

Application for Approval of an Above-the-Line Tariff applicable to Port Hawkesbury Paper
(NSEB M12661)

NSPI Responses to BW Information Requests

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Request IR-1:

Please refer to Exhibit N-1, section 2.1 and Attachment 3.

- (a) Why did NSPI select the “low range” of costs as the basis for calculating the Customer Charge?
- (b) If the actual costs to administer the tariff exceed the “low range,” who will pay the additional costs?
- (c) Please provide NSPI’s estimates of labor hours and assumed hourly rates for each line item identified in Attachment 3. If no such assumptions exist, please explain the basis for the cost estimates.

Response IR-1:

- (a) Though the Extra Large Industrial Active Demand Control (ELIADC) Tariff provides experience with respect to costs faced by NS Power in the management of PHP’s dynamic load, the internal processes required to support the ELID Tariff are under development.¹ The forecast cost of providing this function remains high level and, as a result, the more conservative figure is proposed. Pending Board approval of the ELID Tariff and PHP’s subscription to the Tariff, actual data will be available to refine this figure for future years.
- (b) As proposed, the ELID Tariff Customer Charge will be set through General Rate Applications (GRA) and not trued-up to actual results, consistent with other above-the-line tariff customer charges. For 2026 and 2027, because this tariff element and the associated costs are not included in the 2026-2027 GRA revenue requirement, pending the Board’s

¹ Please also refer to IG IR-12 Attachment 1, which provides a draft of the ELID Tariff Operating Procedures, in redline to the ELIADC Tariff Energy Supply Protocol. For the reasons provided in IG IR-19 parts (b-c), the Company is proposing the Operating Procedures not be subject to Board approval.

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1 approval of the ELID Tariff and the PHP Deferral, which, subject to the final Board Order,
2 was approved as part of the 2026-2027 GRA (M12451), the actual cost and recovery of
3 this ELID Tariff element would flow to the PHP Deferral.

4
5 (c) Please refer to part (a). Specific labour hours and rates were not developed for the cost
6 estimate.

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Request IR-2:

Please refer to Exhibit N-1, Attachment 4, and Exhibit N-3, page 8 lines 25-27.

(a) If PHP's request is granted to update the forecast energy requirements for PHP in 2026 and 2027, would the change impact other FAM customers? Please explain.

(b) Please provide the estimated Energy Charge for PHP in 2026 and 2027 assuming PHP's request to update the forecast energy requirements for PHP in 2026 and 2027 is granted.

(c) Please provide the estimated changes to rates of other FAM customers assuming PHP's request to update the forecast energy requirements for PHP in 2026 and 2027 is granted.

(d) In NSPI's view, is PHP's request to update the forecast energy requirements for PHP in 2026 and 2027 a contravention of the GRA Settlement Agreement terms, to which PHP was a signatory? Please explain.

Response IR-2:

(a-c) Please refer to CA IR-2, which provides the effect of all parameters requested in PHP's Evidence (i.e. 8 MW firm, interruptible credit at \$13.107/kVA, R/C ratio of 1.0, and updated forecast energy requirements). The change in fuel costs between this, over the Cost of Service Study provided in M12451 CA IR-001, is expected to impact above-the-line (ATL) customers. In general, for 2026 and 2027, reduced PHP load is expected to increase by about 0.5 percent fuel costs recovered from other ATL customers. Please refer to CA IR-2 Attachment 3.

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- 1 (d) Yes, please refer to CA IR-9.

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Request IR-3:

Please refer to Exhibit N-3, page 10 lines 5 to 7.

- (a) If PHP's request is granted to update the forecast generation from PHP Wind in 2026 and 2027, would the change impact other FAM customers? Please explain.**
- (b) Please provide the estimated Energy Charge for PHP in 2026 and 2027 assuming PHP's request to update the forecast generation from PHP Wind in 2026 and 2027 is granted.**
- (c) Please provide the estimated changes to rates of other FAM customers assuming PHP's request to update the forecast generation from PHP Wind in 2026 and 2027 is granted.**
- (d) In NSPI's view, is PHP's request to update the forecast generation from PHP Wind in 2026 and 2027 a contravention of the GRA Settlement Agreement terms, to which PHP was a signatory? Please explain.**
- (e) Please provide the estimated Energy Charge for PHP in 2026 and 2027 assuming PHP's requests to update (i) the forecast generation from PHP Wind in 2026 and 2027 and (ii) the forecast energy requirements for PHP in 2026 and 2027 are granted.**
- (f) Please provide the estimated changes to rates of other FAM customers in 2026 and 2027 assuming PHP's requests to update (i) the forecast generation from PHP Wind in 2026 and 2027 and (ii) the forecast energy requirements for PHP in 2026 and 2027 are granted.**

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1 Response IR-3:

2

3 (a-c, e-f) Please refer to BW IR-2.

