
Nova Scotia Utility and Review Board

IN THE MATTER OF

*The Maritime Link Act, S.N.S 2012 c.9
and the
Maritime Link Cost Recovery Process Regulation, N.S. Reg. 189/2012*

NSPML Quarterly Report Q4 2023

December 15, 2023

Table of Contents

1.0 Introduction..... 3

2.0 Update of the Maritime Link 4

 2.1 Safety..... 4

 2.2 Land Access Agreements 4

 2.3 Joint Development Agreements 4

 2.4 Submarine Cables..... 5

 2.5 Converters and Substations 5

 2.6 Transmission Lines 5

 2.7 Independent Engineer..... 6

 2.8 Status of Nalcor Project and Muskrat Falls..... 6

 2.9 Status of Benefits to NS Power Customers..... 7

3.0 Updated Cost Summary 8

4.0 2023 Assessment Financial Update 9

1 **1.0 INTRODUCTION**

2

3 This is the Q4 2023 Quarterly Report for the Maritime Link as directed by the Utility
4 and Review Board (UARB) where the UARB ordered in its Supplemental Decision:

5

6 [115]....detailed reports must be filed by NSPML on a semi-
7 annual basis, on June 15 and December 15 each year. The reports
8 shall commence December 15, 2013. Updated status reports must
9 be filed quarterly.

10

11 As per the UARB's order in its Decision regarding NSPML's Application for final
12 approval of Maritime Link Project Costs and approval of the 2022 cost assessment
13 (M10206), NSPML continues its quarterly reporting to the UARB by way of this Report.

14

15 Given that the benefits to ratepayers of the Nova Scotia Block and Newfoundland &
16 Labrador (Nalcor) market-priced energy are secured by Nova Scotia Power through the
17 Maritime Link, Nova Scotia Power continues to report on these in its Quarterly Maritime
18 Link Benefits Report.

1 **2.0 UPDATE OF THE MARITIME LINK**

2

3 **2.1 Safety**

4

5 Safety is a fundamental core value and integral part of every aspect of NSPML’s
6 business. NSPML continues to be risk-focused on the assessment of all work activities.
7 There have been no recordable incidents to date in 2023.

8

9 **2.2 Land Access Agreements**

10

11 The majority of land rights are now in place. In NS, NSPML continues to await final
12 review and determination from the NS Government regarding expropriations for 54
13 parcels of land, many of them being small anchor easements where the anchor for the
14 transmission line towers is underground. These easements do not affect the ability of the
15 Project to operate according to plan. The Newfoundland & Labrador Government has
16 formalized the expropriation panel, and related land matters in NL are currently with the
17 panel. All lands have been expropriated; however, there are some lands where owners
18 could not be found where funds will be paid into trust, as well as a claim regarding
19 mineral rights.

20

21 **2.3 Joint Development Agreements**

22

23 The Regulation Service Agreement between NS Power and Nalcor (NLH) has
24 progressed pending establishment of protocols for usage by NS Power. NLH has
25 completed their filing with the NL PUB and there is now a tariff for regulation service
26 in Newfoundland & Labrador. It is noted that presently operations are not constrained
27 by this and there is no formal commercial need for the agreement.

28

29

30

31

1 **2.4 Submarine Cables**

2
3 NSPML undertook a nearshore subsea investigation of rock berms at HDD (Horizontal
4 Directional Drilling) exit locations in Point Aconi (October) and Cape Ray (December);
5 there were no cable exposures noted. Post processing of data and reporting are currently
6 in progress.

7
8 As discussed in the Maritime Link Q2 Quarterly Report and NSPML’s 2024 Assessment
9 Application, additional cable protection is being considered for a number of areas that
10 NSPML has been monitoring.

11
12 NSPML continues its procurement solicitation process to determine the market
13 capabilities and options to complete the cable protection. NSPML will update the
14 UARB regarding the status of this assessment and work as it progresses in subsequent
15 reporting.

16
17 **2.5 Converters and Substations**

18
19 The Converters and Substations have been in service since January 2018 and continue
20 to perform well.

21
22 The planned Maritime Link monopole maintenance outages were completed in
23 September, 2023.

