

Our File: 100384

June 21, 2018

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 – Comments on Synapse Energy Economics, Inc. ("Synapse") Final Report

Please accept these comments from Port Hawkesbury Paper LP ("PHP") on the Synapse final report in this matter dated May 1, 2018 (the "Final Report").

PHP continues to be appreciative of the work carried out by Synapse in this process, and views the results as providing valuable information regarding the most cost effective path forward for Nova Scotia Power Inc. ("NSPI") and its customers regarding NSPI's long term generation and related planning.

PHP is generally in agreement with the comments on the Final Report filed by NSPI on June 7, 2018. As NSPI noted at page 4 of its comments: "Synapse's results provide a direct answer to the Board's question posed through the approved objective in the Terms of Reference for this work; it is cost effective for ratepayers to retain the coal fleet through 2030, and possibly beyond." PHP also agrees with NSPI that the Nova Scotia Utility and Review Board (the "Board") and customers are best served by focusing on next steps and preparing for a future Integrated Resource Plan ("IRP"), not a hearing process surrounding the Final Report.

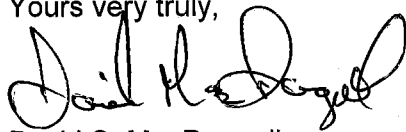
Given the conclusions and recommendations in the Final Report, PHP does not find it necessary to comment in detail on any of Synapse's assumptions, underlying analysis, or commentary at this time. PHP expects that, consistent with past practice, the next IRP will provide intervenors with a full opportunity to review and comment on the underlying assumptions, modeling, analysis, and findings as part of that process. In providing its comments in this matter, however, PHP would like to draw the Board's attention to page 55 of the Final Report, where Synapse indicates:

"The Draft Report and the technical conference presentation slides contained a post-processing error that double counted the costs of new Nova Scotia wind, which significantly affected the NPVRR costs associated with all scenarios with increased wind levels, Scenario 13, 14, 16, 17, 25, and 26."

As active participants throughout this process, including the detailed technical conference held to discuss the results on March 28, PHP was surprised to learn of Synapse's discovery of this error only upon reading the Final Report released on May 1. Fortunately the error in this case did not appear to fundamentally alter Synapse's conclusions or recommendations. In future proceedings, if significant changes to the underlying analysis are identified by a report's authors following the release of a draft report and/or a technical conference, PHP believes it would be helpful if such findings were proactively disclosed to all parties well prior to the release of a Final Report. This would provide parties with an opportunity to more fully understand the potential impacts of any such changes, and to provide input if considered appropriate that could be taken into account as part of the Final Report. Such additional transparency would also provide more confidence in the overall robustness and accuracy of the ultimate modeling results.

As always, PHP very much appreciates the opportunity to provide the Board with its comments.

Yours very truly,

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

David S. MacDougall