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Friday 20th March 2026

RE: Written submission from Peter Bevan-Baker on Supplemental Filing Re. On-Island Capacity for Security of Supply Project – August 14, 2025.

To Island Regulatory and Appeals Commission:

I appreciate the opportunity as a Friend of the Commission Intervener to make a written presentation respecting Maritime Electric Company Limited's (MECL's) request for a Work-in-Progress (WIP) Deferral Account. This is an issue of great importance, and the decision of the Commission on this matter will have profound repercussions for Islanders for decades to come.

At a recent hearing on a separate application relating to the rate structure, one of the lawyers representing a party in the matter, since named as a King's Counsel here on PEI, opened his remarks to the Commission by providing a quote that has stuck with me. The process by which he and the intervener he was representing in that particular case had, after many years, finally come to a hearing. He said that the lengthy and arduous pathway they had taken to get to this point reminded him of the lyrics of a Grateful Dead song: "What a long, strange trip it's been."

As a first-time intervener with no legal training, I must say that I echo his sentiments in regard to the matter before us today. This application's origins date back in December 2024, with a now long-abandoned proposal that has been supplanted by a supplemental - essentially a brand new - application from August 14th 2025. On filing, it was not immediately clear, and not explicit in MECL's supplemental application, that the original December 2024 proposal had in fact been abandoned. This was only disclosed publicly and in vague terms later in September 2025 at the IRAC offices during a technical briefing.

Along this strange pathway that has brought us to today''s deadline, we had applications to enter into an agreement between the proponent, Maritime Electric Company Limited (MECL) and the Prince Edward Island Energy Corporation (PEIEC), which did not come to fruition, and numerous pieces of correspondence about confidentiality and release of critical information. Critical to interveners like myself, who are trying to offer a fully-informed critique of a proposal that in many respects does not provide accurate or complete information on a number of levels, and critical to MECL because they claim that its public release would put them and their potential business partners in a precarious and unfair position.

There have also been unilateral decisions made by MECL to withhold information based on the premise just stated which clearly went beyond their authority as an applicant to make. I wish to thank the Commission for their blunt and effective reprimand of MECL on this matter.
And perhaps most relevant to today's deadline, the Commission has been asked to make a decision, in the supplemental Application from August 14th 2025 on the establishment of a Work-in-Progress or deferral account. Approval of the same will put in motion the purchase of two used aeroderivative diesel combustion turbines as a result of a sole-sourced process which will commit rate payers to what is essentially a line of credit account for which we only last week discovered the full extent - $47.9M Canadian. As I will discuss later, one predominant issue that I have regarding the potential purchase which the WIP will support is the unproven nature and questionable suitability for our climate of the PE6000 units being pursued at a total cost of $334M.

An overarching concern that I, as a rate-paying Islander have, is that approval from the regulator for such a substantial amount of money as a deposit on a proposal that has, as I will discuss later, a number of profound and unaddressed concerns attached to it, will take Prince Edward Island so far down a pathway that it will be considered imprudent to consequently stop the project, regardless of what future technical, contractual, economic, regulatory, or environmental concerns may arise. Approval of this series of slot reservation payments will, I believe, be a *fait accompli:* in effect tantamount to giving MECL the green light to proceed to completion with this entire project.

It is my intention to demonstrate in this written response that the financial data used to support the conclusions of MECL by Sargent and Lundy, the company that prepared the report on which their proposals stand, is flawed, incomplete, and in many cases grounded in extremely speculative, biased, and often outdated evidence and wildly inaccurate costing assumptions. It has sometimes felt as though the language, scope, convoluted pathway, and opacity of the hundreds of pages related to the matter have been explicitly designed to confuse and confound rather than edify, and I must admit that trying to follow the bouncing ball from December 2024 to March 20th 2026 has been mindbendingly challenging and arduous.

The Slot Reservation Account

The deposit(s) required to secure delivery of the two PE6000 combustion turbines from ProEnergy are referred to variously in documents related to the proposal as a "deferral account", a "work-in-progress" payment, and a "slot reservation agreement/account."
The singular question in this proposal before the Commission, is that Maritime Electric be given approval to create, and I quote from the application on page 1 "… a deferral account for future recovery from customers of costs related to a time-sensitive solution."

Maritime Electric is asking to be given permission to create an account to make a deposit on the future potential purchase of two refurbished combustion turbine engines. MECL is requesting that this be approved **before** any public hearings have been held. It's sort of like asking for a

line of credit that would allow Maritime Electric to spend freely, except someone else is on the hook for the repayment of their shopping spree.

MECL is seeking pre-approval for a financial commitment of USD $34.72M ($47.9M Canadian) before a regulatory review, environmental assessment, or municipal approvals have taken place. This appears to be unprecedented in Canadian regulatory practice, where clear principles have been established about the appropriate purpose, scope, and limitations on the use of deferral accounts. They are not to be used as an insurance for the utility covered by ratepayers for their poor planning, inadequate assessment of risks, or commitments to imprudent expenses. For example, costs arising from the sole-source procurement, inadequate alternatives analysis, or failure to consider BESS and other options to meet the energy and capacity needs outlined in the application.

In order to fully comprehend the extent of this appeal, it is important to understand the context in which the request for a line of credit at Islanders' expense is happening.

During opening remarks at the technical briefing on September 11th, we were told by a presenter on behalf of Maritime Electric, that - and I paraphrase here - they would prefer not to come to the commission with such a time sensitive request, and to seek a quick decision, especially when such large amounts of money are involved.

