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September 10, 2025

VIA EMAIL

Crystal Henwood
Regulatory Affairs Officer/Clerk of the Board
Nova Scotia Energy Board
3rd Floor Summit Place
1601 Lower Water Street
Halifax NS B3J 3S3

Dear Ms. Henwood:

Re: M12349 – NSPI – 2025 Load Forecast Report

Please accept the following submissions on behalf of the Consumer Advocate in respect of the above-noted matter.

Overview

The Consumer Advocate has reviewed the above-noted Application, does not generally take issue with the Application as filed, or with NS Power's load forecast. That being said, the Consumer Advocate submits that it would be helpful if NS Power provided class-specific peak load forecasts in the future, either as a compliance filing or with next year's load forecast. The Consumer Advocate also has some concerns about NS Power's forecasted RTR sales. Our further submissions are provided below.

Background

On June 27, 2025, Nova Scotia Power ("NS Power") filed its 2025 Load Forecast Report (the "Report" or the "2025 Load Forecast").

As noted in the Report, the "2025 Load Forecast provides an outlook on the energy and peak demand requirements of in-province customers for the period of 2025 to 2035. In addition, it describes the considerations, assumptions, and methodology used in the preparation of the forecast. The Load Forecast provides the basis for the planning and overall operating activities to

serve customer load.”¹ NS Power goes on to state that the “2025 Load Forecast shows increased net system requirements in the near term due to a change in forecast for Renewable to Retail (RTR) sales,” as well as lower mid- to long-term growth “driven by reduced estimates for Electric Vehicle (EV) sales, increased sales through the RTR market, and increased behind the meter solar, offsetting continued customer growth and continued electrification of space and water heating.”² Energy sales are also forecast to be reduced by Demand Side Management (DSM). All of these factors are said to result in a “forecast average annual decrease of 0.2 percent between 2025 and 2035.”³

With respect to system peak demand, NS Power predicts that customer growth, electrification of heating and increased EV sales will increase the peak, while DSM and DR activities will reduce the peak.” Overall, the “system peak demand is expected to increase at an average of 1.1 percent annually over the forecast period.”⁴

Submissions

As noted above, the Consumer Advocate generally does not take issue with the Load Forecast as filed, as it appears to have complied with the Board’s directives from the 2024 Load Forecast matter (M11689)⁵, and otherwise provides helpful information concerning NS Power’s forecasting methodologies and results. That being said, the Consumer Advocate wishes to comment upon two aspects of the Report, namely (1) NS Power’s forecast methodology for peak demand; and (2) NS Power’s forecast for RTR sales.

(1) Peak Demand Forecast

Section 10 of the Report addresses NS Power’s forecast for peak demand. NS Power’s current approach is to provide a forecast of system peak using an “aggregate method.” Specifically, NS Power says that it “currently forecasts system peak at the aggregate level, as it is the most complete and granular information available (provided by the generation stations). Once peak information is obtained, the system peak is disaggregated into rate class contributions based on historic load factors, losses, and load research data.”⁶

In CA IR-3(c), the Consumer Advocate asked NS Power to provide a comparison of its current forecast of system peak with a forecast of system peak using the data supporting Figures 71 and 72 and a class-specific growth rate. NS Power stated that “[n]o peak forecast has been developed based on class-specific growth rates.”⁷

¹ Report, Exhibit N-1, p. 7

² Report, Exhibit N-1, p. 8

³ Report, Exhibit N-1, p. 8

⁴ Report, Exhibit N-1, p. 9

⁵ Report, Exhibit N-1, p. 9-13

⁶ Report, Exhibit N-1, p. 87

⁷ CA RIR-3(c)

The Consumer Advocate submits that an illustrative effort at a class-specific peak load forecast would be instructive, and that the Board should direct NS Power to submit such an effort, either as a compliance filing or with next year's load forecast. Currently NS Power has class forecasts of energy use, but not class forecasts of peak demand. In CA RIR-3(d), NS Power submits that it is "always exploring alternative methods to improve forecast accuracy further."⁸

The Consumer Advocate agrees that NS Power's current peak model does a reasonable job forecasting monthly peak demand, considering the limitations of available data, especially considering the improvements made over the past several years in response to party evidence and Board direction. While exploring a class-specific peak load forecast could lead to improvements in forecast accuracy, there could be other benefits as well, including the ability to better forecast demand-side programs that affect peak load more effectively. For example, what would be the effect on distribution system peak loads of a residential rooftop solar program in Halifax? There is also the question of the hybrid peak electrification scenario. Rate design updates could also be informed by such a forecast. In short, a class-specific peak load forecast could be of significant benefit to a number of matters that come before the Board.

The Consumer Advocate acknowledges there may be challenges to such an effort. An initial, illustrative forecast could explore the impact of those challenges, and how they would affect the usefulness of such a forecast. In CA IR-3(c), the Consumer Advocate suggested that if a class-specific peak demand growth rate was not available, then the class-specific customer growth rate could be used instead to create the forecast. Or the class-specific energy growth rate, for that matter. The reasonableness of such a forecast could be compared to the official peak demand forecast to understand what is missing (or in apparent excess).

