Q: Please comment on the potential benefits to the lIS in activating the frequency controller in the Maritime Link VCS control system as discussed at pages 54-55 of the Liberty report, and the extent to which such benefits are likely to exceed related incremental costs.

A. The LIL is equipped with a frequency controller, which will change the power imported on the LIL, such that the IIS frequency is kept at a constant value. This frequency controller will automatically take action in the event of a trip of a generator or load in the IIS. In the event of the trip of a generator, the frequency controller will increase the import of power on the LIL, and will quickly restore the pre-set frequency. Similarly, in the event of the trip of a load, for example the Maritime Link, the frequency controller will reduce the import of power on the LIL.

A frequency controller on the Maritime Link would perform a similar role in stabilizing the IIS frequency. This would be particularly useful if the LIL is out of service, but the Maritime Link is in service. When both the LIL and Maritime Link are in service, the Maritime Link frequency controller would need to have a dead band, so that the two frequency controllers do not adversely interact with each other.

It is Liberty's understanding that ABB has already implemented the frequency controller for the Maritime Link, and has concluded from its studies that it would be of benefit to the IIS.

Naturally, there are commercial implications of deviating from pre-set power orders, and thereby provide an ancillary service from Nova Scotia to the IIS, or vice versa, and therefore negotiations between the two parties will need to be held. The outcome of these negotiations will determine whether or not an ancillary service agreement should be entered into and the cost involved.