I wish to be absolutely crystal clear from the beginning; there is no justification to hold this metaphorical gun to Islanders' heads that this supplemental application represents. It is my contention that the rationale for the dramatically expedited request by Maritime Electric for approval prior to public hearings is based in part on sloppy, incomplete, selective, outdated, and on occasion downright misleading information.

Far from being a decision that must be made with unseemly haste, with all due respect, I believe that there is sufficient time for the Commission to make a more prudent, fully-informed choice about our immediate and longer-term energy future on PEI which would include all potential solutions to our undeniable immediate capacity problems. Without denying the seriousness and the immediacy of some of the concerns brought forward by Maritime Electric, to suggest, as they are, that the Commission must make a hasty and irreversible decision on a complex matter involving the biggest expenditure by the corporation in its history, or all is lost, is melodramatic, alarmist, and inappropriate. As I will outline shortly in my shared concerns about our current energy precarity, these worrying circumstances do not mean that exercising care and caution in our decision-making are not warranted.

On line 9 of page 28 of the Accelerated On-Island Capacity Development Opportunity supplemental filing of August 14th 2025, the application describes the series of payments, beginning in September 2025 and concluding in December of that year that are required to secure the agreement with ProEnergy, and it states this: "These payments are governed by the

SRA (Slot Reservation Account), and are essential to maintain the critical path to commissioning by 2028".
Those dates have, of course, passed. Yet, and perhaps now with even more vigor and panicky feverishness, we continue to be warned by MECL that delays will be disastrous and that no other options exist. So with those dates now in the rear view mirror, either we have missed the opportunity to secure delivery in the promised timeframe, which of course, is the central rationale for the argument by MECL that the Commission make a rushed decision, or those are not in reality drop dead dates, and that there is actually more flexibility here than we are being led to believe.

Degree of dependence on the New Brunswick RIGS project.

It is ambiguous and unclear to me as to how closely tied to the Renewable Integration and Grid Security (RIGS) project in Centre Village, New Brunswick, this application actually is. Contradictory statements appear in the August 2025 application before us today and subsequent public correspondence from MECL.

For example, from the August 2025 supplemental budget request:

- Page 11, lines 7 and 8: "ProEnergy explained that the proposal would be contingent on Maritime Electric securing a reservation with ProEnergy's factory to align with the schedule of NB Power's project."
- Page 14, lines 9-13: "Maritime Electric has the opportunity to jointly participate in NB Power's procurement of combustion turbine packages by ordering one additional 100 MW combustion turbine package (i.e., two 50 MW combustion turbine units) for installation at the Charlottetown Generating Station."
- Page 16, lines 16-20: "ProEnergy typically does not pursue projects smaller than 200 MW, and its engagement with Maritime Electric is made possible only through its concurrent work in NB. This alignment enables Maritime Electric to leverage shared construction resources and sequencing advantages, with the same crews transitioning directly from units one through ten in NB to units 11 and 12 in Charlottetown."
- Page 34 lines 22-24, and 27-29: "Maritime Electric's ability to secure Engineering, Procurement and Construction services for its 100 MW project is directly tied to the timing and alignment with NB Power's Centre Village project…..Sequencing also provides continuity, which reduces mobilization and demobilization costs, shortens the learning curve for site-specific conditions, and allows ProEnergy to treat the PEI installation as a direct extension of its work for NB Power, rather than a separate project."

All of these direct quotes suggest very clearly that there is a high degree of dependency on the New Brunswick project, going so far as in the last quote, which describes the PEI project as an extension of the NB one rather than a separate project.

However, in a February 19th 2026 communication from Jason Roberts, CEO and President of MECL, to a legislative standing committee (please see attached), he states: “For clarity, although the NB Power project has made this opportunity possible and there are significant benefits to the successive alignment of both projects, it is important to emphasize that the two projects are independent. Maritime Electric’s 100 MW combustion turbine proposal is not dependent on NB Power’s project and is not contractually bound to it.”

This certainly appears to contradict earlier statements by MECL themselves, and the business and operational constraints articulated by ProEnergy on the minimum size of installation that they would consider taking on.

Given the uncertainty of the status and timing of the RIGS project, and statements made in the application before us, I believe it is critical to gain clarity on what degree of dependence actually exists, whether or not the MECL proposal will go ahead if the NBP project is denied or delayed, and what, if any, financial implications there will be for MECL regarding the timing and amount of the Slot Reservation Account, and indeed the entire project if that happens.

The interrogatories from Commission staff to which MECL responded on January 15th 2026 are pertinent and illuminating. Many of the interrogatories relate to the due diligence that MECL has carried out on ProEnergy to determine their suitability as supplier for this proposal, and I found it interesting and informative to note how some very clear questions in certain interrogatories were left unaddressed by MECL.

For example, when asked in IR-2 for “evaluation criteria, weighting, scoring results, and the involvement of any external advisors or consultants.” MECL’s rationale for choosing ProEnergy was restricted to their alleged unique ability to deliver the units in a timeframe and at a cost to meet the projected capacity requirements. There are no relative evaluation criteria, weighting or scoring results to compare ProEnergy with other potential suppliers on such issues as technical ability, history of performance of PE6000 units, on-time delivery, or alternative means of supplying the capacity requirements, as no others were considered.

The only reference to technical suitability is comment #3: “Refurbished PE6000 units are well suited to Maritime Electric’s operating conditions…” This comment is made without any supporting evidence or criteria. As far as I am aware there are no PE6000 turbines currently operating in climatic conditions similar to those found in PEI. I asked Angus Orford on Tuesday March 10th 2026 at the standing committee how many PE6000 units are in operation in climates similar to PEI’s, and he could not answer the question. Without any data or evidence on how the PE6000 units operate in our weather conditions, I would suggest that the only prudent approach to this purchase, and by extension the granting of the SRA, is that it not be approved until real-world operational evidence and data to support the confidence that the PE6000 turbines are indeed suitable for PEI’s operating conditions, as expressed by MECL, is provided.