24
25 For 2023, as of November 30, at least one cable (at 250MW) of the Maritime Link was
26 available 99.9% of the time to deliver energy, with both cables (at 500MW) available
27 97.4% of the time to deliver energy.

28
29 **2.6 Transmission Lines**

30
31 The overhead transmission system continued to perform well with no significant
32 reliability or availability issues experienced. The winter readiness and maintenance plan

1 are expected to be completed within the next month, with no significant deficiencies
2 found to date.

3
4 **2.7 Independent Engineer**

5
6 NSPML remains engaged with the Independent Engineer (IE) related to the Operations
7 phase of the Maritime Link, as per the Federal Loan Guarantee requirements.

8
9 The IE completed site visits of NSPML’s assets in Nova Scotia in November 2023. The
10 site visit report will be filed in a subsequent Quarterly Report once it is completed.

11
12 **2.8 Status of Nalcor Project and Muskrat Falls**

13
14 **Muskrat Falls Assets**

15
16 All four units continue to operate as required (subject to planned maintenance activities)
17 under control of the Newfoundland and Labrador System Operator (“NLSO”).

18
19 **Synchronous Condensers at Soldiers Pond**

20
21 As requested previously by the UARB, NSPML will file the GE root cause analysis
22 report for the SC1 outage once it becomes available. All three units are available to
23 operate as required and are dispatched accordingly by the NLSO.

24
25 **Labrador Island Link**

26
27 Since the testing and subsequent commissioning of the Labrador Island Link (LIL) it
28 has continued operating predictably and reliably for customers in Newfoundland &
29 Labrador, Nova Scotia and beyond. As with the Maritime Link commissioning
30 certificate received in 2018, there are punch list items that will be addressed over the
31 coming months The final version of LIL software is planned to be installed in 2024.

1 **2.9 Status of Benefits to NS Power Customers**

2

3 Customer benefits received to date are being reported by NS Power with its Quarterly
4 Maritime Link Benefits Report and otherwise in accordance with the Board's directions
5 in Decision M10206.

6

7 NS Block deliveries have been strong since February of 2023. With relatively minor
8 exceptions, delivery shortfalls since that time were due to planned outages done in
9 accordance with good utility practice and in coordination amongst the region's system
10 operators. In October, 100% of the NS Block was delivered with 99.9% being delivered
11 in November. Including make-up energy, these delivery figures increase to 185% and
12 151% respectively. As of the end of November 2023, total deliveries into Nova Scotia
13 (including market purchases) equate to over 200% of the contracted NS Block for 2023.

1 **3.0 UPDATED COST SUMMARY**

2
3 NSPML continues to track and report costs, actual and forecast, consistent with the
4 methodologies used in the cost forecast represented in the Maritime Link Project
5 Application. Capitalized Project costs reported to the end of September 2023 have been
6 updated to reflect the Board's Decision in relation to unrecoverable costs. Costs
7 continue to be recorded in accordance with the Affiliate Code of Conduct. All costs
8 provided are in Canadian dollars.

9
10 Actual AFUDC has been tracked and recorded monthly up to December 31, 2017 and
11 has been adjusted from approximately \$209 million to approximately \$208 million in
12 accordance with the Board's Decision, and below the \$230 million amount originally
13 estimated.

14
15 **Total Actual Project Costs as of the end of Q3 2023**

16
17 The total actual Project capital costs incurred year to date in 2023 was \$87,364 primarily
18 relating to land and legal costs incurred for Project close-out activities.

19
20 Sustaining capital spend year to date was \$315,557.

1 **4.0 2023 ASSESSMENT FINANCIAL UPDATE**

2
3 NSPML receives monthly cost recovery revenues from NS Power pursuant to the
4 Board's order.

5
6 With respect to the holdback mechanism, the threshold of 90% deliveries was fully
7 achieved in August 2023, with July 2023 considered achieved when including make-up
8 energy. The amount relating to September 2023 is still under review as NSPML has
9 requested relief due to a planned outage. Therefore, \$5.762 million has been released to
10 NSPML for July, August, and September 2023, with the remaining balance of \$.240
11 million for September being held by NS Power pending the Board Order on the process
12 to review disposition of the holdback funds.