Blackburn Law Inc.

August 19, 2025

VIA EMAIL

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

Dear Ms. Henwood:

Re: M12247 – Nova Scotia Power Inc. (NS Power) – 2025 Evergreen IRP Action Plan and Roadmap Update

The Small Business Advocate (SBA) provides the following comments on the *Integrated Resource Plan Action Plan Update* issued by Nova Scotia Power (NS Power) on April 30, 2025.[1]

The SBA has reviewed the Action Plan Update; participated in the June 6, 2025, technical conference; and reviewed NS Power's responses to information requests issued by the SBA and other parties. Based on the information provided in this matter, the SBA has identified several key issues that are critical for effective long-term resource planning to serve Nova Scotia customer needs in a safe, reliable, and economical manner.

Critical need for NS Power – NSIESO collaboration on next IRP

Under Bill 404, the Nova Scotia Independent Energy System Operator (NSIESO) will be the entity responsible for conducting the IRP going forward. However, based on the dynamic conditions of the electricity system, including market conditions, regulatory and policy changes, load requirements, and reliability needs, it is imperative that there is no gap in continuous system planning responsibilities. NS Power's understanding is that the next IRP, including all modeling, will be conducted by NSIESO.[2] However, the transition process is "uncertain at this time,"[3] and NS Power has noted that "an IRP process and communications related to a future IRP have not been initiated."[4]

There are recent policy changes, such as the Clean Electricity Regulations (CER), that could have important implications for Nova Scotia's near-term resource planning decisions. Key provisions of the CER, such as the banking of emissions credits, have not been evaluated by NS Power within the resource planning context, and NS Power has stated that those rules "...can be considered in

[1] M12247, Exhibit N-1, Integrated Resource Plan Action Plan Update.
[2] M12247, Exhibit N-8, NSPI (Synapse) RIR-2(b).
[3] M12247, Exhibit N-8, NSPI (Synapse) RIR-2(a).
[4] M12247, Exhibit N-7, NSPI (SBA) RIR-18.

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future IRP studies conducted by the NSIESO."[5] NS Power has also stated that it is not planning to conduct a rate impact analysis capturing impacts of recent policy changes because that should be done after NSIESO completes the next IRP.[6] As a result, NS Power, the Board, and stakeholders are currently lacking the analysis needed to understand the implications of these changes.

It will take time for the NSIESO to be fully staffed to complete a new and comprehensive IRP, and NS Power's responses to IRs in this matter demonstrate that it does not intend to conduct any new planning analyses to ensure that the province is making prudent planning decisions given all available policy and market information. The rapid changes to market and policy conditions impacting resource planning was the primary driver for transitioning to an "evergreen" IRP that would be updated frequently. The gap in planning that appears to be occurring as the IRP responsibility transitions to NSIESO has the potential to cause significant long-term customer harm. NS Power should make a plan to expedite the transition of responsibilities, data, and expertise to NSIESO as efficiently as possible.

For NSIESO to effectively complete the next IRP, it will require access to a significant amount of financial, operational, and system data that currently resides only with NS Power. NS Power has the expertise to be able to identify the appropriate data, and SBA recommends that it proceeds with efforts to proactively gather the data and avoid unnecessary future delays.

Upcoming capacity needs require action in near term

The 2023 Evergreen IRP calls for near-term dispatchable capacity additions, with a need for new capacity resources by 2030. NS Power has indicated that it stopped activities related to combustion turbine (CT) development in Fall 2024 when it learned that NSIESO will be the responsible entity for procuring this type of generation.[7] While SBA acknowledges the change in responsibility for resource procurement under the new legislation, customers may be harmed by the fact that there is currently no entity working on meeting these planning needs. The market for new generating capacity, particularly CTs, is extremely competitive, and in many instances there are long waits for equipment. Developing new CT capacity will require concerted and sustained effort to optimize outcomes for customers.

In addition to the issues regarding the responsible entity, there is some uncertainty regarding the amount of capacity needed in the near term. As discussed in the submissions filed by Synapse Energy Economics, Inc. (Synapse), there are discrepancies across recent NS Power planning documents about the amount of incremental capacity needed by 2030, and the most recent load forecast indicates that peak load is expected to grow more slowly than anticipated.[8] NS Power should clarify how much capacity is needed and on what timeline, and provide a thorough response to Synapse's comments regarding the impact of the lower peak load forecast.

