

September 26, 2025

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: M12177 – Distributed Energy Resource (DER) Integration Roadmap Report Update

Dear Ms. Henwood:

In its Decision regarding the Smart Grid Nova Scotia (SGNS) Final Report (M11621) on October 28, 2024, the Nova Scotia Energy Board (NSEB, Board) provided the following direction regarding the development of a Distributed Energy Resource (DER) Integration Roadmap (DERIR):

NS Power is further directed to proceed with this initiative and to file a progress update report no later than December 31, 2024. While potential tariffs and programs relating to behind-the-meter energy storage are addressed above, the Board anticipates that the development of a DER Integration Roadmap will also consider potential rate design issues and programs, both in respect of initiatives that may be planned by the utility and in anticipation of the need to respond to expected customer-driven activity in this area.¹

Nova Scotia Power Inc. (NS Power, Company) submitted its response by letter on November 15, 2024, requesting to initiate work on the DERIR in 2025 and an extension to file its first update by March 31, 2025. The Board approved the Company's requests by letter on December 5, 2024.

On March 31, 2025, NS Power submitted its update noting in part that "[t]he Company is in the process of securing an expert third party consultant in April to assist with finalizing the scope of the DERIR and to assist in stakeholder engagement activities", "NS Power intends to schedule stakeholder engagement sessions from May to July, or as necessary",

¹ NSEB Decision Letter, Re: M11621 – Nova Scotia Power Inc. - Smart Grid Nova Scotia Project - Final Report, October 28, 2024, p.8.

and “[f]eedback from stakeholder engagement will be used to inform a DERIR, which the Company intends to formalize into a report for submission to the Nova Scotia Energy Board for its information in the August/September timeframe.”²

The NSEB responded on May 12, 2025 directing NS Power “to file the Distributed Energy Resource Integration Roadmap report by September 30, 2025.”³ Please accept this submission as the Company’s report and update on progress regarding the DERIR initiative and associated stakeholder engagement process.

Update and Progress

Work to develop the DERIR began early in 2025 and continues. Notably:

- NS Power engaged Dunskey Energy + Climate Advisors (Dunskey) in May 2025 to assist in the following activities:
 - Jurisdictional research
 - The DERIR framework
 - DERIR stakeholder engagement plan and facilitating two rounds of stakeholder engagement that includes targeted interviews and multi-stakeholder workshops
 - DERIR report
- Initial jurisdictional research, the DERIR framework, and stakeholder engagement plan were completed in June 2025.
- Targeted interviews and the first of two planned multi-stakeholder engagement workshops were completed between June and August 2025. Fifteen stakeholders attended the first workshop representing the following organizations:
 - NSEB
 - Natural Resources Canada
 - Nova Scotia Department of Energy
 - Nova Scotia Community College
 - Dalhousie University
 - Canadian Renewable Energy Association
 - Efficiency One

² NS Power Letter, Re: M11621 – Nova Scotia Power Inc. – Smart Grid Nova Scotia Final Report - Decision Directives Compliance Filing – Distributed Energy Resource Integration Roadmap Update, March 31, 2025.

³ NSEB Letter, Re: M12177 – Nova Scotia Power Inc. – Smart Grid Nova Scotia Final Report - Decision Directives Compliance Filing – Distributed Energy Resource Integration Roadmap Update, May 12, 2025.

- Consumer Advocate
 - Small Business Advocate
 - Industrial Group
 - Solar Nova Scotia
 - Energy Storage Canada
- Feedback from stakeholders at the workshop was documented and stakeholders were encouraged to send additional written feedback post-workshop.

The following DERIR work is planned for completion prior to end of year 2025:

- A second multi-stakeholder engagement workshop in Fall 2025. This workshop will recap “what we heard” at the first workshop to confirm that stakeholder feedback was accurately captured, review additional research findings, and gather input on the proposed short-list of initiatives to include in the DERIR.
- One-on-one stakeholder engagement as required.
- Draft and final DERIR guided by stakeholder insights, knowledge and expertise.
- Submission of the DERIR and associated report to the NSEB.

Key DERIR activities are described below:

Jurisdictional Research

Dunsky conducted a scan of peer and leading utilities’ DER integration efforts to compare NS’s efforts to date to industry peers across North America and beyond, map the breadth of options that NS can employ in developing its roadmap, identify best practices based on learnings from other utilities’ explorations, and capture case studies of DER integration journeys and innovative efforts by leading utilities.

DERIR Framework

The DERIR Framework is a critical tool for securing ‘big picture’ alignment on the roadmap goals, purpose, scope, and constraints. This is an important first step to support engagement with stakeholders and assessing, prioritizing or selecting specific roadmap initiatives. The purpose of the framework was to:

- Articulate the context (i.e. Why are we here?)
- Define preliminary goals and objectives and guiding principles
- Define the DERIR scope and boundaries

- Analyze the current situation in NS and gaps
- Share initial jurisdictional scan findings, relevance to NS, gaps and considerations for the roadmap
- Establish preliminary criteria to assess and prioritize DERIR initiatives
- Create the preliminary roadmap report structure

Stakeholder Engagement Plan

An important aspect of this initiative is to ensure a broad range of stakeholder voices inform the roadmap recommendations. Multi-stakeholder engagement is foundational in the development of a Nova Scotia DERIR that is grounded in the NS context, realistic and achievable. The overall purpose is to facilitate a holistic and coordinated approach to plan for, enable and integrate DERs informed by key stakeholders across Nova Scotia's electricity ecosystem.