For these reasons, the Consumer Advocate states that a class-specific peak load forecast would be useful, and NS Power should be directed to provide one, either as a compliance filing in relation to the 2025 Load Forecast, or alternatively, at the Board's direction, in the next load forecast.

(2) RTR Sales Forecast

As noted above, the Report indicates that NS Power anticipates "increased net system requirements in the near term due to a change in forecast for Renewable to Retail (RTR) sales."⁹ In Section 4.6 of the Report, NS Power further states:

One application has been submitted by a third party to the NSUARB for approval as a Licensed Retail Supplier (LRS) to provide service under the RTR tariffs starting in 2026. The service is forecast to produce 500 GWh of energy through wind production when fully operational in 2027, and will serve approximately 420 GWh of load with 28 percent serving residential customers, 42 percent serving commercial customers, and 30 percent

⁸ CA RIR-3(d)

⁹ Report, N-1, p. 8

serving industrial customers. The corresponding energy amounts have been subtracted from the forecast starting in 2026 as outlined in Figure 41. Although load will be migrating from the various customer classes to the RTR market, part of the energy required to supply those customers will be provided by NS Power as top-up under the Energy Balancing Service tariff (approximately 140 GWh). The peak forecast remains unchanged as NS Power is required to serve the full peak of these customers if needed.¹⁰

Notably, in a presentation to stakeholders held on April 8, 2025, NS Power confirmed that the “2024 forecast assumed that RTR sales would start in 2025, ramping up in 2026. The forecast has been updated to reflect a delay in startup (mid-2026) as well as an increased forecast for RTR sales.”¹¹ In addition, NS Power noted there is “still uncertainty in the timing and magnitude of the RTR impact to sales.”¹² Nevertheless, NS Power forecast that RTR sales will be contributing factor in driving “NS Power sales lower than forecast in 2024” across all classes.¹³ Given the uncertainty, the Consumer Advocate is concerned that NS Power may be placing too much reliance upon projected RTR sales in its Load Forecast Report.

In addition, the Consumer Advocate is concerned about the source of information that NS Power appears to be relying upon. Specifically, in NSEB RIR-17, NS Power was asked to explain a significant increase in projected load for 2026 for Medium Industrial customers, which saw the projected load of 39 GWh for 2026 (forecasted in 2024) increase to 84 GWh. NS Power stated that the “values were updated based on new information provided by the Licensed Retail Supplier, Renewall, indicating higher sales to Medium Industrial customers under the RTR market.”¹⁴ In addition, Synapse asked NS Power to explain why the total energy magnitude associated with the RTR increased compared to the 2025 forecast. In response, NS Power stated that the “RTR assumptions were updated with more recent estimates from the Licensed Retail Supplier.”¹⁵

Based on these answers, it would appear that NS Power has placed significant reliance, and perhaps even exclusive reliance, upon information provided by the sole Licensed Retail Supplier in Nova Scotia. In this regard, it is unclear from the Report what steps NS Power took to independently verify this information, or conduct its own forecasting. The Consumer Advocate is concerned about this approach, particularly since NS Power has itself recently raised concerns about the timing and scope of the RTR market. Specifically, in Board Matter M11874, NS Power had applied to the Board requesting an order for the LRS to provide security for costs incurred by NS Power to implement the RTR market, based upon concerns about the timing and scope of the market itself. In submissions filed with the Board on January 13, 2025, NS Power stated that the

¹⁰ Report, N-1, p. 55-56

¹¹ Report, N-1, Appendix E, p. 10

¹² Report, N-1, Appendix E, p. 10

¹³ Report, N-1, Appendix E, p. 12-15; see also N-1, p. 58, 61, 64, 66, 69-70, 74-75

¹⁴ NSEB RIR-17

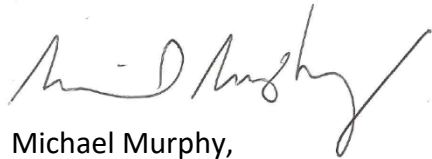
¹⁵ Synapse RIR-19

RTR market is “still emerging, costs are being incurred, and there is still uncertainty surrounding the timing and volume of market take up. The fact that some customers are committed to purchasing from the LRS provides some assurance but does not fully mitigate the potential risk of non-recovery in the future.”¹⁶

Given NS Power’s prior concerns about the uncertainty in the market, the Consumer Advocate would expect NS Power to conduct a more diligent analysis of the RTR market with respect to forecasting, and not simply rely upon information provided by the LRS (who does not share NS Power’s responsibility to provide accurate load forecast information to the Board in this manner). The Consumer Advocate would therefore request that NS Power provide further and better particulars on the information it has relied upon to date with respect to the RTR in its 2025 Load Forecast. To the extent NS Power has solely relied upon data provided by the LRS, the Consumer Advocate would request that NS Power be directed to conduct its own independent analysis and provide an update to the Board through a compliance filing, or alternatively, at the Board’s direction, in the next load forecast.

Yours truly,

Pink Larkin

A handwritten signature in dark ink, appearing to read "Michael Murphy", with a stylized flourish at the end.

Michael Murphy,
on behalf of David Roberts,
Consumer Advocate

¹⁶ NS Power Reply Submissions (M11874)