C A N A D A

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION

IN THE MATTER of Section 17(1) of the *Electric Power Act* (R.S.P.E.I. 1988, Cap. E-4) and **IN THE MATTER** of the Supplemental Filing of Maritime Electric Company, Limited for the approval of an Accelerated On-Island Capacity Development Solution as part of the On-Island Capacity for Security of Supply Project.

SUPPLEMENTAL FILING re:
ON-ISLAND CAPACITY FOR SECURITY OF SUPPLY PROJECT
OF
MARITIME ELECTRIC COMPANY, LIMITED

August 14, 2025

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1.0 APPLICATION

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Introduction

Maritime Electric Company, Limited ("Maritime Electric" or the "Company") is a corporation incorporated under the laws of Canada with its head or registered office at Charlottetown and carries on a business as a public utility subject to the *Electric Power Act* engaged in the production, purchase, transmission, distribution, and sale of electricity within Prince Edward Island ("PEI").

Application

Maritime Electric hereby submits a Supplemental Filing for an order of the Island Regulatory and Appeals Commission ("IRAC" or the "Commission") associated with the On-Island Capacity for Security of Supply Project (the "Project"), specifically seeking approval of a deferral account for future recovery from customers of costs related to a time-sensitive solution.

The proposal contained in this Supplemental Filing represents a just and reasonable balance of the interests of Maritime Electric and those of its customers and will, if approved, allow the

Company to continue to perform necessary capital additions at a cost that is, in all circumstances, reasonable.

Procedure

Filed herewith is the Affidavit of Jason C. Roberts, T. Michelle Francis, Angus S. Orford and Enrique A. Riveroll which contains the evidence on which Maritime Electric relies in the Supplemental Filing Application.

Dated at Charlottetown, Province of PEI, this 14th day of August 2025.

D. Spencer Campbell, Q.C.

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Solicitors for Maritime Electric Company, Limited

2.0 AFFIDAVIT

C A N A D A

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AFFIDAVIT

We, Jason C. Roberts of Suffolk, T. Michelle Francis of Emyvale, Angus S. Orford of Charlottetown and Enrique A. Riveroll of New Dominion, in Queens County, Province of Prince Edward Island, MAKE OATH AND SAY AS FOLLOWS:

We are the President and Chief Executive Officer, Vice President, Finance and Chief Financial Officer, Vice President, Corporate Planning and Energy Supply and Vice President, Sustainability and Customer Operations for Maritime Electric, respectively, and as such have personal knowledge of the matters deposed to herein, except where noted, in which case we rely upon the information of others and in which case we verily believe such information to be true.

Maritime Electric is a public utility subject to the provisions of the *Electric Power Act* engaged in the production, purchase, transmission, distribution and sale of electricity within PEI.

SECTION 2.0 AFFIDAVIT

We prepared or supervised the preparation of the evidence and to the best of our knowledge and belief the evidence is true in substance and in fact.

Section 9.0 contains a proposed Order of the Commission based on the Company's Application.

SWORN TO SEVERALLY at
Charlottetown, Prince Edward Island,
the 14th day of August, 2025.

Jason C. Roberts

T. Michelle Francis

Angus S. Orford

Enrique A. Riveroll

A Commissioner for taking affidavits
in the Supreme Court of Prince Edward Island.

3.0 EXECUTIVE SUMMARY

Maritime Electric Company, Limited ("Maritime Electric" or the "Company") submits this Supplemental Filing to the Island Regulatory and Appeals Commission ("IRAC" or the "Commission") associated with its December 18, 2024, Supplemental Capital Budget Request Application (the "December 2024 Application") for the On-Island Capacity for Security of Supply Project (the "Project"). This Supplemental Filing outlines a time-sensitive opportunity to secure 100 megawatts ("MW") of dispatchable generation capacity through an Accelerated On-Island Capacity Development Solution ("Accelerated Capacity Solution") with commissioning ahead of the 2028/2029 winter.

As a public utility regulated under the *Electric Power Act* (R.S.P.E.I. 1988, Cap. E-4), Maritime Electric is statutorily obligated to act in the public interest by identifying, pursuing, and advocating for solutions that ensure the reliable, secure, and cost-effective supply of electricity to customers across Prince Edward Island. This Supplemental Filing reflects the Company's commitment to fulfilling that mandate by advancing a time-sensitive opportunity that balances affordability, execution certainty, and long-term capacity security.

The Accelerated Capacity Solution represents the most cost-effective and viable path to securing new on-Island generation capacity by 2028. It leverages economies of scale through New Brunswick Power Corporation's ("NB Power") procurement of five 100 MW combustion turbine packages (each package contains two 50 MW combustion turbines for a total of ten combustion turbines) and enables Maritime Electric to install one additional 100 MW package at the Charlottetown Generating Station under the same delivery framework. The Accelerated Capacity Solution is critical to addressing Maritime Electric's growing capacity deficit, mitigating the risk of winter capacity supply shortages, and supporting long-term capacity security obligations.

Project Overview

The proposed solution consists of a 100 MW dual-fuel generation facility using two 50 MW PE6000 aeroderivative combustion turbines. These units are refurbished versions of the General Electric Verona ("GEV") LM6000 platform, identical to Maritime Electric's existing Combustion Turbine No. 3 ("CT3") unit, offering operational familiarity and infrastructure compatibility. The

facility will be installed at the Charlottetown Generating Station, a brownfield site with existing fuel and water treatment infrastructure, reducing permitting and construction risks.

ProEnergy, the PE6000 manufacturer, has committed to a turnkey engineering, procurement and construction scope with fixed pricing and defined delivery milestones. The total estimated cost of the Accelerated Capacity Solution is CAD $334 million, with [redacted] of the cost secured under fixed-price contracts. Maritime Electric has received a Slot Reservation Agreement ("SRA") and a budgetary proposal from ProEnergy, with key payments due between September and December 1, 2025 to maintain alignment with NB Power's procurement schedule.

Strategic Justification

The Accelerated Capacity Solution aligns with the December 2024 Application by fulfilling 100 MW of the proposed 150 MW through the installation of a 100 MW combustion turbine package at the Charlottetown Generating Station. The Company will continue to pursue the remaining 50 MW from the December 2024 Application, which will likely include the originally proposed 10 MW battery energy storage system ("BESS"). However, the original portfolio is now subject to higher cost estimates and longer lead times, which challenge its feasibility within the required timeframe. The Accelerated Capacity Solution offers:

- **Lower cost:** Estimated at CAD $3,240/kW, including emissions controls, compared to CAD $3,400/kW.[1]
- **Fixed pricing:** Secured through ProEnergy's vertically integrated supply chain and standardized PowerFLX plant design.
- **Accelerated timeline:** Commissioning by 2028, compared to 2030+ for alternative options.
- **Operational efficiencies:** Shared construction resources with NB Power and shared infrastructure with Maritime Electric's existing CT3.
- **Enhanced reliability:** On-Island synchronous condensing capability and black start functionality.

[1] S&L has provided updated overnight capital cost estimates for two new 50 MW GEV LM6000 combustion turbines, as well as a separate estimate based on the ProEnergy budgetary proposal for a comparable installation at the Charlottetown Generating Station. These estimates suggest total project costs of approximately CAD $340 million and CAD $324 million, respectively. The S&L estimate is included in the letter attached as Appendix A.

Regulatory Approvals

Maritime Electric requests Commission approval to establish a deferral account to support time-sensitive commercial commitments, including a USD $5.6 million Slot Reservation Payment in September of 2025 and subsequent payments totaling USD $29.12 million by December 1, 2025. These commitments are essential to secure manufacturing capacity and maintain the project's critical path.

Economic Impact

A net present value ("NPV") analysis demonstrates that the Accelerated Capacity Solution will result in estimated savings of approximately 50 per cent compared to continued reliance on off-Island capacity purchases from NB Power, assuming off-Island capacity continues to be available for purchase.[2] While the Project will increase customer rates in the short term, the long-term economic benefit to customers is substantial and supports Maritime Electric's mandate to ensure reliable and secure electricity supply.

[2] Detailed inputs and calculations of the NPV analysis are provided in Confidential Appendix B.

4.0 BACKGROUND

On December 18, 2024, Maritime Electric filed the December 2024 Application for the On-Island Capacity for Security of Supply Project with the Commission, which proposed the addition of 150 MW of dispatchable generating capacity on Prince Edward Island ("PEI"). The proposed portfolio included:

- A 10 MW battery energy storage system ("BESS");
- A 50 MW combustion turbine; and
- 90 MW of reciprocating internal combustion engines ("RICE").

The December 2024 Application sought Commission approval of the need for the Project and a capital expenditure deferral of up to $12 million in Project costs to complete upfront engineering work and a Request for Proposals ("RFP") process.

Maritime Electric's December 2024 Application estimated a total Project cost of $427 million (in 2024 dollars). However, updated cost estimates provided on May 16, 2025, and provided in Maritime Electric's response to interrogatories from Synapse Energy Economics ("Synapse"), showed that the overnight capital cost for a 50 MW combustion turbine had increased by 16 per cent,[3] and for a 90 MW RICE Plant by 19 per cent, since the December 2024 Application was filed.[4] These increases reflected power generation market conditions in May 2025 and were based on similar equipment configurations and contingency allowances. Currently, the power generation industry continues to experience upward cost pressures due to high demand for generating equipment.

4.1 Timeline of Events Since Filing the December 2024 Application

On January 22, 2025, Maritime Electric provided the Commission with an overview of the December 2024 Application through an in-person technical information session presentation. The

[3] Overnight capital cost refers to the estimated cost of building a project as if it were completed instantly, without accounting for inflation, interest during construction, or market pressures. While useful for baseline comparisons, it understates the actual installed cost, which reflects real-world financial and scheduling impacts.

[4] Reference IR-12(b) of the Response to Interrogatories from Synapse Energy Economics on behalf of Island Regulatory and Appeals Commission On-Island Capacity Application (UE20742).

presentation re-iterated the urgent need for additional on-Island dispatchable generation and timely approval of the capital expenditure deferral to complete upfront engineering.

On February 5, 2025, NB Power informed Maritime Electric of its plans to develop a dispatchable generation facility in either Scoudouc or Centre Village, New Brunswick ("NB").[5] Initially the proposed facility was a 400 MW combustion turbine plant with four 100 MW packages (consisting of eight 50 MW combustion turbine units). The 50 MW combustion turbines are very similar to Maritime Electric's CT3 located in Charlottetown and the combustion turbine proposed in the December 2024 Application.[6] In describing the project, NB Power explained that its supplier, ProEnergy, was the only manufacturer capable of meeting the timeline required to address NB Power's capacity needs, noting that the additional generation must be online by 2028 to satisfy its capacity obligations. NB Power then inquired whether Maritime Electric was interested in participating in the project by expanding the order to five packages (i.e., 500 MW total).

Maritime Electric evaluated the opportunity of participating in the NB Power project, but reconfirmed that the additional capacity must be established on PEI due to limitations to the NB-PEI Interconnection,[7] and to provide synchronous condensing for on-Island voltage support.[8] However, because the economics of participating in a larger order and the potential for sharing mobilization costs of installation contractors was attractive, the Company expressed interest in a parallel PEI project. Maritime Electric then continued discussions with NB Power and informed the Government of PEI about the opportunity.

On April 23, 2025, Maritime Electric filed an update letter with the Commission regarding the actual customer loads experienced this past winter (i.e., December 2024 to February 2025) and the resulting capacity requirement implications. The letter explained that a Maritime Electric system peak load of 346 MW (or 396 MW Island system peak load) was experienced on January

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5 At the time, the final site had not been determined. Centre Village was subsequently announced as the selected location.

6 Although NB Power's planned generating station was originally expected to be 400 MW consisting of eight 50 MW CTs, that project has since been increased to a total capacity of 500 MW consisting of ten 50 MW CTs.

7 Maritime Electric currently imports 219 MW of capacity from off-Island, with its share of the NB–PEI Interconnection limited to 270 MW. This leaves only 51 MW of additional import capability. Because ProEnergy sells combustion turbine packages in 100 MW increments, participating in NB Power's procurement to add a full 100 MW of off-Island capacity was not feasible for Maritime Electric.

8 The need for on-Island synchronous condensing capability is discussed in Section 7.5 of the December 2024 Application.

30, 2025 when the temperature was only -14.9°C, indicating that a peak load that was considered an anomaly in 2023 because it occurred during a polar vortex weather event is now considered the norm in 2025. The letter also informed the Commission that, so far in 2025, there were six days that Maritime Electric's customer load exceeded 326 MW (i.e., the amount of firm capacity contracted by the Company).[9] Maritime Electric was able to successfully supply customer loads during these periods due to favourable wind generation and available NB Power non-firm energy, both of which are intermittently available and therefore not guaranteed. The Company's existing combustion turbines were also dispatched on demand during these high customer load events to maintain supply.

On April 30, 2025, Maritime Electric met directly with NB Power's supplier, ProEnergy, to discuss the opportunity of participating in NB Power's combustion turbine order. ProEnergy explained that they typically do not pursue projects of less than 300 MW, but that it could consider a 100 MW project with Maritime Electric (i.e., Accelerated Capacity Solution) if the combustion turbine packages were similar, and the project's schedule aligned with NB Power's project such that resources could be shared. Maritime Electric continued discussions with ProEnergy and maintained communication about the opportunity with the Government of PEI.

On May 2, 2025, the Commission submitted interrogatories to Maritime Electric from the Commission's expert, Synapse. In its submission, the Commission indicated that it intended to prioritize the file and advised Maritime Electric that it was planning a technical session for the week of May 26, 2025. The Company filed responses to the interrogatories by the Commission's deadline of May 16, 2025, as well as a formal request for confidentiality with respect to energy supply contracts and pricing. On May 28, 2025, Maritime Electric submitted a letter to the Commission to provide additional clarification and context regarding the Company's request for confidentiality.

Maritime Electric prepared a presentation for a technical session with the Commission and Synapse, which had been tentatively scheduled for May 29, 2025, but was not held due to the

[9] Refer to Table 10 on page 45 of the December 2024 Application for details on the firm capacity available to Maritime Electric.

Commission's concerns with the Company's confidentiality request. A decision from the Commission regarding the confidentiality request of May 16, 2025, has not yet been received.

On May 30, 2025, Maritime Electric met with ProEnergy to request a proposal for the installation of a 100 MW combustion turbine package (consisting of two 50 MW combustion turbine units) for installation adjacent to the Company's existing CT3 unit at its Charlottetown Generating Station. ProEnergy explained that the proposal would be contingent on Maritime Electric securing a reservation with ProEnergy's factory to align with the schedule of NB Power's project. On June 13, 2025, Maritime Electric received a budgetary cost proposal from ProEnergy for the installation of the 100 MW combustion turbine package, followed by an SRA received on July 16, 2025.[10]

On June 3, 2025, Maritime Electric filed a request with IRAC to enter settlement negotiations with the Prince Edward Island Energy Corporation ("PEIEC") regarding a potential solution that would reduce the cost and accelerate the in-service date of the Project. The request was filed in preparation of the Company receiving the proposal from ProEnergy. Maritime Electric considered a negotiated settlement process with the PEIEC as an IRAC endorsed process pursuant to Order UE18-10, Rules of Procedures for Negotiated Settlement in Matters of Utility Regulation and an efficient method to pursue the Accelerated Capacity Solution in a timely manner.

On June 25, 2025, the Commission submitted a letter to the PEIEC directing them to submit a filing with their position on a negotiated settlement with Maritime Electric. On July 22, 2025, after being granted two extensions from the Commission, the Government of PEI's Justice and Public Safety division, on behalf of the PEIEC, filed a letter with the Commission indicating that it "[did] not believe a negotiated settlement is the path forward to settle the matter proposed in the [December 2024] Application." The Government of PEI's letter also indicated that "The consensus of [its] experts is that additional capacity is required;" however, as of the timing of this filing, no detailed information from its experts have been provided by the Government to the Commission or Maritime Electric.

[10] The Company received the budgetary cost proposal from ProEnergy on June 13, 2025 and the SRA on July 16, 2025.

The December 2024 Application stated that "if the upfront engineering design work is not completed by the end of 2025, the Company will be unable to meet the proposed schedules,"[11] which are critical. The urgent need for a timely decision from the Commission on a capital expenditure deferral for upfront engineering was re-iterated by the Company in its January 22, 2025, presentation and in the April 23, 2025, update letter. Given current timelines, it is unlikely that the Company can complete upfront engineering by the end of 2025. Additionally, global demand for power generation equipment since the December 2024 Application was filed, as discussed in this document, have likely added a minimum of one year to the Project's schedule. Timelines for approval and global power generation equipment demand are imposing significant pressure on the Project schedule and the proposed in-service dates of the additional generating capacity, which is urgently needed.

4.2 Power Generation Market Conditions

As indicated in Section 6.4.2 of the December 2024 Application and the Company's response to Synapse IR-12(a) filed on May 16, 2025, the global power generation industry is experiencing upward cost pressures and high demand due to: the retirement of coal power plants and their replacement with efficient combined-cycle combustion turbine plants; an increased penetration of renewable energy requiring fast-acting dispatchable generation to balance the grid; and significant electricity demand growth due to data centres, industrial facilities and Government policy of electrification. The high demand in the industry is causing prices to increase and equipment supply backlogs. Two major combustion turbine manufacturers, GEV and Siemens Energy, recently reported significant and escalating backlogs associated with the delivery of combustion turbines.