4

5 (d) Yes, please refer to CA IR-9.

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Request IR-4:

Please refer to Exhibit N-3, page 10 lines 3 to 7.

- (a) What was NSPI's role in developing or vetting PHP's referenced forecasted energy requirements for 2026 and 2027?**
- (b) What was NSPI's role in developing or vetting PHP's referenced forecast generation from PHP Wind in 2026 and 2027?**
- (c) Notwithstanding the answers to a) and b), has NSPI received the detailed forecast from PHP for its forecasted energy or its forecasted generation from PHP Wind? If so, what is NSPI's assessment of these forecasts?**

Response IR-4:

- (a-c)** NS Power requests PHP's updated load forecasts when conducting Fuel and Purchased Power (F&PP) forecasts and for the current Extra Large Industrial Active Demand Control (ELIADC) Tariff, PHP is required to provide its next year's load forecast no later than September 30 of the preceding year. NS Power cannot comment on the amount of generation required to meet PHP's energy demand as PHP's load forecasting is a PHP internal process. This is similar for PHP's wind forecast in which PHP provided NS Power with its P90 forecast to utilize in NS Power's F&PP forecasts. The Company does examine this forecast with respect to recent PHP activity and NS Power's understanding of PHP's outlook. As an above-the-line customer, it is anticipated this information will be examined in future GRAs. NS Power does not have additional information with which to vet the validity of PHP's internal load and wind forecasts.

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Request IR-5:

Please refer to Exhibit N-1, page 7 lines 25-27.

(a) Please explain whether the ELID Tariff, as proposed, includes payments for costs associated with the FLG. If included, please identify which tariff provision(s) (i.e., Energy Charge) reflect and recover those costs.

(b) If not included in the ELID Tariff as proposed, please explain how the ELID Tariff would allow for the recovery of FLG costs from PHP, assuming the ongoing Court proceedings result in an unfavorable outcome for PHP on that issue.

Response IR-5:

(a) Yes, the Base Cost of Fuel in the 2026-2027 General Rate Application (M12451) includes costs associated with the \$500 million Maritime Link Federal Loan Guarantee (FLG2). The Energy Charge recovers these costs, and the FAM AA/BA provides a true up mechanism for actual fuel costs.

(b) Not applicable.

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Request IR-6:

Please refer to Exhibit N-1, section 2.3.

- (a) Please provide PHP's annual energy demand forecast for 2020, 2021, 2022, 2023, 2024, and 2025. For clarity, this request refers to forecasts developed by PHP and provided to NSPI.**
- (b) Please provide PHP's actual annual energy demand for 2020, 2021, 2022, 2023, 2024, and 2025.**
- (c) Please provide NSPI's annual forecast of PHP's energy demand for 2020, 2021, 2022, 2023, 2024, and 2025.**
- (d) Assume the Energy Charges for 2026 and 2027, respectively, are accepted as proposed. Please also assume PHP consumes 25% more energy in both years than was assumed in Exhibit N-1. Please explain the impact of this higher energy consumption on the anticipated FAM balance, all else equal.**
- (e) Assume the Energy Charges for 2026 and 2027, respectively, are accepted as proposed. Please also assume PHP consumes 25% less energy in both years than was assumed in Exhibit N-1. Please explain the impact of this lower energy consumption on the anticipated FAM balance, all else equal.**
- (f) Assume the Energy Charges for 2026 and 2027, respectively, are accepted as proposed. Please also assume the Goose Harbour Wind Farm produces 25% less energy in 2027 than was assumed in Exhibit N-1. Please explain the impact of this lower energy production on the anticipated FAM balance, all else equal.**

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(g) Assume the Energy Charges for 2026 and 2027, respectively, are accepted as proposed. Please also assume the Goose Harbour Wind Farm produces 25% more energy in 2027 than was assumed in Exhibit N-1. Please explain the impact of this higher energy production on the anticipated FAM balance, all else equal.

