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Interrogatories of Commission Staff

TO: Prince Edward Island Energy Corporation

FROM: Cheryl Bradley, Director of Finance & Regulatory Affairs

DATE: February 13, 2026

RE: On-Island Capacity for Security of Supply Project

DOCKET: UE20742

The Island Regulatory and Appeals Commission (the "Commission"), in assessing the Application by Maritime Electric Company, Limited ("Maritime Electric" or "MECL") for approval of the On-Island Capacity for Security of Supply Project (the "Application"), requests responses to the following interrogatories from the Prince Edward Island Energy Corporation ("PEIEC"):

1. Does PEIEC intend to file the Doane Grant Thornton report as part of the evidentiary record in this proceeding?

2. Please describe PEIEC's position on the role of the Province and provincial entities in supporting system capacity and grid infrastructure.

3. The Doane Grant Thornton report (if relied upon by PEIEC) recommends that given the scale of anticipated capital expenditures, a combination of private, public, and alternative capital sources may be required to mitigate rate impacts.

    a. Please state whether PEIEC agrees with this recommendation and explain why or why not;

    b. Identify any specific capital structures, financing mechanisms, or ownerships models PEIEC believes should be considered; and

    c. Explain how such approaches could affect ratepayer risk, cost of capital, and overall electricity rates.

4. The Doane Grant Thorton report further suggests that lower-cost capital should be accessed where possible, including by leveraging provincial borrowing capacity and cost of capital advantages. Please state PEIEC's position on this recommendation.

5. Please advise whether PEIEC relies on the PEI Energy Strategy in forming its views on the On-Island Capacity Application and, if so, identify the specific objectives or elements of the Strategy relied upon and explain how they inform PEIEC's position.

6. PEI has legislated economy-wide greenhouse gas emissions targets under the *Net-Zero Carbon Act*, including a requirement to achieve net-zero emissions by 2040.

    a. Please describe PEIEC's views on whether the proposed combustion turbine facilities, if approved, would reasonably align with these legislated emissions targets over their expected useful life.

    b. In forming its views, has PEIEC considered the risk that the proposed assets could become **stranded or partially stranded**, including becoming underutilized, constrained, or subject to early retirement before the end of their expected useful life, **in light of legislated greenhouse gas emissions targets and related policy initiatives**? Please explain.

7. The PEI Energy Strategy contemplates a transition toward a lower-emissions electricity system over time.

    a. Please identify any evidence relied upon by PEIEC that demonstrates whether the proposed combustion turbine facilities could reasonably operate within, be adapted to, or transition in a manner consistent with the type of electricity system contemplated by the Strategy, including any assumed transition pathways.

8. Section 17.1 of the *Electric Power Act* allows the Government of Prince Edward Island to purchase new generating equipment or additional capacity. As a result, if this Application is approved, the Government may direct PEIEC to purchase the new generating equipment or additional capacity and require MECL to lease (rather than own) the assets.

    a. Please describe the circumstances under which PEIEC believes provincial acquisition or ownership of generation facilities may be an appropriate option to support system capacity or mitigate ratepayer impacts.

    b. If this Application is approved, does the Government and/or PEIEC plan to purchase the assets and require MECL to lease the assets from PEIEC? Please explain why or why not.

9. Through various contracts with PEIEC, MECL purchases the capacity and energy from 92.5 megawatts of wind energy. Approximately 70.5 MW of this wind energy is generated from wind farms that are owned and operated by PEIEC.

    a. How much energy is generated by PEIEC's wind farms annually? Please include the total amount generated annually at each wind farm from 2020 to 2025.

    b. Of the total amount generated, how much wind energy has MECL purchased from PEIEC in each of 2020 to 2025?

    c. If wind energy is generated in excess of what is purchased by MECL, what happens to the excess wind energy?

d. What is the contracted amount of wind energy that will be purchased by MECL from PEIEC in each of the next five years (2026 to 2030)?

10. Please explain the performance and reliability of PEIEC's existing wind turbines during extreme weather events, including (but not limited to) extreme cold and wind. PEIEC's response should include (but not be limited to) the minimum temperature ratings, maximum wind speed ratings, and a discussion of historical performance during extreme weather events (i.e. areas of deficiency, system failures, improvements undertaken, etc.)

11. Following the polar vortex in February 2023, Sargent & Lundy prepared an Addendum to its Capacity Resource Study. The Addendum states that during the extreme cold weather, "*wind generation dropped substantially because of a number of cascading wind generator and system failures related to the cold temperatures and high wind speed / high wind turbulence*".

    a. Please explain the performance of PEIEC's wind farms during the polar vortex (February 3 to 5, 2023), including (but not limited to) any system failures, the cause of those failures, and wind production during the relevant period.

    b. What (if any) steps have been taken since February 2023 to improve the performance and reliability of PEIEC's wind farms during extreme weather events?

12. In response to IR-14 of Synapse Energy Economics, MECL discusses the benefits of staffing wind farms 24/7 during extreme weather events.[1]

    a. Does PEIEC agree with MECL's assessment?

    b. Does PEIEC currently staff, or have plans to staff, wind farms 24/7 during extreme weather events? Please explain why or why not.

13. In the On-Island Capacity Application filed in December 2024, MECL states that the Hermanville wind farm has had significant operational issues that reduced its capacity for a number of years.[2]

    a. Have the operational issues at the Hermanville wind farm been resolved?

    b. What is Hermanville's current output, and is it currently operating at full capacity? Please explain and provide details.

14. The Commission understands that Phase II of the Eastern Kings wind farm project is currently underway.

    a. Please provide particulars of the project, including the number of turbines, the expected output (individually and combined), and the anticipated in-service date.

    b. When compared to existing turbines owned by PEIEC, will the new turbines perform better and more reliably in extreme weather conditions? Please explain

[1] Exhibit M-6, Response to IR-14
[2] Exhibit M-1, Page 21, Table 1, Footnote a.

and provide details (i.e. minimum temperature ratings, maximum wind speed ratings, etc.)

15. Does PEIEC have any other wind farms, or expansions of existing wind farms, planned? If so, please provide full particulars, including (but not limited to) the location, number of turbines, the expected output (individually and combined), the in-service date, and anticipated performance and reliability during extreme weather events (i.e. extreme cold, extreme winds, etc.).

16. In its response to IR-7 issued by PEIEC, MECL states that controllable demand-side management ("DSM") is a factor that affects MECL's capacity forecast. PEIEC is responsible for the administration of the Electricity Efficiency & Conservation Plan ("EE&C Plan") which was approved by the Commission effective March 1, 2023 (Order UE24-02).

    According to MECL, although PEIEC projected that 20.5 MW of controllable DSM would be in service in fiscal 2024/25, to date, there is no controllable DSM operational in PEI.

    a. Does PEIEC agree with MECL's statements about the current status of controllable DSM in PEI?

    b. If yes, why hasn't PEIEC achieved the projected controllable DSM (20.5 MW by 2024/25)?

    c. Please provide PEIEC's updated controllable DSM forecasts, including those provided to MECL for the purpose of its capacity forecasts.

    d. MECL states that it is assuming incremental DSM reductions in load of up to 20 MW by 2032, but states "*this outcome appears increasingly unlikely without tangible program progress*". Are MECL's assumed DSM reductions reasonable? Please explain why or why not.

The Commission requires responses to these interrogatories no later than 4:00 p.m. on March 6, 2026. Responses received after this date may result in delays in the Commission's reply.

Additional interrogatories may follow.

Cheryl Bradley

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