Meaningful consultations require thoughtful planning, attention to detail, and time to design and implement effectively. The engagement plan provides details and timelines for planned interviews and multi-stakeholder workshops with key external stakeholders, including objectives, timing, stakeholder identification, and engagement materials. Under the plan, stakeholders will be engaged at two key initiative milestones. The first round of engagements occurred after initial research and the DERIR Framework were completed.

Stakeholder Engagement Round 1

Targeted interviews and the first stakeholder workshop were used to share the DERIR context, scope, and process; gather preliminary stakeholder input and alignment on preliminary DERIR goals, objectives and guiding principles, potential initiatives for consideration in the DERIR (e.g., rate design, demand respond programs, incentives and financing, and DERMS platforms), and criteria to prioritize initiatives.

Stakeholder discussions during the first workshop were varied and robust, with general acceptance of items discussed, including the goals, objectives and guiding principles (see below). All feedback from stakeholders has been noted and will be considered by Dunskey to inform the DERIR; at this time no significant shifts with respect to the goals, objectives and guiding principles are anticipated as a result of stakeholder feedback to date.

DERIR Scope and Preliminary Goals, Objectives and Guiding Principles

The scope of the DERIR initiative, as developed in the framework and discussed with stakeholders, includes the following:

- Technologies (behind the meter and distribution connected): distributed generation (e.g. solar PV), battery storage, other controllable technologies/devices (e.g. EV smart charging)
- Customer segments: residential, commercial, institutional, distribution-connected industrial
- Commercial pathways: utility ownership/ investment, rate designs, customer programs, competitive procurements
- Enabling infrastructure: distributed energy resource management systems (DERMS)
- Use Cases: pilots, non-wires solutions, flexible interconnection strategies, demand response
- Internal processes: planning processes, procurement
- External processes: regulatory approvals, customer engagement, partnerships

Preliminary goals, objectives and guiding principles were also identified and discussed with stakeholders and are described below. These may be subject to change following additional engagement.

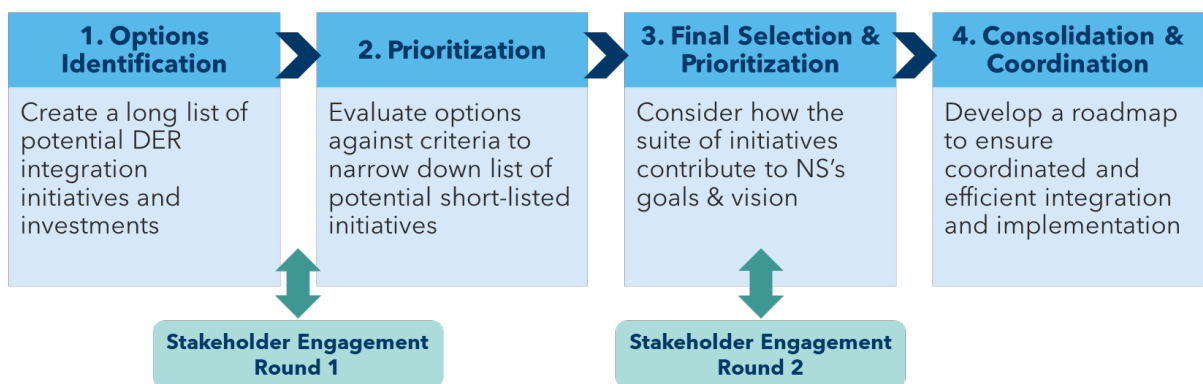
- Goal:
 - The DERIR will provide a path to unlock both system and customer benefits from DERs while mitigating unintended impacts to support an affordable, reliable, and clean electricity system.
- Key Objectives:
 - Articulate a common vision to plan for, enable, and integrate DERs in Nova Scotia.
 - Identify and prioritize key initiatives and associated implementation considerations.
 - Promote alignment among stakeholders on the rationale and guiding principles for investments, and roles and responsibilities for roadmap implementation.
- Guiding Principles
 - Beneficial - DERs are effectively integrated to deliver broad, system-wide benefits to utilities, customers, and the environment.
 - Affordable - DER integration is cost-effective and reduces upward pressure on rates.

- Reliable - DERs contribute to maintaining and improving system reliability and stability.
- Equitable - DER integration efforts promote customer groups realization of benefits, considering impacts to vulnerable customer groups and equitable distribution of benefits and costs.
- Adaptable - DER Integration efforts can respond to evolving customer needs, and policy, technology & market dynamics.
- Collaborative - DER integration efforts are planned, and implemented through effective partnerships with E1, government, industry and other stakeholders.

Taken as a whole, the scope, goal, objectives and guiding principles are intended to provide the broad framework in which a robust DERIR can be developed for Nova Scotia, in which relevant stakeholders like various customers and customer classes, E1, government, and NS Power, can play a part in accordance with a selection of beneficial initiatives and well understood corresponding roles and responsibilities.

Stakeholder Engagement Round 2

The same stakeholder groups are planned to be re-engaged to present the recommended initiatives before finalizing the DERIR. Work on the DERIR and engagement with stakeholders will now shift to discussion of specifics such as the potential suite of initiatives under the DERIR, as illustrated in the figure below:



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Stakeholder engagement and development of the DERIR will continue in the coming months. NS Power expects that a final DERIR will be ready for submission to the NSEB before year-end 2025.

Kind regards,

A handwritten signature in black ink, appearing to be 'Mark Peachey', with a stylized, elongated final stroke.

Mark Peachey
Manager, Regulatory System Planning and Innovation