GEV, in its second quarter 2025 earnings release presentation on July 23, 2025, reported that the number of power orders nearly tripled year-over-year.[12] The combustion turbine manufacturer is currently shipping 5 gigawatts ("GW") of equipment per quarter and expects to have 60 GW of backlog slot reservation by year-end (i.e., three years of backlog at the current shipment rate).[13]

[11] Page 67 of the December 2024 Application.
[12] Transcript available at: https://www.gevernova.com/sites/default/files/gev_webcast_transcript_07232025.pdf.
[13] Ibid.

High demand is reported to be associated with its aeroderivative technology (i.e., dispatchable fast-acting combustion turbines) to support data centres.[14]

Similarly, Siemens Energy, in its second quarter 2025 earnings release published on May 8, 2025, reported that orders have more than doubled year-over-year.[15] Siemens Energy reported an $84 billion backlog in its gas services division (which includes combustion turbines) alongside $5 billion in Q2 revenue[16] (i.e., approximately four years of backlog at the current shipment rate). Their gas services division currently has a book-to-bill ratio (i.e., the number of new orders received to the number of orders shipped) of 2.22, which indicates that the backlog continues to increase.[17]

These reported backlogs of three and four years from GEV and Siemens Energy, respectively, do not include contract negotiations, shipping, onsite construction and commissioning timelines, which would further add to project schedules. The reported backlogs and anecdotal information received by Maritime Electric from others make it increasingly clear that the commissioning of dispatchable generation is likely not possible before 2030 or later, unless the Company pursues the Accelerated Capacity Solution.

[14] Ibid.
[15] Earnings release available here: https://www.siemens-energy.com/global/en/home/press-releases/earnings-release-q2-fy-2025.html.
[16] Ibid.
[17] Ibid.

5.0 ACCELERATED ON-ISLAND CAPACITY DEVELOPMENT SOLUTION

NB Power is currently developing a 500 MW combustion turbine facility in Centre Village, NB, consisting of five 100 MW combustion turbine packages (ten 50 MW combustion turbine units). The facility is expected to be operational by 2028, a key consideration in NB Power's selection process, as that is the year that NB Power expects to experience a shortfall in its generating capacity requirements.[18] ProEnergy was selected as the preferred vendor through a competitive process, which began with a public Request for Expression of Interest in the summer of 2024. Maritime Electric has the opportunity to jointly participate in NB Power's procurement of combustion turbine packages by ordering one additional 100 MW combustion turbine package (i.e., two 50 MW combustion turbine units) for installation at the Charlottetown Generating Station.

The Accelerated Capacity Solution offers several strategic advantages, including:

- Shared procurement and construction efficiency with NB Power;
- Accelerated delivery timeline, enabling commissioning in 2028;
- Reduced capital cost through vendor pricing and economies of scale;
- Enhanced system reliability with on-Island location and synchronous condensing capability; and
- Operational alignment with NB Power, enabling shared expertise and maintenance resources.

5.1 ProEnergy Proposal

ProEnergy's June 13, 2025, engineering, procurement and construction budgetary proposal to Maritime Electric outlines a turnkey 100 MW dual-fuel generation powerblock based on a standard package of two 50 MW PE6000 aeroderivative combustion turbines, quoted at a total price of [redacted]. The proposed delivery schedule targets commercial operation by 2028, with key milestones including Engineering, Procurement and Construction award in November 2025, mobilization in the summer of 2027 and mechanical completion by the summer of 2028. The scope includes all major equipment, balance-of-plant systems, emissions controls,

[18] https://www.cbc.ca/news/canada/new-brunswick/nb-power-us-company-pick-tantramar-for-natural-gas-plant-1.7585754

and synchronous condensing capability. ProEnergy commits to performance, emissions, and schedule guarantees, with liquidated damages provisions for delays or underperformance. The proposal is contingent on-site readiness, owner-provided permits, and a number of owner supplied services and infrastructure. Refer to Section 5.3 for details on owner responsibilities including required infrastructure, services and permitting requirements. A complete scope of work ("SOW") for ProEnergy is outlined in the budgetary Proposal included in Confidential Appendix C. As a summary, the SOW includes:

- 2 x 50 MW aeroderivative PE6000 combustion turbines;
- 2 x BRUSH brushless generators;
- 2 x turbine and generator enclosures;
- 2 x combustion turbine and generator ("CTG") auxiliary systems, including lube oil coolers, water spary augmentation and nitrogen oxides ("NOx") water injection;
- 2 x inlet air filter systems;
- 2 x exhaust stack;
- 2 x selective catalytic reduction/NOx emission control systems;
- 2 x continuous emission monitoring system;
- 1 x air compressor system;
- 1 x reverse osmosis electrodeionization demineralized water treatment system;
- 1 x CTG power distribution centre;
- 1 x pre-engineered metal building to house water treatment and air compressors systems;
- Allen Bradley ControlLogix control systems;
- 1 x low voltage switchgear, motor control centre and 13.8 kV/480 V auxiliary transformers;
- 2 x generator step up transformers;
- Transmission switches, breaker, one dead-end tower and high voltage controls and relays;
- All necessary foundations;
- Plant winterization; and
- Engineering, procurement and construction services.

ProEnergy is uniquely positioned to deliver 100 MW of on-Island dispatchable capacity urgently needed by Maritime Electric through its expertise and experience with aeroderivative turbine technology and its vertically integrated operations. As the original equipment manufacturer

("OEM") of the PE6000 combustion turbine (a modernized and fully interchangeable alternative to the GEV LM6000), ProEnergy refurbishes turbines at its Level-IV depot in Sedalia, Missouri,[19] where each unit undergoes full-speed and full-load testing under real-world conditions.

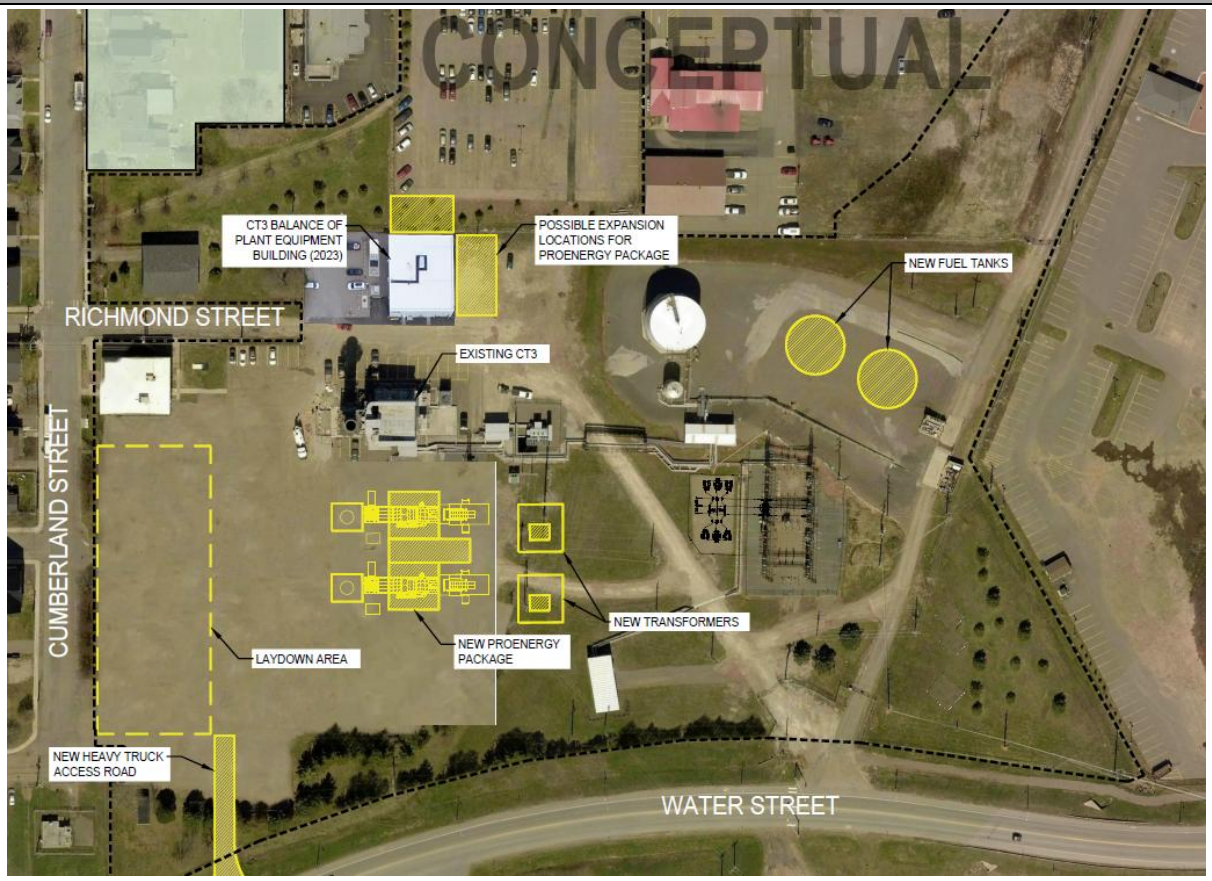
The refurbishment process, commonly referred to as "zero-houring," involves complete disassembly of the turbine, followed by an inspection of every component. All parts are evaluated against OEM specifications, and any non-compliant components are replaced. ProEnergy completes all applicable service bulletins during this process to ensure the turbine meets or exceeds current performance and reliability standards.[20] This zero-houring process effectively resets the turbine's operational life, restoring it to like-new condition while incorporating modern upgrades. The refurbished PE6000 units undergo rigorous validation through ProEnergy's International Organization for Standards (ISO) 9001:2015-certified quality control program, which spans engineering, supply chain and manufacturing.

Maritime Electric's project will directly benefit from ProEnergy's ongoing 500 MW project with NB Power, which uses the same PE6000 combustion turbines. ProEnergy typically does not pursue projects smaller than 200 MW, and its engagement with Maritime Electric is made possible only through its concurrent work in NB. This alignment enables Maritime Electric to leverage shared construction resources and sequencing advantages, with the same crews transitioning directly from units one through ten in NB to units 11 and 12 in Charlottetown. As a result, cost efficiencies are achieved through shared mobilization and demobilization, and the benefit of prior deployment experience across ten units ensures smoother implementation. These benefits are further detailed in Section 6.5.

[19] Turbine maintenance depots are tiered by level, with Level I being the most basic and Level IV or V being the most comprehensive.

[20] A Service bulletin refers to formal communication issued by an OEM, such as GEV, detailing recommended or required updates, inspections, modifications, or repairs to specific components or systems of an engine. These bulletins are typically based on field experience, reliability data, or engineering improvements and are intended to address known issues or potential failures to improve performance or safety.

FIGURE 1
Conceptual Charlottetown Site Layout



Payment Schedule

The total estimated cost of approximately [redacted] for the proposed 100 MW CT package is comprised of two distinct components: (1) equipment supply and (2) Engineering, Procurement and Construction.

The equipment supply component, quoted at [redacted], is governed by two key agreements: (1) the SRA and (2) the superseding Gas Turbine Equipment Purchase and Sale Agreement ("Superseding Agreement"), which are provided in Confidential Appendix D and Confidential Appendix E, respectively. Together, the agreements establish a clear and urgent timeline for Maritime Electric to secure manufacturing capacity and maintain alignment with NB Power's Centre Village project. The supply component represents the critical path of the project due to long power generation equipment lead times and industry-wide manufacturing backlogs.

The Engineering, Procurement and Construction component includes engineering, delivery, installation, and commissioning of the generation packages. While this scope is essential to the overall execution of the project, it is not currently considered part of the critical path. As a result, an Engineering, Procurement and Construction Agreement has not yet been developed. Maritime Electric and ProEnergy intend to begin drafting the Engineering, Procurement and Construction Agreement following execution of the Superseding Agreement.

Upon execution of the SRA, Maritime Electric is required to submit a slot reservation payment of USD $5.6 million. This payment secures production capacity for two PE6000 combustion turbines, generators and emissions control equipment, and is credited toward the total equipment purchase price. It also initiates the process of finalizing the Superseding Agreement, which must be executed no later than November 1, 2025 (the “Supersede Date”). Execution of the Superseding Agreement triggers a Full Notice to Proceed payment of USD $15.68 million (i.e., [redacted] of the equipment purchase price). If the Superseding Agreement is not executed by the Supersede Date, or if Maritime Electric cancels the SRA, the Company is liable for a cancellation fee of USD $4.75 million in addition to the Slot Reservation Payment.

The reproduced version of the full equipment payment schedule detailed in Exhibit C of the SRA is shown in Table 1.

TABLE 1 ProEnergy Equipment Payment Schedule			
Milestone/Progress	**Timeline**	**Payment (%)**	**Payment Amount (USD x 1,000)**
Equipment Slot Reservation Agreement	Date of last signature	[redacted]	[redacted]
Full Notice to Proceed (Supersede Date)	1-Nov-25		
Long Lead Procurement	1-Dec-25		
Generator Ready to Ship; Unit 1	1-Aug-27		
Generator Ready to Ship; Unit 2	16-Aug-27		
Selective Catalytic Reduction Ready to Ship; Unit 1	15-Nov-27		
Selective Catalytic Reduction Ready to Ship; Unit 2	30-Nov-27		
CTG Progress Billing 1	15-Jun-27		
CTG Progress Billing 2	15-Jul-27		
CTG Progress Billing 3	15-Aug-27		
CTG Progress Billing 4	15-Sep-27		
CTG Progress Billing 5	15-Oct-27		
CTG Progress Billing 6	15-Nov-27		
Package Ready to Ship; Unit 1	15-Dec-27		
Package Ready to Ship; Unit 2	30-Dec-27		
Engine Ready to Ship; Unit 1	15-Dec-26		
Engine Ready to Ship; Unit 2	27-Dec-26		
Total Equipment Purchase Price			[redacted]

The SRA also includes a Long Lead Procurement payment of USD $13.44 million by December 1, 2025, related to the procurement of long-lead equipment. This results in a total required financial commitment of USD $34.72 million by December 1, 2025, to maintain the required timeline. The remaining payments associated with equipment supply become due between December 2026 and December 2027.

While the SRA provides Maritime Electric with a defined path to secure equipment, it also includes limited flexibility to cancel. Cancellation prior to the Supersede Date is permitted, but triggers the cancellation fee of USD $4.75 million. After the Supersede Date, the terms of the Superseding Agreement govern, including provisions for liquidated damages, interest on late payments, and suspension of performance in the event of non-payment.

The quoted price for the Engineering, Procurement and Construction scope is [redacted], calculated as the difference between the June 13, 2025, budgetary proposal and the equipment supply cost, as outlined above. Maritime Electric and ProEnergy will begin drafting the Engineering, Procurement and Construction agreement following execution of the Superseding Agreement, pending Commission approval. A draft of this agreement will be shared with the Commission as soon as it is available. Unlike the equipment supply payment schedule, Maritime Electric expects that the Engineering, Procurement and Construction payment schedule will include limited upfront financial commitments, with a majority of the Engineering, Procurement and Construction payments scheduled during the period when the Engineering, Procurement and Construction contractors are onsite, which is not expected until the summer of 2027.

5.2 PE6000 Combustion Turbine Overview

The Accelerated Capacity Solution consists of a 100 MW combustion turbine package made up of two 50 MW PE6000 aeroderivative combustion turbine units. The PE6000 combustion turbine units are refurbished aero versions of the GEV LM6000 turbine, which is the same as Maritime Electric's CT3 unit at the Charlottetown Generating Station.[21] The similarity between CT3 and the proposed ProEnergy combustion turbines offers significant operational advantages, including:

- Familiarity with maintenance and operating procedures;
- Compatibility with existing infrastructure; and
- Streamlined training and spare parts management.

Each PE6000 combustion turbine unit includes:

- Dual-fuel capability (i.e., natural gas and ultra-low sulfur diesel);
- Fast-start capability (i.e., less than 10 minutes);
- Hydrogen readiness, up to 35 per cent blend;[22]
- Synchronous condensing capability for voltage support;
- Winterization packages; and
- Allen Bradley ControlLogix control systems.

[21] ProEnergy acquires used General Electric CF6-80C2 aircraft turbofan engines, the same core engine used in the LM6000, and refurbishes them for stationary power use. Modifications include expanding the turbine section to convert thrust into shaft power, similar to the LM6000 conversion process.

[22] Hydrogen blending is only available when burning natural gas.

Emissions Systems

The PE6000 combustion turbine units will be equipped with advanced emissions control systems, including:

- Selective Catalytic Reduction systems to reduce NOx to ≤7.0 parts per million ("ppm");
- Carbon monoxide ("CO") oxidation catalysts to reduce CO to ≤5.0 ppm; and
- Continuous Emission Monitoring System for real-time compliance tracking.

These systems ensure compliance with all applicable environmental regulations and support Maritime Electric's commitment to responsible and sustainable energy supply. The December 2024 Application included optional pricing for several equipment technologies related to emissions monitoring and reduction, including Selective Catalytic Reduction, Continuous Emission Monitoring System and biodiesel capability, but these were not included in the combustion turbine cost estimate of $156 million in the December 2024 Application.

5.3 Engineering, Procurement and Construction Scope and Owner Responsibilities

The scope of the Accelerated Capacity Solution consists of two integrated components: the turnkey Engineering, Procurement and Construction scope provided by ProEnergy and the supporting infrastructure to be delivered by Maritime Electric. ProEnergy will design and construct a 100 MW dual-fuel PowerFLX facility, including all major equipment, balance-of-plant systems, emissions controls, and commissioning. Maritime Electric will be responsible for site infrastructure, including ultra-low sulfur diesel fuel delivery systems; electrical interconnections (covering both the transmission connection from the high-side breaker on the generator step up transformers and station service); raw water supply; and connections for stormwater and wastewater discharge to municipal systems. Permitting responsibilities also fall under Maritime Electric's scope.

