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Delivered by E-mail

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

Dear Ms. Friis:

Re: **M08059 – Generation Utilization and Optimization**

These comments are submitted on behalf of the Industrial Group. After having reviewed the submissions of NSPI filed June 7, 2018, the Industrial Group is in agreement with the comments of NSPI. The work and analysis carried out by Synapse directly responded to the objective of the process, that is, to consider the cost-effectiveness for ratepayers to retain the coal fleet through 2030, and possibly beyond. The Report indicates that:

> *Retention of the thermal fleet (all coal units except Lingan 2 and the Tufts Cove units) is indicated through 2030 under scenario one's parameters, which included load levels from NSPI's 2017 load forecast and 2017 sustaining capital forecast; NSPI's indicated wind capacity crediting structure; and an assumption that no more than 100 MW of additional wind is feasible on NSPI's system.*

The Industrial Group understands that the work carried out by Synapse is not intended to be prescriptive. It has, however, demonstrated that retention of the coal fleet reflects the ongoing need to ensure firm capacity resources to meet planning requirements and the modeling shows this to be clear and financially sound across all scenarios. There is, of course, uncertainty included in any forecasting exercise but within the sensitivities tested, the general conclusion appears supported.

The Industrial Group agrees with NSPI's observation that there remains significant uncertainty in Nova Scotia with respect to the carbon regime which may be implemented and accordingly, whether or not the thermal plants may be (or ought to be) retired sooner will require clarity regarding federal and provincial carbon policies.

NSPI has indicated that it supports and agrees with Synapse's recommended next steps to be undertaken prior to the next Integrated Resource Planning (IRP's) exercise. All of these items will better inform the long term planning process.

In this regard, the Industrial Group concurs that these steps should be undertaken and recommends transparency regarding the progress of these items going forward with regular reporting to the Board and stakeholders, as well as input from members of the FAM Small Working Group, as appropriate.

With respect to further steps in the process, it is understood that the Board had originally set aside three days for hearing of this matter. Presumably the hearing process would test Synapse's input assumptions and conclusions and offer the opportunity for contrary opinions and submissions. As the Report is not prescriptive and requires no decision or approval from the Board, the Industrial Group agrees with NSPI that resources would be better put to implementing the agreed-upon recommendations. These will better inform the IRP process which will take place in the next year or so.

Respectfully,

Nancy G. Rubin

NGR/lmc

cc Participants in M08059