Response IR-6:

(a-b) The table below shows forecast and actual energy demand from PHP for the years 2020 to 2025.

Year	PHP Load Forecast (GWh)	Actual PHP Load (GWh)
2020		
2021		
2022		
2023		
2024		
2025		

(c) NS Power does not forecast PHP's energy demand on an annual basis. NS Power relies on PHP's annual forecast and weekly meetings between PHP and NS Power Marketing Desk.

(d-g) The Company has not conducted the requested analysis as a part of this filing. Variations in Goose Harbour wind farm output will be reflected in PHP demand that must be served by other resources. The impact of PHP actual versus forecast demand on the FAM balance, under this cost of service based and fully allocated rate, will be consistent with the effect of load deviations for any other FAM customer. Please also refer to NSEB IR-3 part (b).

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Request IR-7:

Please refer to Exhibit N-1.

- (a) Does NSPI consider the ELID Tariff as offering PHP a discounted rate for power relative to other customers? Please explain.**
- (b) Is NSPI aware of PHP's financial condition? If so, please explain PHP's understanding of PHP's financial condition.**
- (c) If the ELID Tariff is not accepted and never goes into effect, what is NSPI's understanding of PHP's options for continuing to take power services from NSPI?**
- (d) Please provide the rates charged to Large Industrial Interruptible customers in 2026 and 2027 for energy.**
- (e) Please provide an estimate of PHP's annual charges for 2026 and 2027 if PHP was to take power under the existing Large Industrial Interruptible Rate. For purposes of estimation, please assume PHP's load equal to its 2025 actual load.**
- (f) Please provide an estimate of PHP's annual charges for 2026 and 2027 under the ELID Tariff. For purposes of estimation, please assume PHP's load equal to its 2025 actual load.**
- (g) Is the Energy Charge in any way tied to other ELID Tariff elements, or is it strictly determined based on the cost of service study? Please explain.**

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Response IR-7:

(a) No, the ELID Tariff demand and energy elements are costed on an embedded cost basis like other above-the-line customers. The costing and pricing of the energy and demand components has been determined through the Company's Cost of Service Study, wherein cost responsibility is allocated to each customer class including PHP. With respect to the development of the interruptible demand and priority interruption credits these have been applied in accordance with the 2026-2027 General Rate Application Settlement Agreement. The Dispatchable Rider value is proposed to be calculated at year-end based on the system benefit dispatch of PHP's load provides as enabled by PHP's unique operational capabilities.

(b) NS Power has not undertaken a review of PHP's financial condition.

(c) Please refer to NSEB IR-6.

(d) The Large Industrial Interruptible Rider (LIIR) Tariff rates, as provided in the 2026-2027 General Rate Application,¹ for each of 2026 and 2027 are as follows. These figures do not reflect the recently filed 2026-2027 GRA Compliance Filing LIIR Tariff rates.

Table 1 – Proposed LIIR Tariff Rates for 2026 and 2027 (pre-GRA Compliance Filing)

Component	2026 Rate	2027 Rate
Demand Charge ²	\$9.336 per kVA	\$10.068 per kVA
Transformer Ownership Credit (if applicable)	\$0.32 per kVA (reduction in Demand Charge)	\$0.32 per kVA (reduction in Demand Charge)

¹ M12451 – NSPI (CA) IR-001 Attachment 4.

² Demand Charge billed per kilovolt ampere of maximum demand of the current month or the maximum actual demand of the previous December, January, or February occurring in the previous eleven (11) months.

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Component	2026 Rate	2027 Rate
Distribution Cost Adder (if applicable) ³	\$2.073 per kVA	\$2.245 per kVA
Energy Charge (Interruptible Customers)	10.414 cents per kWh	9.677 cents per kWh
Minimum Monthly Charge	\$22.11 per month	\$22.97 per month
Interruptible Credit	\$7.638 per kVA (reduction in Demand Charge)	\$7.667 per kVA (reduction in Demand Charge)

- (e) Please refer to the following table. Please also refer to BW IR-8 part (a) and Synapse IR-6. For simplicity assume the demand power factor is 1 (1 MW = 1 MVA). This does not include wind generated by the Goose Harbour Lake Wind Farm.

