



## **Addendum: Concise Statement of Intent**

**Subject:** UE20742 – Supplemental Capital Budget Request for MECL’s On-Island Capacity for Security of Supply Project

---

In reviewing the guidelines as to who can be granted intervener status at the Island Regulatory and Appeals Commission (IRAC), Energy Democracy Now! Co-operative Limited believes it meets the criteria to participate formally in the regulatory hearings related to electricity.

As a community organization with environmental sustainability and renewable energy at the core of our advocacy work, we are committed to promoting sustainable energy policies and integrating democratic principles in how energy decisions affect Island communities. We believe we are in a position to provide evidence and arguments relevant to Maritime Electric Company’s application to IRAC titled “Supplemental Capital Budget Request for MECL’s “On-Island Capacity for Security of Supply Project.”

Energy Democracy Now! Co-operative Limited recognizes that due to population growth and increased electrification in the province, it may well become increasingly difficult to meet the needs of customers during system peak periods as articulated by MECL. We are also aware that high reliance on off-island generating capacity purchases is becoming a problem.

The proposal put forth by MECL to resolve the situation is highly problematic for a number of reasons, not the least of which is the projected cost estimate of \$427 million dollars — but could be as much as \$555 million —, to be borne by the utility’s customers for many years to come. There is an urgency to address energy issues in the province and that is why Energy Democracy Now! Co-operative Limited is asking IRAC to proceed with hearings. And why Energy Democracy Now! Co-operative Limited needs to be granted intervener status. This project needs public scrutiny.



### **Our concerns:**

1. Combustion Turbine (6.2): Maritime Electric is seeking approval to install a 50 MW combustion turbine at the Charlottetown Generator Station that will serve as peaking and backup generation to help the utility meet its capacity requirements, which will reduce the annual amount of generating capacity purchased from New Brunswick. It will use diesel fuel and include a 30-metre high exhaust stack. Energy Democracy Now! Co-operative Limited rejects this proposal in light of the climate crisis and the urgent need to end fossil fuel use so as to meet PEI's net-zero emissions target.
2. Reciprocating Internal Combustion Engine Plant (6.3): Maritime Electric is seeking approval for a 90 MW RICE Plant that will operate primarily as peaking and backup generation. It will use diesel fuel but could also use natural gas, and will include five exhaust stacks. Energy Democracy Now! Co-operative Limited rejects this proposal as it uses fossil fuels and is not in keeping with PEI's net-zero emissions goal.
3. Battery Energy Storage System (6.1): Maritime Electric is seeking approval to install MW BESS with the capability to store 40 MWh of energy with the potential to ensure that renewable energy generated on PEI is consumed locally in the future. Energy Democracy Now! Co-operative Limited supports BESS but in a decentralized model tied into community renewable energy projects.

With Maritime Electric's proposal, at an estimated cost of close to a half billion dollars, it appears this project is a last ditch effort for the utility to remain relevant. Maritime Electric produces very little electricity — it is primarily a pole and wire company. It makes its profits on capital projects and the cost of equity, guaranteeing a healthy rate of return to its shareholders. This has to be addressed in the hearing in light of Maritime Electric's separate filing of confidential information in Appendix F "Impact on Rate Base, Revenue Requirement and Customer Rates Calculations."

The public interest is critical to PEI's energy future. The public interest will not be served if Maritime Electric's proposal is approved, investing a half billion dollars in fossil fuel technology for the most part makes absolutely no sense.



Investing in renewable energy and BESS over the next five years and beyond demonstrates a proactive forward-looking vision and would address the concerns of peak electricity demands without the use of fossil fuels. That's Energy Democracy Now! Co-operative Limited's hope for the short term as well as the long term.

Our proposals will rely on renewables combined with BESS that, over time, reduce electricity costs, and shift the predominately fossil-fuel-based generation from New Brunswick to renewable and BESS provided by co-operatives, non-profit community groups, and public entities including municipalities and First Nations on PEI.

### **Here is how:**

1. Education and Smart Meters: Immediately PEI must develop a plan where the rate a user pays for electricity depends on the time of day the energy is drawn from the grid. Education is the key. When customers know they will pay different amounts based on a schedule of peak hours, off-peak hours and even super-off-peak hours, electric use habits will change. Smart meters can facilitate time-of-use pricing.
2. Community or Co-operative Based Energy Production: Carbon-free energy is critical to our long-term sustainability, and the way to achieve this is through community and publicly owned renewable energy generation and battery energy storage systems (BESS). Locally owned and operated energy projects that use solar or wind coupled with BESS are our best options and must include BESS for grid reliability and stabilization, renewable energy integration, and reduced operational costs. Public ownership may be at the community or provincial level. Co-ops are particularly well-suited for energy generation projects because members in these democratic organizations have voting rights and any profits from electricity generation are reinvested into the local economy or used to reduce energy costs for members.
3. Energy Poverty: This is an increasingly significant issue for many residents of PEI. Energy poverty refers to the experience of households or communities that struggle to heat and cool their homes, and power their lights and appliances. One of the major factors contributing to energy poverty in Prince Edward Island is the high cost of electricity. Those in this situation face multiple challenges and impacts including discomfort from living in cold and drafty homes and sacrificing other essentials such



as groceries and medication in order to keep up with energy bills. Prince Edward Island has some of the highest rates of energy poverty in Canada, with studies indicating that around 26% of households experience energy poverty.

Energy Democracy Now! Co-operative Limited welcomes the opportunity to be an intervener in the case of Maritime Electric's Supplemental Capital Budget Request for on-Island Capacity for Security of Supply Project. And if granted intervener status, we can assure you that our involvement should not add a great deal extra to the costs nor to the complexity of the proceeding.

Sincerely,

*Leo Broderick*

Leo Broderick, President

*Mary Cowper-Smith*

Mary Cowper-Smith, Vice-president

*Barbara Dylla*

Barbara Dylla, Secretary-Treasurer

**Energy Democracy Now! Co-operative Limited**

40 Enman Crescent, Suite A338

Charlottetown, PE C1E 1E6