Nova Scotia POWER
An Emera Company

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June 1, 2026

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

Re: M12339 – Renewall Energy Inc. - Request for Tariffs for the Renewable to Retail Market

Dear Ms. Henwood:

Nova Scotia Power Incorporated (NS Power, Company), in coordination with Renewable Energy Integration (REI), has been working collaboratively and constructively to address the complex regulatory, operational, and technical considerations associated with implementing distribution connected generation and net billing in the Renewable to Retail (RtR) market. While the parties have made meaningful progress through this coordinated effort, additional time is required to fully resolve outstanding issues and ensure a comprehensive and effective framework is brought forth for approval.

That said, NS Power is writing to seek a further extension of the deadline to file an application for the approval of necessary tariffs, procedures or standards of conduct to enable distribution connected generation and net billing in the RtR market to no later than **Friday, July 31, 2026**.

<u>Background and Progress to Date</u>

The Board issued its Decision in the above noted matter on November 19, 2025, and found it has the jurisdiction to approve tariffs, procedures and standards of conduct relating to distribution-connected resources to supply retail suppliers with renewable low-impact electricity to sell to their customers and net billing arrangements between a retail supplier and its customers.

The Board ordered that:

1. NS Power must engage with interested parties, as contemplated under s. 22(1) of the Electricity Act, to develop or amend any tariffs, procedures or standards of conduct necessary to enable distribution-connected generation and net billing, while adhering to the requirements of s. 22(2); and

2. The Board directs NS Power to file an application for the approval of the necessary tariffs, procedures or standards of conduct by April 1, 2026.

Upon receipt of the Board's Decision and Order, NS Power's internal subject matter experts were engaged to assess the Company's capacity and ability to resolve the issues presented by enabling such a service that would appropriately balance all operational, regulatory, and stakeholder interests. As part of that process, NS Power considered whether the required tariff development work could and should be advanced solely through internal resources, recognizing the complexity of the issues and the evolving nature of retail market frameworks to which NS Power has limited in-house experience.

Following that assessment, in early February, NS Power reached out to REI to propose engaging Power Advisory LLC (Power Advisory) to assist with the development and refinement of the tariff amendments. Power Advisory was identified as having significant experience and expertise in retail electricity market design and implementation and was viewed as well-positioned to support REI and NS Power in advancing a practical and informed path forward. NS Power and REI collaboratively developed Power Advisory's scope of work.

Power Advisory held a kick-off meeting on February 15, 2026, to review its scope of work and clarify issues raised by REI and NS Power and a timeline for delivery of draft documents was agreed upon.

NS Power formally retained Power Advisory pursuant to a Consulting Agreement executed on February 23, 2026. REI had an opportunity to review the terms of the Consulting Agreement and had no comments.

On March 3, 2026, NS Power communicated its proposed approach via email to intervenors involved in this matter and advised that it would seek an extension from the Board from April 1, 2026 to May 1, 2026 to allow additional time to complete the work and engage further with stakeholders.

On March 13, 2026, Power Advisory delivered initial proposed amendments to the Energy Balancing Tariff, Standby Service Tariff, Distribution Tariff, and LRS Terms and Conditions for consideration. NS Power provided comments on the redlined documents on April 17,

2026. At that stage, it became apparent that the Parties would not be able to complete the required work prior to May 1, 2026. Accordingly, on April 23, 2026, NS Power sought further extension from the Board to June 1, 2026, which was granted on April 27, 2026. REI subsequently provided its comments on the draft materials on April 30, 2026.

REI, NS Power, and Power Advisory met on May 4, 2026 to review the proposed tariff documents and associated comments, and to prepare for a stakeholder information session. The stakeholder session occurred on May 14, 2026 and was facilitated by Power Advisory.

The Parties met again on May 20 and 29, 2026 to narrow the remaining issues, identify areas of agreement, and consider potential paths forward to address the Board's directive.

While meaningful progress has been achieved, it remains clear that additional work and engagement is required to develop appropriate tariffs that comply with the requirements of the *Electricity Act*, with the continued objective of reaching consensus between NS Power and REI. Although some updates to the Distribution Tariff, Energy Balancing Tariff, Standby Service Tariff, RtR Market Transition Tariff, and the Licensed Retail Supplier Terms and Conditions have been agreed upon to enable distributed generation and net billing within the RtR market, critical elements of the required tariffs remain to be drafted and tested.

<u>Issues</u>

At a high level, issues that remain under discussion include:

- Whether a comprehensive approach is required or a simplified approach to the amendments is feasible;

- Potential incremental costs, or charges, arising from the use of the distribution system and possible back feeding onto the transmission system;

- If charges are warranted, how those charges will be recovered;

- How losses should be applied, or whether losses arise at all when aggregated within a designated distribution zone;

- The settlement approach for the distributed energy aggregation commercial model and examination of opportunities to simplify administration of this model;

- Potential system refinements to address separate tracking of import and export transactions;

- Whether distribution-connected generation should offset firm load obligations, considering factors like the resource type (e.g., solar's contribution to peak), who controls the asset, and whether the system operator can rely on it;

- Other tariff implications (including the Open Access Transmission Tariff and RtR Transition Tariff), including:

  - How forecasted generation is settled against actual generation, for both distribution and transmission generated energy;

  - Whether assumptions regarding losses at the transmission level depend on the source of supply;

  - Determination as to whether additional tariffs are required (e.g. a tariff to apply to the Licensed Retail Supplier for the provision of distributed energy aggregation service); and

- RtR Market Distributed Energy Resource implementation, including:

  - Potential role of the Nova Scotia Independent Energy System Operator; and

  - Whether, in light of uncertainty as to the pace and form of market development, proceeding on a pilot basis or a set review period is warranted.

Workplan

The proposed workplan contemplates a staged approach through June and July culminating in the filing of the application no later than July 31, 2026.

During June, the parties will undertake focused issue resolution activities through collaborative working meetings with REI and NS Power, facilitated by Power Advisory. This phase will include defining the issues in detail, the sharing of requisite information and data, identifying and assessing alternatives and the benefits, determining NS Power and REI’s views, preparing recommendations, and confirming each organization’s support for those recommendations. This process may further identify and develop recommendations for:

- Interconnection process revisions; and
- Market rule revisions.

During July, the parties will transition to preparation of the application materials in collaboration with Power Advisory. Draft materials will be developed, reviewed, and refined iteratively to ensure alignment, where possible, between NS Power and REI. NS Power proposes hosting an additional stakeholder engagement session following this process and intends to incorporate relevant feedback arising from ongoing stakeholder engagement in the final drafting of the tariffs. This phase will focus on finalizing the proposed approach and developing supporting evidence and associated filing materials in advance of submission.

Following the Board's determination on this extension request, NS Power will reach out to stakeholders to establish a date for stakeholder consultation in July.

Request

Considering the workplan outlined above, and with the support of REI, NS Power respectfully requests that the Board extend the deadline for filing the application for tariff approval to July 31, 2026. NS Power submits that this approach will promote a more complete and fully developed application record, support organizational and stakeholder alignment where possible, and improve the efficiency and effectiveness of the regulatory review process to the benefit of all parties.

Yours truly,

JPower

Jennifer Power
Director, Regulatory Affairs