

**Maritime Electric Co. Ltd. (MECL) 2024 Annual Capital Budget Application –
UE20739.**

Comments to the Island Regulatory and Appeals Commission

Introduction

- 1) An added complexity of this application is that the earlier 2022 Supplemental Capital Budget Request: Advanced Metering for Sustainable Electrification Project Application – UE20737 tabled in November, 2022 remains under consideration by the Commission yet capital expenditures identified in UE20737 are occurring this year (2023) and are included for 2024 to 2026 in the summary data of this application.
- 2) MECL requested an eleven (11) day delay in responding to public questions and the Commission subsequently restricted the submission of public comments to two (2) business days from receipt of MECL responses. This change in Commission process limits constructive and complete public input.

Summary of Interrogatories Information:

Topic 1: Expenditure on the “Distribution “cost Category (excluding Advanced Metering)

- a) In the six (6) years from 2015 to 2020, the average annual expenditure was \$20M.
- b) In the three (3) years from 2020 to 2023, the average annual expenditure was \$30M.
- c) In the five (5) years from 2023 to 2028, the average annual expenditure will be \$40M.

The result is that the expenditure on annual Distribution projects will double in eight (8) years. Can customers continue to afford these capital costs and increased MECL profit?

Topic 2: Delay in Updating the Integrated System Plan (ISP)

An ISP is a fundamental planning tool that documents estimates for future electricity needs and delineates the Utility’s strategies for meeting these needs. It is imperative that an ISP is current and constantly updated.

After repeated annual requests, MECL published the first ISP in 2017 providing the context and references for each subsequent annual capital budget submitted to the Commission. Many Canadian Electricity Utilities update their ISP every two years; MECL chose three years, publishing the first update in late 2020. Despite the significant changes in PEI’s electricity infrastructure and intense PEI Government’s activity in electrification since 2020, the recent Interrogatories have revealed that the next updated ISP will not be available until “mid 2024”. Unfortunately this example of a declining propensity to declare planning is appearing in other PEI energy endeavors. The PEI Energy Corporation has been delinquent in maintaining existing wind energy production and pursuing new wind energy installations, the PEI Government seems to ignore the electricity infrastructure impacts of it’s electrification announcements and it too has not updated the all-embracing PEI energy strategy from 2017. Particular planning details related to this capital budget are: the Skinners Pond wind farm support (possibly affecting both the new Tignish and Woodstock substations), the consolidation of Y101 and Y103 refurbishments, Advanced Metering and T23 purchase. **The ISP update must be expedited.**