Similarly in IR-3, where the interrogatory asks specifically for “a comparison of experience, qualifications, and proposed scope” of all vendors that were evaluated, MECL’s response contains no mention whatsoever of ProEnergy’s technical experience or qualifications. Rationale to support ProEnergy is once again limited to their ability to “bring new capacity online as quickly as possible; and the advantages of aligning with NB Power’s established schedule”, none of which provides any indication of the company’s experience or technical qualifications.

Once again, in IR-4, the Commission asks MECL to “Provide an explanation of the due diligence undertaken by MECL with respect to the selection of ProEnergy.” MECL states in their first paragraph that they had discussions with NB Power about, among other things, “ProEnergy’s reputation and track record as a supplier and installer of reliable CT packages.” Later in their response they reference their sister company UNS Energy Corporation, which is, like MECL, a Fortis affiliate, and there is reference to a project that “involves the installation of four 50 MW natural gas-fired CTs being provided by ProEnergy”. While it is unclear in MECL’s response, it is important to know that these units are not yet installed or operational, merely on order. The singular commonality between the proposal before us, and the UNS project being that both parties have chosen ProEnergy because of the advantageous delivery timeline. While interesting, this information, I believe, in no way constitutes the due diligence that the Commission was seeking clarity on.

I lost count many documents ago of the number of times that MECL describes the necessity for a quick decision from the Commission because ProEnergy is the only option that they have considered, and the only vendor able to meet the urgent timeframes outlined in the application before us. Because only one vendor is being considered related to the approval of this SRA, I would respectfully suggest that due diligence and close scrutiny are more important than ever before coming to a decision. These circumstances do not mean that care and caution can be put aside, indeed I would argue quite the opposite.

IR-7 provides perhaps the most concerning example of MECL’s inability to provide clearly requested information from the Commission. The Commission asks MECL to provide an “assessment of the risks associated with choosing ProEnergy as the vendor for this project. Describe any risk reviews, red-flag assessments, or internal or external analyses MECL completed, and summarize the key findings.”

Extraordinarily, the response opens saying “The risk of choosing ProEnergy for this project presents the same inherent risk of choosing any vendor, that being the risk that unforeseen circumstances will impede the vendor’s ability to execute the project as contracted. The risk of choosing ProEnergy is no greater than choosing another vetted vendor.”

Once again MECL’s vetting process focuses entirely on ProEnergy’s capability to meet the required timeframe. And once again, “UNS’s experience with ProEnergy for four similar CTs reinforced confidence in vendor capability…” even though these units remain uninstalled and non-operational.

As I read the Commission's interrogatory, I am considering a wide range of potential risks and red flags, not only the ability of the vendor to execute the proposal on time. MECL provides no thorough risk review, nor any red-flag assessments, and therefore no key findings. I find this completely unacceptable for a project of this cost, scope, and importance. Recalling one of the core principles on the use of deferral accounts, when you are running your business in a manner that involves taking unnecessary risks and being imprudent, you should not be allowed to rely on ratepayers to foot the bill.

IR-8 specifically requests how MECL validated ProEnergy's technical and financial capacity to deliver a project of this magnitude."
The entire response is about ProEnergy's financial status: there is absolutely no mention whatsoever of the company's technical capacity to deliver the project.

IR-9 relates specifically to the Deferral Account. It asks MECL to "Provide an update to the timeline of all activities, commitments, negotiations, and decision points associated with MECL's engagement with ProEnergy."

I have previously discussed the ambiguity that exists regarding just how firm the original deadlines in the application from August 2025 actually are, and the degree of interdependence of this application on the RIGS project. The response from MECL states that "ProEnergy has recently confirmed that the manufacturing slot required for this project to maintain alignment with NB Power's RIGS project remains available." This despite written comments on page 7 of the August 2025 filing that: "Maritime Electric requests Commission approval to establish a deferral account to support time-sensitive commercial commitments, including a (redacted) Slot Reservation Payment in September 2025, and subsequent payments totalling (redacted) by December 1 2025. These commitments are **essential** to secure manufacturing capacity and maintain the project's critical path." (emphasis mine)

Time and again the Commission is told emphatically by MECL that unless a deadline is met for a decision, all will be lost. And once again, we see "essential" deadlines passed, and yet the project apparently remains viable.

It really feels like an unseemly amount of inappropriate and ultimately unfounded pressure is being applied to the Commission on one of the most consequential decisions that it has ever been asked to make on electricity regulation.

IR-11 also refers to the Deferral Account. We now know that the full amount of money that must be deposited in the Deferral Account is $47.9 M Canadian. It remains unclear to me how much of that total is non-refundable should the project not go to completion, but should there be approval of the Deferral Account, within weeks, almost $50M will be deposited on this project, and the forward momentum created by that amount of expenditure would be, I assert, unlikely to

be stopped. This would create a *fait accompli* situation prior to proper regulatory process, environmental assessment, or municipal approval.

IR-12 provides MECL with an opportunity to clarify the impacts to ratepayers of the financial commitments incurred in the $47.9 M Deferral Account deposits. Instead MECL reiterates the urgency of the situation, saying “ProEnergy has confirmed that the slot reservation remains available but cannot guarantee its continued availability beyond early 2026.”