5.3.1 ProEnergy Scope

ProEnergy will deliver a turnkey PowerFLX facility, including:

- Site specific detailed engineering of all equipment, balance-of-plant components, and civil requirements;

- Turbine enclosures, auxiliary systems, and balance-of-plant components;
- Emissions systems, water treatment, and electrical interconnection;[23]
- Supply and installation of the necessary concrete foundations, structural steel, fencing, supports, etc.;
- Procurement and all required transportation and logistics associated with equipment delivery;
- All required site construction work requirements, including labour, tools, consumables, equipment rentals, site security services, etc.;
- All required commissioning and start-up services; and
- Warranty coverage for 12 months.[24]

This comprehensive offer significantly offsets owner costs and eliminates the need for much of the upfront engineering originally contemplated in the December 2024 Application. Furthermore, the secured pricing in ProEnergy's proposal, which is backed by fixed pricing and defined delivery milestones, reduces the risk of cost escalation due to volatile market conditions, providing greater budget certainty and schedule assurance.

5.3.2 Maritime Electric Responsibilities

Maritime Electric is responsible for fuel storage and delivery infrastructure, permitting, utility interconnections (including water, wastewater and electrical service), and the transmission connection from the high-side breaker on the generator step up transformer to the existing Charlottetown Plant substation. These responsibilities are discussed in this section and the associated estimated costs are provided in Section 5.4.

Fuel Storage and Delivery Infrastructure

Maritime Electric intends to install two additional two-million litre ultra-low sulfur diesel storage tanks at the Charlottetown Generating Station site. This amount of fuel storage ensures that all three combustion turbines located at the Charlottetown Generating Station can operate at full load for a minimum of seven days without additional fuel deliveries, and aligns with current storage

[23] ProEnergy scope terminates at the high-side breaker from each generator step up transformer. Interconnection from the breaker to the Charlottetown Plant substation is included in Maritime Electric's scope.

[24] Warranty shall extend for a period of 12 months following substantial completion or 24 months from equipment arrival to site, whichever is sooner.

quantities for Maritime Electric's existing combustion turbines. The fuel storage and delivery infrastructure include:

- Two additional 2 million litre bulk storage tanks;
- One additional truck offloading station;
- One additional day tank;
- Fuel polishing skid;
- Fuel forwarding pumps;
- Fuel heater; and
- All required piping, insulation, heat tracing, pumps, controls, etc. as required to deliver fuel at the required specification to the combustion turbines.

Grid Connections

The output from each generator step up transformer associated with the proposed 100 MW combustion turbine package will be connected to Maritime Electric's existing 69 kV Charlottetown Plant substation via independent breakers. The existing substation infrastructure and local distribution load are capable of accepting the full output from the two new combustion turbines, in addition to the existing CT3 unit. However, to accommodate additional generation, the 69 kV bus will require expansion to provide an additional connection point.

The interconnection design will be finalized following completion of a full interconnection study, which will evaluate system compatibility, load flow impacts, fault current levels, and protection coordination. Maritime Electric anticipates that only minor upgrades will be required to meet reliability standards and ensure seamless integration with the existing grid.

Strategically, the reuse of the Charlottetown substation and adjacent infrastructure offers significant advantages. It minimizes environmental disturbance, avoids the need for new transmission corridors, and accelerates permitting timelines. The estimated cost of the required transmission interconnection and substation modifications is $8 million. This estimate includes bus expansion, protection system upgrades and associated civil works and is included within the Maritime Electric responsibilities line item in Table 2 - Cost Breakdown of Accelerated Capacity

Solution. Final costs will be refined upon completion of detailed engineering and the interconnection study.

Permitting

The development of the 100 MW combustion turbine package at the Charlottetown Generating Station will require an Environmental Impact Assessment ("EIA") permit from the Government of PEI and municipal development approval from the City of Charlottetown. For the EIA, Maritime Electric intends to leverage the comprehensive environmental review completed in 2014 when the Company submitted a full EIA application for a similar 50 MW combustion turbine project at the same site. This prior work provides a strong foundation for the current permitting process and is expected to streamline regulatory review. In parallel, the Company has initiated preliminary discussions with the City of Charlottetown regarding development permitting requirements and intends to advance this process as soon as possible to maintain the project's proposed schedule.

Utility Connections

To support the successful installation and operation of the proposed 100 MW combustion turbine package, Maritime Electric will be responsible for providing utility connections and site infrastructure. This includes a municipal water supply for plant operations, stormwater and wastewater connections from the output of the ProEnergy supplied systems to the municipal systems. Station service power connections will be established by Maritime Electric. In addition, Maritime Electric will install a black start generator capable of independently starting both combustion turbines in the event of a local grid outage to ensure system resilience and operational continuity.

5.4 Project Cost

The estimated total cost of the Accelerated Capacity Solution for the 100 MW of combustion turbine package is shown in Table 2. The estimated cost reflects the full turnkey Engineering, Procurement and Construction scope proposed by ProEnergy, as well as Maritime Electric supplied infrastructure and services necessary to support the installation and operation of the facility.

TABLE 2 **Cost Breakdown of Accelerated Capacity Solution**		
Item	**Cost ($ thousands)[a]**	**Comments**
ProEnergy Engineering, Procurement and Construction Scope		
Equipment supply (USD)	[redacted]	As quoted in SRA
Engineering, Procurement and Construction pricing (USD)		Difference between Engineering, Procurement and Construction Budgetary Proposal and Equipment Supply
USD/CAD exchange adjustment		Based on a current USD/CAD exchange rate of 1.38
Contingency		Due to fixed price contract, contingency allowance is only 2 per cent for ProEnergy scope
Total ProEnergy Scope		
Maritime Electric Scope		
Maritime Electric Responsibilities		Includes the provision of fuel storage and delivery infrastructure, transmission and utilities interconnections, and permitting as per Section 5.3.2
Blackstart Capability		Added one black start generator capable of starting both CTs.
Maritime Electric Labour, Site Overhead and Construction Indirect Costs		Estimated at 10 per cent of Maritime Electric Labour, Site Overhead and Construction Indirect Costs of S&L estimate for 100 MW plant. Reduced allowance is due to the fixed turn-key contract arrangement.
Project Indirect Costs		Estimated at 12 per cent of Maritime Electric scope plus estimated Owner's costs not included in ProEnergy's scope.
Contingency		20 per cent contingency for Maritime Electric scope
Total Maritime Electric Scope		
Total Cost of Accelerated Capacity Solution	**$ 334,229**	
Cost per kW ($/kW)	3,342[b]	

a. Costs are in CAD unless otherwise noted.
b. The S&L cost estimates presented in Appendix A and summarized in Table 3 exclude transmission and utility interconnections, as well as permitting costs, which are estimated at approximately $10 million. These components are included in the total cost shown in Table 2 to provide full transparency to the Commission. Accordingly, the cost estimates in Appendix A and Table 3 are approximately $10 million lower than the total cost presented here.

A comparison of the combustion turbine proposed in the December 2024 Application and the combustion turbine package proposed as part of the Accelerated Capacity Solution is provided in

Table 3, including an updated cost estimate (August 2025) from S&L. In August 2025, S&L provided updated indicative cost estimates for both a 1 x 50 MW and a 2 x 50 MW GEV LM6000 combustion turbine installation at the Charlottetown Generating Station. These estimates were intended to provide benchmark overnight pricing and are included in the S&L letter attached as Appendix A. It is important to note that the S&L estimates do not include transmission and utility interconnection costs or permitting, which are estimated at approximately $10 million. These components are included in the total cost shown in Table 2 for the ProEnergy turnkey proposal. As a result, the ProEnergy cost shown in Table 2 is approximately $10 million higher than the cost shown in Table 3, which reflects the S&L cost esitmate. Additionally, S&L cautions that overnight capital cost estimates – such as those presented for the LM6000 units – should not be directly compared to fixed-price proposals like ProEnergy's, due to differences in scope, escalation, financing, and market volatility.

TABLE 3
Project Combustion Turbine Comparison

	December 2024 Application	**S&L Current Cost Update (August 2025)**	**Accelerated Capacity Solution**
Capacity (MW)	1 x 50 MW	2 x 50 MW	2 x 50 MW
Model	GEV LM6000	GEV LM6000	ProEnergy PE6000[a]
In-service timeline	2029	2030+	2028
Capital Costs (CAD/kW)			
Cost before Selective Catalytic Reduction and Continuous Emission Monitoring System	3,120	3,333	3,240
Selective Catalytic Reduction cost[b]	Optional: +$160/kW	Included	Included
Continuous Emission Monitoring System cost[b]	Optional: +$16/kW	Included	Included
Cost including Selective Catalytic Reduction and Continuous Emission Monitoring System ($/kW)	**3,296**	**3,333**	**3,240[c]**
Capabilities			
Synchronous condenser capability	Included	Included	Included
Fuel options	Diesel Natural gas	Diesel Natural gas	Diesel Natural gas
BioDiesel capability	Optional: +$114/kW	Optional: +$132/kW	Optional: +$132/kW

a. The PE6000 is a refurbished GEV LM6000.
b. See Section 8.4 of the December 2024 Application for details.
c. Reflects a USD/CAD exchange rate of 1.38.

Net Present Value Analysis

In the December 2024 Application, Maritime Electric presented a 2024 NPV analysis that demonstrated that the proposed Project would result in estimated cost savings of approximately 20 per cent compared to purchasing off-Island power generating capacity from NB Power. In Maritime Electric's response to Synapse IR-2(e) filed with the Commission on May 16, 2025, the Company indicated that it had received indicative capacity pricing from NB Power on April 17, 2025, for the period inclusive of 2027 to 2030. The indicative capacity pricing from NB Power was significantly higher than the pricing used in the December 2024 Application's NPV analysis. As a result of the indicative pricing received from NB Power and the introduction of the Accelerated Capacity Solution, Maritime Electric completed an updated NPV analysis for the Accelerated Capacity Solution.

The results of the updated NPV analysis for the Accelerated Capacity Solution are shown in Table 4. Like the NPV analysis in the December 2024 Application, for comparison purposes, the updated NPV analysis is based on the Accelerated Capacity Solution installed in the present year (i.e., the base year is 2025). The NPV analysis demonstrates that the Accelerated Capacity Solution is estimated to result in savings of approximately 50 per cent compared to continuing to purchase capacity resources and ancillary services from NB Power. Supporting calculations for the NPV analysis are provided in Confidential Appendix B.

TABLE 4	
(Extension to Table 14 from December 2024 Application) 2025 NPV Analysis of Accelerated Capacity Solution	
Nominal Capacity (MW)	100
Load Following Assignment (MW)	-
Spinning Reserve Assignment (MW)	-
Service Life (Years)	50
Total Estimated Installed Cost ($ millions)	334
Estimated Annual Fixed O&M in Year 1 ($ millions)	1.2
Present Cost of Project (2024 $ millions):	
Total Project Cost Over Useful Life (A)	**412**
Present Avoided Cost of Project:	
Off-Island Capacity Purchases	858
Off-Island Load Following	0
Off-Island Spinning Reserve	0
Future Standalone Synchronous Condenser[a]	46
Total Avoided Cost Over Useful Life (B)	**904**
Net Present Value (2024 $ millions; C = B - A)	**492**
Per Cent Savings (D = C / B)	*54%*

a. Represents the avoided cost of installing a standalone synchronous condenser because the Accelerated Capacity Solution cost estimate includes synchronous condensers. Refer to Section 7.5 of the December 2024 Application for more information. The cost of the standalone synchronous condenser was inflated by 30 per cent to match that of combustion turbine equipment.

5.5 Deferral Account

Maritime Electric respectfully requests Commission approval to establish a deferral account for the future recovery from customers of expenses incurred in relation to the Accelerated Capacity Solution. This account is essential to enable the Company to proceed with time-sensitive commercial commitments required to secure 100 MW of on-Island dispatchable generation capacity by 2028.

The increasing capacity deficit is the most critical risk facing Maritime Electric today. As detailed in Section 6.3, failure to secure new on-Island dispatchable generation capacity by 2028 through the Accelerated Capacity Solution would result in a minimum two-year delay, jeopardizing the Company's ability to supply customers during system peak periods. The Accelerated Capacity

Solution represents the only viable and cost-effective path to mitigate this risk within the required timeframe.

To maintain alignment with NB Power's Centre Village project and secure manufacturing capacity from ProEnergy, Maritime Electric must issue a non-refundable Slot Reservation Payment of USD $5.6 million by September 2025.[25] This payment initiates the production process and is credited toward the total equipment purchase price. Subsequent payments totaling USD $29.12 million are due by December 1, 2025, including a Full Notice to Proceed payment and a Long Lead Procurement payment. These payments are governed by the SRA and are essential to maintain the project's critical path to commissioning by 2028.

Maritime Electric is, therefore, seeking Commission approval to establish a deferral account for the future recovery from customers of the following categories of expenses:

- Slot Reservation Payment;
- Full Notice to Proceed and Long Lead Procurement payments;
- Owner's costs required to advance permitting, site readiness, and transmission integration design; and
- Any additional costs necessary to maintain project momentum and alignment with NB Power's delivery schedule.

Approval of this deferral account will allow Maritime Electric to proceed with the Accelerated Capacity Solution without delay, while ensuring that all expenditures are subject to future prudency review and recovery through rates. The Company emphasizes that these early-stage commitments are not without consequence; once the Slot Reservation Payment is made, the project must continue to progress to avoid financial penalties and loss of slot reservation.

[25] The slot reservation does not have a fixed expiry date; rather, its viability depends on the volume of reservations ProEnergy receives in the coming weeks. A single large order or multiple smaller orders could push Maritime Electric's production slot beyond the timeframe required to align with NB Power's project. If that occurs, the opportunity to share resources and benefit from execution synergies may be lost, and ProEnergy may no longer be willing to proceed with the Maritime Electric project under the current terms.

Maritime Electric submits that the establishment of a deferral account is in the public interest and consistent with the Company's obligation to ensure reliable and secure electricity supply for customers. The Company is committed to transparency and will provide quarterly updates to the Commission detailing all expenditures incurred under the deferral account, as well as progress on permitting, engineering, and project development activities.

6.0 BENEFITS

Justification for the Project outlined in Section 7.0 of the December 2024 Application are still applicable to the Accelerated Capacity Solution. The combustion turbine package with synchronous condensing capabilities proposed as part of the Accelerated Capacity Solution aligns with the combustion turbine component of the December 2024 Application.[26] However, there are several benefits to the Accelerated Capacity Solution including lower costs, pricing security, an accelerated timeline, and construction and operational efficiencies. These benefits are discussed in this section.

6.1 Lower Cost

The Accelerated Capacity Solution represents a lower cost option for securing on-Island dispatchable generation capacity. Table 5 shows a comparison of capacity costs based on the December 2024 Application, an update provided in May 2025, a current August 2025 update and the Accelerated Capacity Solution. The table demonstrates the significant cost increases for dispatchable generation recently experienced in the industry and serves as evidence that the Accelerated Capacity Solution is the most cost-effective option.

[26] The combustion turbine component is described Section 6.2 of the December 2024 Application.

TABLE 5 Project Capacity Cost Comparison			
	Total Capacity (MW)	**Capacity Cost (CAD/kW)**	**In-Service Timeline**
On-Island Capacity for Security of Supply Project Application (December 2024)			
10 MW/40 MWh BESS	10	2,664	2028
50 MW combustion turbine	50	3,345	2029
90 MW RICE	90	2,722	2030
Weighted Average		2,926	
Response to Synapse IR-12(b) Cost Update (May 2025)			
10 MW/40 MWh BESS	10	2,670	-
50 MW combustion turbine	50	3,871	-
90 MW RICE	90	3,234	-
Weighted Average		3,409	
S&L Current Cost Update (August 2025)			
50 MW combustion turbine	50	3,863[a]	2030+
100 MW combustion turbine	100	3,333[a]	2030+
Accelerated Capacity Solution			
100 MW combustion turbine package	100	3,240[b]	2028

a. Combustion turbine cost estimates provided by S&L in May included biodiesel capabilities. Cost estimates provided in August do not include biodiesel capabilities.
b. CAD/kW capacity cost for the Accelerated Capacity Solution is based on the August 2025 S&L cost estimate, included in Appendix A, not the total project costs in Table 2, to maintain consistency with prior capacity cost comparisons.

6.2 Secured Fixed Pricing

ProEnergy's contract agreement structure and experience executing similar projects as an Engineering, Procurement and Construction contractor significantly reduces the risk of market price impacts and cost escalations. Their contract structure allows Maritime Electric to secure a fixed price for the combustion turbine package, which is particularly advantageous given current market volatility and inflationary trends in the industry. In total, [redacted] of the total estimated project cost, per Table 2 - Cost Breakdown of Accelerated Capacity Solution, would be secured under this arrangement. This secured pricing provides Maritime Electric with budget certainty and mitigates the risk of future cost increases that could otherwise arise from supply chain disruptions or commodity price fluctuations.

Missing out on the savings that the Accelerated Capacity Solution will provide would expose future Project costs to significant financial risk. Global demand for combustion turbines continues to rise, and manufacturers are reporting extended backlogs. If this opportunity is not secured, it is unlikely that any alternative project could be commissioned before 2030, by which time market constraints, inflationary pressures, and supply chain congestion are expected to drive project costs substantially higher.

6.3 Accelerated Timeline

With Maritime Electric's capacity deficit increasing each year, delays in securing on-Island dispatchable generation capacity significantly increase the risk of capacity shortages during high customer load periods. Securing dispatchable generation capacity by 2028 is the critical advantage offered by the Accelerated Capacity Solution and the only option to do so.

