



Énergie NB Power

NB POWER – SYSTEM OPERATOR

OPEN SEASON – 2016

70 MW of Firm Transmission

From

New Brunswick to PEI

Or

New Brunswick to Nova Scotia

GENERAL PROCEDURE

The open season procedure is outlined in section 2.1 of the New Brunswick Power Corporation Open Access Transmission Tariff (Tariff), available at <http://tso.nbpower.com/Public/en/op/transmission/tariff.aspx>. This procedure has been augmented by details that will ensure the fair treatment of all Eligible Customers submitting Applications for transmission service during the open season.

All information provided by Eligible Customers will be treated in accordance with the confidentiality provisions of the Tariff.

Unless otherwise noted, capitalized terms appearing in this general procedure are defined in the Tariff.

1. Notification

- a. Notification of open seasons will occur at such time that additional transfer capability is made available within the transmission system.
- b. Notification of an open season for transmission capability will be posted on the New Brunswick Power - System Operator (NBP-SO) website <http://tso.nbpower.com/Public/en/op/transmission/tariff.aspx>. Transmission Customers and adjacent system operators will be contacted directly.
- c. Adjacent system operators will be requested to forward the notification information to all registered Transmission Customers and market participants in their respective jurisdictions.
- d. Notification will include the deadline for receipt of Applications, and the quantity of transfer capability that is being made available.
- e. Eligible Customers must meet the Creditworthiness Criteria outlined in Attachment O of the Tariff in order for their Application to be considered in an open season.

2. Application

- a. All Applications for new firm transmission service received during the sixty (60) day period of the Open Season will be deemed to have been filed simultaneously.

- b. Applications must be received by KPMG on or before the deadline identified in the Notification.
- c. Each application must be clearly marked "Open Season".
- d. KPMG will "time-stamp" each Application upon receipt.
- e. Each Application must include:
 - i. A completed and signed original of Schedule 1, and
 - ii. Credit support in accordance with Section 17.3 of the Tariff.
- f. At the conclusion of the sixty (60) day period of the Open Season:
 - i. KPMG will provide copies of all Applications received to NBP-SO.
 - ii. NBP-SO will perform the acceptance, evaluation, and ranking of the Applications.

3. Acceptance of Application

- a. NBP-SO may accept an Application and award transmission service by letter, facsimile or email sent by a duly authorized representative of NBP-SO, which awarding shall be effective as of the time of the dispatch or mailing.
- b. The acceptance of an Application and awarding of transmission service shall bind the successful applicant to execute a Transmission Service Agreement in the form found at Attachment A of the Tariff.
- c. In general terms, the Transmission Service Agreement sections require the following information:
 - i. The identity, address, telephone number and facsimile number of the entity requesting service.
 - ii. The location of the Point-of-Receipt and Point-of-Delivery and the known or anticipated identity of the Delivering Party and the Receiving Party.
 - iii. The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted.

- iv. A description of the supply characteristics of the capacity and energy to be delivered.
- v. An estimate of the capacity and energy expected to be delivered to the Receiving Party.
- vi. The Service Commencement Date and the term of the requested Transmission Service.
- vii. The transmission capacity requested.

4. Evaluation of Completed Application

- a. All Completed Applications meeting the Creditworthiness Criteria will be evaluated and ranked in a decreasing order according to the Net Present Value (NPV) of their respective monthly streams of revenue.
- b. Ranking will be based on the NPV of each Application in accordance with section 2.1 of the Tariff. The evaluation of each Application will be based upon the following:
 - i. The quantity of capacity and duration of service applied for;
 - ii. The monthly rate established in Schedule 7 of the Tariff, being Cdn. \$2,089.12/MW/mo.; and
 - iii. A discount rate equal to 7.50% (a weighted average cost of capital for transmission assets of NB Power as of May 2016.)
- c. NB Power – System Operator will advise each applicant of the reservations resulting from the Open Season and the respective NPV calculations, and rankings. The reservation information will also be posted on the NB Power – System Operator website at <http://tso.nbpower.com/Public/en/op/transmission/tariff.aspx>.

5. Assignment of Transmission Capacity

Transmission Reservations shall be awarded to applicants in accordance with the ranking order so established, beginning with the Application with the highest NPV.

6. Insufficient Capacity

If there is not enough remaining transmission capacity to accommodate equally ranked Applications, a lottery system conducted by NB Power – System Operator shall be conducted. The results of the lottery shall be binding and final.

7. Partial Service

If, after awarding service to successful applicants, there is insufficient capacity remaining to meet the quantity requested by the next highest ranked applicant, that applicant will be offered partial service for the amount of remaining available capacity for the term requested by the applicant. If the applicant declines partial service, this process will be repeated for remaining applicants in order of their respective rankings.

DETAILS OF OPEN SEASON - 2016

The details for the open season are as follows:

1. Incremental Capacity

- 70 MW of firm Point-to-Point export capacity out of or through New Brunswick at the NB / PEI Interface (“MECL”); or
- 70 MW of firm Point-to-Point export capacity out of or through New Brunswick at the NB / NSPI Interface (“NSPI”).

2. Eligible Paths

Applications for the open season are limited to the 70 MW incremental capacity or less. Each application shall be limited to a single request for service; one (1) path consisting of one (1) Point-of-Receipt (POR) which is the point of injection to the New Brunswick grid, and one (1) Point-of Delivery (POD) which is the point of withdrawal from the New Brunswick grid.

Multiple paths in the same application will be treated as invalid.

Applicants may submit more than one application. Acceptable POR’s and POD’s are as follows:

EMEC	Maine	Eastern Maine Electric Cooperative
HQ-HVDC	Québec	Hydro-Québec via HVDC Stations
MECL	Prince Edward Island	Maritime Electric Company, Limited
MEPCO	Maine	Maine Electric Power Company, Limited
MPS	Maine	Maine Public Service
NBPC	New Brunswick	New Brunswick Power Corporation
NSPI	Nova Scotia	Nova Scotia Power Inc.

3. Schedule for the Open Season:

Start of Open Season	May 30, 2016 @ 08:00 hours ADT
Technical Information Session (hosted by NB Power – System Operator) NB Power Energy Control Centre 77 Canada Street Fredericton, NB E3A 3Z3	June 22, 2016
End of Open Season	July 29, 2016 @ 16:30 hours ADT
Capacity Awarded By	August 15, 2016
In-Service Date	September 1, 2016

4. Process for Submission of Requests:

Each application(s) shall be delivered in hardcopy in a sealed envelope clearly marked "OPEN SEASON".

Each application(s) shall be addressed to:

KPMG
OPEN SEASON
Suite 700
Frederick Square, TD Tower
77 Westmorland Street
Fredericton, New Brunswick
E3B 6Z3

Attention: Robert Sutherland

Telephone : (506) 452-8000

Fax: (506) 450-0072

Hand deliveries can be made between 08:00 hours ADT and 16:30 hours ADT, Monday to Friday, up to the closing date of which no submission(s) will be accepted after 16:30 hours ADT.

To ensure consideration, the application must be properly completed and arrive at the above designated address before the local time and date as noted in the “Notice of Open Season” (please refer to NB Power – System Operator website at <http://tso.nbpower.com>). Any applications which do not reach the address noted above, before the local time and date as set out in the “Notice of Open Season” will be rejected.

Only applications from accredited Eligible Customers will be considered. Such accreditation must be completed prior to the end of the open season period.

Please direct any queries by e-mail to the NB Power – System Operator at rodney.hicks@nbpower.com