This all sounds very familiar, and stories of boys and wolves come to mind. Given the passing of previous hard deadlines without consequence, and the gravity of the decision to be made, I urge the Commission to treat such dramatic threats with the level of moderation and pause that they deserve until a full range of possible solutions are truly evaluated against this proposal.

Areas of shared concern.

Having said everything above, let me state some things on which I and MECL are in agreement, based on their original application:

1. The current system of capacity supply is not resilient, flexible, or robust enough to meet future demands, and in order to create capacity and energy security, PEI needs to invest in reliable dispatchable capacity generation.
2. This will involve significant capital expenditures, which will have implications on Islanders for decades to come.
3. This situation is in part a result, on the demand side, of a combination of rapid population growth and subsidised electrification of home heating, transportation and other uses.
4. The situation is also the result in part of inadequate supply side planning carried out by both government and MECL during this time of rapid growth in energy demand.
5. Consequently we are faced with a precarious situation where our baseload generating capacity is falling behind demand, and may worsen until more is secured.
6. The choices for new dispatchable capacity are to increase our on-Island production through investments in new generation or continue to rely on imports from New Brunswick or other off-Island sources, where we currently get about ¾ of our electricity.
7. Ambitious and expedited demand side management through smart metering, new billing structures, non-wire alternatives, and better management will help reduce peak demand, which is how the need for generating capacity is calculated.
8. Small Modular Nuclear Reactors are not a viable option given the time constraints.
9. This is an urgent issue, and requires prompt attention.
10. Neighbouring jurisdictions to varying degrees are facing similar challenges as old thermal generation stations (coal, oil, diesel, gas, nuclear) are decommissioned, as demand for electricity continues to grow.

That’s a lot of alignment on a number of the underlying issues that have brought us to this point. Where we diverge, however, is in how best to navigate the current crisis, and in how to prudently invest in a way that will create the secure, clean, and affordable energy future Islanders need and deserve.

Three critical questions to consider.

There are three central questions that I will focus on in making the case for not approving this request for a Deferral Account. I want to acknowledge that this is an enormously complex situation and critical decision before the Commission that has repercussions both economic and environmental for decades to come. Distilling it down to a few critical questions is not meant to suggest that the underlying systems and ultimate choices before you are simple: they are not.

The three core questions that I believe the Commission must grapple with as you make a decision on this supplemental application are the following:

1. How urgent is the situation with capacity shortfalls?
2. What is the full range of options that exist to meet that capacity gap?
3. Does the entire forecast future gap have to be met immediately, or can non-wire alternatives and demand side measures be taken, and an incremental expansion of capacity be implemented to meet future demand?

I will deal with each of these critical questions in turn.

Firstly, the degree of urgency.
The reason why we are discussing this today with the greatly shortened timeframe being imposed by Maritime Electric is because - and I quote from their supplemental application, firstly on page 5, line 19: “The Accelerated Capacity Solution (ACS) represents the most cost-effective and viable path to securing new on-Island generation capacity by 2028.” Later, on page 36, line 3, the application states even more emphatically: “The Accelerated Capacity Solution represents Maritime Electric’s only viable path to securing new on-Island dispatchable generation capacity by 2028.”

So in the course of 31 pages, the ACS moves from being the most cost-effective and viable path, to the only viable one. And 2028 is repeatedly used as the timeframe within which this new on-Island capacity must be commissioned. That argument is the primary justification for approval of the deferral account being created immediately in order to secure the two used 50MW Aeroderivative PE6000 Combustion Turbines from ProEnergy at a cost of $334 million.

During questioning on September 11th at the technical briefing in the IRAC offices, we were told by Jason Roberts, CEO of MECL that, and I quote, “ we are at a critical time for our provincial electrical system and for Islanders”, a statement that I concur with 100%. Mr. Roberts then went on to say, again I quote “The urgency of the situation cannot be overstated.” While I would also concur that this is an urgent matter, I actually think it is entirely possible that the level of urgency can be, and indeed has been, overstated.

I will emphasise again that over the last decade, with proper supply-side planning and demand side management, we would never ever have ended up in this situation. However, here we are, as a result of all the errors of the past, by both governments and the utility.

The extreme urgency claimed by Maritime Electric in both the original application and this supplemental one is the result of a number of factors. Firstly the growth in demand, caused primarily by the rapidly growing Island population, particularly since 2020. Additionally the electrification of heating sources in many Island homes, predominantly heat pumps replacing oil and wood heat has exerted rapid and increasing strain on the system. There is no doubt that this has put enormous pressures on the electrical system, and tables in the original application graphically demonstrate how much faster PEI's growth in electrical use has outpaced our neighbours.

However, I want to draw Commissioners' attention to Figure 11 on page 34 of the original application, which purports to show how new home starts on PEI are so much out of line with other Atlantic provinces, and Canada as a whole. This graph is in fact misleading. The graphic is of home starts **in the month of July**, but the text related to it on page 33 talks as if this table represents the growth of **annual** increase in housing starts. The actual figures for annual housing starts on PEI from 2020, the years of rapid population growth, are: 2020 - 1,240: 2021 - 1,260: 2022 - 1,318: 2023 - 1,139: 2024 - 1,694, which show PEI to have experienced since 2020 growth in annual housing starts of 40%.

I hope and expect that this error of presenting one particular month's housing starts as an annual figure was simply an oversight and innocent mistake. I am, of course, not disputing that our population has grown, and that consequently we must build more houses, but I do believe that accurate data properly presented is important when building a legitimate case. On that note, after consistently outpacing all Canadian provinces in population growth for some time, the statistics for the period of the last four quarters on PEI show a total population growth of 1,631 people, or 0.89% annualised growth rate. I am digging down on this here because the justification for the urgency is in part claimed because future population growth forecasts have a profound impact on increases in energy demand. The reality may in fact be quite different.

