

# **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**

**Q2**

NS Power

August 13, 2024

**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.<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.

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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           6.     Report on any forced outages experienced on the assets extending from  
2                   MFGS to Woodbine.

3           7.     Report on wheel-through energy between Newfoundland and New  
4                   Brunswick, along with the associated OATT revenues.<sup>2</sup>  
5

6     In accordance with the NSUARB’s direction, this report covers the benefits received for the  
7     period from April 1, 2024 to June 30, 2024 and contains the items directed by the NSUARB  
8     applicable to NS Power.  
9

10    In summary, NS Power confirms that from April 1, 2024 to June 30, 2024 inclusive, 543,089  
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 \$ [REDACTED] in quantified benefits for customers in Q2 2024  
13    associated with the Maritime Link. The specific details with respect to the quantifiable benefits  
14    achieved are provided 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 Q2, 2024 MARITIME LINK BENEFITS**

2  
3 For the period from April 1, 2024 to June 30, 2024 inclusive, NS Power received a total of 543,089  
4 MWh of energy from Nalcor.

5  
6 **2.1 Additional Commentary**

7  
8 NS Power transacted from Nalcor 127,905 MWh of energy in April 2024, 166,502 MWh of  
9 energy in May 2024, and 248,683 MWh of energy in June 2024.

10  
11 Additional benefit was realized through the import of emergency energy over the Maritime Link.  
12 On April 10, 2024, emergency energy was imported over the Maritime Link, supplying a total of  
13 58 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 April 2024, [REDACTED] in May 2024 and [REDACTED] in June 2024.

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

22  
23 The remaining balance of under-delivered energy (including the impact of Make Up energy) at  
24 the beginning of the Report period was 110,225 MWh, which decreased to 7,576 MWh by the  
25 end of the period and is primarily relating to Supplemental Block energy that will be redelivered  
26 in November 2024. A detailed accounting of all outstanding energy, including the replacement  
27 value of under delivered energy, is provided in Partially Confidential Appendix C.

28  
29 As of June 22, 2024, the gross undelivered Base Block energy net of makeup energy reached  
30 zero. NS Power and NLH agree that there is no remaining Base Block volume outstanding. A

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1 small amount of undelivered Supplemental energy is outstanding and NS Power plans to receive  
2 the last of the remaining Supplemental makeup energy in November 2024.

3  
4 As reported in NS Power's 2023 10-Year System Outlook Report,<sup>3</sup> 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. On June 28, 2024, the NSUARB approved the full amount of capital  
13 spending, in addition to operating expenses from 2022 until the end of 2024. From the beginning  
14 of 2022 until the end of Q1 2024 operating expenses related to Lingan 2 totaled \$941,212. In Q2  
15 2024 Lingan 2 operating expenses were estimated at \$75,000.

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<sup>3</sup> M11221 - 2023 10-Year System Outlook Report, Section 3.2.3.

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**Appendix A  
2024 Benefits to End of Q2**

**Figure 1 – 2024 Q2 & Total 2024 Benefits**



5

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<sup>4</sup> 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.

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

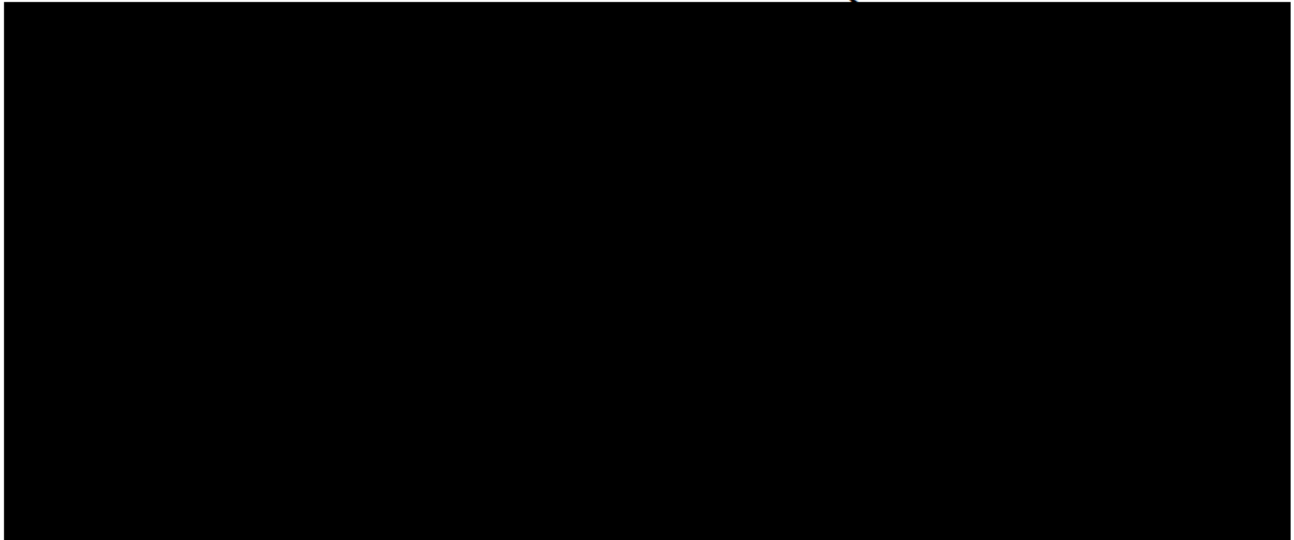
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1 **Figure 2 – 2024 Q2 & Total 2024 Benefits**

**Q2**

**2024 Total**



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<sup>6</sup> Includes bilateral energy.

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



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Appendix B

2024 Q2 Energy Delivered

Figure 3 – 2024 Q2 Base Block Energy

Base Block Energy	Apr	May	Jun	Total
2013 Application Commitment	80,832	83,526	80,832	245,190
Delivered MWh (up to Hourly Commitment)	48,308	51,619	80,172	180,100
Make Up MWh (above Hourly Commitment)	36,310	58,405	73,025	167,740
Total Delivered MWh	84,619	110,024	153,197	347,840
Make Up Delivered \$				

Figure 4 – 2024 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 \$				

Figure 5 – 2024 Q2 Additional Energy<sup>8</sup>

Additional Energy	Apr	May	Jun	Total
MWh of Additional Energy	43,286	56,478	95,486	195,250

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

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Appendix C

2024 Undelivered Energy and Replacement Cost<sup>9</sup>

Figure 6 – 2024 Q2 Undelivered Energy and Replacement Costs (Excluding Cost of Make Up Energy).<sup>10</sup>

	Beginning of Period 1-Apr-24	End of Period 30-Jun-24
Total Base Block Undelivered (MWh)	780,443	845,533
Total Supplemental Block Undelivered (MWh)	209,693	209,693
<b>Total Undelivered (MWh)</b>	<b>990,135</b>	<b>1,055,226</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.

<sup>11</sup> Adjustments were made in Q2 2024 to the currency exchange and transmission losses assumptions used in the calculation of Replacement Cost of Undelivered Energy. The running total figures for Q2 2024 incorporate these calculation adjustments from previous quarters.