

Our File: 100384

July 17, 2017

Ms. Doreen Friis
Regulatory Affairs Officer / Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Dear Ms. Friis:

Re: Matter M08059 – Generation Utilization and Optimization

Please accept this letter as the comments of Port Hawkesbury Paper Limited Partnership ("PHP") in response to the Board's invitation to interested parties to submit comments on the proposed Terms of Reference ("TOR") for Synapse Energy Economic's ("Synapse") Plexos Optimization Analysis: Cost-Effectiveness of Retaining NSPI Thermal Resources through and possibly beyond 2030.

The TOR generally outline a thorough and robust process. Accordingly, PHP only has a few comments in respect of the TOR for consideration by Synapse and the Board.

Although Synapse proposes to run various sensitivity assumption sets, PHP's view is that the underlying base assumptions, and sensitivity case assumptions, are likely the most critical elements of the proposed modelling exercise. In that regard, PHP notes that the schedule on page 5 of the TOR does not provide for stakeholder input into the assumptions development and that the "inputs assumption" memorandum noted on page 3 of the TOR "and the underlying research to inform the key analytical inputs" is only to include "NS UARB input and review of stakeholder TOR comments". PHP believes it would be helpful for Synapse to provide its draft assumption set(s) and seek stakeholder input prior to development of the final assumptions to be used in the Plexos modelling runs. This could be done by way of written comments on Synapse's proposed assumptions or probably more usefully through a short technical conference where Synapse explains its proposed assumptions and obtains feedback from stakeholders. PHP believes input by stakeholders at the assumption stage will provide significantly more validity to the overall process and its eventual results.

In relation to the point above, PHP notes that on page 2 of the TOR Synapse has provided an "Illustrative Matrix: Example of key parameters and range of assumptions". Although this matrix is referred to as "illustrative" it does raise certain potential issues regarding the final assumptions development, if it was to be eventually utilized. For example only, with respect to Load, the base case is a current forecast and energy efficiency, while the next two cases are increased energy efficiency and highest energy efficiency, while there is no case to deal with

potential load growth outside the current forecast. If the final assumption sets are going to be along the lines of those shown in the Illustrative Matrix, as noted above PHP believes a short technical session where Synapse explains each of the assumptions and provides its rationale for its choices, which in part come from third party input data, would be helpful to all stakeholders to fully understand the inputs, and why they were chosen as appropriate for forecasting of future NSPI generation requirements.

PHP appreciates the opportunity to provide these comments, and looks forward to working with Synapse, the Board and all stakeholders throughout this process.

Yours very truly,

A handwritten signature in black ink, appearing to read "David S. MacDougall", written in a cursive style.

David S. MacDougall

cc: Interested Parties