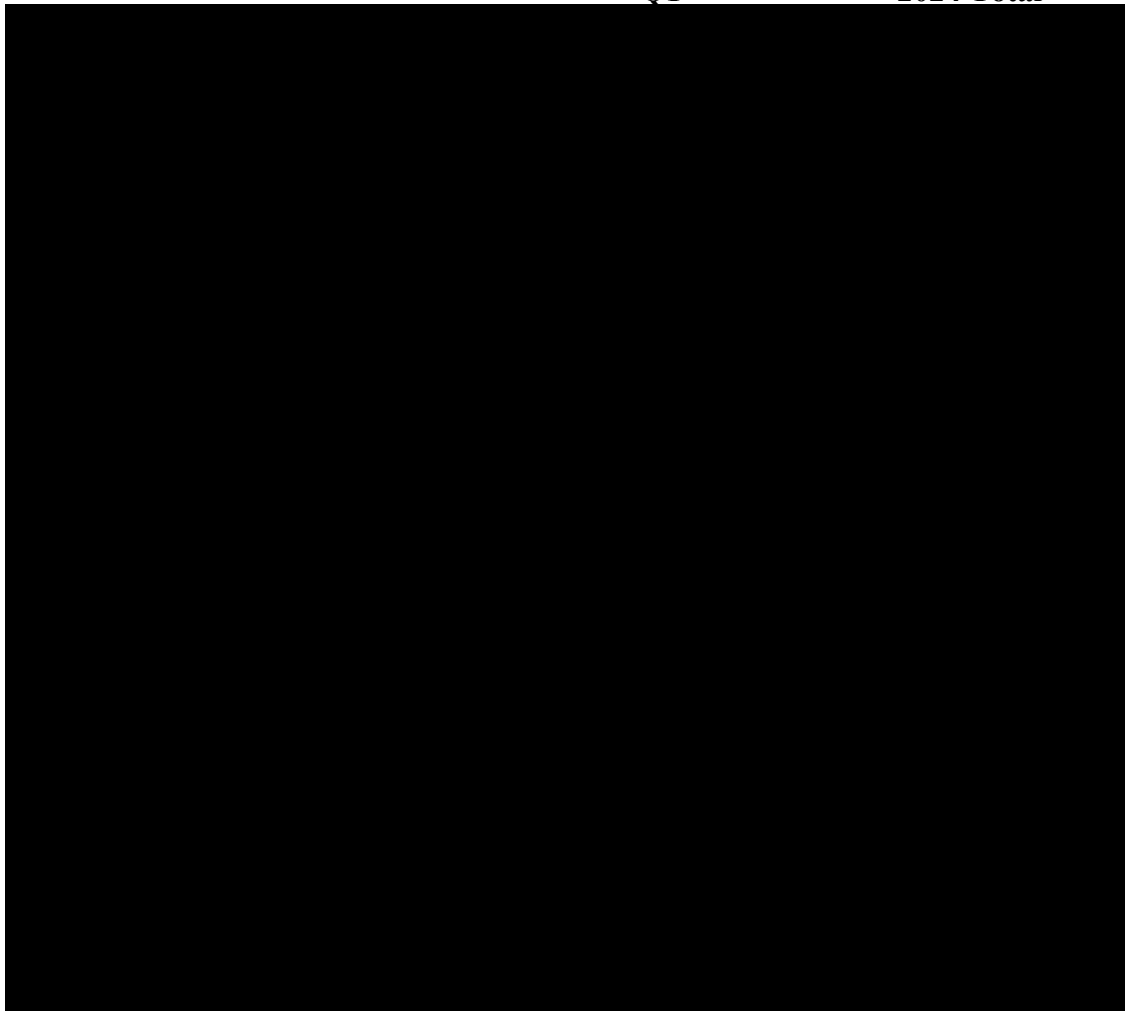
1 **Appendix A**

2 **2024 Benefits to End of Q1**

3 **Figure 1 – 2024 Q1 & Total 2024 Benefits**

Q1

2024 Total



4

⁴ Includes bi-lateral and surplus energy. Emergency energy is not assigned a benefit value and is not included here. However, emergency MWhs are included in Figure 5 – Additional Energy.

