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| **From:** | Doug Bateson |
| **To:** | Electricity Inquiries |
| **Cc:** | premier@gov.pe.ca; MinisterLE@gov.pe.ca; jsburridgeminister@gov.pe.ca; MinisterEDTAI@gov.pe.ca |
| **Subject:** | Opposition to Maritime Electric Proposal for Diesel Generator |
| **Date:** | Sunday, August 9, 2026 11:42:01 AM |

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Dear Ms. Bradley,

Please accept this submission **opposing** Maritime Electric Company Limited's application for the approval of a 100 MW diesel combustion turbine project.
We request that this submission be reviewed by the Commission and placed on the public record for this proceeding.

Sincerely,
Doug and Gloria Bateson
[redacted] Murray River, [redacted]

**SUBMISSION TO THE ISLAND REGULATORY AND APPEALS COMMISSION IN MATTER OF: The Electric Power Act, R.S.P.E.I. 1988, c. E-4 AND IN THE MATTER OF: An Application by Maritime Electric Company, Limited for approval of a capital expenditure for a 100 MW diesel combustion turbine project.**

## 1. INTRODUCTION AND STATEMENT OF SCOPE

We are submitting this formal objection to express our opposition to Maritime Electric's application to purchase a 100 MW diesel combustion turbine for $371 million.

While the contributions of a diesel power plant to climate change, long-term public health degradation, and waterfront disruption are deeply concerning, this submission focuses strictly on the legislative mandate of this Commission. Under the *Electric Power Act*, the scope of the Commission regarding this proposal is **"to ensure that ratepayers receive safe and reliable service, and that the rates for electric service are reasonable, publicly justifiable and nondiscriminatory."** Focusing on these four core statutory criteria demonstrates that Maritime Electric's proposal fails to meet the legal standards required for approval.

## 2. FAILURE TO DELIVER SAFE AND RELIABLE SERVICE

A diesel combustion turbine is not the safest or most reliable option to meet Prince Edward Island's growing peak energy demand.

- **Used Infrastructure Risks:** The proposed turbines are not new; they are used pieces of machinery.
- **High Risk of Failure:** Tying regional grid reliability to used infrastructure that will experience infrequent but intense, high-stress peaking use places the system at an elevated risk of damage and mechanical breaking.
- **Vulnerable Supply Chain:** The manufacturer, ProEnergy, is based in Missouri, USA. If a critical component breaks during an intense Atlantic winter storm, the Island will be left unpowered for an extended period due to long-distance supply chain delays. Ratepayers will ultimately be left on the hook to finance these repairs. Furthermore, recent events have proven the USA to be a vindictive, unpredictable and unreliable source, regardless of legal contracts, operating on the whims of political despots.
- **Insufficient Warranty:** Maritime Electric is introducing a 50-year structural lifespan asset to the grid that carries only a brief, one-year manufacturer warranty, exposing ratepayers to decades of reliability and maintenance risks. We know for a fact that the actual lifespan operating costs for major equipment like this will be at least 3-5 times the purchase price, much of which will just be paid to the USA firm.

## 3. FAILING THE TEST OF REASONABLE RATES

The high capital installation expenses and volatile lifetime operational costs make this application economically irresponsible.

- **Unnecessary Capital Spending:** At a cost of $371 million, Maritime Electric plans to recover the entire capital burden directly from ratepayers.

The Battery Alternative: A 100 MW Battery Energy Storage System (BESS) provides identical capacity and reliability. However, BESS features an upfront capital cost of just $240 million.

- **Immediate Rate Relief:** Choosing BESS over diesel prevents an immediate, unnecessary $131 million capital addition from being loaded into the utility's rate base.
- **Operational Expense Disadvantage:** The high costs of imported fuel to run these turbines ensure that operational electricity costs will remain high, whereas a battery system lowers long-term operational costs by storing low-cost, locally generated renewable energy. This fact alone should make this decision obvious.

**4. THE PROPOSED RATE INCREASES ARE NOT PUBLICLY JUSTIFIABLE**

For a rate increase to be publicly justifiable, the utility must prove that no superior, lower-cost options exist to achieve the same service objective. Maritime Electric has failed this test.

- **Contradicting Commission Experts:** IRAC's own independent energy experts have explicitly demonstrated that a 100 MW battery energy storage system is a more effective, equally reliable option that performs well in Atlantic climates.
- **No Added Benefit for Extra Cost:** Passing an extra $131 million onto the shoulders of Island ratepayers without providing any additional safety, capacity, or reliability benefit over a BESS framework is the definition of an unjustifiable expenditure.
- **Economic Capital Flight:** Buying a US-made system from ProEnergy powered by imported oil sends hundreds of millions of Island dollars out of the Canadian economy and locks PEI into an unstable, and volatile supply chain. Conversely, BESS infrastructure would likely be procured through a Canadian company and support local green energy jobs. (Canadian content and PEI economic benefits could be made part of any bidding process.)

**5. THE RATE IMPACT IS DISCRIMINATORY AND HARMFUL TO PEI'S VULNERABLE**

Associated rate increases from this project will not impact all Islanders equally, creating a highly discriminatory economic burden.

- **Exposure to Volatile Markets:** By locking Prince Edward Island's capacity needs into fossil-fuel infrastructure for the next 50 years, Maritime Electric ties local utility rates to an unstable, expensive, and highly reactive global oil market.
- **Compounding Energy Poverty:** When global oil shocks drive up the cost of electricity from these combustion turbines, the financial consequences will land heaviest on the **24,000 Island residents** who already experience energy poverty.
- **Inequitable Financial Burden:** Forcing low-income households to pay inflated rates for an inefficient, used fossil-fuel asset when a cheaper, cleaner option is readily available violates the requirement for non-discriminatory rate design.
- Forcing all Islanders to be subjected to inflated rates may well push more people into energy vulnerability.

**6. CONCLUSION**

Maritime Electric's proposed diesel plant fails every core metric within the Commission's regulatory scope: it is less reliable than modern alternatives, financially unreasonable, publicly unjustifiable, and economically discriminatory to vulnerable Islanders.

Therefore, we request that the Commission:

1. **Deny approval** for Maritime Electric's requested $371 million diesel combustion turbine capital expenditure.
2. **Direct the applicant** to submit a revised application for a 100 MW Battery Energy Storage System (BESS) to protect ratepayer wallets, ensure local climate resilience, and maintain reasonable, non-discriminatory power rates across PEI.

Thank you

Doug and Gloria Bateson