Due to high global power generation equipment demand, as outlined in Section 4.2, if the Accelerated Capacity Solution is missed, it is unlikely that any alternative project could be commissioned before 2030. Additionally, ProEnergy's experience, Engineering, Procurement and Construction services and contract structure provide greater certainty of project completion by 2028 and reduces the risk of schedule delays. As a result, missing the opportunity would expose Maritime Electric and customers to heightened financial risk and threaten the Company's ability to supply customers during system peaks for at least two or more winters, before any other capacity solution could be secured.

6.4 Brownfield Site

As described in Section 6.2 of the December 2024 Application, Maritime Electric currently has the Charlottetown Generating Station site that houses CT3, a fuel tank depot, and a water treatment facility. The Company recently demolished the Charlottetown Steam Plant on the site, which has provided ample space for the addition of a new combustion turbine package (consisting of two combustion turbines). The Charlottetown Generating Station site offers ideal conditions for the installation of additional combustion turbines, with synchronous condensing capability, and minimizes the need for new infrastructure development. This type of site is referred to as a brownfield site, and offers significant advantages compared to a greenfield site.[27]

[27] Brownfield refers to reusing previously developed land, while greenfield refers to undeveloped land.

The Charlottetown Generating Station brownfield site offers Maritime Electric considerable strategic and operational benefits. Ownership of the land eliminates the cost and risk of delays associated with land acquisition. Because of the established use of the land as a power generation site, environmental and municipal approvals are expected to be more straightforward. Additionally, shared services such as the existing fuel delivery infrastructure and water treatment facility can be leveraged, avoiding the need for duplicative investment in critical systems. Lastly, locating the new combustion turbine package within an established power generation site enables operational efficiencies, as discussed in Section 6.5.

6.5 Construction and Operational Efficiencies

There are several construction and operational efficiencies associated with the Accelerated Capacity Solution. The combustion turbines included in ProEnergy's standard package are refurbished GEV LM6000 model turbines, the same model as Maritime Electric's existing CT3 unit. This alignment offers significant operational advantages, including compatibility with existing infrastructure, streamlined operator training, and simplified maintenance procedures. Several Maritime Electric personnel were involved in the commissioning of CT3 in 2005 and are already familiar with the operational characteristics of the LM6000 platform.

It is also important to note that ProEnergy typically only offers Engineering, Procurement and Construction service contracts to customers installing a minimum of 200 MW. While ProEnergy is willing to sell turbine packages with two units, it does not normally provide Engineering, Procurement and Construction services for those smaller standalone projects. Maritime Electric's ability to secure Engineering, Procurement and Construction services for its 100 MW project is directly tied to the timing and alignment with NB Power's Centre Village project. This sequencing creates substantial efficiencies. The same construction crews, engineering teams, and logistics providers engaged in the NB Power project can be remobilized to PEI with minimal delay. Sequencing also provides continuity, which reduces mobilization and demobilization costs, shortens the learning curve for site-specific conditions, and allows ProEnergy to treat the PEI installation as a direct extension of its work for NB Power, rather than a separate project. These efficiencies translate into lower capital costs, reduced schedule risk, and enhanced execution certainty.

In summary, the Accelerated Capacity Solution enables Maritime Electric to leverage a unique window of execution efficiency that would not be available if a different ProEnergy (or other supplier) solution were pursued independently or at a later date. The ability to secure Engineering, Procurement and Construction services for a two-unit installation, combined with the operational familiarity of the GEV LM6000 platform and the strategic reuse of the Charlottetown Generating Station site, makes this project configuration both cost-effective and highly executable.

7.0 RISK ANALYSIS AND MITIGATION

The Accelerated Capacity Solution represents Maritime Electric's only viable path to securing new on-Island dispatchable generation capacity by 2028. While the ProEnergy proposal offers a firm, turnkey solution that mitigates many traditional project risks, including cost escalation and engineering uncertainty, the aggressive timeline required to align with NB Power's Centre Village project introduces its own set of challenges. This section outlines the key risks associated with the project and the mitigation strategies being pursued to ensure successful execution within the required timeframe.

7.1 Reservation Slot Deposit

The SRA with ProEnergy requires Maritime Electric to make a downpayment of USD $5.6 million to secure manufacturing capacity for two PE6000 combustion turbines.[28] The downpayment is credited toward the total equipment purchase price under the future Superseding Agreement, but this downpayment is largely non-recoverable if the project does not proceed. Should the Superseding Agreement not be executed by the November 1, 2025, Supersede Date, or if Maritime Electric terminates the SRA prior to that date, a Cancellation Fee of USD $4.75 million is payable by Maritime Electric.[29]

The SRA is not a passive reservation, meaning that upon execution and payment, ProEnergy is contractually obligated to begin reserving production capacity and preparing for equipment delivery. Maritime Electric must concurrently begin advancing permitting activities and regulatory approvals to meet the aggressive project schedule. The SRA outlines a series of binding payment milestones that escalate the Company's financial commitment:

- November 1, 2025: A [redacted] downpayment (USD $15.68 million) of the total equipment cost is due upon issuance of the Full Notice to Proceed.
- December 1, 2025: An additiona [redacted] payment (USD $13.44 million) is required to initiate procurement of long-lead equipment.

[28] A copy of the SRA is included in Confidential Appendix D.
[29] As per the SRA, upon cancellation of the SRA a cancellation fee of USD $4.75 million is to be paid by Maritime Electric to ProEnergy in addition to the SRA downpayment of USD $5.6 million.

These early-stage financial commitments are essential to maintain alignment with NB Power's Centre Village project and to ensure delivery of on-Island capacity by 2028. However, they also introduce risk should permitting or regulatory approvals not be secured in time. The structure of the SRA therefore places a premium on timely and coordinated action by Maritime Electric and the Commission to advance the Accelerated Capacity Solution.

7.2 Tariffs and Currency Exchange Rates

The risk of tariffs or changes to the USD-to-CAD exchange rate remains a consideration. ProEnergy is located in Missouri, USA; therefore, the project may be subject to tariffs imposed between Canada and the United States. However, this risk is not unique to ProEnergy; other manufacturers of combustion turbines and RICE units also source materials or construct components within the USA and would therefore be subject to similar tariff exposure. As of August 12, 2025, the current tariff regime does not appear to materially impact the cost of the Accelerated Capacity Solution.

The ability to secure a firm, turnkey offer at a fixed price remains a key advantage of the ProEnergy proposal and a critical factor in the Company's recommendation to proceed without delay.

7.3 Environmental Impact Assessment Approvals

The Accelerated Capacity Solution will require EIA approval from the Government of PEI. Given that an identical combustion turbine is already located at the Charlottetown Generating Station site, the Company does not foresee EIA approval as a significant risk. Since Maritime Electric filed the December 2024 Application, the Company has had preliminary discussions with the Government of PEI's Department of Environment, Energy and Climate Action about the EIA process.

In 2014, the Company retained a consultant to help prepare an EIA for a combustion turbine project that was eventually not pursued. At the time, the EIA was for one additional GEV LM6000 combustion turbine unit. Maritime Electric recently inquired with the consultant about updating the 2014 EIA to reflect the Accelerated Capacity Solution. The consultant indicated that the EIA work completed in 2014 was still relevant and could be updated to reflect the Accelerated Capacity

Solution. The ability to complete the EIA application rapidly due to the partially completed EIA will help mitigate the risk of EIA approval delays.

7.4 Municipal Approvals

The Charlottetown Generating Station is currently zoned Comprehensive Development Area in the City of Charlottetown, which requires approval by city council for a construction permit. Given that an identical combustion turbine is already located onsite and that Maritime Electric recently demolished a much larger steam plant building on the same site, the Company does not foresee municipal approval as a significant risk.

Since Maritime Electric filed the December 2024 Application, the Company has had preliminary discussions with the City of Charlottetown about the potential for additional generation on the site. Maritime Electric will begin working on municipal approvals immediately, if approved by the Commission, to mitigate risks associated with municipal approval delays.

7.5 Deferral Account

As detailed in Section 5.5, Maritime Electric is seeking Commission approval to establish a deferral account to support time-sensitive commercial commitments under the Accelerated Capacity Solution as well as costs associated with the Company advancing permitting and siting requirements. While this account mitigates financial risk for the Company by ensuring recovery of committed expenditures, it introduces a corresponding risk for ratepayers. If the project is ultimately denied after funds have been committed, customers will remain responsible for covering those costs through rates.

The SRA requires early-stage payments totaling USD $34.72 million by December 1, 2025. These commitments are necessary to maintain alignment with NB Power's delivery schedule and secure manufacturing capacity. However, once incurred, these costs become recoverable through the deferral account regardless of whether the project proceeds, underscoring the importance of timely regulatory approvals and coordinated execution.

8.0 ESTIMATED IMPACT ON RATE BASE, REVENUE REQUIREMENT AND CUSTOMER RATES

Section 10.0 of the December 2024 Application provided a hypothetical customer rate impact for the Project of approximately 10 per cent for benchmark Rural Residential, Urban Residential and General Service customers. An accurate estimated rate impact was not provided due to several listed factors. However, a significant portion of the Accelerated Capacity Solution costs are secured fixed costs through an Engineering, Procurement and Construction contract with ProEnergy; therefore, a more accurate estimated rate impact can be calculated.

The estimated impact on customer rates of the Accelerated Capacity Solution is approximately 6 per cent for benchmark Rural Residential, Urban Residential and General Service customers.[30] Detailed calculations for the estimated impact on rate base, revenue requirement and customer rates are provided in Confidential Appendix F.

While the Accelerated Capacity Solution will result in an increase in customer rates, over the useful life of the 100 MW combustion turbine package and on a present value basis, the Accelerated Capacity Solution costs are expected to be more than offset by the avoided costs, resulting in a positive economic benefit to customers, as discussed in Section 5.4. The Accelerated Capacity Solution is estimated to result in savings of approximately 50 per cent compared to doing nothing and continuing to purchase capacity resources and ancillary services from NB Power, which assumes that such resources and services will be available for purchase when needed.

[30] Benchmark Residential Rural and Residential Urban customers include 650 kWh of consumption per month. Benchmark General Service customers include 10,000 kWh of consumption per month. Taxes are excluded from the impact on customer rates.

9.0 PROPOSED ORDER

C A N A D A

PROVINCE OF PRINCE EDWARD ISLAND

BEFORE THE ISLAND REGULATORY
AND APPEALS COMMISSION

IN THE MATTER of Section 17(1) of the *Electric Power Act* (R.S.P.E.I. 1988, Cap. E-4) and **IN THE MATTER** of the Supplemental Filing of Maritime Electric Company, Limited for the approval of an Accelerated On-Island Capacity Development Solution as part of the On-Island Capacity for Security of Supply Project.

UPON receiving a Supplemental Filing by Maritime Electric Company, Limited (the "Company") for approval of an Accelerated On-Island Capacity Development Solution (the "Accelerated Capacity Solution");

AND UPON considering the December 2024 Application and Evidence filed in support thereof;

NOW THEREFORE, for the reasons given in the annexed Reasons for Order and pursuant to the Electric Power Act

IT IS ORDERED THAT

1. The need for 100 MW of the 150 MW in the On-Island Capacity for Security of Supply Project Application, filed on December 18, 2024, is approved.
2. A deferral account for future recovery from customers of expenditures related to the Accelerated Capacity Solution is approved.

3. Expenditures listed in the payment schedule outlined in the ProEnergy Slot Reservation Agreement, through the deferral account, is approved.
4. Maritime Electric shall continue to work on finalizing an Equipment Purchase and Sale Agreement ("Superseding Agreement") with ProEnergy. A final Superseding Agreement shall be provided to the Commission with detailed costing information for review prior to signing the contract.
5. Maritime Electric shall continue to work on finalizing an Engineering, Procurement and Construction contract with ProEnergy. A final Engineering, Procurement and Construction contract shall be provided to the Commission with detailed costing information for review prior to signing the contract.
6. Maritime Electric shall provide the Commission with additional details of the Company's scope of work for the project.
7. In the event that any of the ProEnergy payments exceed the amounts noted in the SRA provided in Appendix D, Maritime Electric shall submit a written update.
8. Maritime Electric shall provide the Commission quarterly progress reports including timelines and costs.

DATED at Charlottetown, Prince Edward Island, this ___ day of _____, 2025.

BY THE COMMISSION:

_____

Chair

_____

Commissioner

_____

Commissioner

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August 13, 2025

Re: Firm Generation Capacity on Prince Edward Island

Kent Nicholson
Director, Production & Energy Control Operations
Maritime Electric Company Ltd.

Dear Mr. Nicholson:

Sargent & Lundy (S&L) is providing this memorandum to the Maritime Electric Company Ltd. (MECL) to provide additional information with respect to new generation capacity on Prince Edward Island (PEI). S&L issued a Capacity Resource Study and subsequent addendum, both prepared for MECL in 2022 and 2023, respectively. The retirement of generation assets on PEI, combined with increased on-island demand — most notably observed during the February 2023 polar vortex event — has left a substantial gap in available on-island capacity as compared to peak island electricity demand. This gap has the potential to leave PEI particularly exposed during any future events in which PEI is curtailed or electrically islanded from the mainland, especially during the winter months when PEI's electrical load is the highest.

In addition to being exposed during future curtailment or islanded events, because of increasing load, PEI is edging closer to not being able to meet peak load times without curtailments. By 2027, PEI's peak load is expected to be approximately 408 MW, with the current interconnection limit of 300 MW and only 104 MW of dispatchable on-island generation available. As such, during times of low or no wind generation, projected peak load in 2027 will not be able to be fully served. To address this issue, S&L recommends that MECL act promptly to install additional firm capacity on-island to help better safeguard the island against such future events.

MECL is currently considering different combustion turbine (CT) options for future firm generation capacity on PEI, including ProEnergy PE6000 turbines and General Electric (GE) LM6000 turbines. Both units have similar operating characteristics and both are well-suited to help MECL address the firm (on-island) capacity deficiency in PEI.

ProEnergy is a company that specializes in providing refurbished GE CF6-80C2 turbines, which has the same engine core as is found in the GE LM6000. Refurbished turbines represent a lower-cost option than new turbines and refurbished units can typically be installed on a relatively short timeline, as a result of shorter procurement lead times for PE6000 turbines as compared to new options, such as GE's LM6000 turbines. We understand from MECL that a neighboring utility has been independently negotiating with ProEnergy for approximately the past year and has invited MECL to be a part of their procurement discussions with ProEnergy, effectively allowing MECL to quickly move forward in project discussions with ProEnergy. Aligning with the neighboring utility's procurement timeline also allows MECL to benefit from economies of scale and accelerated delivery schedules. If MECL decides to take advantage of this opportunity, MECL needs to act promptly in order to secure their place in the ProEnergy procurement queue – significant delay on MECL's part could result in missing the current opportunity to obtain a forward position in the procurement queue. Note that a forward position in the procurement queue would also help reduce cost uncertainty for MECL. S&L does not consider the fact that the ProEnergy units are refurbished to be a significant risk for MECL. In addition, MECL will be primarily utilizing the units as backup generators to backstop the system against potential curtailment / islanding events; thus, utilization is anticipated to be relatively low. For this particular use case, S&L considers the ProEnergy PE6000 units to be well suited for MECL's needs.

Alternatively, MECL could pursue new GE LM6000 turbines. These CTs are widely used in the electricity industry and have a reliable pedigree. However, this option would require MECL to initiate a new negotiation with General Electric and enter a long procurement queue – for reference, S&L is currently observing lead times for LM6000 units in the two to three year range from order to delivery. Additionally, there is a risk of escalating and uncertain costs over the duration of the procurement process, due to recent very high demand and resulting increasing prices for combustion turbines across the industry. As a point of reference, S&L has observed the cost for LM6000 turbines (and similar CT types) increase on the order of 30% over the last 12 months. Because of these long lead times and cost uncertainties, it is unlikely that MECL could secure future LM6000 units at or near the price in ProEnergy's recent proposal. These factors make it challenging to favor purchasing new LM6000s over the opportunity MECL has to purchase PE6000s both at lower cost and on an accelerated timeline.

S&L previously provided a cost estimate for a single LM6000 unit to MECL in September 2024 as part of MECL's regulatory filings. Since then, S&L has updated costs in this estimate to account for recent changes / inflation in prices in the industry. The updated estimate is provided in the table below, in addition to estimates for two LM6000 units and the recent proposal from ProEnergy for two PE6000 units. The cost estimate reflects an Association for the Advancement of Cost Engineering (AACE) Class 4 (feasibility study) / 5 (conceptual or screening estimate) classification. The estimated costs in the table have been levelized such that each option

reflects a consistent cost basis, for example, the procurement of all required major support equipment, required labor, overheads, etc. As such, costs can be compared side by side.

Most noteworthy is the fact that the ProEnergy cost is based on a recent proposal ProEnergy provided to MECL, meaning MECL could theoretically procure the units at or near to that price. The estimates for the LM6000 units reflect recent market pricing; however, as noted above, MECL is unlikely to be able to secure delivery for LM6000 units for two to three years due to the long procurement queue length. As such, if recent market price trends are to continue, MECL is likely to pay a substantially higher price for LM6000 turbines than what is shown in the table. Also note that in the table the per kilowatt (kW) cost of purchasing two units instead of one unit is less than double. The reason for this is that multiple units share some support / balance of plant equipment and infrastructure, which drives the per kW cost down.

Furthermore, it is important to note that the electric power industry is in a period of tremendous change and volatility. Costs for new electric power equipment and power plants have changed significantly in the past several years and may continue to do so. Due to the rapid changes and market uncertainties, it is not possible to directly quantify the validity period for generation cost estimates, but the validity period should be assumed to be quite short.