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[5] M12247, Exhibit N-7, NSPI (SBA) RIR-6.
[6] M12247, Exhibit N-2, NSPI (CA) RIR-7.
[7] M12247, Exhibit N-7, NSPI (SBA) RIR-1.
[8] M12247, Comments on Nova Scotia Power's 2025 Integrated Resource Plan Action Plan and Roadmap Update, pp. 10-14.

Lastly, the new CER regulations impose different regulations on resources depending on whether they are classified as "New" or "Planned," with significant implications for the emissions limits on the resources after 2035.[9] In order to qualify as "Planned," there are some pre-construction steps that must be completed by the end of 2025, and construction must begin by the end of 2027. The lack of progress on developing new resources throughout 2025 means that it is unlikely that those milestones will be met.

NS Power should expedite completion of supporting analysis for the next IRP

There are multiple key IRP assumptions that will need to be updated prior to the next IRP, and NS Power should use its expertise to support the development of the inputs to be used by NSIESO.

Of particular note are the CT price assumptions. As noted above, global demand for CTs has reached historically high levels, and capital costs have more than doubled in the past few years. NS Power has stated that it has not updated the CT assumptions because NSIESO will be responsible for procuring future fast-acting generation,[10] but t will be critical for NSIESO to have accurate, Nova Scotia-specific cost estimates to conduct a new IRP, and NS Power is currently the entity best situated to develop such estimates at this time.

In addition, NS Power has not yet started the updated ELCC study, which provides a critical input for the next IRP. NS Power provided a draft of a 2-page scope of work for the study in February and only provided a final version at the end of July, 2025, after minor revisions based on stakeholder feedback. According to NS Power, they have not yet started looking for a consultant to complete the study.[11] NS Power should expedite the completion of the ELCC study as it will be critical for timely completion of the next IRP.

Offshore wind has uncertain impact on future portfolio

One particular planning issue of note is the future of offshore wind in Nova Scotia. The province has set a target to lease 5 gigawatts (GW) of offshore wind by 2030;[12] has produced a three-part offshore wind roadmap,[13] and recently designated the first four offshore wind energy areas.[14] In addition, Net Zero Atlantic has published Phase One of the Offshore Wind Grid Integration and Transmission Study.[15]

[9] M12247, Exhibit N-1, Integrated Resource Plan Action Plan Update, p. 12.
[10] M12247, Exhibit N-7, NSPI (SBA) RIR-1.
[11] M12247, Exhibit N-6, NSPI (NSEB) RIR -9.
[12] News release: *Province sets offshore wind target.* 20 September 2022.
https://news.novascotia.ca/en/2022/09/20/province-sets-offshore-wind-target
[13] Offshore wind. Government of Nova Scotia. https://novascotia.ca/offshore-wind/
[14] News release: *Canada's first offshore wind energy areas designated.* 29 July 2025
https://news.novascotia.ca/en/2025/07/29/canadas-first-offshore-wind-energy-areas-designated
[15] Net Zero Atlantic. Atlantic Canada Offshore Wind Grid Integration and Transmission Study – Phase One Results: Market Opportunities for Offshore Wind in Atlantic Canada. June 2025.
https://netzeroatlantic.s3.ca-central-1.amazonaws.com/files/2025-06/250609_phase_1_report_osw_grid_integration_and_transmission_print.pdf

Despite these plans, a buildout of offshore wind is not included in the selected IRP plan. NS Power notes that offshore wind is included as a candidate resource, but that it was not selected in any of the scenarios or sensitivities.[16]

While the timing and scale of future offshore wind development is highly uncertain, given the large potential impact on the grid, it is important to have analysis regarding how province-directed offshore wind resources could impact the optimized resource portfolio for Nova Scotia. Ideally this insight would derive from a sensitivity case within an IRP to "force in" offshore wind and identify the changes in resource buildout and utilization that would result. Without any recent capacity expansion analysis from NS Power, it is unclear whether there is a model that could be used for this analysis. NS Power should propose an analytical approach to provide information on the resource planning impacts of offshore wind development. Initiating this analysis will provide important insights as NSIESO begins assuming responsibility for future IRP analysis.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 19th day of August, 2025.

Melissa P. MacAdam
Small Business Advocate

[16] M12247, Exhibit N-7, NSPI (SBA) RIR-3.