

January 31, 2017

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

Re: Tidal FIT Annual Report – Matter No. M05092

Dear Ms. Friis:

In the Utility and Review Board's Order dated December 16, 2013, it directed as follows:

IT IS FURTHER ORDERED that Nova Scotia Power Inc. is to provide an annual report to the Board which includes the following:

- a) Total installed nameplate capacity of the generators for each FORCE berth; and
- b) Total MWh purchased from each FORCE berth

Please accept this correspondence as Nova Scotia Power's (NS Power) annual report.

For the first time, a Canadian utility, NS Power, began receiving electricity from a grid-connected, in-stream tidal turbine. The turbine, owned by Cape Sharp Tidal (OpenHydro/Emera) was installed on November 7, 2016 and grid-connected the following day. The turbine has an installed capacity of 2 megawatts (MW). It is located at the Fundy Ocean Research Centre for Energy (FORCE) tidal research and test site near Parrsboro, Nova Scotia. Cape Sharp Tidal plans to deploy and grid-connect a second 2 MW turbine at the FORCE site in 2017.

As of December 31, 2016, (and the filing of this report), it was the only turbine in a FORCE berth, and the only grid connected in-stream tidal turbine in Canada. A total of 5.4MWh of generation was purchased from the Cape Sharp Tidal generator during the first seven weeks since it was installed in 2016. This energy is the net, not gross, power generation. The balance of the production went to serve ancillary services like substation and transmission services.

The project is still in the early days of commissioning. Operation teams are testing the turbine, making adjustments to the software, and production is being gradually increased over time while being tested during different tidal cycles. Although power production on the device is not yet at capacity, it is operating as expected at this early stage.

While this instream tidal technology is still in its demonstration stage, receiving electricity from the Cape Sharp turbine is progress in the development of innovative, new renewable energy. As Nova Scotia Power continues to transform its generation and lead Canada in carbon reduction, the Bay of Fundy has the potential to play a significant role in the clean energy generation.

As with all new technologies, development must be paced to prove the technology, and assess and mitigate any risks. Cape Sharp Tidal represents less than one-tenth of one percent of the overall generation capacity connected to the Nova Scotia Power grid.

Yours truly,

A handwritten signature in black ink, appearing to read "Brian Curry". The signature is fluid and cursive, with the first name "Brian" and last name "Curry" clearly distinguishable.

Brian Curry
Regulatory Counsel