Estimated Overnight Capital Cost Comparison for LM6000 and PE6000 Combustion Turbines ($CAD, 000s)

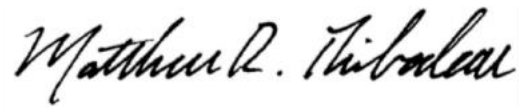
Units	**1 x LM6000**	**2 x LM6000**	**2 x PE6000**
Approximate Net Capacity	51 MW	102 MW	100 MW
Major Equipment and Installation	[redacted]	[redacted]	[redacted]
Balance of Plant Equipment and Installation			
Development and Owner's Cost			
Total Overnight Capital Cost ($CAD, 000s)	**197,000**	**340,000**	**324,000**
Cost per kW ($/kW)	**3,863**	**3,333**	**3,240**

Notes:

1) The LM6000 cost estimates reflects an Association for the Advancement of Cost Engineering (AACE) Class 4 (feasibility study) / 5 (conceptual or screening estimate) classification. The PE6000 cost estimates are based on a recent ProEnergy proposal MECL received.
2) Note that the estimated costs for the LM6000 options reflect recent market pricing and are not indicative of a price proposal like that of the PE6000 option.
3) The above costs are overnight capital costs and do not include cost considerations such as escalation, financing fees, interest during construction (IDC), tariffs, land acquisition, network upgrades or interconnection facility costs, or HV transmission line. Overnight capital costs should not be compared directly with prices being seen in the marketplace, due to differences in escalation, IDC, and other factors.
4) Given the substantial lead times for LM6000 turbines and recent price increases, MECL would likely have to pay more than the values represented in the table above for the LM6000 turbines. Costs in the table above for PE6000 turbines are based on the proposal MECL recently received from ProEnergy. As such, MECL would likely pay at or near the costs indicated in the table above for the PE6000 turbines.
5) The LM6000 estimates above were updated from S&L's previous estimate to levelized the scope of services proposed in the PE6000 offering from ProEnergy.

Given the potential risk to PEI during an event where the island is curtailment / electrically isolated from the mainland, especially during the winter, we recommend MECL develop additional firm generation capacity on PEI. The opportunity to purchase ProEnergy turbines on an accelerated timeline represents a relatively low-cost solution to address PEI's needs quickly. As such, S&L recommends that MECL pursue this opportunity.

Best Regards,



Matthew Thibodeau
Senior Vice President – Consulting Services

Net Present Value Analysis
ProEnergy 2 x PE6000 Combustion Turbines with Synchronous Condenser
Net Present Cost

Inputs	
Nominal Capacity (MW)	100
Fuel Type	Diesel
Useful Life (years)	50
Total Installed Cost ($ x 1,000)	334,229
Year 1 Operation and Maintenance Cost ($ x 1,000)	1,197
Operation and Maintenance Inflation Rate	2%
Corporate Income Tax Rate	31%
Normal Capital Cost Allowance Rate	8%
Debt Ratio	60%
Equity Ratio	40%
Debt Interest Rate	4.91%
Equity Return Rate	9.35%
Weighted Cost of Capital/NPV Rate of Return	6.69%

Project Cost ($ x 1,000)						
Year	**Amort.**	**O & M**	**Debt Interest**	**Equity Return**	**Income Taxes**	**Total**
1	3,677	1,197	9,758	12,388	5,566	32,585
2	7,428	1,221	9,483	12,039	5,409	35,579
3	7,428	1,245	9,116	11,573	5,200	34,562
4	7,428	1,270	8,767	11,130	5,000	33,595
5	7,428	1,295	8,433	10,706	4,810	32,673
6	7,428	1,321	8,114	10,301	4,628	31,793
7	7,428	1,348	7,809	9,914	4,454	30,952
8	7,428	1,375	7,516	9,541	4,287	30,147
9	7,428	1,402	7,234	9,184	4,126	29,374
10	7,428	1,430	6,963	8,839	3,971	28,632
11	7,428	1,459	6,701	8,507	3,822	27,917
12	7,428	1,488	6,448	8,186	3,678	27,228
13	7,428	1,518	6,204	7,876	3,538	26,563
14	7,428	1,548	5,966	7,574	3,403	25,920
15	7,428	1,579	5,736	7,282	3,272	25,297
16	7,428	1,611	5,512	6,998	3,144	24,693
17	7,428	1,643	5,294	6,721	3,020	24,105
18	7,428	1,676	5,081	6,451	2,898	23,534
19	7,428	1,709	4,873	6,187	2,780	22,978
20	7,428	1,744	4,670	5,929	2,664	22,434
21	7,428	1,778	4,471	5,676	2,550	21,904
22	7,428	1,814	4,276	5,428	2,439	21,385
23	7,428	1,850	4,084	5,185	2,330	20,877
24	7,428	1,887	3,896	4,946	2,222	20,379

25	7,428	1,925	3,710	4,710	2,116	19,890
26	7,428	1,963	3,528	4,478	2,012	19,410
27	7,428	2,003	3,348	4,250	1,909	18,937
28	7,428	2,043	3,170	4,024	1,808	18,473
29	7,428	2,084	2,994	3,801	1,708	18,015
30	7,428	2,125	2,820	3,581	1,609	17,563
31	7,428	2,168	2,648	3,362	1,511	17,117
32	7,428	2,211	2,478	3,146	1,414	16,677
33	7,428	2,255	2,310	2,932	1,317	16,243
34	7,428	2,301	2,142	2,720	1,222	15,813
35	7,428	2,347	1,976	2,509	1,127	15,387
36	7,428	2,393	1,812	2,300	1,033	14,966
37	7,428	2,441	1,648	2,092	940	14,549
38	7,428	2,490	1,485	1,886	847	14,136
39	7,428	2,540	1,324	1,680	755	13,727
40	7,428	2,591	1,163	1,476	663	13,321
41	7,428	2,643	1,003	1,273	572	12,918
42	7,428	2,695	843	1,071	481	12,519
43	7,428	2,749	685	869	391	12,122
44	7,428	2,804	527	669	300	11,728
45	7,428	2,860	369	469	211	11,337
46	7,428	2,918	212	269	121	10,948
47	7,428	2,976	56	71	32	10,562
48	7,428	3,035	-100	-127	-57	10,178
49	7,428	3,096	-256	-325	-146	9,797
50	7,428	3,158	-411	-522	-235	9,418
Total	**367,652**	**101,225**	**197,890**	**251,225**	**112,869**	**1,030,860**
NPC	**110,115**	**24,364**	**97,637**	**123,952**	**55,689**	**411,757**

Net Present Value Analysis
Standalone Synchronous Condenser
Net Present Cost

Inputs	
Nominal Capacity (MW)	50
Useful Life (years)	50
Total Installed Cost ($ x 1,000)	39,000
Year 1 Operation and Maintenance Cost ($ x 1,000)	30
Operation and Maintenance Inflation Rate	2%
Corporate Income Tax Rate	31%
Normal Capital Cost Allowance Rate	8%
Debt Ratio	60%
Equity Ratio	40%
Debt Interest Rate	4.91%
Equity Return Rate	9.35%
Weighted Cost of Capital/NPV Rate of Return	6.69%

Project Cost ($ x 1,000)						
Year	**Amort.**	**O & M**	**Debt Interest**	**Equity Return**	**Income Taxes**	**Total**
1	429	30	1,139	1,445	649	3,692
2	867	31	1,107	1,405	631	4,040
3	867	31	1,064	1,350	607	3,919
4	867	32	1,023	1,299	583	3,804
5	867	32	984	1,249	561	3,694
6	867	33	947	1,202	540	3,589
7	867	34	911	1,157	520	3,488
8	867	34	877	1,113	500	3,392
9	867	35	844	1,072	481	3,299
10	867	36	812	1,031	463	3,210
11	867	36	782	993	446	3,124
12	867	37	752	955	429	3,041
13	867	38	724	919	413	2,960
14	867	39	696	884	397	2,883
15	867	39	669	850	382	2,807
16	867	40	643	817	367	2,734
17	867	41	618	784	352	2,662
18	867	42	593	753	338	2,592
19	867	43	569	722	324	2,524
20	867	44	545	692	311	2,458
21	867	44	522	662	298	2,393
22	867	45	499	633	285	2,329
23	867	46	477	605	272	2,266
24	867	47	455	577	259	2,205
25	867	48	433	550	247	2,144

26	867	49	412	523	235	2,085
27	867	50	391	496	223	2,026
28	867	51	370	470	211	1,968
29	867	52	349	444	199	1,911
30	867	53	329	418	188	1,854
31	867	54	309	392	176	1,799
32	867	55	289	367	165	1,743
33	867	56	270	342	154	1,688
34	867	58	250	317	143	1,634
35	867	59	231	293	132	1,580
36	867	60	211	268	121	1,527
37	867	61	192	244	110	1,474
38	867	62	173	220	99	1,421
39	867	63	154	196	88	1,369
40	867	65	136	172	77	1,317
41	867	66	117	149	67	1,265
42	867	67	98	125	56	1,214
43	867	69	80	101	46	1,162
44	867	70	61	78	35	1,111
45	867	72	43	55	25	1,061
46	867	73	25	31	14	1,010
47	867	74	6	8	4	960
48	867	76	-12	-15	-7	909
49	867	77	-30	-38	-17	859
50	867	79	-48	-61	-27	809
Total	**42,900**	**2,531**	**23,091**	**29,315**	**13,170**	**111,007**
NPC	**9,583**	**431**	**9,441**	**11,985**	**5,385**	**45,813**

Net Present Value Analysis
ProEnergy 2 x PE6000 Combustion Turbines with Synchronous Condenser
Avoided Capacity and Ancillary Service Costs

Inputs	
ProEnergy 2 x PE6000 Combustion Turbines Nominal Avoided Capacity (MW)	100
Year 1-2 NB Power Firm Capacity Rate ($/MW-mo)	[redacted]
Year 3 NB Power Firm Capacity Rate ($/MW-mo)	
Year 4 NB Power Firm Capacity Rate ($/MW-mo)	
Year 5 NB Power Firm Capacity Rate ($/MW-mo)	
Year 6 NB Power Firm Capacity Rate ($/MW-mo)	
Year 7-50 NB Power Costs Inflation Rate	
Weighted Costs of Capital/NPV Rate of Return	6.69%

Year	NB Power Rates ($/MW-yr)	Avoided Cost ($ x 1,000)
	Firm Capacity	2 x PE6000 Capacity
1	[redacted]	[redacted]
2		
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Total		**6,950,449**
NPC		**858,238**

Net Present Value Analysis
ProEnergy 2 x PE6000 Combustion Turbines with Synchronous Condenser
Summary

	Present Value (2024 $ x 1,000)
	2 x PE6000 with Synch. Cond.
Nominal Capacity (MW)	100
Useful Life	50
Total Installed Cost ($ x 1,000)	334,229
Annual Fixed O&M in Year 1 ($ x 1,000)	1,197
Project Cost	
Amortization	110,115
Operating and Maintenance	24,364
Debt Interest	97,367
Equity Return	123,952
Income Taxes	55,689
Total Project Cost	411,757
Avoided Cost	
Off-Island Firm Capacity	858,238
Off-Island Load Following	0
Off-Island Spinning Reserve	0
Standalone Synchronous Condenser	45,813
Total Avoided Cost	904,051
Net Present Value	**492,294**
% Savings	***54%***

PROENERGY | MARITIME ELECTRIC A FORTIS COMPANY

PREPARED BY	PROPOSAL NO.	DATE	DISCLAIMER
PROENERGY Services	PF25-3148	June 13, 2025	This document is non-binding, privileged, and contains confidential information intended for use only by Maritime Electric.

Maritime Electric

100 MW Delivered With Up To 30% Savings

EPC Budgetary Proposal

PROPOSAL OUTLINE

Executive Summary
Scope of Work
Terminal Points
Design Conditions
Performance
Pricing
Delivery Schedule
Commercial Provisions
Assumptions and Clarifications
Appendix

ON COVER AND AT RIGHT
A New Standard: *The quality, workmanship, and reliability of the standardized PowerFLX PE6000 plant is now available to you.*

EXECUTIVE SUMMARY

Maritime Electric can enhance grid resilience and accelerate renewable growth with a turnkey, dispatchable power 100-MW solution for as much as 30% less cost than comparable offerings.

Maritime Electric is on a journey to decarbonize the grid while simultaneously ensuring reliable service to over 160,000 residents. PROENERGY believes that economical, clean-burning, dual-fuel peaking power with synchronous condensing capability has a role to play in meeting your strategic vision. We recommend a turnkey, operation-ready, 100 MW solution with 2 x aeroderivative units as part of your future generation mix. The solution—delivered as a complete package, from the engine, to the enclosure, to the balance-of-plant (BOP) systems—will provide the following benefits:

VALUE TO Maritime Electric

RELIABLE

Fills supply gaps in less than 10 minutes through all weather conditions based on field-proven engines that averaged 99% start reliability for 2024.

SUSTAINABLE

Supports the energy transition with flexible fuel operation, including hydrogen capabilities and a robust system that reduces NO_x and CO emissions by >90%.

AFFORDABLE

Reduces cost close to 30%, compared to typical power-block builds, with 100% turnkey standardized plant delivered through single-source efficiency.

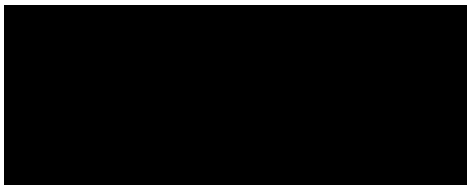
You will receive these benefits based on expertise that spans two decades of LM6000 work and includes more than 100+ EPC installations similar in scope to your project. This specialized experience enables us to deliver the utmost value for you.

The enclosed proposal presents a PE6000 engine-based solution. In response to the worsening supply scarcity of LM6000 turbines in the market, PROENERGY has invested seven years, and $115 million in R&D and manufacturing capabilities to launch the PE6000 aeroderivative turbine in 2023. Manufactured by PROENERGY as the OEM, the PE6000 meets or exceeds all LM6000PC characteristics, capabilities, and warranties. Please refer to the Thermal and Emissions Performance table for the expected performance of the engines in your facility.

The standard and proprietary CTG package design from PROENERGY is cross-compatible with both the LM6000 and PE6000. As such, any reference to “LM6000” in CTG package and BOP scope of work documentation are also applicable to the PE6000. Please refer to the following industry published article for preliminary information: https://www.powermag.com/new-aeroderivative-gas-turbine-offering-hits-the-market/

Herein, you will find more specific information on your project, and we look forward to discussing it with your team. To see a solution like the one recommended in action, we invite you to tour our headquarters in Sedalia, Missouri, or one of our EPC installations in the Houston area. Please feel free to contact us with any questions.

Sincerely,



SCOPE OF WORK

PROENERGY will provide Maritime Electric a complete, turnkey and CSA compliant PowerFLX facility, as per the following scope summary table:

PROENERGY-Supplied Items	Descriptions

PE6000 Combustion Turbine Generator (CTG)	• 2 x Aeroderivative combustion turbines
	• 2 x BRUSH brushless generators
	• Dual-fuel operation
	  ○ Natural gas, ultra-low sulfur diesel (ULSD) nozzles
	  ○ Package modifications for liquid fuel
	  ○ Fuel booster skid
	• 2 x Turbine and generator enclosures
	• 2 x CTG auxiliary systems, including lube oil coolers, water spray power augmentation (WSPA), NOx water injection
	• 2 x Inlet air filter systems with associated ladders and platforms
	• 2 x Package air recirculating inlet heating system
	• 2 x Inlet air fogging systems
	• 2 x 13.8kV MV switchgear, each with generator breakers & auxiliary breakers including protection panels
	• 2 x SSS Clutch synchronous condensing systems complete

Balance-of-Plant (BOP) Equipment	• 2 x 19.8-m exhaust stack with required testing and CEMS ports
	• 2 x SCR/CO emissions control systems, with
	  ○ Ducting assemblies
	  ○ Ammonia flow control unit (AFCU) with exhaust recirc. vaporization
	  ○ 1 x 15,000-gal 19% aqueous ammonia storage tank
	• 2 x Continuous emissions monitoring system (CEMS)
	• 1 x 100% air compressor system
	• 1 x RO/EDI demineralized water treatment system sized for continuous operation
	• 1 x 350,000 -gal demineralized water tank
	• 1 x 50,000-gal raw water tank
	• 1 x 1,000-gal wastewater tanks
	• Fire water loop
	• Interconnecting cabling, wiring, terminations, supports, and piping

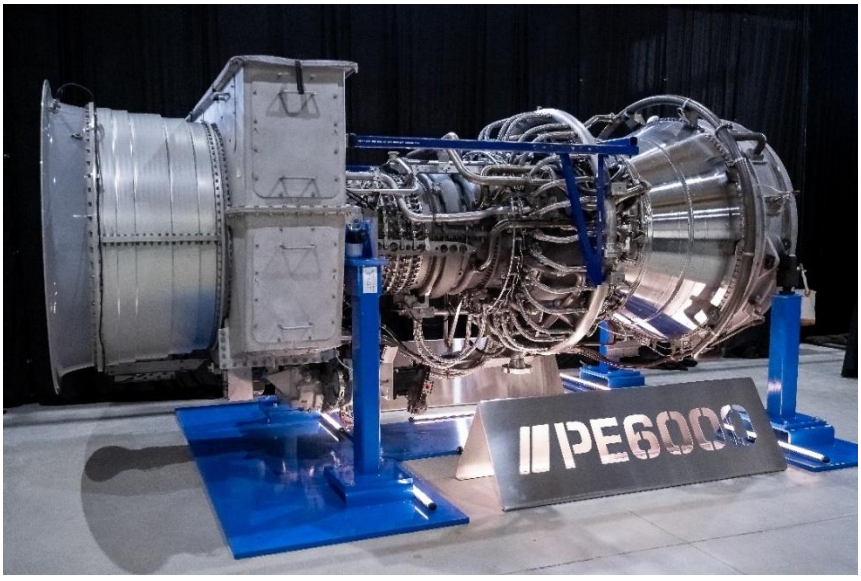
Buildings and Enclosures	• 1 x CTG Power Distribution Centers (PDC)
	  ○ One per two (2) installed packages
	  ○ One operator HMI per PDC
	• 1 x Substation control enclosure
	• 1 x BOP PDC
	• 1 x Pre-engineered Metal Building (PEMB) to house:
	  ○ Water treatment system
	  ○ Air compressor system
	• 1 x CEMS enclosures
	  ○ 2 CEMS shared in one enclosure between a pair of units
	• Snow covers as required

Control Systems	• Allen Bradley ControlLogix® CTG and BOP control systems

PROENERGY-Supplied Items	Descriptions
480-V Low-Voltage Supply System	• 2 x 13.8kV/480V auxiliary transformers • 1 x LV switch gear and MCC
High-Voltage (HV) System	• 2 x 45/60/75 MVA 138kV-13.8kV 2-winding GSU transformers • 3 x manual disconnects (one per GSU and 1 common) • 1 x Common SF6 breaker • 1 x Dead-end tower • HV controls and relays
Site Systems	• Continuous concrete pad foundation below all two (2) units • Gravel loop road enclosing all two (2) units
Plant Winterization (as required)	• Insulation • Electric heat tracing • Electric heating • Weatherized enclosures
EPC Services	• Site-specific detailed engineering of all equipment, BOP components, and civil requirements • Supply and installation of the necessary, concrete foundations, structural steel, fencing, supports, etc. • All required transportation and logistics • All required site construction work requirements, including labor, tools, consumables, equipment rentals, etc. • All required facility commissioning and start-up services • Site security services and Controlled Access

**ControlLogix is a registered trademark of Rockwell Automation.*

New Turbine Addresses Market Scarcity:
The PE6000 program creates an additional source of quality parts and aeroderivative gas turbines (one of which is pictured at right). All PE6000 parts are interchangeable with the LM6000.



