Nova Scotia POWER
An Emera Company
PO Box 910 ● Halifax, Nova Scotia ● Canada ● B3J 2W5

August 10, 2026

REDACTED

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: Q2 2026 Maritime Link Benefits Report

Dear Ms. Henwood:

Please find enclosed the Q2 2026 Maritime Link Benefits Report submitted by Nova Scotia Power Incorporated (NS Power, Company).

In the matter of NSP Maritime Link Incorporated respecting the disposition of the holdback for 2022 and 2023 Decision (Holdback Decision) released on October 4, 2023 (M11009) the Nova Scotia Utility and Review Board (NSUARB, Board) directed as follows:

> 3) In any month that NSPML/NS Power receives 90% or more of the NS Block (measured in MWh), NSPML will be entitled to a full release of the holdback for that month (after NS Power's next FAM Quarterly Report). Each FAM Quarterly Report must contain tables showing the calculations in the same format and using the same methodology as in the compliance filing for each of the three months in that quarter.

Tables 1 and 2 below include data and calculations in the format as directed in the Holdback Decision.

Table 1 - NS Block Delivery Volumes

Month	Contracted Base Block (MWh)**	Base Block Delivered (MWh)	Contracted Supplemental Energy (MWh)	Supplemental Energy Delivered (MWh)	% Base NS Block + Supplemental Energy Delivered	Make-Up Base Block Delivered (MWh)	Make-Up Supplementary Block Delivered (MWh)	Total Delivered (MWh)	% NS Block + Supplemental Delivered including Make-Up (MWh)*
April	78,575	78,572	-	-	100.0%	136	-	78,708	100.2%
May	82,012	81,754	-	-	99.7%	-	-	81,754	99.7%
June	79,867	56,360	-	-	70.6%	-	-	56,360	70.6%

* Including transacted market priced based energy, NS Power received 192 percent, 256 percent, and 190 percent of total contracted block volumes for April through June, respectively.
** Inclusive of losses.

Table 2 - Actual Replacement Energy Costs

Month	Cost of Replacement Energy to 100% ($)	Value of Make-up Energy ($)	Actual Replacement Cost to 100% ($)
April	[redacted]		$ (7,776.61)
May			$ 17,759.18
June			$ 1,798,341.99

In each of April and May NS Block volumes met the 90 percent threshold, so the full holdback for each of these months will be released, namely $4 million for April and $4 million for May.

In June the energy delivery of 70 percent was short of the 90 percent threshold. The cost of replacement energy to 100 percent, considering the value of make-up energy, was estimated to be $1,798,341.99 therefore, in June the holdback released to NSPML was $2,201,658.01. The June NS Block shortfall (23,500 MWh) occurred due to planned maintenance on the Labrador Island Link.

Following the ongoing LIL maintenance outage, NLH had a balance of approximately 35 GWh of NS Base Block energy to redeliver over the course of July. This presented an economically beneficial opportunity to settle the accrued line losses balance accumulated between August 2021 and the end of December 2025, which was owed by

NS Power to NLH. The accrued losses were deducted from the NS Base Block energy balance resulting from the planned LIL outage in June, that otherwise would have been redelivered in July.

Please contact me if you have any questions.

Yours truly,

Jennifer Ross
Director, Regulatory Planning and Compliance

Nova Scotia Energy Board

IN THE MATTER OF *The Public Utilities Act,* R.S.N.S. 1989, c.380, as amended

2026 Maritime Link Benefits Report

Q2

NS Power

August 10, 2026

REDACTED

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1.0 INTRODUCTION

In its Decision dated February 9, 2022 with respect to NSP Maritime Link's (NSPML) application for final approval of the Maritime Link project costs and the 2022 cost assessment, the Nova Scotia Energy Board (NSEB, Board) provided the following direction with respect to Nova Scotia Power Incorporated's (NS Power, Company) filing of Maritime Link Benefits Reports (Report) as follows:

> Therefore, the Board finds that NSPML and NS Power need to continue filing quarterly reports until otherwise directed by the Board. Any transition away from the stand-alone reports to some form of FAM reporting will be addressed at the appropriate time.[1]

The NSEB provided the following further direction to NS Power and NSPML with respect to the contents of those Reports:

