Comments regarding Docket: UE20742 August 10, 2026

To whom it may concern,

Regarding Docket: UE20742 'Maritime Electric's application for an On-Island Security of Supply Project' :

I am told that 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 non-discriminatory."

Here are my comments:

1. **The project proposed by Maritime Electric (MECL) has not been shown to be the best choice for delivering safe and reliable service.**

The used combustion turbines will only be tested for PEI conditions for the first time after being paid for and in place, with only a one-year warranty, but supposedly a 50-year lifespan. The manufacturer Pro-energy is in Missouri, so if breakdown occurs at a critical time, quick repair is unlikely even though ratepayers will have to cover the cost.

As Peter Bevan-Baker concludes clearly in his submission, "We are asked to commit to an unproven machine, from a sole vendor against whom no one was invited to compete, at a price that has moved twice, arriving a year later than promised, carrying a one-year warranty, on a schedule whose central justification has evaporated, with the risk of stranding assigned in advance to ratepayers, on the strength of a plan six years old — and with the numbers that matter most withheld from the very people who will pay for all of it."

If the proposed turbines become stranded assets, Maritime Electric says that it will seek to recover the remaining value from customers. No risk to MECL; all the risk falls on ratepayers.

There has not been adequate consideration given to other alternatives and combinations which may be more reliable in providing capacity and in controlling peak demand on PEI, such as Demand Side Management (DSM), time-of-use pricing, Battery Electric Storage Systems (BESS) and photovoltaic, wind, geothermal or other energy generation and storage possibilities.

There is also the issue of 50 years of production, transportation, storage and combustion of diesel fuel, which has potential for negative, unsafe health and environmental effects from this proposed service.

2. **Rates for electric service resulting from MECL's proposed project are not reasonable, nor publicly justifiable.**

MECL refuses to disclose what the cost of their proposal will be to ratepayers, but MECL's own breakdown of the project's $635 million lifetime cost in Present Value terms is:

Fuel	$227M	36%
Return to shareholders	$123M	19%
Interest on debt	$97M	15%
Amortization	$109M	17%
Income taxes	$55M	9%
Operations and maintenance	$24M	4%

Committing to 50 years use of fossil fuels, which are likely to increase in cost and possibly incur future 'carbon' penalties and restrictions is unwise unless all other options have been thoroughly considered and dismissed.

Paying millions of profit return to shareholders is unnecessary unless it can be shown that there is reason to avoid having the PEI government (through the PEI Energy Corporation PEIEC) purchase (as it has in the past) whatever capital assets are needed.

Other effective, equally reliable options (BESS) have been shown by IRAC's independent Synapse Report to be cheaper. MECL's last minute attempts to downplay that report mean nothing until reviewed by Synapse and/or other independent experts.

The costs listed by MECL above are clearly poor estimates. As Jordan Bober explains in his submission, "The Commission should get clarity on the current turbine cost, and have the correct cost used in the Present Value analysis. . . Gas turbine prices are rising worldwide . . . Maritime Electric is a small buyer in a seller's market, buying refurbished equipment, with no signed construction contract - the Commission asked three separate times for written confirmation from ProEnergy and each time received a pointer to a budget estimate.

Battery prices are moving the other way, made less expensive by improvements in battery technology and production processes, driven by the global clean energy transition.

Committing to the rising-cost technology, at an unstable price, without testing it against the falling- cost technology, is the opposite of prudent purchasing."

So I ask IRAC to deny MECL's application for the 100 MW ProEnergy combustion turbine project as filed, and deny the previous now-outdated application.

IRAC should direct MECL to work with PEIEC in a call for tenders to provide a total of 100 MW or more of on-Island capacity, including the options and combinations I mentioned above.

IRAC should direct MECL to file an up-to-date PEI electricity plan and/or hire an independent expert to provide that.

IRAC should mandate MECL to work with and enable PEIEC to proceed quickly with BESS installation(s). MECL could also work with PEIEC to assess the capacity of institutional (and possibly residential) emergency generators to be integrated into the grid to help meet emergency demand in extreme situations such as loss of connection to NB Power; and also the potential for balcony solar, once PEI legislation allows it.

Given MECL's poor record on DSM planning, IRAC should mandate MECL to contract PEIEC or an appropriate independent company to immediately direct the adoption and implementation of more Demand management incentives and programs for all PEI electricity customers, including those programs used by Summerside's utility, to control and level out peak demand.

In closing I am concerned by the attempts by MECL to both rush IRAC's decision and to burden you and the public with reams of last-minute documents. And I am impressed by the excellent submissions you have received from many citizens with no vested interest or reward from this matter, other than the 'public interest' in getting the best energy choice for PEI. **There is a clear need for funding public interest intervention in IRAC's electricity hearings.**

Thank you for the opportunity to contribute to the discussion of this critical decision which may have a long-ranging effect on PEI's economy and the affordability of electricity for all Prince Edward Islanders.

Tony Reddin, Bonshaw, PEI