TERMINAL POINTS

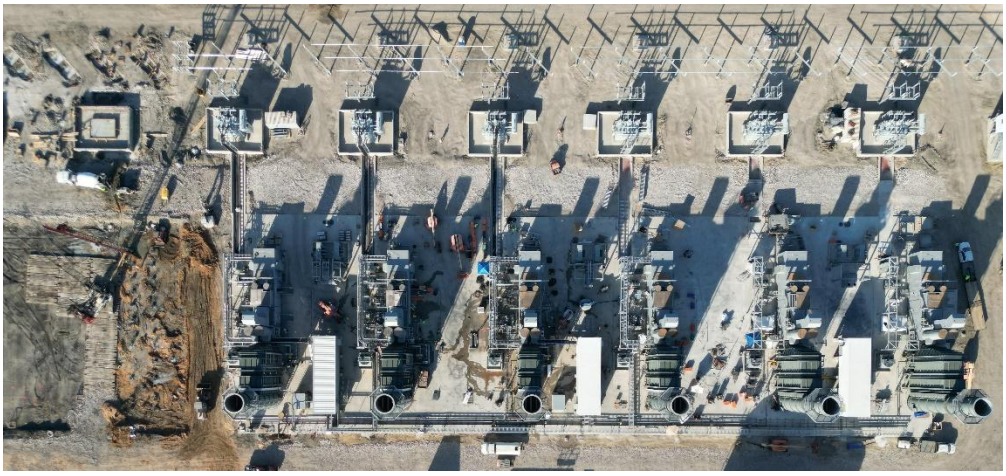
The following table outlines the interconnect points of your facility based on the scope of work.

#	Utility	Description
1	Raw Water Supply	Owner's flanged connection at the project site boundary.
2	Plant Wastewater	Owner's flanged connection at the project site boundary.
3	Water Wash / Package Drain Waste	Contractor's pump out flange on the waste tank located between each pair of the CTGs.
4A	Natural Gas	Owner's above-ground flanged pipeline connection at the project site boundary.
4B	Liquid Fuel	Owner's flanged connection at the project site boundary downstream of Owner's existing fuel storage.
5	HV Electrical Connection	Dead-end tower.
6	Construction Water	Owner to deliver to project site boundary via 3/4 in. line at 65 psi.
7	Construction Power	Owner to deliver 1200 amps/480VAC to project site boundary.
8	Stormwater	Sheet outflow at project site boundary
9	Plant Control	Owner-supplied patch panel at project site boundary.

DESIGN CONDITIONS

The following table outlines the design condition of your facility, which forms the basis of this budgetary proposal. Once further site-specific information is available, PROENERGY can update the design conditions accordingly.

Site Elevation	0 m ASL
Design Air Temperature Range	-30°C minimum to 40°C maximum
Relative Humidity	0 to 100%
Fuel Quality	In accordance with PROENERGY fuel specification
Raw Water Quality	Pre-treated Well Water, suitable for RO/EDI inlet



Fast Tracking EPC Projects: *PROENERGY accelerates timelines by controlling the complete supply chain—from raw steel to final delivery—when supplying standardized packages.*

PERFORMANCE

Thermal

The following tables outline the estimated performance of a single unit based on the **assumed design conditions**.

1x PE6000	Case 1	Case 2	Case 3	Case 4	Case 5
Fuel	NG	NG	NG	**ULSD**	**ULSD**
Elevation (m, ASL)	0	0	0	0	0
Inlet Fogging	Yes	No	Yes	Yes	No
Ambient Temperature (°C)	15	-1.1	32.2	15	-1.1
Relative Humidity (%)	60	70	70	60	70
Net Power (kW)	48,972	49,309	43,536	47,859	40,291
Heat Rate (kJ/kWh, LHV)	9,474	9,388	9,647	9,485	9,820
*Raw Water Consumption per Unit (lpm)	455	298	397	454	209
Demin Water Plant Consumption per Unit (lpm)	341	224	298	341	157

*Raw water consumption estimate assumes 25% reject rate. Final reject rate will depend on feed raw water quality from owner.

The performance values in the above table are estimates only. Firm guarantees to be provided upon finalization of all contract terms. Typical commercial contingency is 2% from expected to guarantee.

Emissions

Full Load Stack Emissions	**NG Fuel Cases****
NOx (ppm)	2.5
CO (ppm)	4.0
NH_3 Slip (ppm)	10
PM (kg/hr)*	2.3
VOCs (ppm)	8.0

Per unit.
***Minimum emissions compliance load (MECL) is 50%.*

Acoustic

The A-weighted sound pressure level resulting from steady-state operation of each individual equipment package included in the contractor's scope of supply shall not exceed a spatial average of 85 dBA along the equipment rectangle encompassing the equipment package at a distance of 1 m from the face and at a height of 1.5 m above the ground and personnel platforms.

No far-field noise requirements have been considered. At 122m from a single PE6000, the far-field noise sound pressure level is estimated to be 62 dBA.

PRICING

PROENERGY is pleased to offer Maritime Electric this turnkey plant according to the following pricing*. The amounts presented are indicative of our cost base as of June 13, 2025.

Description	Price
2x PE6000 turnkey facility, dual fuel	[redacted]

**Pricing does not include any taxes and fees associated with the project including, but not limited to, VAT, import duty, tariffs, and license fees.*

DELIVERY SCHEDULE

Based on PROENERGY's current backlog, slot reservation agreements are being signed to support facility commercial operation dates in fall of 2028. The dates below are indicative based on availability and equipment is subject to prior sale. The schedule assumes that the construction crews will be remobilized, as available, following their completion of associated works for the New Brunswick Power project. PROENERGY shall be entitled to adjust the schedule below as a result of demonstrable delays in the scheduled completion of the New Brunswick Power project.

Milestone	*Approximate Date*
*(Optional) Slot Reservation Agreement**	*As Required*
*Engineering, Procurement, and Construction (EPC) Award Date (FNTP)**	*1-Nov-2025*
Long Lead Procurement	*1-April-2026*
Mobilization	*6-Jul-2027*
Major Equipment Foundations Complete	*5-Nov-2027*
Major Equipment Rough-Set Complete	*6-Mar-2028*
Mechanical Completion / Ready for Commissioning	*6-Jul-2028*
*Owner Utilities Available (Electrical Backfeed, Gas, Water)**	*19-Jun-2028*
Substantial Completion / COD	*5-Nov-2028*
Final Completion	*5-Dec-2028*

**Owner milestones*
***Schedule assumes no more than 2 weeks to clear customs at port of entry*

COMMERCIAL PROVISIONS

The following descriptions are intended to describe commercial provisions considered in the scope. All commercial components are subject to final terms and conditions in the EPC Agreement.

Payment Terms

All payments shall be due and payable net 10 days upon receipt of invoice. A payment milestone and billings schedule will be included as part of any commercial agreement. There shall be no retention on any billing. Contractor shall have the right to adjust the guarantee substantial completion date and accrue interest upon non-payment.

Warranty

The facility and all its subcomponents shall be of good quality and shall be free of defects in materials and workmanship. Warranty shall extend for a period of 12 months following substantial completion or 24 months from equipment arrival to site, whichever is sooner. Upon notice of defect, contractor shall correct or replace the applicable work so as to remedy the "root cause" of such defect, thereby eliminating similar repeated failures or defects at no cost to owner.

Guaranteed Substantial Completion Date

As part of your proposal, PROENERGY commits to defining a guaranteed substantial completion date as part of a commercial agreement. If substantial completion is not achieved by the guaranteed substantial completion date for reasons attributable to the contractor, contractor, as purchasers exclusive remedy, shall pay liquidated damages in the amount of $5,000 per unit for each day of the delay. Delay liquidated damaged to be capped at 10% of contract price. Aggregated performance and delay liquidated damages to be capped at 15% of contract price.

Net Electrical Output and Heat Rate Guaranty

A guaranteed electrical output and heat rate for the facility will be determined after detailed performance modeling. These values shall be adjusted for site conditions. Should the facility fail to meet the guarantee, contractor, as purchasers exclusive remedy, shall pay liquidated damages in the amount of $700 per kilowatt for each kilowatt below the net electrical output guarantee and $7,000 per BTU/kWh above the heat rate guarantee. Aggregated performance liquidated damages to be capped at 10% of contract price. Aggregated performance and delay liquidated damages to be capped at 15% of contract price.

Emissions Guaranty

The emissions for each gas turbine measured at the top of stack shall not exceed the defined emissions guaranty over the entire ambient condition range and the operating load range of a gas turbine at minimum emissions compliance load (MECL) to full load. Obligation to meet the emissions guaranty shall constitute an absolute and "must make" fundamental component of any contract.

Title

For each piece of major equipment, title shall pass to owner upon complete payment of associated amounts that will be defined in a major equipment title transfer schedule. For all other equipment, title shall pass upon incorporation of the equipment into the work on site.

Letters of Credit & Bonds

Contractor has not included any letters of credit or performance bonds with this proposal.

Builder's All Risk

Prior to the commencement of any construction activities and continuing until substantial completion, the owner shall procure and maintain builder's all risk from an insurance provider reasonably acceptable to the contractor.

Scope of Work Governs

The details and assumptions outlined in the scope of work exhibit and its attachments shall take precedence over other contract documents. In the event that any interpretations by owner, it's representatives, or third-party inspectors, of applicable law, permits or codes contradict the scope of work, any requested deviations will be made according to the change provisions in the EPC agreement.

Changes

Change orders must be agreed to and executed by both parties prior to any obligation for contractor to commence work associated with a change in the scope of work.

ASSUMPTIONS AND CLARIFICATIONS

Your proposal takes the following life-of-project factors into account.

- This budgetary proposal is based on PROENERGY leveraging its standard design configuration and construction strategy for the facility.
- This is a budgetary proposal based on our assumptions on site conditions, and scope is subject to change as further design considerations are made available.
- This budgetary proposal is based on PROENERGY standard terms and conditions.
- Excavated soils will be stockpiled or spread on site.
- This schedule assumes all owner obligations required for commissioning and start-up, including electrical backfeed and natural gas supply, shall be available with a minimum 18 weeks before the substantial completion / COD of the facility.
- Stormwater conveyance will be via sheet flow.
- No provision has been made for the removal of subterranean obstacles.
- No provision has been made for dewatering during construction, and overall site drainage shall be by final sloped grading.
- No provisions have been made for ULSD treatment systems, storage, or unloading / forwarding station(s).
- Current civil design is based on shallow concrete foundations with assumed 3,000 psf soil-bearing capacity.
- No provision has been made for expansive soils or engineered soils.
- No provision has been made for the use of union or prevailing wage labor.
- PROENERGY is the OEM of the equipment. All performance guarantees and warranties will be provided by PROENERGY.
- All equipment and services are subject to prior sale.
- Corresponding payments for optional milestones not exercised shall be incorporated into the next available payment milestone.
- Design and equipment Standard shall be IEEE/ULc/CSA, as applicable.

Owner Requirements

Your proposal incorporates the following as the owner's responsibility to provide:

- Construction power and water.
- All local permits required to build the power plant and associated pipeline connections.
- Adequate supply of natural gas fuel at a minimum pressure of 650 psig to the PROENERGY natural gas terminal point.
- Wastewater management from the PROENERGY wastewater terminal point.
- Sufficient water, suitable for supply to the demineralized water treatment system, at the site.
- Suitable site which is clean, flat, and level, and it requires minimal cut and fill to prepare for construction.
- Site with at least 5 acres for the development of the plant and an additional 3 acres required for parking, laydown, staging, and material loading.
- Access roads to the site suitable for transporting the major equipment.
- Removal / disposal of contaminated or hazardous waste discovered on site.
- Existing plant above- and below-ground drawings.
- Fuel during startup and commissioning.
- Pre-treat raw water to a condition acceptable at the inlet of the RO/EDI water treatment equipment, without need for any pre-treatment or filtration.

COMPLIANCE STATEMENT

PROENERGY conducts its business in compliance with all applicable laws, rules and regulations ("Laws"), including but not limited to, export control regulations issued by the US Bureau of Industry and Security. This proposal is contingent on successful completion of a compliance sanctions review regarding Buyer and its principal officers, Directors and beneficial owners, the products and services to be delivered, and the satisfactory completion and approval of an End Use Undertaking to be provided by Buyer. Buyer also acknowledges that PROENERGY is subject to the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and anti-bribery and anti-corruption Laws in various other jurisdictions and trade compliance Laws of the U.S.

This proposal is contingent on Buyer's confirmation to the reasonable satisfaction of PROENERGY of compliance in all respects with such Laws. PROENERGY reserves the right to withdraw our proposal or quote and reject or terminate any resulting order, without liability, in the event PROENERGY determines that applicable Laws would restrict or prohibit its continued involvement in any transaction.

APPENDIX

People

One advantage of the PROENERGY approach to your project is our people. Today, we employ more than 750 professionals across global locations, including our headquarters in Sedalia, Missouri. Their insights and experience enable us to find new ways that improve efficiencies, reduce costs, and further enhance our value-added solutions to our clients.

750+ PROFESSIONALS

across the globe

A few important points set our people apart. First, the majority of our executive team has experience dating back to the first aeroderivative-based power-plant installations. This body of knowledge keeps growing and informs the effectiveness of our services. For projects concerning aeroderivative power generation like yours, this specific background is key to a reliable delivery according to the expected outcome.

Next, many of our executives once held senior roles within the OEM power systems division. Their responsibilities included leading product line engineering, aeroderivative engineering, and LM6000 power plant operations. By sharing their insights and guiding our teams, we have internalized this experience.

Finally, the talent of our people extends from our executives across the organization in general. We have successfully recruited, trained, and retained personnel with a vast experience base, positive attitude, and in-depth aptitude. Furthermore, we provide these employees with tools, training, and opportunities necessary for their professional development. In turn, this workforce helps us to deliver continuous, effective services for our customers.

Experience

Your peaking-power solution will be delivered through our unique position as a vertically integrated aeroderivative service company with a core focus on LM6000 solutions.

PROENERGY Qualifications

- **Services:** 160+ LM6000 engine overhauls and hot sections
- **EPC:** ~9,700 MW total experience, including 5,900 MW with LM6000
- **ERCOT:** 2,400 MW operating or under construction; 1,920 MW in development

Founded in 2002 by President and CEO Jeff Canon, PROENERGY offers services that support the entire engine life cycle. Our capabilities include engineering, construction, operations, repair, maintenance, research, and turnkey peaking-power facilities that include the complete BOP. With operational experience on every continent and more than 40 countries, we offer a unique depth of expertise for customers with gas-turbine power plants around the world.

All recent LM6000 EPC experience is based on our PowerFLX design, the world's first standardized, modular LM6000 power plant. Each PowerFLX facility is nearly indiscernible from the next and leverages a standard power-island design, layout, and supply chain. The solution for you also leverages this concept to eliminate variability, decrease costs through economies of scale, and accelerate installation.