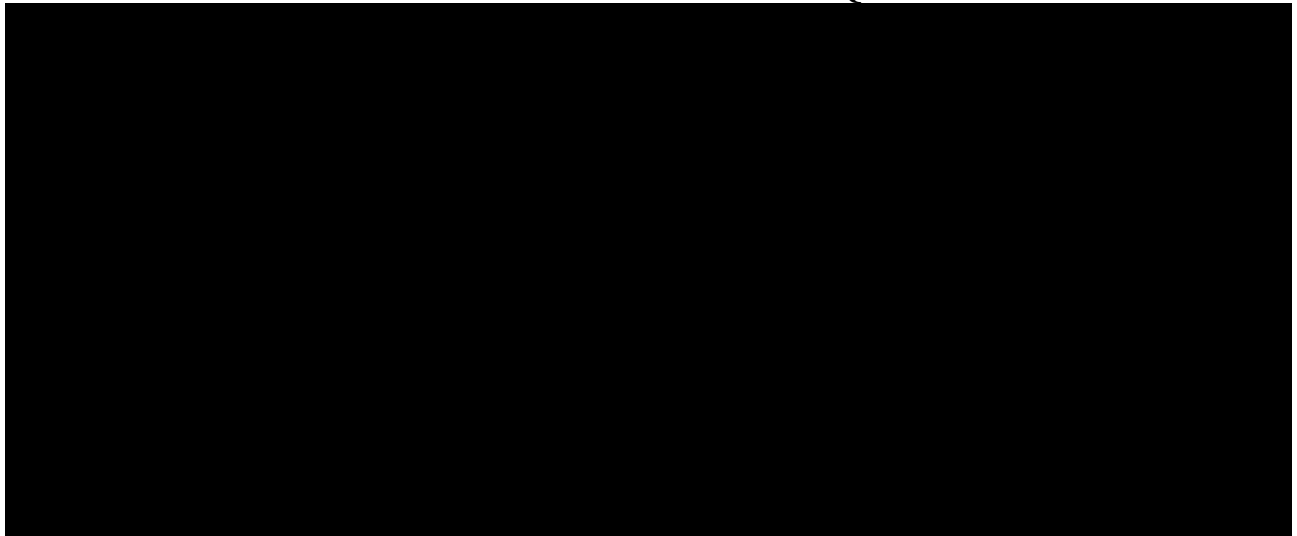
⁵ Gross Benefit prior to Maritime Link Assessment costs which are recovered from customers through the FAM.

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1 **Figure 2 – 2024 Q1 & Total 2024 Benefits**

Q1

2024 Total



⁶ Includes bi-lateral energy.

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.

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Appendix B

2024 Q1 Energy Delivered

Figure 3 – 2024 Q1 Base Block Energy

Base Block Energy	Jan	Feb	Mar	Total
2013 Application Commitment	83,526	78,138	83,526	245,190
Delivered MWH (up to Hourly Commitment)	83,526	76,454	70,890	230,870
Make Up MWH (above Hourly Commitment)	15,015	45,006	52,048	112,068
Total Delivered MWH (Gross Generation)	98,541	121,459	122,938	342,938
Make Up Delivered \$				

Figure 4 – 2024 Q1 Supplemental Block Energy

Supplemental Energy	Jan	Feb	Mar	Total
2013 Application Commitment	49,302	46,122	49,302	144,726
Delivered MWH (up to Hourly Commitment)	48,943	45,426	44,884	139,254
Make Up MWH (above Hourly Commitment)	13,269	19,838	22,743	55,849
Total Delivered MWH (Gross Generation)	62,212	65,264	67,627	195,103
Make Up Delivered \$				

Figure 5 – 2024 Q1 Additional Energy⁸

Additional Energy	Jan	Feb	Mar	Total
MWh of Additional Energy	124	0	906	1,030

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

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Appendix C

2024 Undelivered Energy and Replacement Cost⁹

Figure 6 – 2024 Q1 Undelivered Energy and Replacement Costs (Excluding Cost of Make Up Energy)¹⁰

	Beginning of Period 1-Jan-24	End of Period 31-Mar-24
Total Base Block Undelivered (MWH)	766,123	780,443
Total Supplemental Block Undelivered (MWH)	204,220	209,693
Total Undelivered (MWH)	970,343	990,135
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.