I believe that evidence and accurate data and facts should always guide decision-making. I am aware that senior management at MECL has repeatedly claimed at recent Legislative Standing Committee meetings that their positions are always based on fact and not opinion, but these are just a couple of examples where that may not actually be the case.

Secondly, the capacity shortfall caused by decreasing resources. Figure 20 on page 70 of the original application is a graph of actual and forecast capacity requirements. There are a number of assumptions being brought forward to create the graphic which shows a deficit beginning this year and increasing over time out to 2033. It is not my intention to counter every assumption that Maritime Electric brings to its forecasting, indeed many are well-researched and appear to be accurate, but I will touch on one of the components - the contribution of the 2 existing CTs in Borden Carleton. Together they supply 40MW of dispatchable capacity, and are repeatedly anticipated to be decommissioned in 2030 according to the graphics and text of the application. However in the technical hearing on September 11th 2025 we were told that they will remain in service until at least 2032, providing that 40MW of capacity for at least 2 years beyond the

claims in the original proposal. Once again, I am not contending that these assets are not close to the end of their useful lives, but these sorts of discrepancies bring into doubt the veracity and accuracy of some of the information being used to support Maritime Electric's claim that this capacity shortfall is of such urgency that an immediate decision must be made.

The forecast graphics do not, of course, provide any kind of picture of what our capacity resources might look like should we choose to adopt a combination of Variable Renewable Energy (VRE) production paired with Battery Energy Storage Systems (BESS). I listened with great interest during the technical session on September 11th, as many of the questions that I had related to the original application were asked by Bob Fagan, the senior vice president of Synapse Energy. Mr Fagan questioned why Maritime Electric had not done a more comprehensive system analysis, and considered options like VREs paired with BESS at scale. We were told by Maritime Electric representatives that this was not an economically viable option, and that it had been dismissed as a potential pathway for both energy production and as a dispatchable capacity resource.

Indeed in a piece of evidence only recently made available to some interveners (Appendix A - letter from Matthew Thibodeau from Sargent and Lundy,) whose title is Re. Firm Generation Capacity on Prince Edward Island, there is not even any mention of battery storage as a potential means of supplying such capacity. This despite the fact that BESSs are increasingly recognised as a reliable dispatchable resource able to deliver power during peak demand periods. For MECL to so easily and completely dismiss this option, and to provide no thorough up-to-date accurate financial comparisons with the proposal before us is bizarre. Indeed, to be so forcefully pressing for a quick decision on such a critical matter without even considering other options I find unbecoming and imprudent.

This brings me to the second big question - what is the full range of options that was considered?

Before tackling that aspect of the application, it is worth noting here the hypocrisy of the applicant insisting on a hasty decision because of their requirement to act at breakneck speed. If we look at a couple of other recent initiatives, both related to IRAC orders, things have not moved so swiftly. Back in 2020 Maritime Electric was ordered to end the tiered billing structure of descending cost for the second block of energy used. Here, in 2026, over 5 years later, this action has still not happened, (and forms the context of the "long, strange trip" quote earlier). The same heel-dragging is happening with the installation of Advanced Metering Infrastructure, or smart meters. Summerside started installing smart meters back in 2011, and there have been calls ever since for Maritime Electric to follow suit. Finally in 2022 an application was made, with funding through the federal government to the tune of $19M, and IRAC approval granted a year ago. As far as I am aware however, 14 years after Summerside moved forward, only now are the first smart meters being installed on PEI by Maritime Electric. I am not, in citing these two examples, suggesting that those projects and this submission are equivalent. I am merely demonstrating that as MECL presses for a critical decision to be made by the Commission at

lightning speed, when granted permission, or even when ordered to do so, Maritime Electric has been more turtle than gazelle.

What is the full range of options that exist to meet the capacity gap?

Regardless of the exact size and rapidity with which PEI will face a capacity gap, it is undeniable that it will happen, and we need to have a comprehensive plan to continue to provide reliable, secure, and cost-effective energy to Islanders into the future. The original application aimed at producing an additional 150 MW of capacity on-Island, and did contemplate a 10 MW/40 MWh BESS. However, throughout the document it is clear that Maritime Electric does not view the use of VREs and battery storage as a serious, established, or reliable way to produce energy and provide dispatchable capacity.

Nothing could be further from the truth.

When I hear Maritime Electric executives, speaking of battery technology, make statements like “we don’t have the luxury of sitting back and trying something”, or “we can’t just wait and see if it’s going to work or not”, or “you don’t want to rely on a battery”, it is clear that they have no faith or interest in this technology. All these statements were made by MECL executives at the IRAC technical briefing on September 11th 2025.

This is at odds with so many other jurisdictions, who are employing VREs paired with batteries at utility scale extremely successfully. To imply that this is somehow an unsuited, unproven, or unreliable option suggests a blinkered view, and is plain wrong, and a great disservice to Islanders present and future. There are also, of course, the obvious environmental benefits of renewables over combustion turbines, regardless of the amount they are used over the course of a year.

Much is made in the original application of the polar vortex; for Maritime Electric, a usefully provocative and dramatic phrase. Indeed the words appear 22 times in the original application and twice more in this supplemental one. In contrast, the term climate change only appears in a footnote of the original application as part of the title of the federal department. The term “climate change” and even the word “climate” appear nowhere in this second application.