Differentiated Value: *PROENERGY combines broad knowledge across the life of the turbine with specialized understanding of aeroderivative engines. Above, a technician helps to perform a complete overhaul of an LM6000 gas turbine.*

Infrastructure

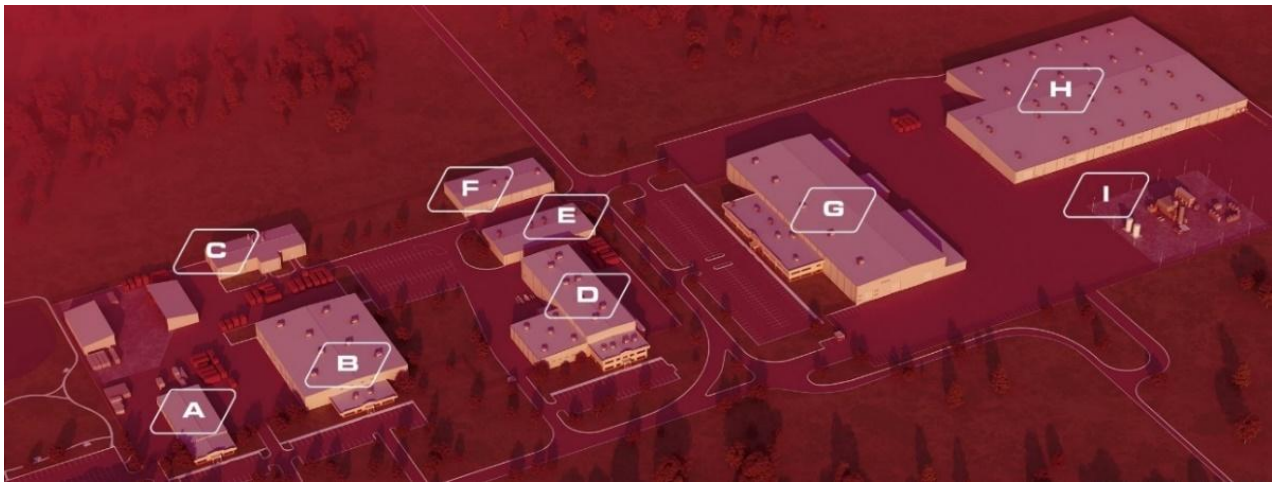
You will receive support during and after initial construction from two tactical PROENERGY locations. Based in Texas and Missouri, these facilities enable us to meet all your peaking-power needs.

Our Houston, Texas, office is a strategic satellite positioned near our own EPC installations. It features a Level-II service depot and remote operating center to lend assistance to our customers.

Our Sedalia, Missouri, location is our global corporate headquarters. The 90-acre campus includes more than 600,000 sq. ft under roof with state-of-the-art facilities and equipment. It features an independent Level-IV aeroderivative depot; a string-test facility with full-speed, full-load capabilities; a complete in-house operation for package fabrication and assembly; and a 250,000-sq. ft warehouse with a permanent inventory of more than $200 million in spare parts. The layout allows for unique collaboration between our expert engineers and technicians.

Campus Differentiators

- Fabricates all components from raw steel to final package
- Verifies engine performance with onsite testing that simulates real-world conditions
- Tackles supply chain challenges through $200M inventory of parts that ship in 1 day
- Guarantees turnarounds of 120 days for major engine overhauls at onsite Level-IV depot



A: Fleet Maintenance
B: Fabrication
C: Paint Facility
D: Aero Repair & Manufacturing (ARM)
E: Controls
F: Advanced Manufacturing and Fuel Systems
G: Aero Innovation Center
H: Warehouse
I: PE6000 & LM6000 String-Test Facility

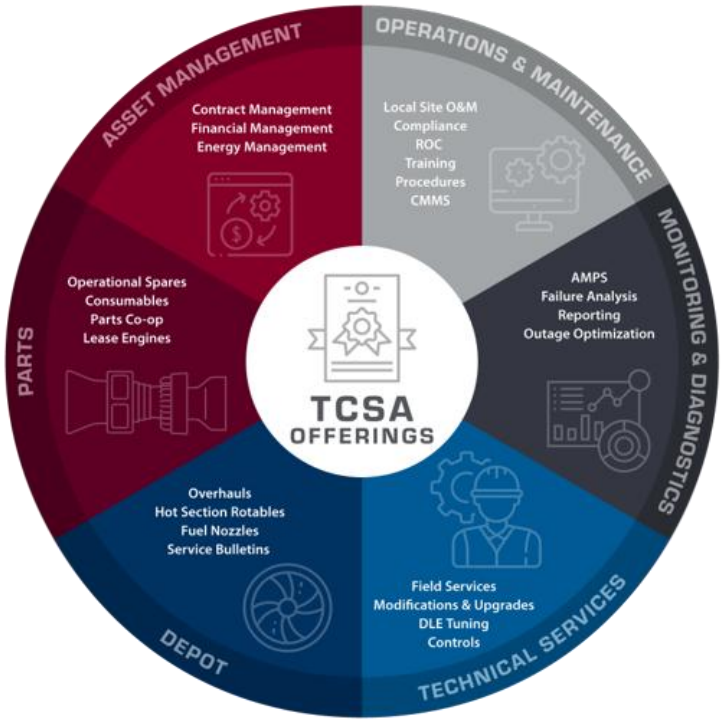
Vertically Integrated Campus for Full-Service Capabilities: *The PROENERGY campus in Sedalia, Missouri, is the global home and heart of the company. Its central location results in optimum efficiency when providing a multitude of solutions for global customers.*

Life-of-Turbine Services

As a single-source provider, PROENERGY simplifies the care of your engines with comprehensive services for both planned and unplanned events.

In addition to the standard 12-month warranty, PROENERGY can continue to support optimized operation of your facility. Our Total Care Service Agreements (TCSAs) can be customized to provide solutions that maximize reliability and availability of the PowerFLX package.

Due to our standardized approach and large fleet of similar units, we offer unique inventory, asset management, and service solutions that enable customers to maintain turbines performing at their best. We offer everything from transactional services through framework agreements, to full-fledged operations and maintenance agreements with remote operations.



Single-Source Services for Optimal Care: *Our TCSA offering consists of services that you can specifically select for your operating profile.*

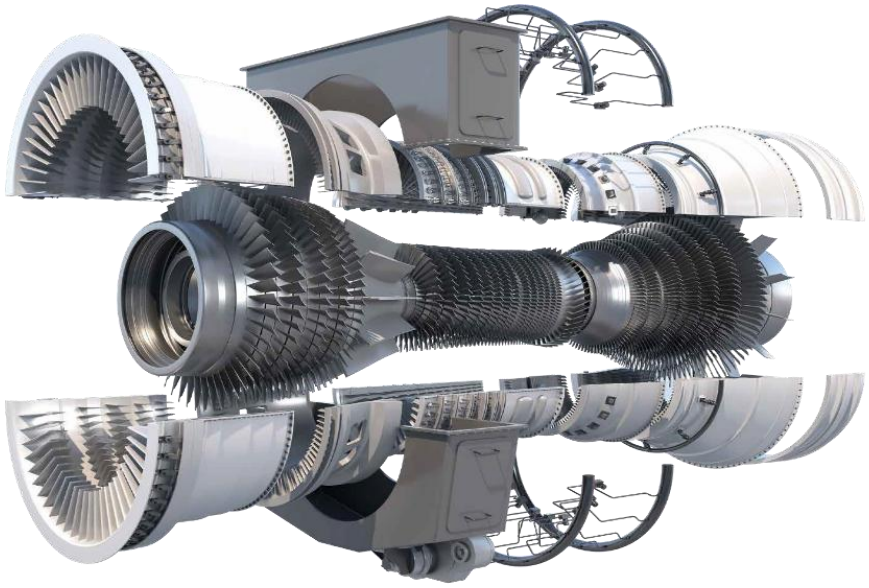
Decarbonization Efforts

Dispatchable power plants represent a critical intermediate step toward decarbonization by displacing high-emissions coal and enabling the transition to carbon-neutral power. The PowerFLX plant in your project will accomplish this through features that result in reduced emissions and fuel efficiency.

Operated on clean natural gas, a PowerFLX station uses aeroderivative engines to generate fast-start peaking power that fills supply gaps associated with intermittent renewable energy sources, such as wind and solar. The engines reach full power within 10 minutes, which is an ideal dispatching profile in response to the variability of renewable generation.

Sustainability Features

- Natural-gas operations
- Robust emissions system
- Built-in hydrogen capabilities
- Battery storage area option



Aeroderivative Technology Focus: *PROENERGY incorporates the natural-gas-powered PE6000 engine into all PowerFLX designs for reduced-carbon power generation and, beyond that, has invested in making hydrogen-operation a reality.*

In addition, a PowerFLX plant features a leading emissions-reduction system that meets environmental regulations in all operating conditions and can reduce nitrous oxide and carbon monoxide emissions by more than 90%.

90% REDUCTION

in NO_x and CO with robust emissions system

Last but not least, this solution has hydrogen fuel-combustion capability. An R&D focus area for PROENERGY is operations with hydrogen, including green (carbon-free) hydrogen. Our company has made significant investment—with more than $12.3 million and over 10,000 engineering hours—to advance hydrogen-combustion technology.

PROENERGY expects to perform hydrogen-fuel testing and analysis at our aeroderivative string-test facility, the centerpiece of our R&D initiative to decarbonize LM technology. In 2023, we signed a memorandum of understanding with a Tier-One research institute to conduct joint research on hydrogen combustion in aeroderivative turbines, and we created a detailed combustion model to inform equipment modifications. The long-term goal is to develop and drive commercial-scale, hydrogen-fueled power generation in the future.

Tests Under Real Operating Conditions: PROENERGY test facility enables full speed, full-load testing for PE6000, LM6000PC, and LM6000PD.

The SAC combustor on the PE6000 model can support operation on a 30% hydrogen (by volume) natural-gas blend to reduce carbon emissions. Our company's R&D team predicts the current design will allow for operation up to 50% by volume hydrogen without significant upgrades to the package.

PowerFLX Environmental Impact Analysis

WattBridge, an independent power producer subsidiary of PROENERGY, has a fleet that proves the repeatability, reliability, and relevance of the PowerFLX plant design. Our company has delivered each WattBridge project as a turnkey solution in support of the energy transition. According to a recent report by ICF, the 2,000-MW WattBridge portfolio has a negative carbon impact in ERCOT.

The analysis concluded that by displacing inefficient oil, gas steam, and coal units, the portfolio has the potential to reduce carbon dioxide (CO_2) emissions by 268 kilotons per year, which is equivalent to 30 million gallons of gasoline annually.

CARBON NEGATIVE

impact in ERCOT with 2,000-MW portfolio

Safety, Quality, and Environment

Safety

The first and most important core value for PROENERGY is safety, and our historical performance proves that. Since the company's inception, we have maintained industry-leading safety performance.

The below table summarizes this performance in recent years. The data indicates that, while we strive for continuous improvement, we perform well in a consistent way. Our rates are well below averages for our particular industry.

Safety Statistics			
Years	**2024**	**2023**	**2022**
OSHA Total Recordable Incident Rate (TRIR) *Industry Average**	0.70 —	1.16 *3.20*	0.65 *2.1*
Total # of OSHA Recordable Injuries	5	7	4
OSHA Lost Time Incident Rate (LTIR) *Industry Average**	0.00 —	0.00 *1.10*	0.16 *0.6*
Total # of Lost Time Injuries	0	0	1
OSHA Citations	0	0	0
Experience Modifier Rate (EMR)	0.55	0.76	0.94
# of Labor Hours Worked	1,438,440	1,207,391	1,231,015
Average # of Employees	590	527	525

** NAIS Code 333611 – Turbine and Turbine Generator Set Units Manufacturing*
— Data for 2024 not yet available

Zero by Choice, Not by Chance: *PROENERGY forges an intentional path toward zero incidents by encouraging a preventative mindset across all work tasks and at home. Our programs empower employees with the actions, tools, and behaviors that will drive us toward that goal.*

In addition, our safety management program and certifications are summarized in the tables below.

Safety Management System	
Audit and Risk Management	• Verification and Risk Management • Risk Assessment and Mitigation • Change Management • Lessons Learned • Recordkeeping
Execution	• Training and Performance • Annual Training • Performance Evaluations and Recognition • OSHA 10 and 30 Training • Site and Customer Specific • NCCER Certification • Medical Services • Environmental Management
Health and Safety	• Policies and Programs • EHS Manual • Assignment of S and H Responsibility • New Hire Preparation • EHS Suggestion Form • Incident Management
Continuous Improvement	• Leadership and Accountability • Management Commitment to EHS • Business Ethics and Integrity • EHS Goals and Objective • Management Accountability
Plan	• Planning and Prevention • Hazard Identification • Job Hazard Analysis • Safety by Design • Industrial Hygiene • Emergency Response Planning

Safety Certifications		
AVETTA	ISNetworld	CCS
PECS	BROWZ	

Quality

PROENERGY maintains a robust internal QA/QC program to deliver quality in every project. In keeping with our high standards, our capabilities are certified to ISO 9001:2015 and meet or exceed the requirements of ISO 9000. The scope includes commercial, engineering, supply chain, packaging, and gas-turbine manufacturing departments at our Level-IV depot and facilities in Sedalia, Missouri, as well as our depot in Houston, Texas.

ISO 9001:2015
quality certification

With exceptionally skilled professionals, effective risk management, and a focus on continuous improvement, we consistently meet or exceed customer expectations. Prior to mobilizing resources for a project, we develop an initial plan and schedule based on past project experience. We then execute to pre-established criteria and standards using checklists and procedures. Upon completion of the work, we conduct a post-project assessment to identify best practices for use on future project assignments.

Level-IV Aero Depot for On Schedule Delivery: *A state-of-the-art depot facility enables PROENERGY to induct, repair, and test LM6000 turbines with an average 99 percent on-time project turnaround.*

Environment

PROENERGY uses a centralized environmental management system (EMS) to track regulatory compliance, permitting, audit results, and remediation progress. The PROENERGY Environmental Health and Safety (EH&S) Manual details related corporate policies, which are frequently updated based on internal auditing and driving toward continuous improvement.

Upon request, the company can share this manual for an in-depth review. The manual addresses environmental requirements in section 600. Furthermore, it discusses unique corporate policy in the following subsections:

- Air Quality and Compliance
- Wastewater and Stormwater
- Waste Management
- Toxic Substance Control Act
- SPCC
- Environmental Protection Policy

PROENERGY

[Maritime Electric] – Equipment Slot Reservation Agreement

This Equipment Slot Reservation Agreement ("SRA") is entered into by and between Maritime Electric ("BUYER") and ProEnergy Services, LLC ("SELLER") on this [XXst] day of [MONTH, YEAR] ("SRA Date"), with respect to the manufacturing and supply of two (2) x PE6000 Combustion Turbine and Generator (CTG) packages and auxiliary systems (the "Equipment"). BUYER and SELLER may be individually referred to as a "Party" and collectively as the "Parties."

1. Pursuant to the terms of this SRA, the Parties agree to make certain commitments to one another with respect to the Equipment with a target delivery schedule in accordance with Exhibit C absent any BUYER delays (the "Target Schedule"). Accordingly, BUYER hereby instructs, and SELLER commits, to commence reserving production capacity required for the Equipment as described in Exhibit A attached hereto immediately upon receiving the SRA Payment (defined in Section 2 below).

2. Within two (2) business days of the SRA Date, BUYER shall pay SELLER by wire transfer of five million six hundred thousand US dollars (USD$5,600,000) per the SRA Payment Schedule provided in Section 1.1 of Exhibit B attached hereto (the "SRA Payment").The SRA Payment made pursuant to this SRA will be credited towards the total purchase price under the definitive equipment purchase and sale agreement to be executed by the Parties (the "Superseding Agreement"). If this SRA cancels or terminates pursuant to Section 8 below, then the SRA Payment shall be non-refundable.

3. Immediately following the execution of this SRA and payment of the SRA Payment, the Parties shall commence in good faith drafting, negotiating and finalizing the terms of the Superseding Agreement (the "Good Faith Efforts") which shall supersede this SRA and commit the SELLER to deliver the Equipment. The Parties shall devote such resources and personnel necessary so that the Superseding Agreement can be executed on or before the applicable date set forth in the Key Dates Schedule in Section 1.3 of Exhibit B (the "Supersede Date"). For the avoidance of doubt, the Parties acknowledge and agree that Good Faith Efforts does not mean that a Party has an obligation to capitulate or to accept the other Party's position nor does it mean that a negotiated Superseding Agreement must be reached between the Parties.

4. The Superseding Agreement must be executed no later than the Supersede Date in order to allow SELLER to maintain progress towards the Target Schedule. The Parties acknowledge and agree that under this SRA SELLER is making no representation or guarantee as to delivering the Equipment by the Target Schedule or any other time period or date. Such project completion date guarantee, if any, shall be reflected in the Superseding Agreement. The Parties further acknowledge and agree there is no representation or guarantee made by either Party that the Superseding Agreement will be executed by the Supersede Date.

5. During the term of this SRA, BUYER and SELLER each agrees the Equipment purchase price and payment schedule to be included in the Superseding Agreement, all as expressly stated in Exhibit C, shall ONLY be subject to modification upon any of the following conditions: (a) the scope of supply as summarized in Exhibit A is modified by BUYER; (b) commercial or technical components are added or modified into the draft of the Gas Turbine Equipment Purchase and Sale Agreement included as Exhibit D or the Superseding Agreement by BUYER which cause SELLER to incur additional costs; (c) there is a change in any law, taxes, tariffs, regulation, code, permit or any other governmental authorization or governmental consent following SRA Date that would impact SELLER's delivery of the Equipment; (d) there is a force majeure event after the

SRA Date that causes delay or causes SELLER to incur additional cost; (e) any action of the BUYER that causes delay or causes SELLER to incur additional cost; or (f) there is a circumstance expressly stated in the Superseding Agreement which would result in a change to the Equipment purchase price or payment schedule.

6. During the term of this SRA, BUYER agrees not to directly or indirectly engage in discussions with, request or receive competing proposals or offers from, or enter into any agreement or contract, written or otherwise, with, any third party for any CTG equipment in lieu of the Equipment (provided that it shall not be a breach for BUYER to receive such proposals or offers that were solicited by BUYER prior to the SRA Date so long as BUYER does not further engage, directly or indirectly, with such party regarding such proposal.

