



## Interrogatories of Commission Staff

**TO:** Maritime Electric Company, Limited

**FROM:** Cheryl Bradley

**DATE:** April 9, 2026

**RE:** Energy Cost Adjustment Mechanism Rate Adjustment

**DOCKET:** UE20606

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The Island Regulatory and Appeals Commission (the “Commission”), in assessing the reasonableness of the Application requesting Approval for an Energy Cost Adjustment Mechanism Rate Adjustment (the “Application”), submitted by Maritime Electric Company, Limited (“Maritime Electric” or “MECL”), requests responses to the following interrogatories:

### Background

1. There are a number of tables and costs that have potential overlap of information. It was not always clear in the Application in which area certain costs were included. Provide a spreadsheet, broken down monthly, that details the units of measurement, unit costs, and total costs of each of the components included in the ECAM calculation for the 2023-2025 period.

### Section 5.1 Introduction

2. Page 13, footnote 8 of the Application indicates the actual values were used for January to September 2025, and forecast values were used for October to December 2025.
  - a. Provide a comparison of forecast verses actual results for October to December, including both:
    - i. The forecast values used in the Application; and
    - ii. The corresponding actual results.
  - b. Quantify and explain any material variances between forecast and actual results.
  - c. Confirm whether any variances would have a material impact on the ECAM balance.

### Section 5.2 Point Lepreau Costs

3. Provide a copy of the Point Lepreau Participation Agreement.

4. Provide details on the work that was completed at Point Lepreau during the 2023-2025 outages. If Maritime Electric has information on additional breakdown or explanation of capital and depreciation charges, please provide.
5. How was the capacity that is normally provided by Point Lepreau procured during the 2023-2025 Point Lepreau outages? Is the cost of this capacity reflected in this Application, and if so, where?
6. Provide summary details of correspondence, meetings, and meeting note summaries if available, on interactions between MECL and NB Power representatives regarding the outage details, schedules, and procurement of replacement energy for the 2023-2025 period.
7. Has Maritime Electric received a detailed outage and maintenance schedule for the 2026-2030 period or partial period there of? If yes, please provide a copy.
  - a. Does Maritime Electric believe that Point Lepreau will remain an economic source of energy and capacity?
  - b. Has Maritime Electric entertained other energy and capacity supplies to replace the Point Lepreau source?

### Section 5.3 – Wind Energy Costs and Section 5.5 EPA Ratchet Costs

8. As per the Application, page 18, lines 19-22 state "*As a result of the delays and maintenance issues, the Company was required to purchase additional energy through the EPA, often at a premium, to replace the energy the new wind farms were expected to supply.*"
  - a. Provide a further breakdown of Table 8, separating the costs attributable to maintenance issues from the costs attributable to wind farm delays.
  - b. Is there any provision in the energy purchase agreement with the PEI Energy Corporation that may allow Maritime Electric to recover some or all of these costs? If yes, please provide full details. If no, please explain why not.
9. Please confirm whether Maritime Electric has sought recovery of the additional energy purchase costs incurred under the EPA as a result of delays in generation expected from new wind farms from the Provincial Government or the PEI Energy Corporation. If so, provide full particulars, including any discussions, correspondence, or formal requests made. If not, please explain why not.
10. As per the Application, page 22, lines 2-5 state "*Such assumptions include the forecast growth in energy sales to customers, lower generation from existing wind farms, the expected in-service date of proposed new wind farms, and the addition of the Slemon Park solar micro grid.*"

And per page 23, lines 1-4 state "*In 2025 ... the majority of the wind replacement costs associated with the delayed 40MW wind farm, which was expected to be in-service in 2024, had to be purchased at a premium outside of the EPA. Therefore, the majority of the incremental energy purchases were excluded from the ratchet calculation.*"

- a. Break out, for the period 2023-2025, how the annual purchase costs of replacement wind and Slemon Park solar energy can be attributed to GRA Forecast, Ratchet, and Outside EPA purchases.

- i. Quantify the impact on energy purchase costs that differences between forecast and actual load impact had.

#### Section 5.4 Net Metering Costs

11. The Application indicates that net metering costs have increased significantly from 2023 to 2025.
  - a. Provide a clear description of how the net metering program operates, including how participating customers are credited for energy exported to the grid.
  - b. The Application indicates that net metering customers are credited at retail rates for energy exported to the grid, while Maritime Electric avoids only the cost of purchasing energy from other sources (i.e., the avoided cost). Please quantify the difference between the retail rate paid to net metering customers and the avoided cost of energy. Explain how this difference contributes to the net metering costs included in the ECAM balance.
  - c. Explain how net metering costs are recovered, including which customers bear these costs.
  - d. Explain whether customers who do not participate in net metering pay any portion of these costs. If so, please explain how and provide an estimate of the impact.
  - e. Provide the number of net metering customers and total installed capacity for each of 2023, 2024, and 2025, and explain the primary drivers behind the increase in net metering costs over this period.
12. MECL states at page 21, lines 13 to 17 of the Application, that it is appropriate to defer net metering program costs to the ECAM.
  - a. Explain why this is appropriate.
  - b. Explain how the deferral of net metering costs to the ECAM is consistent with MECL's approved General Rules and Regulations and Order UE21-05.
13. MECL is not recovering its full costs of the Net Metering Program from net metering customers. This under-recovery is due, at least in part, to the provisions of the *Renewable Energy Act*. MECL is now seeking to recover its full costs of the Net Metering Program from all ratepayers through the ECAM.
  - a. Please explain how this is consistent with the *Electric Power Act*, which requires that the "*rates, tolls and charges for electric power should be reasonable, publicly justifiable, and non-discriminatory*".
  - b. Please indicate whether MECL has engaged with the Province regarding the recovery of Net Metering Program costs arising from the Renewable Energy Act. If so, please describe the nature and timing of those discussions, and any outcomes or proposed policy solutions.
14. Provide a breakdown, by year, of how the figures in the 'Actual' column of Table 9 of a) 'Net Metering Costs', and b) 'Avoided Cost of Energy Required to be Purchased from Other Sources', were calculated.
15. Per the Application, Table 9 in the 2020 Maritime Electric Integrated System Plan assumes an avoided energy charge of 8 cents per kWh and a total residential cost of approximately 14 cents per kWh, suggesting the avoided energy charge of 8 cents per kWh was approximately 57 per cent of the per unit net metering cost. Table 9 in this Application provides a total avoided cost of energy in 2025 of \$1,843,588, compared to a total Net

