Nova Scotia Energy 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 Q2, 2025

REDACTED
(Attachments Only)

June 16, 2025

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1.0 INTRODUCTION

This is the Q2 2025 Quarterly Report for the Maritime Link as directed by the Nova Scotia Energy Board ("Energy Board" or "Board"; formerly the Nova Scotia Utility and Review Board) where the Energy Board ordered in its Supplemental Decision:

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

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

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

2.0 UPDATE OF THE MARITIME LINK

2.1 Safety and Environment

Safety is a fundamental core value and integral part of every aspect of NSPML's business. NSPML continues to be risk-focused on the assessment of all work activities. There have been no internal recordable safety incidents to date in 2025, and no environmental incidents.

2.2 Land Access Agreements

The majority of land rights are now in place. In NS, NSPML continues to progress towards expropriations for 54 parcels of land, many of them being small anchor easements where the anchor for the transmission line towers is underground. These easements do not affect the ability of the Project to operate according to plan. The related land matters in NL had been with the expropriation panel as per the process originally instituted by the Newfoundland & Labrador government; however, NSPML has recently learned that the expropriation panel is not presently available. Given this recent development, NSPML intends to work with NL Government to determine how to finalize these matters. All lands have been expropriated; however, there are some lands where owners could not be found where funds will be paid into trust, as well as a claim regarding mineral rights.

2.3 Joint Development Agreements

The Regulation Service Agreement between NS Power and Nalcor (NLH) has progressed pending establishment of protocols for usage by NS Power. NLH has completed their filing of the Regulation and Service Agreement (between NS Power and NLH) with the NL PUB and there is now a tariff for regulation service in Newfoundland & Labrador. NS Power continues to work with NLH to finalize the associated protocols. It is noted that operations are not constrained by this.

2.4 Submarine Cables

As previously discussed in the Maritime Link Quarterly Reports, NSPML plans to complete further cable protection with rock in 2026. NSPML finalized the marine construction contract in January 2025. NSPML filed a capital application for the Submarine Cable Protection Project (M12285) in May of 2025.

The marine inspection survey of the submarine cables was completed in November 2024 with no significant changes observed since the last inspection survey of these areas. The associated report has been completed and can be found in confidential Attachment 2. Attachment 1 provides a summary of the report.

With respect to NSPML's Subsea and Land Cable Maintenance and Repair Plan ("Plan"), NSPML confirms that there have been no changes made to the Plan in this quarter.

Update on CCI Recommendations

During NSPML's oral argument on October 30, 2024 regarding NSPML's 2025 Assessment (M11792), Vice Chair Deveau inquired as to whether there was any update on recommendations 2 and 3 from CCI regarding NSPML's Final Project Cost proceeding (M10206) in 2021[1]. NSPML provided an update in the Quarterly Report for December 2024.

There are currently no updates; however, NSPML will continue to provide this and other updates as applicable to the Board and stakeholders through its Quarterly Report.

[1] Recommendation number 1 is closed.

2.5 Converters and Substations

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

The Maritime Link has maintained strong availability achieving 99.80% Energy Availability (percentage of the year that 500MW would be able to transfer across Maritime Link) and 100% Monopole Availability as of the end of May.

2.6 Transmission Lines

The overhead transmission system continued to perform well with no significant reliability or availability issues experienced. The planned Spring helicopter inspection was completed in May 2025 with no major deficiencies identified on any line. A second helicopter inspection of all lines will be completed in Fall 2025.

2.7 Independent Engineer

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

2.8 Status of Nalcor Project and Muskrat Falls

Muskrat Falls Assets

As previously mentioned, unit 2 was taken offline in Q4, 2024 to resolve the historical vibration issue that impacted ramping capability and to perform other maintenance activities; it is currently scheduled to be back online in Q3, 2025. The remaining three units continue to operate and have the capability to fulfill both Newfoundland and Labrador and the NS block requirements as well as supply surplus energy.

Synchronous Condensers at Soldiers Pond

All three units are available and operating normally as required and as dispatched by the NLSO subject to normal operating practice and required maintenance requirements.

Labrador Island Link

The Labrador Island Link continues to perform well. The 900 MW (LIL) test is planned for late 2025.

2.9 Status of Benefits to NS Power Customers

With Newfoundland & Labrador Hydro's commissioning of the Labrador Island Link early in 2023, all aspects of the Muskrat Falls Project are now fully operational, supporting significant use of Emera's Maritime Link and providing substantial benefits to customers in both Nova Scotia and Newfoundland & Labrador.

