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April 17, 2026

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

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APR 17 2026

Dear Commissioners:

DIRECTOR OF RESIDENTIAL  
TENANCY

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

On March 10, 2026, the Island Regulatory and Appeals Commission (the "Commission") issued Order UE25-07A varying Order UE25-07. Order UE25-07A permitted certain portions of Maritime Electric's evidence in this matter to remain confidential, including portions of Exhibit M-12 Tables 1 and 2 and Confidential Appendices C and D and the entirety of Confidential Appendix E.

In a letter dated March 20, 2026, Maritime Electric informed the Commission of changes to the pricing and delivery timelines related to the Accelerated On-Island Capacity Development Solution ("ProEnergy Opportunity").<sup>1</sup> We now provide details of those changes, an updated proposal from ProEnergy and request that certain updated and new information provided by ProEnergy remain confidential.

The Application for the ProEnergy Opportunity was submitted to the Commission on August 14, 2025, as a supplemental filing to the Company's Supplemental Capital Budget Request for the On-Island Capacity for Security of Supply Project ("Supplemental Filing"). The Supplemental Filing requested the Commission approve a work in progress deferral account to enable the Company to proceed with the time-sensitive commercial commitments required to secure the ProEnergy Opportunity. At the time, the total project cost was estimated at \$334 million with a commercial operation date of December 2028.

On March 13, 2026, ProEnergy informed Maritime Electric that it had recently secured reservations for 40 combustion turbine units and, as a result, the slot reservation for combustion turbines with a commercial operation date of December 2028 was no longer available. Additionally, due to market equipment supply and fabrication cost escalations, the original pricing quoted in the Supplemental Filing was no longer valid.

On March 27, 2026, Maritime Electric received an updated budgetary proposal, slot reservation agreement and draft gas turbine equipment and sale agreement from ProEnergy. These ProEnergy documents represent updates to those previously filed in Exhibit M-12 as Confidential Appendices C, D and E.<sup>2</sup> An Updated Confidential Appendix C and Updated Confidential Appendix D, with redactions approved in Order UE25-07A, are attached to this letter.<sup>3</sup> An Updated Confidential Appendix E is attached and filed in confidence with the Commission, consistent with Order UE25-07A.

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<sup>1</sup> Refer to Exhibit M-27.

<sup>2</sup> Following Order UE25-07A, copies of Confidential Appendices C and D were submitted with approved redactions and are included in Exhibit M-26. Confidential Appendix E was held in confidence in its entirety, as directed in Order UE25-07A.

<sup>3</sup> The Updated Confidential Appendix C also includes proposed redactions for new information on pages 8 and 9, pending the Commission's decision on Maritime Electric's attached request for confidentiality.

### **Payment Schedule**

An Updated Exhibit M-12 Table 1 with redactions approved in Order UE25-07A is provided in Confidential Attachment 1.

Apart from the overall increase to the payment amounts from ProEnergy, there are notable changes to the payment schedule timelines. In particular, the timeline now includes a no-later-than date of June 15, 2026, for the Equipment Contract Execution payment (formerly the Full Notice to Proceed payment). Additionally, the following pricing changes apply to the first three payments that Maritime Electric proposed for inclusion in the work in progress deferral account:

- the Equipment Slot Reservation Agreement payment has increased from United States Dollar ("USD") \$5.6 million to USD \$6.24 million;
- the Equipment Contract Execution (formerly Full Notice to Proceed) payment has increased from USD \$15.68 million to USD \$18.72 million; and
- the Long Lead Procurement payment has increased from USD \$13.44 million to USD \$18.72 million.

These three payments now represent a total of USD \$43.68 million (a USD \$8.96 million increase), to be paid by September 30, 2026.

### **Total Project Cost**

An Updated Exhibit M-12 Table 2 with redactions approved in Order UE25-07A is provided in Confidential Attachment 1.

The total project cost estimate has increased from \$334 million to \$353 million (a 5.7 per cent increase). Additionally, as shown in the Updated Confidential Appendix C, the commercial operation date is delayed from December 2028 to October 2029.<sup>4</sup> Although the estimated project cost and timeline have changed, the ProEnergy Opportunity remains the least cost and most timely solution to address the existing capacity deficit.

### **New Information**

As discussed, approved redactions in Order UE25-07A were maintained in the updated ProEnergy documents. However, some of the information contained in the Updated Confidential Appendix C is new and it is proposed to be redacted, as described below.

- The pricing information on page 8 (formerly on page 9) of the Updated Confidential Appendix C was approved to be redacted.<sup>5</sup> However, the updated document has broken down the pricing information into the Equipment Supply Scope and the Engineering Procurement and Construction Supply Scope. Maritime Electric's opinion is that the redaction of the pricing information, in its entirety, is consistent with Order UE25-07A.

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<sup>4</sup> Refer to Final Completion date shown in the Updated Confidential Appendix C on Page 9.

<sup>5</sup> Refer to Order UE25-07A, order related to Exhibit M-12 – Appendix C (page 4), which states "Page 9 (Pricing section): the price listed on this page contains commercially sensitive information and is to be redacted."

- The ProEnergy Equipment Progress Billing table on page 8 of the Updated Confidential Appendix C was previously not included. However, the same table was and remains included in Appendix D and was approved to be redacted.<sup>6</sup> Maritime Electric's opinion is that the redaction of the information contained in the ProEnergy Equipment Progress Billing table is consistent with Order UE25-07A.
- The ProEnergy Engineering, Procurement and Construction Progress Billings table on page 9 of the Updated Confidential Appendix C was previously not included. Maritime Electric's opinion is that this table is an extension to the ProEnergy Equipment Progress Billing table on page 8 discussed above and therefore warrants the same confidential treatment, whereas "all columns in the ProEnergy Payments table are to be redacted except for the column headings."<sup>7</sup>

For clarity, in addition to the unredacted confidential documents provided to the Commission, redacted versions of the updated ProEnergy documents are provided. If the Commission approves Maritime Electric's attached request for confidentiality, the redacted versions of the updated ProEnergy documents may be made publicly available (with the exception of Updated Confidential Appendix E).

A timely decision from the Commission is critical to prevent further price escalations and schedule impacts. As stated in the Company's March 20, 2026, letter, Maritime Electric respectfully requests a defined regulatory timeline that concludes with an Order either approving or denying the ProEnergy Opportunity.

Yours truly,

MARITIME ELECTRIC



Jason Roberts  
President & Chief Executive Officer

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Attachments

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<sup>6</sup> Refer to Order UE25-07A, order related to Exhibit M-12 – Appendix D (pages 4-5), which states "Page 9 (Equipment Price and Payment Schedule): the equipment price is to be redacted, and all columns in the ProEnergy Payments table are to be redacted except for the column headings."

<sup>7</sup> Ibid.