7. The Parties agree the terms of this SRA are bound by the [Mutual Non-Disclosure Agreement] executed by the Parties on [Month XX, Year], the terms of which are incorporated herein by reference.

8. This SRA shall become effective upon the SRA Date and shall remain in effect until the earliest of the following: (a) signature of the Superseding Agreement by both Parties (or their applicable affiliates); (b) the Superseding Agreement has not been executed by the Parties for any reason on or before the Supersede Date, in which case BUYER shall pay SELLER the applicable Cancellation Fee per the Cancellation Fee Schedule provided in Section 1.2 of Exhibit B (the "Cancellation Fee"); (c) prior to the Supersede Date either Party voluntarily decides to cancel or terminate this SRA by written notice, in which case the Party cancelling or terminating the SRA shall pay the other Party the applicable Cancellation Fee; or (d) both Parties mutually agree in writing to cancel or terminate this SRA, in which case such written agreement shall reflect whether any Cancellation Fee shall be paid by either Party. Any Cancellation Fee paid by either Party shall be deemed as liquidated damages for any lost opportunities (and not as a penalty) in lieu of all other damages and as the counter-Party's sole and exclusive remedy and as full and final settlement of all liabilities associated with cancellation or termination of this SRA. Any Cancellation Fee owed pursuant to this SRA shall be paid NET ten (10) calendar days from the date of cancellation or termination, or in the case owed by BUYER, shall be drawn under the Letter of Credit, if issued. Any late payment of a Cancellation Fee shall be escalated by one percent (1%) of said fee for each day the payment is late, with said escalation capped at 100% of the Cancellation Fee. All payments owed under this SRA shall be without offset, withholding, backcharge or retainage of any kind or nature and are payable in U.S. dollars. The Parties acknowledge that this SRA is intended solely to set forth their preliminary understandings with respect to working together on the subject matter of this SRA and neither Party shall have any rights, obligations or liabilities beyond what is expressly stated in this SRA. The Parties' obligations under Sections 2, 7, 8, 9, and 10 shall survive termination or cancellation of this SRA. In no event shall a Party be liable for consequential, incidental, indirect or punitive damages of any kind or nature.

9. This SRA shall be governed by the substantive laws of the State of Missouri, without regard to conflict of law rules that would direct the application of the laws of another jurisdiction. All disputes between the Parties related to or arising in connection with this SRA, and which cannot be settled amicably after discussion by the Parties within a period of thirty (30) days, shall be finally settled in the Federal or State Courts located in Missouri. The prevailing Party shall be entitled to recover its reasonable attorney's fees and other costs incurred in the dispute resolution process.

10. Nothing in this SRA shall be construed to create or constitute a partnership, agency or similar relationship or to create a joint and several liability on the part of BUYER and SELLER. Neither Party shall assign or transfer its rights or permit the assumption of its obligations under this SRA without the prior written consent of the other Party and any assignment or transfer without said consent shall be null and void. This SRA contains the entire understandings and agreements of the Parties with respect to the subject matter hereof. All prior correspondence, negotiations and agreements, oral or written, between the Parties with respect to the subject matter hereof are superseded by this SRA. This SRA may be modified or amended only by a written instrument signed by both of the Parties. Any and all notices given, or required to be given hereunder shall be in writing and shall be deemed to have been adequately given when sent to the Party to whom such notice is being given either (i) delivered personally; (ii) sent by certified mail, return receipt requested; (iii) sent by a nationally recognized overnight mail or courier service, with delivery receipt requested; or (iv) sent by email, receipt confirmed via reply of the intended recipient, followed by confirmation in one of the other accepted methods in parts (i), (ii), or (iii) above. Notices shall be addressed if to SELLER to: ProEnergy Services, LLC, 2001 ProEnergy Blvd., Sedalia, MO 65301 [redacted]; and if to BUYER to: _____ Attn: _____ email: _____, or such other address as the respective Parties hereto shall from time to time designate in writing to the other Party. Preparation of this SRA has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of the Parties than against the other. This SRA and any subsequent writings pertaining to the SRA, including amendments, may be executed and delivered by exchange of executed copies via email or other acceptable electronic means or formats (e.g., DocuSign, Adobe PDF). A Party's signature transmitted by email or other acceptable electronic means or formats shall be considered an original signature that is binding and effective for all purposes, and may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signatures to follow on next page]

In witness whereof, the Parties have caused this Equipment Slot Reservation Agreement to be executed effective as of the day and year first above written by their duly authorized representatives.

For and on behalf of:	For and on behalf of:
Maritime Electric	**PROENERGY SERVICES, LLC**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

The following Exhibits are attached:

- Exhibit A – Scope of Supply Summary
- Exhibit B – SRA Payment, Cancellation Fee, and Key Dates Schedules
- Exhibit C – Draft Equipment Price and Payment Schedule
- Exhibit D – Draft Gas Turbine Equipment Purchase and Sale Agreement

Exhibit A

Scope of Supply Summary

1. SELLER supplied Equipment shall include the following:

PROENERGY-Supplied Items	Descriptions
PE6000 Combustion Turbine Generator (CTG) Systems	• 2x Aeroderivative combustion turbines • 2x Dual Fuel delivery systems (natural gas and ULSD) • 2x 60MVA BRUSH brushless generators • 2x Turbine and generator enclosures • 2x CTG auxiliary systems, including lube oil coolers, water spray power augmentation (WSPA), NOx water injection • 2x SSS Clutch Systems for synchronous condensing operation • 2x Inlet air filter systems with associated ladders and platforms • 2x Package air recirculating inlet heating system • 2x Inlet air fogging systems • 2x Generator Circuit Breakers
Emissions System	• 2x 65-ft exhaust stack with standard stack testing ports and CEMS ports • 2x SCR/CO emissions control systems ○ Connecting duct assembly ○ Ammonia flow control unit (AFCU) with exhaust recirc. vaporization
Control Systems	• Allen Bradley ControlLogix® CTG control systems
Buildings and Enclosures	• 1x CTG Power Distribution Centers (PDC) ○ One per two (2) installed packages ○ One operator HMI per PDC
Package Winterization (for provided equipment)	• Insulation • Electric heating • Electric heat tracing • Weatherized skid enclosure sets
Other	• Factory Acceptance test of engines • Equipment drawings and manuals

2. The Equipment shall be designed as per the following design conditions.

Design Air Temperature Range	-25.6°F minimum to 110°F maximum
Fuel Quality and Pressure	In accordance with SELLER specifications
Demineralized Water Quality and Pressure	In accordance with SELLER specifications

3. The Equipment's estimated performance for gross power output and gross heat-rate, on a unit basis, are as shown below. For each unit, SELLER will provide engine gross power and gross heat rate guarantees based on a 2% commercial contingency applied to the estimated performance values, unless, BUYER proceeds with PROENERGY for a turnkey EPC delivery, in which case net facility guarantees will be provided under the EPC contract.

1x PE6000	Case 1	Case 2	Case 3
Fuel	ULSD	ULSD	ULSD
Elevation (ft, ASL)	0	0	0
Inlet Fogging	No	No	Yes
Ambient Temperature (°F)	-4	41	77
Relative Humidity (%)	80	60	60
Estimated Gross Power per Unit (kW)	**49,023**	**49,170**	**45,230**
Estimated Gross Heat Rate (BTU/kWh, LHV)	**8,610**	**8,781**	**8,940**
Demin Water Plant Consumption per Unit (gpm)	56	59	86

4. The Equipment's top of stack emissions guarantees, on a unit basis, are as shown below.

Pollutant	ULSD Fuel Cases**
Ox (ppmvd @15% O_2)	7.0
CO (ppmvd @15% O_2)	5.0
NH_3 Slip (ppmvd @15% O_2)	10

* *Per unit. Values shown are based full demineralized flow being available for the units.*
** *Minimum emissions compliance load (MECL) is 50%.*

5. The A-weighted sound pressure level resulting from steady-state operation of each individual equipment package shall not exceed a spatial average of 85 dBA along the equipment rectangle encompassing the equipment package at a distance of 1 m from the face and at a height of 1.5 m above the ground and personnel platforms. No far-field noise requirements have been considered. At 400 ft from a single PE6000, the far-field noise sound pressure level is estimated to be 62 dBA.

6. SELLER's provision of technical advisory services provided on a time and material basis to support installation and start-up and commissioning is a prerequisite to the SELLER's effective warranty on the Equipment. The Parties shall mutually agree on the provision of technical advisory services in the Superseding Agreement or on the provision of EPC services in a future separate agreement.

7. Equipment shall be delivered Ex Works (Incoterms 2020), point of origin at either SELLER's facilities in Houston, Texas (CTG packages and engines), Sedalia, Missouri (CTG packages and engines), Mexico (Emissions System), and the Czech Republic (generators). BUYER is responsible for loading Equipment and shall assume all subsequent delivery risk and costs, including but not limited to fees, taxes, documentation, inspections and duties. BUYER may delay delivery, at no cost, for up to 14 days after SELLER's notice of ready to ship, after which Buyer will be responsible for paying SELLER storage and/or transportation fees.

8. The Parties agree that SELLER's delivery of the Equipment is based on the following assumptions and clarifications:

- The Equipment shall be based on SELLER's standard design configuration.
- SELLER is the OEM of the equipment. All performance guarantees and warranties will be provided by SELLER.
- SELLER's engine gross power and gross heat rate performance guarantee shall be demonstrated during the Factory Acceptance tests at its headquarters in Sedalia, Missouri, United States.
- SELLER's emissions guarantees shall be "make right" and demonstrated on-site by BUYER after facility substantial completion. Guarantees are contingent on SELLER's right of access and to be present for demonstration in addition to all emissions control auxiliary systems operating per CONTRACTOR's recommendations.
- All components provided will be CSA-compliant or equivalent.

Exhibit B

SRA Payment, Cancellation Fee and Key Dates Schedules

1.1 SRA Payment Schedule

The payment identified in the table below in this Section 1.1 shall be made on or before the "Payment Date" listed.

Payment Date	Description	Amount
Date of last signature on SRA	Slot Reservation Payment	$ 5,600,000

1.2 Cancellation Fee

Provided BUYER has paid SELLER the SRA Payment, a Cancellation Fee identified in the table below in this Section 1.2 shall be made if the respective Party unilaterally chooses to cancel or terminate the SRA any time up to and including the Supersede Date pursuant to Section 8(c) of the SRA. BUYER shall pay SELLER the Cancellation Fee should the SRA be cancelled or terminated due to the Superseding Agreement not being executed on or before the Supersede Date pursuant to Section 8(b) of the SRA.

BUYER Cancellation Fee	SELLER Cancellation Fee
$4,750,000	Return of the SRA Payment

1.3 Key Dates Schedule

The following represent key dates with respect to progress towards the supply of the Equipment.

Date	Name	Description
TBD	SRA Date	Date the SRA Payment is paid to SELLER
1-Nov-25	Supersede Date	Date the SRA must be replaced by the Superseding Agreement executed by the BUYER and SELLER

Exhibit C

Equipment Price and Payment Schedule

Equipment purchase price: [redacted] ([redacted])

Equipment payment schedule:

PROENERGY EQUIPMENT PROGRESS BILLINGS		
Milestone/Progress	**Timeline**	**% Payment**
[redacted]		

Exhibit D
Gas Turbine Equipment Purchase and Sale Agreement

Depreciation
Estimated Impact on Rate Base, Revenue Requirement and Customer Rates

Depreciation (000s)	Reference		Annual
Depreciation Expense			
Capital Additions for 2025	A		334,229
Plant Investment for Depreciation	C = A + B	$	334,229
Depreciation Rate (Note 1)	D		2.20%
2026 Depreciation Expense (first full year of depreciation)	E = C X D	$	7,353
Capital Investment			
Capital Investment	A		334,229
Less: Customer Contributions per Annual Depreciation	F		-
Total Capital Investment	G = A + F	$	334,229
Accumulated Depreciation			
Accumulated Depreciation, December 31, 2026	I		11,030
Total Change in Accumulated Depreciation	J = H + I	$	11,030
Net Book Value (NBV) - Capital Investment	**K = C - J**	**$**	**323,199**
Customer Contributions			
Customer Contributions per Annual Depreciation	F	**$**	**-**
Depreciation Expense - Contributions			
Annual Contributions	F	$	-
Depreciation Rate	L		2.20%
Amortization of Customer Contributions	M = F X L	$	-
Accumulated Depreciation, December 31, 2026	N	$	-
Net Book Value (NBV) - Customer Contributions	**O = F - N**	**$**	**-**
Total 2025 Depreciation Expense (Net of Contributions)	**P = E + M**	**$**	**7,353**

Note 1: Assumed 50 year useful life 100% / 50 Years = 2%

Income Taxes
Estimated Impact on Rate Base, Revenue Requirement and Customer Rates

Income Taxes (000s)	**Reference**	**Annual**
Capital Additions for 2025	A	334,229
Less: Contributions	B	-
CCA Deductions 2026	C	39,038
Ending UCC	D = A - B - C	$ 295,191
Future Income Taxes		
CCA Deductions 2026	C	$ 39,038
Accumulated Depreciation, December 31, 2026	E = I - N From Page 1	11,030
Difference CCA/Depreciation	F = C - E	28,008
Future Tax Rate	G	31.00%
Future Income Tax Liability	H = F X G	8,683
Income Tax Effects of Increased Return		
Return on Rate Base	I = H from Page 3	$ 20,767
Equity Return (grossed up)	J = G from Page 3 / (1-G)	17,065
Taxable Income from Return on Rate Base	K = J	$ 17,065
Income Tax Expense		
Taxable Income from Return on Rate Base	L	$ 17,065
Add: Depreciation	M = P from Page 1	7,353
Less: CCA	N = 2025 CCA	(25,669)
	O = L + M + N	(1,251)
Corporate Tax Rate	G	31.00%
Current Income Tax Expense	P = O X G	(388)
Future Income Tax Expense	Q = (-M - N)* G	5,678
Total Income Tax Expense	**R = P + Q**	**$ 5,290**

2025 Rate Base & Cost of Capital
Estimated Impact on Rate Base, Revenue Requirement and Customer Rates

Rate Base & Cost of Capital (000s)	**Reference**		
Net Book Value, Capital Investment	A = K from Page 1	$	323,199
Net Book Value, Contributions	B = O from Page 1		-
Future Income Taxes	C = H from Page 2		(8,683)
Projected Rate Base	**D = A + B + C**	**$**	**314,516**
Total % Increase from 2024 Actual Year End Rate Base	**E = D / R**		**61.55%**
Return on Debt	F = D X O	$	8,992
Return on Common Equity	G = D X P		11,775
Total Return On Rate Base	H = F + G	$	20,767
Weighted Average Cost of Capital ("WACC")			
Debt	I		60.0%
Common Equity	J		40.0%
Cost of Debt	K		4.77%
Cost of Common Equity	L		9.35%
Forecast 2025 Average Capitalization (Total Debt plus Common Equity)	M		529,652,800
Forecast 2025 Average Rate Base*	N		529,652,800
WA Cost of Debt	O = I X K X M/ N		2.86%
WA Cost of Common Equity	P = J X L X M/ N		3.74%
Forecast 2025 WACC	Q = O + P		6.60%
2023 Actual Year End Rate Base	**R**	**$**	**510,977**

Revenue Requirement
Estimated Impact on Rate Base, Revenue Requirement and Customer Rates

2025 Annual Project Revenue Requirement (000s)	**Reference**		**0**
Depreciation	A = P from Page 1	$	7,353
[redacted]			
Return on Debt	C = F from Page 3		8,992
Return on Equity	D = G from Page 3		11,775
Income Taxes	E = R from Page 2		5,290
Estimated Annual Project Revenue Requirement	**F = A + B + C + D + E**	**$**	**21,431**
% Increase over 2026 Forecast Revenue Requirement	**G = F / H**		**8.04%**
Forecast 2026 Revenue Requirement*	**H**	**$**	**266,596**

Total Change in Revenue Requirement Allocated to MECL	**100% = F**	**$**	**21,431**

* 2025 forecast revenue requirement per GRA Negotiated Settlement filed with the Commission on April 4, 2023.

Distribution Rate Impact
Estimated Impact on Rate Base, Revenue Requirement and Customer Rates

Project Rate Impact	**Reference**		**0**
Total Project Revenue Requirement	A = F from Appendix F X 1000	$	21,431,038
Forecast 2026 kWh Sales	B		1,649,073,000
Forecast Increase Per kWh Project Rate Impact	**C = A / B**	**$**	**0.01300**
Forecast Increase Annual Cost Benchmark Residential Customer (650 kWh per month) before tax	**D = 650 kWh X C X 12 months**	**$**	**101.40**
% Increase over 2025 Forecast Annual Cost for Rural Residential Customer	E = D / I		6.19%
% Increase over 2025 Forecast Annual Cost for Urban Residential Customer	F = D / J		6.29%
Forecast Increase Annual Cost Benchmark General Service Customer (10,000 kWh per month) before tax	**G = 10,000 kWh X C X 12 months**	**$**	**1,560.00**
% Increase over 2025 Forecast Annual Cost for General Service Customer	H = G / K		6.07%
2025 Annual Cost Benchmark Rural Residential Customer (650 kWh per month) excluding tax per GRA Negotiated Settlement filed with the Commission on April 4, 2023.	I	$	1,639.09
2025 Annual Cost Benchmark Rural Residential Customer (650 kWh per month) excluding tax per GRA Negotiated Settlement filed with the Commission on June 20, 2022 April 4, 2023.	J	$	1,610.89
2025 Annual Cost Benchmark General Service Customer (10,000 kWh per month) excluding tax per GRA Negotiated Settlement filed with the Commission on April 4, 2023.	K	$	25,712.54