Table 2 – Estimate of PHP’s 2026 and 2027 Charges under the M12451 CA IR-001 LIIR Tariff, using PHP’s Actual Load in 2025

Year	Energy (GWh)	Monthly Demand (MW, ratchet based on Jan 2025)	Firm portion of monthly demand (MW)	Energy Charge (cents/kWh)	Demand Charge (\$/kVA)	Interruptible Credit (\$/kVA)	Total Charge (\$M)
2026			8.0	10.414	9.336	(7.638)	76.5
2027			8.0	9.677	10.068	(7.667)	72.9

The total smoothed revenues of the transmission-connected customers, billed under the LIIR Tariff, are forecast to go down by 5.3 percent in 2027. It is important to note the costing and pricing of the LIIR Tariff does not incorporate the load of PHP. Similarly, it is not expected PHP’s demand or energy under the LIIR Tariff would be the same as under the ELID Tariff. Had the LIIR Tariff charges been set based on the combined load of the

³ For customers connected at the distribution-level; this charge applies subject to the same provisions as the Demand Charge.

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LIIR class and PHP, they would have been different from those currently proposed as based on LIIR usage which does not include load of PHP. As a result, Tables 2 and 3 provide limited insight/comparability.

- (f) Please refer to the following table. For simplicity assume the demand power factor is 1 (1 MW = 1 MVA). This does not include wind generated by the Goose Harbour Lake Wind Farm.

Table 3 – Estimate of PHP’s 2026 and 2027 Charges under the ELID Tariff, using PHP’s Actual Load in 2025

Year	Energy (GWh)	Monthly Demand (MW)	Firm portion of monthly demand (MW)	Energy Charge (cents/kWh)	Demand Charge (\$/KVA)	Interruptible Credit (\$/kVA)	Priority Interruptible Credit (\$/kVA)	Customer Charge (\$/month)	Total Charge (\$M)
2026			8.0	9.977	12.872	(7.638)	(0.764)	10,000	73.3
2027			8.0	11.240	14.310	(7.667)	(0.767)	10,000	83.2

The illustrated increase of 13 percent in 2027 in the simulated PHP revenues, based on PHP’s 2025 billing determinants, reflects commensurate increases in the proposed charges under the ELID Tariff which align with the changes in the unit system costs determined in the 2026 and 2027 COSS. Please refer to tab “ELID Rate Table” of Attachment 2 to the Application for details. Further, as described in part (e), the costing and pricing of the LIIR Tariff does not incorporate PHP’s load. As result, Tables 2 and 3 provide limited insight/comparability.

- (g) The proposed Energy and Demand Charges under the ELID Tariff are designed to recover the energy- and demand-related costs, as determined in the Cost of Service Study (COSS), adjusted for the revenue to cost ratios. Please refer to:

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- 1 • Exh 6.1 (lines 476 to 536) of the 2026 and 2027 COSS, included in Attachments 1
2 and 2 to CA IR-001 (M12451), for determination of energy- and demand-related
3 costs.
4
- 5 • Tabs “ELID Rate Design,” “PHP,” and “ELID Rate Table” of Attachment 2 of this
6 Application for determination of charges under the ELID Tariff.

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Request IR-8:

Please refer to Exhibit N-1 page 7 lines 21-23.

(a) Please provided updated cost of service Attachments referenced in the text assuming PHP takes service as a Large Industrial Interruptible customer. Please provide in Excel format.

(b) Please provide updated cost of service Attachments referenced in the text assuming PHP's updated energy forecast and Goose Harbour Wind Farm output forecasts are adopted for 2026 and 2027.

(c) Please provide the forecasted generation output from Goose Harbour that was incorporated into NSPI's GRA forecast for 2026 and 2027, by year.

Response IR-8:

(a) The Company has not undertaken the requested analysis. In order to complete such analysis, PHP's load profile would need to be combined with the forecast Large Industrial class load profile to establish a revised class demand and energy shape for the Large Industrial class. Based on this combined profile, the Company would need to determine the applicable cost of service elements, likely including an updated interruptible credit amount. In addition, the treatment of the net effect of supply associated with the Goose Harbour Lake Wind Farm under this tariff construct would need to be determined. Please also refer to BW IR-7 part (e) and Synapse IR-6.