Considering the potentially dramatic implications that climate change will have on our future energy needs, I find this surprising. Climate models project warmer and milder winters for Atlantic Canada, with less severely cold days, and more days above freezing. This is accompanied by a potential increase in the frequency and intensity of severe storms, leading to more rain and potentially less consistent snowfall. Overall, warming is expected, but the interaction with increasingly unstable ocean currents and the jet stream may temporarily create periods of colder, snowier weather. However,the overall long-term trend points toward significant warming, and what is referred to by some as a "lost winter" scenario. All of this suggests

demand for energy, which is largely dependent on ambient temperatures, may actually decrease over time here on PEI and in the Maritimes.

Perhaps this climate modeling that suggests we will experience significantly less severe winters (the data tell us that we already are) was not helpful to Maritime Electric's case. Maybe they don't think climate change is relevant to this proposal, but whatever the reason, it's deeply disappointing that our provincial utility doesn't see fit to even mention never mind consider the impacts of climate change in this most critical and expensive proposal whose sole purpose is to secure power supply in the depths of winter, a season within a climate that is already changing rapidly and dramatically.

When I look to other places for climate leadership, I don't often think of our immediate neighbour to the south, particularly in recent years, but in the United States in 2025, fully 93% of the investments in new utility-scale electric-generating capacity additions are in VREs and batteries - 52% solar, 29% battery, 12% wind, and only 7% gas. Of the 63GW of new capacity coming on line in the US, 59GW of it is renewable. And that says nothing of countries like Uruguay, New Zealand, Iceland, the United Kingdom, Germany, and many others who are already predominantly relying on this mix of cleaner, greener, reliable, affordable energy. There are 8 U.S. States where more than half of their electricity comes from renewable sources, with #1 South Dakota sitting at a whopping 92%. These are proven technologies, and far and away, the direction that the rest of the world is moving in.

It is absolutely valid, and indeed important, to point out that Prince Edward Island's climate and electrical grid are unique, but the factors that make us so do not make us unsuitable for adopting these technologies that have already usurped fossil fuel generation around the world. We must ask why Maritime Electric is pushing our province in the absolutely opposite direction. Who is really benefitting from their insistence that this proposal before you is the best, and indeed only path forward?

It is not my job here as intervener to provide fully costed alternatives to the application before us, but I can tell you that I fully agree with Angus Orford when he says that it will cost hundreds of millions of dollars to install BESS capacity here to a scale that can replace the 100 MW dispatchable capacity contemplated with the two 50 MW PE6000 CTs. But it absolutely can be done, and to not even consider it as an option, or even the possibility of some kind of hybrid system with a portion of new thermal generation and VREs with BESS bewilders me, and clearly does Mr. Fagan from Synapse also. Quotes I received from a reputable Canadian producer of battery storage systems place the cost of a 100 MW/400 MWh system at about $160 million - 390,000 per MWh installed. Back up usage of such a system could be 100 MW for 4 hours, 50 MW for 8 hours, 25 MW for 16 hours etc. Extrapolating up, the $334M budgeted in this application would buy a 200 MW/800 MWh system, providing double the figures above of dispatchable capacity. And perhaps the biggest advantage of using VREs and BESS over the proposed CTs, which are essentially peaking plants, is that the renewable energy and storage can be used 365 days a year, where the CTs will sit idle for 99% of the time. Again, it is not my

intention here to provide a thorough analysis for a fully costed set of alternatives, but to emphasize the point that practical, affordable, reliable alternatives exist and are being utilized worldwide. The absence of even a cursory comparison in this application represents a dramatic disservice to Islanders and further emphasises the need to avoid a rushed decision on the WIP Deferral Account.

A very important element of the utility of BESS in an electric grid is the Effective Load Carrying Capacity, or ELCC. Since we are concerned with this application about increasing capacity within the system, the Effective Load Carrying Capacity of renewable systems - intermittents like wind and solar paired to batteries like BESS - is fundamental to making a fair and informed comparison between the proposal before us and the potential for other options to fulfil the same need. There are many references to ELCC in MECL's original December 2024 application. Mostly the references are to wind and solar, and how, as evaluated in the application, unattached to a BESS, their ELCC ratings are very low - 30% for wind and zero for solar for example. However, the proper comparison is to look at paired systems - wind and solar coupled with utility-scale battery storage - and to calculate the ELCC based on that possibility.
As a Friend of the Commission Intervener, I am limited in my resources to fully present the data one needs to do such a thorough and equitable comparison, but I will point out some generalities, and an example, from which I hope the Commission will seek more details and comparators prior to rendering your decision on the WIP deferral account.

On March 12th 2026 at a legislative standing committee meeting, as part of a slide deck presented to the committee on behalf of MECL, a table comparing the ELCC of BESS to CTs such as the PE6000 was shown. The example given was of a BESS being considered in the province of Newfoundland and Labrador. Newfoundland's grid system is materially different from PEI's. The study that MECL cited from NL showed that a 100 MW, four-hour battery has an ELCC of approximately 32 MW. Jordan Sampson from MECL used this figure to argue that a large BESS provides far less than its nameplate capacity in terms of resource adequacy credit. While this is a valid general point about ELCC, the NL Hydro figure cannot be imported directly to PEI without serious qualifications.

Newfoundland's electrical grid system is hydro-dominated. Its residual risk profile, the pattern of hours when the system is most likely to face a shortfall, is shaped by hydro reservoir levels, seasonal runoff, and a generation mix that has very different characteristics from PEI's.

