

October 16, 2025

Island Regulatory and Appeals Commission
PO Box 577
Charlottetown PE C1A 7L1

Dear Commissioners:

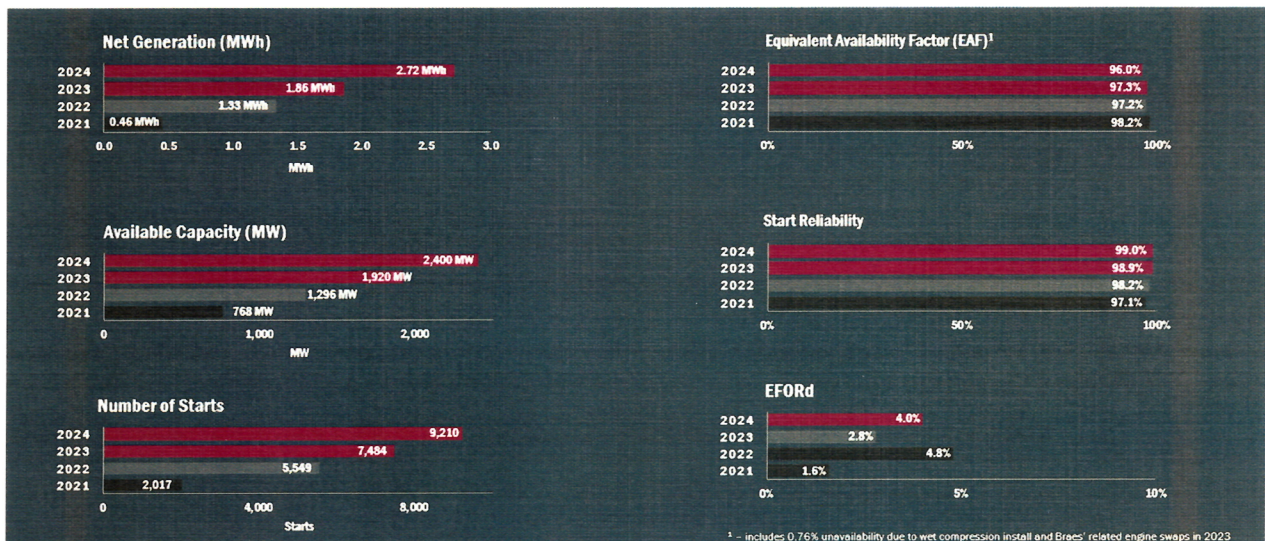


***On-Island Capacity for Security of Supply Project Update
Docket UE20742***

Thank you for the opportunity on September 11 to present a technical session to the Island Regulatory and Appeals Commission (the "Commission"), the Commission's consultant, the Added Party Intervener and the Friend of the Commission Interveners about the Company's Supplemental Filing for an Accelerated Capacity Solution ("Supplemental Filing"). This letter serves to provide additional information and clarifications related to various topics discussed during the technical session.

ProEnergy PE6000 Forced Outage Rate

Maritime Electric received forced outage rate information from ProEnergy following the technical session. ProEnergy have provided fleet-wide operating statistics from their WattBridge installations.¹ These statistics encompass both refurbished LM6000 and PE6000 engines, all of which are housed in ProEnergy-designed, fabricated, and installed packages. Maritime Electric believes this broader dataset is relevant for regulatory review, as it reflects the operational reliability of the complete ProEnergy package design proposed for the Accelerated Capacity Solution.



¹ WattBridge is an independent power producer and a subsidiary of ProEnergy. It operates a fleet of fast-start natural gas power plants using aeroderivative gas turbines, including LM6000 and PE6000 engines, all deployed in Greenery's standardized PowerFLX packages.

Warranty Information

Warranties offered by ProEnergy and other combustion turbine manufacturers are similar. ProEnergy's proposal includes a one-year warranty, which is consistent with the purchase of new units from General Electric Vernova. For both manufacturers, an additional one year of warranty (i.e., two years total) can be purchased for an additional cost.