Customer benefits received to date are being reported by NS Power with its Quarterly Maritime Link Benefits Report and otherwise in accordance with the Board's directions in Decision M10206. As detailed in these reports, the Maritime Link provided additional economic value (net of annual assessment costs) of more than $90 million in 2022, $45 million in 2023 and $125 million in 2024.

3.0 UPDATED COST SUMMARY

NSPML continues to track and report costs, actual and forecast, consistent with the methodologies used in the cost forecast represented in the Maritime Link Project Application. Capitalized Project costs reported to the end of March 2025 have been updated to reflect the Board's Decision in relation to unrecoverable costs. Costs continue to be recorded in accordance with the Affiliate Code of Conduct. All costs provided are in Canadian dollars.

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

Total Actual Project Costs as of the end of Q1 2025

In Q1 2025, NSPML's total capital cost incurred was approximately $226k. Due to the recent cyber incident, the detailed allocation between the ML Project and sustaining capital costs is unavailable at this time. An update will be provided once the systems are restored.

In a letter dated June 10, 2025 from the NS Energy Board, the Board requested a breakdown of the sustaining capital costs referenced in the Q1 2025 NSPML Quarterly Report. Please refer to partially confidential Attachment 3, Tables 1 and 2 for this breakdown.

The final project closeout and any associated adjustment to final project costs will be filed with the Energy Board once the outstanding land matters (which are currently undergoing expropriation processes in both NS and NL) and legal claims are finalized.

4.0 2025 ASSESSMENT FINANCIAL UPDATE

NSPML receives monthly cost recovery revenues from NS Power pursuant to the Board’s order.

In NSPML’s 2025 Assessment compliance filing, it was noted that NSPML would update the financing costs related to the 2025 Supplemental Assessment (FLG2) in the quarterly report or separate filing.

In May 2025, NSPML refunded NS Power $10,757,694. The variance to the Q4 2024 quarterly report of $159,578 was related to the interest earned on the remaining balance. This refund was applied against the June 1, 2025 debt and interest payment.

Additionally, in a letter dated June 10, the NSEB asked NSPML to provide an update regarding the FLG2 Financing and asked for a reconciliation on these amounts. Please refer to partially confidential Attachment 3, Table 3 for a reconciliation.

Memorandum

Date **June 16, 2025**

Subject: **NSPML Summary of Maritime Link Cable Inspection Survey – Survey Results Report, prepared by Horizon Maritime and Seaforth Geosurveys Inc.**

Reference Documents:

1. D-000OP-0-950-05-352 Survey Results Report - Cable Inspection Survey 2024 - Horizon Maritime Ltd

Introduction

During the Fall of 2024, NSPML contracted Horizon Maritime to conduct a full-length survey of the two Maritime Link subsea cables and cable protection between Cape Ray (NL) and Point Aconi (NS).

The survey collected seabed multibeam bathymetric and sidescan sonar information, along the full West and East cable routes between Newfoundland and Nova Scotia as well as visual inspection information in areas that are considered more critical. Using this data, the survey identified general conditions of the seafloor, seafloor disturbances along the cable route, as well as a high-level seabed surface comparison between the 2024 and previous inspection surveys.

The results of the 2024 inspection survey are key inputs to the continuing and ongoing assessment related to NSPML's Submarine Cable Protection Project (M12285).

Comments

The 2024 survey results re-affirm prior data that the cables are overall well protected, with slight immaterial changes from previous surveys. In some instances the changes are a slight accumulation of sediment, in other instances a slight reduction. A detailed year-over-year comparison is currently ongoing and will be a key input in refining the scope of NSPML's Submarine Cable Protection Project.

The cables and the cable protection systems will continue to be monitored during subsequent planned surveys and inspections.

Attachment 2 (Cable Inspection Survey) has been removed due to confidentiality.

Table 1

Marine Cable Protection	[redacted]
Routine Capital	[redacted]
Total 2024 Sustaining Capital	**3,956,307**

Table 2

Marine Cable Protection	
Vessel Reservation	[redacted]
Preliminary Engineering / Consulting	[redacted]
	[redacted]
Routine Capital	
Vehicle Purchases	[redacted]
Tools and Equipment	[redacted]
UAV/Drone Purchase	[redacted]
	[redacted]
Total 2024 Sustaining Capital	**3,956,307**

Table 3

Cost Type	**Estimated Amount**	**Compliance Filing**	**Quarterly Report**
Underwriter fees	[redacted]	[redacted]	[redacted]
Legal fees	[redacted]	[redacted]	[redacted]
Rating agency fees	[redacted]		[redacted]
Auditor fees	[redacted]		
TOTAL	**4,600,000**	**2,876,860**	**3,501,884**

Note: The rating agency fees were not received at the time of the Compliance Filing