ELCC is not a fixed property of a technology - in this case a battery; it is a system-specific measure that depends on the context in which it operates. For example, the ELCC of a battery depends on when peak risk events occur and how other resources behave during those hours. On PEI, where peak risk events are driven by cold-weather heating demand and low wind output on dark winter evenings, a pre-charged battery that can dispatch instantly is significantly more valuable than the NL Hydro figure suggests.
Moreover, ELCC studies conducted in North America consistently show that system-specific context dominates the rating. The Southwest Power Pool (SPP) ELCC study found that

four-hour batteries achieve accreditation rates of 84 to 100 percent depending on the penetration level and season. Early analysis in California's system found ELCC values for four-hour batteries in the range of 80 to 90 percent before saturation effects set in. These figures are substantially higher than the NL number MECL cited. Applying the Newfoundland number to PEI's very different system, without any system-specific modelling, is methodologically unjustified and unrepresentative of what the ELCC for a similar BESS would be rated here.

Once again, I want to make it clear that I do not have the resources to carry out an in-depth comparative study myself, but I trust that the Commission will consider it prudent to embark on such a study before granting approval for the proposal before us.

I am not being dogmatic or exclusive in my support for VREs and BESSs, but unlike Maritime Electric, I do see their value in dealing with both the short term crisis we are facing in meeting capacity, and the day-to-day operations of our provincial electric grid. The VREs and batteries could be owned by Maritime Electric, the PEI Energy Corporation - or my preference - through an open Request For Proposals, community-based production to create a distributed grid. It would create the opportunity for municipalities or private power producers to provide electricity to the grid as a potential income source. This is what is happening in Nova Scotia, where partial deregulation has removed the monopoly previously enjoyed by that province’s private utility,

Here on PEI we already have significant wind production - over 200 MW installed with considerably more on the way, and solar is at approximately 60 MW and growing by 12 MW annually. We also have two wind paired with BESS systems in the pipeline on PEI, albeit at a smaller scale that the grid-sized BESS that would be required to carry out the function of the two PE6000s.

I recognize fully that BESS and CTs are not the same, and each has pros and cons. Many of the ancillary services carried out by the PE6000s can also be provided by the BESSs. BESSs provide critical ancillary services to maintain grid stability such as frequency regulation, voltage support, spinning reserves, ramping support, black start capability, and renewable power smoothing. They can, of course, also provide immediate dispatchable capacity within a far shorter time frame than the CTs which take 10 minutes or more to reach full power. I don’t want to overlook the limitations of BESS systems, which alone are not the whole answer, but they are also not, ***not*** the answer.

I have previously discussed the level of urgency related to the capacity issue, and shown that some of the data provided by Maritime Electric to support their application are inaccurate and self-serving. But I have also said that it is clear we must act fast to meet immediate capacity shortfalls, and to build out a provincial electric utility that will provide the secure and affordable system we all want going forward. One of my three central questions informing the Commission’s decision on granting approval for the Deferral Account remains though, to which I will turn now.

Does the entire forecast future gap have to be met immediately, or can an incremental expansion of capacity be rolled out to meet future demand as it increases?

There was much discussion on September 11th during the technical session about the two used 50 MW ProEnergy aeroderivative combustion turbines. In the application it states repeatedly, though inconsistently, about the minimum number of turbines that ProEnergy would contemplate selling to Maritime Electric. Sometimes it is 100 MW, at others 200 MW, and once on it is 300 MW. During the hearing we were told by Mr. Orford that at no point did he ask whether a single 50 MW unit was a possibility for ProEnergy to sell to Maritime Electric. That was a pretty shocking admission to me, having struggled to get any sort of clarity or justification through reading the application for any of the possible lowest limits that would be available. When Mr. Fagan asked that question, I imagine he, like me, was wondering about the necessity to purchase 100 MW immediately - especially, though I don't think Mr. Fagan would have been aware of this at the time he asked his question - since the 40 MW of capacity in Borden will remain available at least through 2032.

It is my contention that PEI can continue to meet the imminent capacity demands without having to purchase 100 MW of capacity immediately as proposed. It was confirmed through a statement made in questioning on September 11th that New Brunswick, our primary power provider, currently meeting over 75% of our current needs, has no intention of ceasing to provide PEI with power when the existing Energy Purchase Agreement expires in December 2026. Our on-Island capacity will not decrease for at least 6 more years. We have plans - though it confounds me as to why it has taken so long - to install Advanced Metering Infrastructure (AMI), or smart meters, across the Island which will supposedly reduce demand by 20 MW. This number, incidentally, seems very low to me. AMI typically reduces median overall energy consumption by 2.6 % and, depending on local circumstances, around a substantial 10% in peak demand. That would translate to closer to 40 MW peak load reduction on PEI - creating a far better scenario for our capacity needs, since these are calculated based on peaking demand. Such Non-Wire Alternatives (NWAs) intended to defer or remove the need to construct or upgrade components of a distribution and/or transmission system, like the potential other choices dismissed or overlooked to supply dispatchable capacity, get short shrift in MECL's applications. And as I have stated previously, the long-term climate projections may well counterbalance the future energy and capacity requirements projected by MECL in their proposals.

Beyond the possibilities to reduce or even eliminate the need to rush through the purchase of these refurbished CT diesel units, I also believe that it is entirely possible, and indeed prudent to start right away to build up our battery capacity paired with existing and future VRE installations. I understand that in order for this to happen, some legislative changes are likely needed, but that is something that an eager and willing government could accomplish very quickly. Other jurisdictions are doing it, and I believe Islanders are keen to embrace and contribute to a cleaner, greener energy future if given the opportunity. Mimicking Nova Scotia's deregulation of the energy market is a way that PEI can truly harness the potential for producers across the

province, and it is my belief that a time frame of between 5 and 10 years could easily see PEI fully develop the sort of modern distributed electric grid that is the hallmark of so many progressive forward-thinking jurisdictions around the world.