(b) Please refer to CA IR-2, which provides updated Cost of Service Study attachments that reflect all parameters proposed by PHP in its Evidence.

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(c) Forecasted generation from Goose Harbour Wind Farm by year for the fuel component of the GRA filing is presented below. Please note, for the purposes of the ELID Tariff Application, it is assumed that no PHP consumption is offset by the Power Sales Agreement in 2026.

Generation (GWh)	2026	2027
Goose Harbour Lake		

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Request IR-9:

Please refer to Exhibit N-1, page 10 lines 5-7 and section 2.5.

- (a) Please identify “the cost of providing DR service” that “is borne by PHP.” Is this a reference to the Customer Charge, or are there additional costs “borne by PHP?”**
- (b) When NSPI refers to “dispatch” of PHP, is NSPI referencing day-ahead scheduling in any way? Please explain.**
- (c) Under the ELID Tariff, will NSPI be providing PHP with hourly loading schedules that are based on system cost optimization? Please explain.**
- (d) Does the ELID Tariff contain any enforcement or penalty mechanisms to ensure that PHP is following NSPI dispatch instructions? Please explain.**
- (e) Does the ELID Tariff contain any reporting requirements associated with the dispatch of PHP that would demonstrate the value of PHP’s load flexibility to justify the payment of the Dispatchable Rider? Please explain.**
- (f) Is it NSPI’s view that the Customer Baseline, which assumes PHP has incentive to consume power on a levelized basis, appropriately ignores exogenous economic forces that impact PHP and that are unpredictable and can be larger than the incremental cost of PHP’s energy consumption decisions? Please explain.**
- (g) If PHP simply consumes less than its forecast due to exogenous factors such as lower demand for its products, is it the case that PHP will receive credits (e.g., Dispatchable Rider credits) for that lower consumption? If so, please justify this outcome. If not, please explain.**

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1 **(h) Please confirm that the Dispatchable Rider costs are recovered from FAM customers.**

2
3 Response IR-9:
4

5 (a) PHP's production equipment is designed to function most efficiently under stable and
6 continuous operating conditions. When PHP adjusts its load, these changes require the Mill
7 to modify its production patterns in ways that can require equipment to cycle, ramp, or
8 operate at non-optimal levels.
9

10 These operational deviations can increase mechanical stress on key mill equipment, which
11 in turn can lead to accelerated wear, increased maintenance requirements, and higher
12 maintenance costs for PHP. These costs arise from PHP's internal operational decisions
13 associated with providing Dispatchable Rider (DR) capability and are not costs incurred or
14 charged by NS Power.
15

16 (b) The use of the term "dispatch," as it pertains to PHP load, refers to day-ahead, intra-day,
17 and real-time dispatch of PHP load.
18

19 (c) Yes. It is the intention of the DR service to mimic Active Demand Control process which
20 is currently in place for the Extra Large Industrial Active Demand Control (ELIADC)
21 Tariff.
22

23 (d) PHP adherence to optimized load dispatch is incentivised by the ELID Tariff. If PHP
24 chooses to not follow its optimized schedule, their realized DR credit will be reduced. If
25 PHP chooses to ignore a dispatch down instruction under the Dispatchable Rider, and the
26 system is capacity deficient at PHP current output level, then PHP can be interrupted under
27 the Interruptible Rider by the System Operator.
28

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- 1 (e) NS Power intends to continue reporting cause codes for deviation from optimal dispatch
2 on a monthly basis. At the conclusion of the year, NS Power will calculate actual load
3 shifting benefit as a comparison of actual realized PHP load hourly profile to the theoretical
4 CBL hourly load profile. This comparison will use the same pricing in both scenarios to
5 avoid masking of the load shifting benefit as a result of changes in pricing from forecast
6 CBL, as experienced with the functioning of the ELIADC Tariff.
7
- 8 (f) It is NS Power's view that the Customer Baseline Load (CBL) ignores exogenous power
9 price signals. If PHP were to run strictly at a "levelized cost" (i.e. facing a uniform marginal
10 energy price across hours), the system's average energy costs would increase on balance.
11 This is because levelization which effectively dulls the price signals that reflect real-time
12 system costs, tends to increase consumption in relatively higher-cost hours, and pushes the
13 system toward more expensive marginal resources, raising the overall cost to serve load.
14
- 15 (g) No. The calculation of the DR credit will be completed at the end of the year and will be
16 based on actual load, such that both the hypothetical CBL and the actual ELID Tariff load
17 use the same total energy, expressed in GWh. PHP's actual demand will be used to
18 calculate a CBL profile for the year, and the DR calculation will compare PHP's actual
19 hourly demand costs to those under the CBL or levelized load profile. To ensure equal total
20 energy consumption between the ELID Tariff and CBL load profiles, the CBL profile will
21 be constructed using a flat load, with full outage days represented as complete outages that
22 are randomized throughout the year and included in the CBL profile. The flat load profile
23 and randomized outage days are intended to simulate PHP's CBL operation, against which
24 the benefit of actual load shifting is evaluated on an equal energy quantity and pricing
25 basis.
26
- 27 (h) Confirmed.