Dependency on New Brunswick Power Project

While the opportunity for economies of scale and shared resources for the Supplemental Filing are made possible by the NB Power project, Maritime Electric's contract would be with ProEnergy directly, and independent of NB Power's project. Maritime Electric confirms that, if the NB Power project is delayed, Maritime Electric's contract with ProEnergy, namely the cost and schedule, will not be impacted.

Charlottetown Generation Station Approvals

Sections 7.3 and Section 7.4 of the Supplemental Filing provide details on environmental impact assessment and municipal building permit approval risks. Maritime Electric confirms that if these approvals are not received for the Charlottetown site, the equipment reserved through ProEnergy can be installed elsewhere within Maritime Electric's service territory. However, moving the project to a greenfield site will most likely result in additional costs and a longer project schedule. The existing fuel, water and electrical infrastructure located at the Charlottetown Generating Station makes the site extremely attractive for the project, as discussed in Section 6.2 of the December 2024 On-Island for Security of Supply Project Application ("Original Application") and Section 6.4 of the Supplemental Filing.

Remainder of Original Application

Maritime Electric's Original Application included the addition of 150 MW of capacity to address the Company's capacity deficit, 100 MW of which is proposed to be addressed by the Supplemental Filing. As discussed in the technical session, if the Supplemental Filing is approved by the Commission, Maritime Electric will withdraw the request in the Original Application and submit a new application to address the remaining 50 MW in due course.

Battery Energy Storage System Alternative ("BESS")

If the Supplemental Filing is approved by the Commission, the future application for additional capacity will likely include the BESS that was proposed in the Original Application (one 10 MW/40 MWh BESS). Maritime Electric acknowledges that there are use cases of BESS other than what was proposed in the Original Application (e.g., energy arbitrage and renewables load following); however, the purpose of the Sargent & Lundy Capacity Resource Study and Maritime Electric's Capacity Application is to address the Company's capacity deficit. As discussed in Section 8.3 of the Original Application, Maritime Electric believes that adding BESS capacity above what was included in the Original Application does not fully address the capacity deficit nor does it provide the same security of supply benefits as combustion turbines and is not the least cost option. Adding additional BESS capacity for the purpose of addressing the Company's capacity deficit is not prudent.

Time of Use Rates

Questions were raised about the potential of time of use ("TOU") rates. Maritime Electric's Response to IR-16 from Synapse Energy Economics filed with the Commission on May 16, 2025 provides additional information about the potential implications of TOU rates.

Modifications to Proposed Order

A question was raised by the Commission regarding the wording of paragraph 1 in the proposed order of the Supplemental Filing (Section 9.0). Paragraph 1 is related to the approval of *the need for 100 MW of the 150 MW* of the Original Application. Maritime Electric understands that the Commission may not currently be prepared to rule on the need for 100 MW prior to a public hearing. If the Commission approves the deferral account, the need for 100 MW can form part of the full regulatory process for the Supplemental Filing.

Confidentiality

The Company's Supplemental Filing redacts certain commercially-sensitive information in relation to existing energy purchase agreements with NB Power and the proposed purchase contract with ProEnergy. The Company's position is that this redacted information be disclosed to the Commission and the Added Party Intervener, but otherwise remain confidential.

By correspondence dated September 12, 2025 (C-12), the Commission directed that the Company make a formal request for confidentiality and the Company filed that request (M-13) on September 16, 2025.

Although the Company relies upon its submissions in M-13, the Company also acknowledges the importance of transparency and, after consultations with ProEnergy, is prepared to publicly disclose currently redacted information pertaining to the proposed slot reservation payment and related cancellation fee. To provide additional time for the regulatory review process, ProEnergy has also advised that should the slot reservation payment be made in the near term, the next payment could be deferred until early 2026. This would provide an opportunity, following approval of the deferral account, to fully complete the regulatory review process during the remainder of 2025.

In addition to the foregoing, the Company is prepared to publicly disclose the information provided on the final page (i.e., page 5 of 5) of Appendix F in the Supplemental Filing which summarizes the impact on revenue requirement and customer rates if the Supplemental Filing is approved. In Maritime Electric's submission, disclosure of this additional information represents a reasonable balance between transparency and confidentiality.

Yours truly,

MARITIME ELECTRIC



Jason Roberts
President and Chief Executive Officer

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