



Nova Scotia Utility and Review Board

Mailing address

PO Box 1692, Unit "M"
Halifax, Nova Scotia
B3J 3S3
board@novascotia.ca
<http://nsuarb.novascotia.ca>

Office

3rd Floor, 1601 Lower Water Street
Halifax, Nova Scotia B3J 3P6
1 855 442-4448 (toll-free)
902 424-4448 t
902 424-3919 f

August 4, 2022

brian.curry@nspower.ca

Brian Curry
Director of Regulatory Affairs
Nova Scotia Power Inc.
1223 Lower Water Street
Halifax, NS B3J 3S8

Dear Mr. Curry:

M10653 – Nova Scotia Power Inc. – 2022 10-Year System Outlook Report (P-194)

On June 30, 2022, Nova Scotia Power Inc. (NS Power, Company) filed its 2022 10-Year System Outlook (SO) Report. This report was submitted on behalf of the Nova Scotia Power System Operator (NSPSO), in accordance with the requirements of the Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules.

This matter was reviewed by Stephen T. McGrath, LL.B., Chair, Roland A. Deveau, Q.C., Vice Chair, and Steven M. Murphy, MBA, P.Eng., Member.

Background

The annual 10-Year SO report represents the NSPSO's assessment of NS Power's generation resource capacity and adequacy, as well as transmission system adequacy and expansion plans. These reports are largely based on the previously filed Load Forecast report, Demand Side Management forecast, Northeast Power Coordinating Council (NPCC) compliance requirements, and environmental compliance requirements related to air emissions and renewable resources. The Board notes that these reports are filed for information purposes only, based on the best information available at the time they were prepared.

The 2021 10-Year SO Report was the first one filed after the completion of the 2020 Integrated Resource Plan (IRP) process. The 2021 SO Report was based on the reference plan from the 2020 IRP, Scenario 2.0C. This IRP scenario was used to create many of the assumptions and forecasts included in the 2021 SO Report, such as the projected sustaining capital expenditures and steam fleet retirement schedule.

NS Power acknowledged in its 2021 filing that, due to anticipated policy changes by Federal and Provincial governments, actual steam plant retirements and the carbon reduction strategy could differ significantly from the assumptions and forecasts contained in the 2020 IRP reference plan.

The Consumer Advocate (CA) and the Small Business Advocate (SBA) identified several issues and concerns with the 2021 SO Report, noting that the 2020 IRP Scenario 2.0C is probably not an appropriate foundation for the 2021 SO Report.

The Board determined that legal and regulatory changes, that were put in place after filing of the 2021 10-Year SO Report, should be considered in the next SO Report. NS Power assured the Board that it would include ongoing changes in the planning environment in future 10-Year SO Reports and related long-term planning processes, as greater certainty is obtained.

The 2022 10-Year SO Report

NS Power's 2022 10-Year SO Report is based on the 2020 IRP Scenario 3.1C. NS Power believes that this Scenario "better reflects the current load and policy landscape". The Company noted the following:

In accordance with NS Power's IRP Action Plan Update and 2022 Evergreen IRP Study Scope and Timeline, in 2022 NS Power will complete a focused evaluation and refinement of the long-term electricity strategy developed as part of the 2020 IRP that reflects the current planning environment. The results of this 2022 evergreen work will inform future 10-Year System Outlook reports, as applicable.

The Board has reviewed the information provided and accepts the 2022 10-Year System Outlook Report as filed. Based on the above, the Board anticipates that the 2023 10-Year SO Report will be informed by the Evergreen IRP Study update.

Market Rule 3.4.5.1 requires the Nova Scotia Power System Operator to publish the System Outlook Report at the same time as it is submitted to the Board. Please ensure that this latest version, the 2022 SO Report, is posted to the OASIS site.

Yours very truly,



Crystal Henwood
Regulatory Affairs Officer/Clerk

c. S. Bruce Outhouse, Q.C., Board Counsel
M10178 Participants