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Request IR-10:

Please refer to the Goose Harbour PPA and PSA.

- (a) Please confirm that the PPA and PSA do not account for transmission losses. If not confirmed, please explain with references to specific PPA/PSA clauses.**
- (b) Please confirm that the ELID Tariff provides PHP with full offsetting credit for *all* output from the wind farm at the point of injection to the grid. If not confirmed, please explain with references to specific PPA/PSA clauses.**
- (c) Please confirm that the PPA contains no penalties for PHP should the wind farm fail to reach commercial operations on time. If not confirmed, please explain with references to specific PPA/PSA clauses.**
- (d) Please confirm that the PPA contains no penalties for PHP should the wind farm fail to reach commercial operations at any time. If not confirmed, please explain with references to specific PPA/PSA clauses.**
- (e) Regarding curtailed energy from the wind farm:**
 - (i) Does NSPI pay Goose Harbour under the PPA for curtailed energy? Please explain.**
 - (ii) Does PHP pay NSPI under the PSA for curtailed energy? Please explain.**
 - (iii) Please confirm that curtailed energy counts as “Expected Output” under the PPA.**

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1 **(iv) Please confirm that curtailed energy is included in the “Subject Energy**
2 **Amount” in the PSA. If not confirmed, please explain with references to**
3 **specific PPA/PSA clauses.**

4
5 Response IR-10:

6
7 (a) Confirmed.

8
9 (b) Confirmed.

10
11 (c) Confirmed.

12
13 (d) Confirmed.

14
15 (e) Per the Power Sales Agreement (PSA), PHP receives the amount of wind, generated or
16 curtailed or dispatched lower due to Automatic Generation Control (AGC) as initiated by
17 the System Operator, at the rate governed by the Power Purchase Agreement (PPA) as a
18 passthrough in cost less the administration fee.

19
20 (i) Yes. In accordance with PPA section 4.3 (c) (iii), Goose Harbour Lake Wind Farm
21 shall be compensated for the Expected Output of the wind farm that would have
22 been delivered to the power system but for the reduction of such Expected Output
23 by means of Automatic Generation Control (AGC), which is managed by of the
24 Nova Scotia Power System Operator. Such compensation is paid at the then-
25 prevailing rate for Net Output.

26
27 This includes compensation for reliability-based curtailments pursuant to section
28 9.7.2 of the Generator Interconnection Agreement, provided it would have been
29 technically feasible for the System Operator to effect such curtailment, interruption,

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1 or reduction by instead utilizing the wind farm's AGC functionality. The Company
2 notes that, curtailment provisions for AGC in the PPA with PHP Wind mirror that
3 of the Province's PPA for Rate Base Procurement.¹
4

5 (ii) Please refer to subpart (iv), below, and Section 2.1(a) of the PSA.²
6

7 (iii) Confirmed. Please refer to subpart (i) above.
8

9 (iv) Confirmed.

¹ M10377 – Board Order, 291892. February 22, 2024.

² M12184 – NSPI (IG) IR-01 Partially Confidential Attachment 2.

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1 **Request IR-11:**

2

3 **Please provide PHP hourly load for 2020, 2021, 2022, 2023, 2024, and 2025.**

4

5 Response IR-11:

6

7 Please refer to Confidential Attachment 1.

ELID Tariff BW IR-11 Attachment 1 has been removed due to confidentiality

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Request IR-12:

Please refer to the Power Sales Agreement Between Nova Scotia Power Incorporated and Port Hawkesbury Paper Limited Partnership (NSPI (IG) IR-1 Attachment 2), referred to below as “the PSA”.

