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**To : "Tulk, Jennifer L" , "Boland, Tracey"**

**Cc : "Power, Glenda" , "Howard, Jacquelyn" , "Collingwood, Jennifer"**

**Subject : Key points on Energy Access Agreement**

**Attachment : Energy Access Agreement Summary - October 22 2013.docx;**

### Key Principles for NL:

- Energy made available to NSPI is surplus to Newfoundland and Labrador and Nalcor is not obligated to deliver any energy to Emera if it is required to meet native load in Newfoundland and Labrador
- Nalcor/NL can not, nor can it be seen as subsidizing ratepayers in NS
- Nalcor must retain flexibility to maximize the value of its surplus energy

### Energy Access Agreement:

- Binding Agreement
- 3 party agreement between Nalcor, Emera and NSPI
- Term commences on Full Power and runs until August 31, 2041
- Nalcor will provide good faith forecasts of available energy for sale to NSPI, up to a maximum of 1.8 TWh per year
- Once per year, NSPI may issue competitive solicitations for economy energy
- Nalcor will make good faith bids into these RFP calls (“Nalcor Bid Energy”) to the extent the NSPI solicitation is consistent with Nalcor’s forecast. The sales price of the Nalcor Bid Energy will not exceed a price that is the greater of:
  - Mass Hub, or
  - Nalcor’s alternative spot-market opportunities.
- NSPI may accept or reject Nalcor’s proposal.
- The supply of Nalcor energy is subject to Forgivable events:
  - Forgivable events include changes in hydrology and load in NL
  - This insures energy is available to meet NL load first.
- Even after Nalcor is awarded a contract under the NSPI solicitation, Nalcor has the further right to recall bid energy and redeliver to NSPI at a later date.
- Nalcor and Emera commit that, on average over the Term, at least 1.2 TWh of energy will be made available to NSPI (This commitment is designed to meet a perceived need/risk (that the 1.2TWh may not be available) of the UARB that in fact does not exist).
- Each year Nalcor will forecast its ability to meet the average 1.2 TWh per year commitment.
- In the highly unlikely event that it is forecast that the commitment to make available an average of 1.2 TWh per year over the term:
  - Nalcor and Emera will together work towards a mutually agreeable solution.

- Absent a solution, Emera first commits to contribute up to 300 GWh to make up any variance
  - Emera will have the option to construct up to a 100 MW (300 GWh) wind farm in NS
  - Nalcor will provide wind balancing services for such Emera wind farm at a predetermined cost
- Although there is zero risk to it happening, in the agreement Nalcor will deliver the remaining 900 GWh. In any event, this will not be an issue because the energy that Nalcor is backstopping will always be available.