Metering Cost of \$7,293,056, suggesting that avoided energy costs were 25 per cent of total net metering costs.

- a. Explain how the Net Metering Cost in 2025 was calculated.
  - i. If there is a difference in the ratio between Avoided Cost of Energy the total net metering costs between the 2020 Integrated System Plan and Table 9, 2025 values, please explain.

### Section 5.6 Capacity Costs

16. Provide a further breakdown of the capacity costs in Table 11 to differentiate the impact on incremental capacity due to: a) shortfalls in Actual capacity due to higher than expected load growth; b) replacement capacity for Point Lepreau when it was out of service, if applicable; and c) replacement capacity for the delayed wind facilities.
17. Did Maritime Electric procure replacement or incremental capacity at prices stipulated in the EPA?

### Section 5.7 Non-Spinning Reserve Costs

18. Detail the source of each of Maritime Electric's ancillary services that was procured during the 2023 polar vortex event. Include a breakdown by asset if provided by Maritime Electric's available assets.
19. Explain why Maritime Electric spent \$460,552, per Table 12, on Non-Spinning Reserve for a three day polar vortex event.

### Section 5.8 Imbalance Costs

20. Provide a more detailed explanation of the three categories of imbalance costs, including practical examples of how each cost is incurred.

### Section 5.9 Energy Sales to Third Parties

21. Maritime Electric states that third party sales are generally recovered from the purchasing party at cost plus a markup.
  - a. Provide a detailed breakdown of the Energy Sales to Third Parties shown in Table 14 for each of 2023, 2024, 2025. Include the name of the purchasing party, the amount purchased, Maritime Electric's generation costs, and the markup.

### Section 5.11 Generating Costs

22. Explain the term "Replacement Cost of Energy Generation Produced Below GRA Forecast" in Table 16.
  - a. Is this not the same as additional energy procured through the EPA? If so, why has it been included here instead of in Table 18?
23. Explain the term "Avoided Cost of Energy Generation Produced Above GRA Forecast".

### Section 7 – Proposed ECAM Rate Adjustment

24. The Application indicates that Maritime Electric is seeking to recover approximately \$32 million from customers over a 12-month period. MECL states that collecting these costs over this timeframe would help manage customer rate impacts.

- a. Please provide a detailed explanation supporting the proposed 12-month recovery period, including why this approach is reasonable and in the interests of ratepayers.
  - b. Please provide a comparison of customer bill impacts if the balance were recovered over:
    - i. 24 months; and
    - ii. 36 months.
25. In Order UE19-08, the Commission expressed concerns about the growing balance of the ECAM account, MECL's ability to earn a return on the ECAM balance, and the disincentive to minimize costs for ratepayers.
- a. What steps has MECL taken to minimize the cost of purchased and produced electricity, and the ECAM balance generally, for ratepayers?
  - b. Calculate the return, in dollars, that MECL has earned on the balance of the ECAM account in 2023, 2024 and 2025, as well as the forecast return in 2026 and 2027.
26. Is the Application consistent with MECL's approved General Rules and Regulations and previous Commission Orders including, but not limited to, Order UE21-05?
27. The ECAM balance has accumulated over multiple years. Please explain why recovery over a shorter 12-month period is appropriate in this context, and why it is preferred over longer recovery periods, including consideration of rate stability and customer impacts.
28. The Application states that the forecast for energy sales is based on a methodology consistent with Maritime Electric's previous General Rate Application ("GRA") and was reviewed by Grant Thornton in 2020.
- a. Please confirm whether there have been any changes to the load forecasting methodology since the previous GRA. If so, please describe those changes.
  - b. Please confirm whether the assumptions underlying the load forecast (including, but not limited to, customer growth, electrification, and demand patterns) have been updated since the previous GRA. If so, please describe those updates.
  - c. Please explain whether the October 2025 load forecast incorporates the most recent available data and trends, including actual customer usage and recent system developments.

**The Commission requires responses to these interrogatories no later than 4:00 p.m. on April 24, 2026. Responses received after this date may result in delays in the Commission's reply.**

**Additional interrogatories may follow.**



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