(a) With respect to the PSA Sales Agreement Fee, described under item 3 (attachment page 3 of 33), the fee is set at \$2.00/MWh unless the annual “total actual Energy Demand of the Buyer Facility is less than 625,000 MWh,” in which case, the fee will be \$4.00/MWh.

(i) What is the basis for the respective \$2.00/MWh and \$4.00/MWh fee levels?

(ii) What is the basis for the 625,000 MWh threshold that determines which fee rate will apply?

(iii) Specifically, given that the fee applies on MWh quantities of the Subject Energy Amount, which is based on the Net Output and Expected Net Output of the PHPW wind generation facility, why is the threshold for determining which rate applies based on PHP energy use?

(b) For each calendar month of 2027, please provide estimated values for NSPI’s average monthly Marginal Cost Rate (consistent with the meaning of that term applied in PPA).

Response IR-12:

(a) The Power Sales Agreement (PSA) Sales Agreement Fee amounts of \$2.00 and \$4.00 per MWh, respectively, and the total energy demand threshold of 625,000 MWh per year are

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1 as prescribed in Section 7(4) of the *Prescribed Generation Facilities and Energy-Storage*
2 *Projects Regulations* made under Section 4AA (now Section 24) of the *Electricity Act*.

3
4 (b) Marginal cost forecast for 2027 has not been completed as part of this process. The most
5 recent forecast of marginal cost estimates for 2026 is provided as Partially Confidential
6 Appendix A2 in the 2026 Annually Adjusted Rates (AAR) Application (M12551).

REDACTED

Request IR-13:

Please refer to the Power Purchase Agreement for Renewable Energy Between Nova Scotia Power Incorporated and Port Hawkesbury Paper Wind Ltd (NSPI (IG) IR-1 Attachment 1), referred to below as “the PPA”. The associated wind generation facility is referred to as “PHPW”.

(a) If the Name Plate Capacity of the PHPW facility is the maximum 168 MW rather than the minimum 130.5 MW, would the Energy Bid scale proportionally? In other words, would the Energy Bid then equal 507,400 MWh/year x 168/130.5, or approximately 653,205 MW?

(b) Provide the estimated P50 annual net output of the PHPW facility for the 130.5 MW and 168 MW Name Plate Capacity cases.

(c) For each calendar month of 2027, please provide estimated values for the following:

(i) PHPW average Net Output at the P90 level, for 130.5 MW and 168 MW Name Plate Capacity

(ii) PHPW average Net Output at the P50 level, for 130.5 and 168 MW Name Plate Capacity

(iii) For all of the monthly PHPW Net Output levels, provide estimated volumes of Expected Output in excess of Net Output (e.g., estimated volumes of potential output that is curtailed or otherwise not dispatched)

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Response IR-13:

(a) The current forecast, which NS Power received from PHP, is based on a facility nameplate capacity of 130.5 MW as stated in the Power Purchase Agreement (PPA). If the seller is approved for an increased nameplate capacity up to 168 MW, a revised Energy Bid may be submitted based on the P90 forecast. NS Power cannot comment on what that Energy Bid will be as it is provided by the seller.

(b) NS Power does not have this estimate.

(c) For subpart (i), please refer to the table below. In response to subparts (ii-iii), please refer to the table below. NS Power does not have an independent estimate of the P50 level of the wind site. The amount of forecast energy provided in the table below is from PHP.

Month	Number of Days	Forecast Wind Energy (MWh)	Average Output (MW)
Jan-27	31		
Feb-27	28		
Mar-27	31		
Apr-27	30		
May-27	31		
Jun-27	30		
Jul-27	31		
Aug-27	31		
Sep-27	30		
Oct-27	31		
Nov-27	30		
Dec-27	31		
Total	365	507,400	57.9

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1 **Request IR-14:**

2
3 **To the extent that any of the requested data are not provided in response to any IR in this**
4 **set, provide an explanation as to why the information is not available, and provide,**
5 **alternatively, any other relevant data, including historical data, and any other relevant**
6 **information and explanation.**

7
8 Response IR-14:

9
10 Not applicable.