1. Maintain current quarterly Maritime Link reports, supplemented with the enhancements identified in the Bates White Undertaking U-23 response regarding the interim period. Those reports are also to include summaries focused on the quantities and values of makeup energy and capacity, with details being better addressed during a FAM audit process. In addition, the reports are to include financial data comparing capital and operating expenditures against budgeted amounts, reports on the status of MFGS and LIL commissioning, outstanding contractual, warranty and insurance claims, final close out punch list matters, outstanding expropriations, and outstanding operating agreements yet to be finalized.
2. Maintain current quarterly Maritime Link Benefits reports which also identify costs associated with replacement cost of undelivered energy and costs associated with extended operation of Lingan 2 and any other thermal resource that was intended to be displaced by Muskrat Falls deliveries.
3. File the annual Independent Engineer O&M Report.
4. File the annual marine survey report.
5. File the Long-Term Asset Management Plan (LTAMP) once completed.

[1] M10206, NSP Maritime Link Application for final approval of the Maritime Link Project Costs and approval of the 2022 Cost Assessment, Decision, February 9, 2022, pages 88-89 of 94.

6. Report on any forced outages experienced on the assets extending from MFGS to Woodbine.

7. Report on wheel-through energy between Newfoundland and New Brunswick, along with the associated OATT revenues.[2]

In accordance with the Board's direction, this report covers the benefits received for the period from April 1, 2026 to June 30, 2026.

NS Power confirms that from April 1, 2026 to June 30, 2026 inclusive, 512,116 MWh of energy was supplied to NS Power over the Maritime Link. NS Power has determined that the Company achieved a total of $[redacted] in quantified benefits for customers in Q2 2026 associated with the Maritime Link. The specific details with respect to the quantifiable benefits achieved are provided in Confidential Appendix A.

[2] M10206, NSP Maritime Link Application for final approval of the Maritime Link Project Costs and approval of the 2022 Cost Assessment, Decision, February 9, 2022, page 89 of 94.

2.0 Q2, 2026 MARITIME LINK BENEFITS

For the period from April 1, 2026 to June 30, 2026 inclusive, NS Power received a total of 512,116 MWh of energy from Newfoundland and Labrador Hydro (NLH).

2.1 Additional Commentary

From NLH, NS Power transacted 150,634 MWh of energy in April, 210,025 MWh of energy in May, and 151,457 MWh of energy in June.

NS Power did not receive emergency energy in April, May, and June.

Sales of wheel-through transmission between Bottom Brook, Newfoundland and the New Brunswick-Nova Scotia Interface were [redacted] in April, [redacted] in May and [redacted] n June.

The amount of energy delivered over the Maritime Link in the Report period, broken out by Base Block energy, Supplemental energy, Make Up energy, and Additional energy, is provided in Partially Confidential Appendix B.

A detailed accounting of all 2026 outstanding energy is provided in Partially Confidential Appendix C. In the Appendix, Make Up Energy received in the quarter is netted from Undelivered Energy to provide a better reflection of any outstanding energy and is more indicative of the regular operation of the Maritime Link.

As reported in NS Power's 2025 10-Year System Outlook [3] effective August 15, 2022, Lingan Unit 2 was laid up and not made available for economic dispatch. The unit was placed into cold reserve and available to be recalled on two weeks' notice. NS Power has identified a need for additional firm capacity due to an increase in forecast firm peak energy. Lingan 2 will therefore

[3] M12386 - 2025 10-Year System Outlook Report, Section 3.2.2.

continue to be held in cold reserve for several years to maintain planning reserve margin. In Q2 2026, Lingan 2 operating expenses were $534,000 and capital invested was $1,067,223.

2.2 Accrued Line Losses Settlement

Schedule 3 of the ECA ("Calculation of Transmission Losses") sets forth a mechanism by which the transmission loss factors in the "NL Transmission District" and the "Maritime Link Transmission District" will be calculated and applied on a monthly basis (per Section 4.0 of Schedule 3) to determine the "ECA Loss Adjustment", which represents an electrical energy amount to be added to or subtracted from the Nova Scotia Block Energy Deliveries in the following month subsequent to the applicable month of calculation.