But perhaps my biggest and most immediate concern related to the pressure being applied by MECL for a quick decision is the unproven nature of the PE6000 units.

ProEnergy introduced the PE6000 unit (the ones contained in MECL's application) in November 2023, just over 2 years ago. Although based on the General Electric (GE) turbine, the LM6000, which has been in production since 1990, it is an entirely new product, being built by ProEnergy. Unlike GE, which is an established global corporation, with over three decades of experience with aeroderivative turbines, ProEnergy is a brand new player on the manufacturing side. During the release of the new PE6000 turbine in 2023, there were only 2 models built to date, with only one of them in service, owned and operated by a sister company of ProEnergy, Wattbridge. I have been unable to locate references to any other operational units, and as far as I know, there are no others producing power at this time. Despite this extremely limited history and record of service, the promotional package included in the recently released materials (Appendix C) describes in the executive summary that the solution on offer to MECL: "Fills supply gaps in less than 10 minutes through all weather conditions based on field-proven engines that averaged 99% start reliability for 2024." Only on careful reading do you discover that these claims are based not on the PE6000 units, but on an entirely different model manufactured by GE, the LM6000, which has over 30 years of operational experience behind it. The LM6000 has over 40 million hours of operation over decades, while the PE6000 was only introduced two years ago. To suggest that these two are comparable is simply not accurate. The issue of an extremely limited warranty is also of significant concern. On such an unproven piece of equipment, with little to no operational data to support its efficacy or reliability, the lack of a warranty beyond the first year of a piece of equipment being amortised over decades represents a considerable risk. I will reiterate here that I could find no example nor any evidence or data that suggests that the PE6000 CTs have been field tested in PEI's weather conditions. The only functional units that I could find any reference to operate in Texas.

As I write this, the geopolitical situation is perhaps more precarious than it has been in many decades. Supplies of fossil fuels are threatened, strategic reserves of oil are being released, and despite this, global prices are rising rapidly. Any operational cost estimates stretching out over decades which are contingent on the price of such a volatile and vulnerable primary resource are, by their nature, inevitably inaccurate. Even a short term estimate of diesel costs released just a month ago would have been way off. One of the central financial justifications for this project is the Net Present Value (NPV) analysis which posits estimated costs for items like fuel, which are seminal to the expenses related to operating CTs, 50 years hence. It is hard to ascribe a lot of confidence to such analyses given the inherent volatility of so many elements that impact future costs.

A further concern is future regulatory changes. Much of the current rapid increase in need for new dispatchable capacity locally is the imminent mandated closure of coal fired CTs across the Maritimes. As climate change progresses, there is a clear scientific consensus that in order to prevent catastrophic climate breakdown and to limit global heating to below 2 degrees celsius, the burning of fossil fuels must be dramatically slowed and ultimately ceased within a very short and finite timeframe. It is inconceivable to me that future regulatory changes will not impact CTs operating on other fossil fuels in the same way that coal fired power stations are currently being impacted. To base NPV on an anticipated fifty year operational lifespan of a fossil fuel unit like the PE6000s, whether that is diesel or natural gas, is optimism of the highest order. At a time when technologies and innovations in the energy field are appearing with unprecedented speed, and markets are more volatile than ever, for the Commission to be asked to make a rushed decision based on financial projections over the next 5 decades is utter folly.

Finally, we are seeing unprecedented investments in electricity production and transmission at a regional and national level. The National Energy Corridor Agreement, to which PEI is a signatory, for example, the off-shore Wind West project in Nova Scotia, upgrading of two of the subsea cables connecting PEI to the mainland, and many other potential projects all suggest that significant and swift changes are coming to Canada's national and regional electricity grids. As stated previously in this submission, the central argument from MECL that this decision before the Commission to approve a deferral account to the tune of almost $50 M is of such urgency that it must be made prior to ordinary regulatory process, must also take into account the rapidly evolving power developments that will impact PEI's electricity options in the very near future. While we don't know which of these projects will come to fruition, or exactly what the timeframes will be, as argued previously, there are alternative, incremental options available that bring into question the urgency of this specific decision.

In this written submission I have focused almost entirely on the supplemental application, and not the original one from December 2024, even though the foundation and arguments for the supplemental application are drawn from that first proposal. I have not delved in any depth into the economic arguments that claim savings of over 50% for this plan compared to purchasing energy and capacity from off-Island, even though that figure was 20% merely 9 months ago. I have not talked about Maritime Electric's history of being way off on their financial forecasts, whether that's the dramatic increase in costs of CTs over the last nine months that has apparently rendered their original application unworkable, or the 40% increase in the forecast costs of Advanced Metering Infrastructure over a similarly short timeframe just a couple of years ago. I have not talked in great depth about how these repeated forecasted fiscal errors, in the millions of dollars, and that became apparent within mere months, must bring into serious doubt the accuracy of costs that are estimated by MECL over a period 50 years - the expected lifetime of this project.

I urge the Commission to not approve the supplemental application before you. Maritime Electric has not done their homework properly. They have not looked at all the potential solutions to our energy and capacity challenges. They are asking to commit $50 M of Islanders'

money based on an unproven piece of equipment which will in all probability become a stranded asset long before its projected lifespan is over. And finally, they are pressuring you to make this hasty decision using some questionable evidence and data, without enough time, enough reliable information, or enough options before you.

Thank you.

Sincerely,

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