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JAN 28 2026

The Island Regulatory
and Appeals Commission

January 28, 2026

Ms. Cheryl Bradley
Island Regulatory and Appeals Commission
PO Box 577
Charlottetown PE C1A 7L1

Dear Ms. Bradley:

***Response to Additional Interrogatories from Commission Staff
On Island Capacity for Security of Supply Project (UE 20742)***

Please find attached the Company's responses to additional interrogatories from Commission Staff with respect to the On-Island Capacity for Security of Supply Project Application filed with the Commission on December 18, 2024.

Yours truly,

MARITIME ELECTRIC



Gloria Crockett
Director, Regulatory & Financial Planning

GCC03
Enclosure



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**RESPONSES TO ADDITIONAL INTERROGATORIES
FROM
COMMISSION STAFF**

**On-Island Capacity for Security of Supply Project
(UE20742)**

Submitted January 28, 2026

On December 5, 2025, the Island Regulatory and Appeals Commission (the “Commission”) issued Order UE25-07 (the “Confidentiality Order”) with respect to certain requests for confidentiality made by Maritime Electric Company, Limited (“MECL”).

On January 12, 2026, MECL filed an Application to Vary and an Amended Application to Vary the Confidentiality Order.

In assessing MECL’s request to vary the Confidentiality Order, the Commission requests responses to the following interrogatories:

IR-13 In the Amended Application to Vary, MECL is seeking to redact the avoided capacity costs in Appendix F to Exhibits M-1 and M-12. MECL states that revealing the avoided capacity costs, when combined with publicly available details, would disclose cost information related to MECL’s Energy Purchase Agreement (“EPA”) with New Brunswick Energy Marketing Corporation (“NB Power” or “NBEM”).

- a. Please explain in detail how the avoided capacity costs, together with publicly available information, may be used to determine cost information under the EPA.¹

Response:

In Maritime Electric Company, Limited’s (“Maritime Electric” or the “Company”) August 2025 Supplemental Filing for the Accelerated On-Island Capacity Development Solution (“Supplemental Filing”) Appendix F,² the Avoided Capacity Costs (Page 4, Row B) represents the total annual cost of purchasing 100 MW of firm capacity (i.e., the cost of the capacity avoided by the generation proposed in the Supplemental Filing) from New Brunswick Power (“NB Power”).³ Dividing this total annual cost by 100 MW makes known the price assumptions related to NB Power’s firm capacity rate (in \$/MW-yr), which forms part of the Energy Purchase Agreement (“EPA”). This rate was provided in the Company’s Supplemental Filing Appendix B,⁴ which the Island Regulatory and Appeals Commission (“Commission”) ruled warrants confidential treatment and may be redacted.⁵

In Maritime Electric’s On-Island Capacity for Security of Supply Project application (“December 2024 Application”) Appendix F,⁶ the Avoided Capacity Costs (Page 4, Row B) represents the total annual cost for 150 MW of firm capacity (i.e., the cost of the capacity avoided by the proposed generation in the December 2024 Application), as well as for 2.2 MW and 7.8 MW Load Following and Spinning Reserve, respectively. The avoided costs associated with Load Following and Spinning Reserve are related to the battery energy storage system (“BESS”) and provided in

¹ Due to the commercially sensitive nature of this request, the Commission will accept the response to this interrogatory on a confidential basis.

² Exhibit M-12.

³ Maritime Electric purchases energy and capacity from New Brunswick Energy Marketing Corporation, but NB Power is used for simplicity.

⁴ Exhibit M-12, Appendix B, Page 5, Table 2, Year 4 (expressed in \$/MW-yr). Exhibit M-12, Appendix B, Page 5, Table 1, Row 4 (expressed in \$/MW-mo).

⁵ Order UE25-07, Paragraph 54(a).

⁶ Exhibit M-1.

Table 11 of the December 2024 Application as a total of \$947,309.⁷ Subtracting \$947,309 from the Avoided Capacity Costs in Appendix F and dividing by the 150 MW of capacity makes known the cost information related to NB Power's firm capacity rate (in \$/MW-yr), which forms part of the EPA. This rate was provided in the Company's December 2024 Application Appendix E,⁸ which the Commission ruled warrants confidential treatment and may be redacted.⁹

⁷ Exhibit M-1, Page 50. Load Following and Spinning Reserve rates are not confidential as they are publicly available in the NB Power Open Access Transmission Tariff rates.

⁸ Exhibit M-1, Appendix E, Page 8, Table 2, Year 1 (expressed in \$/MW-yr). Exhibit M-1, Appendix E, Page 8, Table 1, Row 7 (expressed in \$/MW-mo).

⁹ Order UE25-07, Paragraph 44(a).

IR-14 In other regulatory filings, such as General Rate Applications, MECL files its annual energy supply costs by source.¹⁰ This information, including the amount that MECL pays to NB Power under the EPA, is publicly available.

- a. Please explain why MECL does not object to sharing the energy supply costs by source (including payments made to NB Power under the EPA), but objects to disclosing the avoided capacity costs in this Application.

Response:

In the example referenced by the Commission,¹¹ the “EPA with NBEM” costs for Firm Energy, Secured/Assured Energy and Ancillary and Other Services do not disclose quantities of units (in MWh or MW) to ensure the EPA energy prices cannot be calculated. Further, capacity costs were included in firm energy costs to further prevent EPA prices from being inadvertently disclosed.

In the case of the December 2024 Application and the Supplemental Filing, dividing the avoided capacity costs by the respective avoided capacity (e.g., 150 MW and 100 MW, respectively) discloses cost information and price assumptions related to EPA rates.

¹⁰ See, for example, Docket UE20946, Exhibit M-1, Table 5-2 at page 40.

¹¹ Docket UE20946, Exhibit M-1, Page 40, Table 5-2.

IR-15 MECL is seeking to redact the avoided capacity costs in Appendix F to Exhibits M-1 and M-12. In making this request, has MECL considered the benefit of sharing this information with the public as cost justification for the proposed Security of Supply Project? Please explain.

Response:

Maritime Electric is unable to disclose the avoided capacity costs as it would disclose cost information and price assumptions related to Maritime Electric's EPA with NB Power (please refer to Response to IR-1). The Commission's Order UE25-07 clearly states that this information warrants confidential treatment.

The benefit of transparency must be weighed against the cost. In Maritime Electric's view, disclosure of this information would negatively impact the Company's business relationship with NB Power and make NB Power less inclined to do business with Maritime Electric on favourable terms. The risk is that this ultimately leads to higher rates for ratepayers. Regulators have consistently recognized that it is in the public interest for this type of information to remain confidential.

The net present value of the avoided capacity costs was publicly disclosed in the December 2024 Application and the Supplemental Filing for transparency.¹²

¹² Exhibit M-1, Page 64, Table 14. Exhibit M-12, Page 28, Table 4.