Because of the practical difficulty of consistently calculating, reconciling, and physically delivering the ECA Loss Adjustment in the month immediately following each month of energy delivery, NSPML, NSPI and MFC have agreed that notwithstanding the requirement specified in Section 4.0(d) of Schedule 3 (i.e., that the ECA Loss Adjustment be added to or subtracted from Nova Scotia Block deliveries in the month subsequent to the month of calculation) the ECA Loss Adjustment reconciliation process contemplated in Section 4.0(d) of Schedule 3 of the ECA occurs in the following month as follows:

1. Month 1 (i.e., the applicable operating month) – Loss Accrual: Transmission Losses are incurred and tracked for the applicable operating month.
2. Month 2 (i.e., the month following the operating month) – Reconciliation and Agreement: The Parties shall calculate, review, and agree upon the Transmission Losses for Month 1.
3. Month 3 (i.e., the second month following the operating month) – Settlement Implementation: Once agreed, the ECA Loss Adjustment applicable to Month 1 will be, as appropriate, added to or subtracted from the Nova Scotia Block Energy deliveries in Month 3, as is provided for by Section 2 of Schedule 5, and at times as agreed by the Parties.

The process of reconciliation and settlement of line losses calculation on an ongoing basis commenced in January 2026. Line losses accrued from August 15th 2021, until December 31st 2025, in the amount of 21,963.06 MWh of overdelivered energy were settled in 2026 Q2 by subtracting 21,963.06 MWh from the NS Base Block undelivered energy balance which were to be redelivered in July 2026.

[redacted]

Appendix A
2026 Benefits to End of Q2

Figure 1 – 2026 Q2 & Total 2026 Benefits

	Q2	2026 Total
[redacted]		

[4] Includes bi-lateral and surplus energy. Emergency energy is not assigned a benefit value and is not included here. However, emergency MWhs are included in Figure 5 – Additional Energy.

[redacted]

Figure 2 – 2026 Q2 & Total 2026 Benefits

	Q2	2026 Total
[redacted]		

[5] Gross Benefit prior to Maritime Link Assessment costs which are recovered from customers through the FAM.
[6] Includes bilateral energy.
[7] Includes surplus energy. Note, emergency energy is not assigned a benefit value and is not included here. However, emergency energy MWh are included in Figure 5 - Additional Energy.

Appendix B

2026 Q2 Energy Delivered

Figure 3 – 2026 Q2 Base Block Energy

Base Block Energy	Apr	May	Jun	Total
2013 Application Commitment*	81,041	83,742	81,041	245,825
Delivered MWH (up to Hourly Commitment)	78,572	81,754	56,360	216,686
Make Up MWH (above Hourly Commitment)	136	0	0	136
Total Delivered MWH	78,708	81,754	56,360	216,822
Make Up Delivered $	[redacted]			

*Excludes losses

Figure 4 – 2026 Q2 Supplemental Block Energy

Supplemental Energy	Apr	May	Jun	Total
2013 Application Commitment	0	0	0	0
Delivered MWH (up to Hourly Commitment)	0	0	0	0
Make Up MWH (above Hourly Commitment)	0	0	0	0
Total Delivered MWH	0	0	0	0
Make Up Delivered $	[redacted]			

Figure 5 – 2026 Q2 Additional Energy[8]

Additional Energy	Apr	May	Jun	Total
MWh of Additional Energy	71,926	128,270	95,097	295,294

[8] Includes bi-lateral, surplus, and emergency energy.

Appendix C

2026 Undelivered Energy and Replacement Cost

Figure 6 - 2026 Q2 Undelivered Energy and Replacement Costs (Including Cost of Make Up Energy)

	Q2 2026	
	MWh	$ CAD
Opening Balance undelivered Base Block	1,624	[redacted]
Undelivered Base Block during the quarter	1,805[9]	
Make up Base Block received during the quarter	136	
Total Undelivered Base Block at the end of the quarter inclusive of any over or under delivery from previous quarter	**3,293**	
Opening Balance undelivered Supplemental Block	278	
Undelivered Supplemental Block during the quarter	-	
Make up Supplemental Block received during the quarter	-	
Total Undelivered Supplemental Block at the end of the quarter	**278**	
Total undelivered Base Block + undelivered Supplemental Block at the end of the quarter inclusive any over or under delivery from previous quarter	**3,570**	

[9] This figure includes the [redacted] of accrued line losses deducted from the NS Base Block for the period of August 2021 through December 2025.