

**Maritime Electric Co. Ltd. (MECL) 2026 ECAM Rate Adjustment Application –  
UE20606.**

**Clarification Questions for MECL – January 26 2026**

**Table 5: Point Lepreau Replacement Energy Additional Costs**

A three (3) year total of \$29.6M is shown. What NB Power Insurance coverage entitlement has/will MECL receive?

**Table 5: Point Lepreau Operating and Maintenance Additional Costs**

A three (3) year total of \$5.8M is shown. What NB Power Insurance coverage entitlement has/will MECL receive?

**Table 5: Wind Energy Additional Costs**

A three (3) year total of \$6.4M is shown. What actions has MECL taken to recover this amount from the PEI Energy Corporation? If not, why not?

**Table 5: Net Metering Additional Costs**

- 1) A three (3) year additional-to-forecast cost total of \$5.2M is shown but the total subsidy provided by the majority of customers to the minority of installed-solar-customers over the three (3) years 2023 to 2025 is \$11.1M! Perhaps even more important is the increasing annual trend of this subsidy from \$2.8M in 2023 to \$5.5M in 2025. What actions has MECL taken to recover compensation amounts from the PEI Government's Net Zero Office? If not, why not?
- 2) The 2017 PEI Energy Strategy (page 33) quantifies the negative economics of Net Metering and customer inequity for the majority of customers unable to afford or adopt solar installations. In particular the Government's Strategy suggested that an installed base of around 18MW should be the maximum before considering reverting back to the normal "Avoided Cost" payback of customers' excess solar energy. Noting that the installed base of customers' solar systems was 44MW at the end of 2024 – over double the recommended maximum - has MECL requested a change to the Renewable Energy Act? If not why not?
- 3) In support of a change to the Renewable Energy Act to adopt a normal Utility policy of "Avoided Cost" payback of customers' excess solar energy, please confirm that the Energy Purchase Agreements (EPA) with the PEI Energy Corporation – for Slemon Park 10MW solar energy, the Jean Canfield Building in Charlottetown, the Aspin & Kemp manufacturing plant in Pools Corner and the Wind Energy Institute (WeiCan) in North Cape - each at a maximum 100KW solar energy – included an energy price agreement of less than or equal to the MECL avoided energy cost at the time when the EPAs were set. If EPAs are not in place for the

three (3) 100KW sites as referenced, please explain the energy purchase arrangements for each site.

**Table 4: The Progressive Worsening of Annual ECAM Balance for four (4) years from 2022 to 2025**

- 1) For the four (4) years 2022 to 2025 this table shows a forecasted reducing ECAM balance of \$6.8M, \$4.1M, \$2.1M and \$0.1M respectively, effectively committing to IRAC and to customers that the ECAM balance would be eliminated by 2025. However, this table shows a progressive annual worsening/increasing of the actual ECAM balance of \$11.7M in December 2022 to \$32M in December 2025, showing, as early as December 2022, that the ECAM balance required monitoring. In which obligatory monthly financial reports spanning the three (3) years of 2023 to 2025 did MECL alert IRAC to consider a rate increase to halt the worsening ECAM balance?
- 2) For each of the years 2022 to 2025 please provide the forecasted annual ROE that was included in the General Rate Application(s) attributable to the original forecasted annual ECAM balances.
- 3) For each of the years 2022 to 2025 please provide the actual annual ROE that was earned each year attributable to the actual annual ECAM balances.
- 4) In view of the increased ROE collected as a result of the successively increasing annual ECAM balances, does MECL have any plans to apply this increased shareholder earnings to offset some of the \$31.9M debt currently owed by customers?