

NOVA SCOTIA ENERGY BOARD**IN THE MATTER OF THE MORE ACCESS TO ENERGY ACT**

- and -

IN THE MATTER OF AN APPLICATION by the **NOVA SCOTIA INDEPENDENT ENERGY SYSTEM OPERATOR** for approval of its proposed expenditure and revenue requirement for the test year ending March 31, 2026

BEFORE:



Stephen T. McGrath, K.C., Chair
Roland A. Deveau, K.C., Vice Chair
Jennifer L. Nicholson, CPA, CA

ORDER

The Nova Scotia Independent Energy System Operator (IESO Nova Scotia) applied to the Nova Scotia Energy Board on August 5, 2025, under s. 29 of the *More Access to Energy Act*, for approval of its proposed expenditure and revenue requirement for its initial test year ending March 31, 2026.

The Board issued its decision on **February 25, 2026**, approving the application, as amended in its decision.

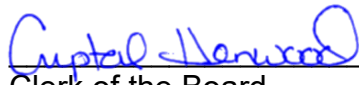
The Board orders that:

1. IESO Nova Scotia's expenditure and revenue requirement for its initial test year ending March 31, 2026, is approved at \$6,751,287, with a net amount of \$5,306,824 after the application of provincial funding.
2. The Net OM&A Deferral and Variance Account is approved. However, specific guidelines and accounting policies must be developed and approved before there is a recovery of Net Ongoing OM&A amounts from the Deferral and Variance Account. IESO Nova Scotia is directed to include these specific guidelines and accounting policies, and a description of the financial controls it has adopted, no later than its application for the 2027/2028 revenue requirement.

3. The Board directs that minimum filing requirements will apply to IESO Nova Scotia's future applications, including:
 - Formal support for all significant assumptions and expenditures in the application, such as quotes, any referenced market information, correspondence from discussions surrounding estimates, market data supporting employee salaries, etc.;
 - Up to five years of actual audited historical financial results as they become available;
 - Three years of projected financial results;
 - An annual business plan that includes:
 - a detailed workplan of IESO Nova Scotia's planned activities in the period covered by the revenue requirement application connecting each activity to the achievement of IESO Nova Scotia's objects in the *More Access to Energy Act*;
 - timelines for activities expected to span more than one year;
 - an analysis of the past year's results, including reasons for failing to complete activities in the prior business plan and the reasons for any adjustments to timelines for longer-term activities; and
 - Details of engagement activities with Indigenous groups and stakeholders.
4. IESO Nova Scotia is expected to address certain issues in its integrated resource planning process, including:
 - To research and analyze the capital and operating and maintenance costs for new supply-side resources, like wind, solar PV, battery resources, and combustion turbines;
 - To explicitly include modeling scenarios that presume an enhanced regional system approach to unit commitment and unit dispatch has been accomplished (inclusive of regions in the New Brunswick balancing area), commencing with the completion of the reliability intertie interconnection;
 - For all scenarios modeled, to include a carefully considered structure to reflect the constraints and costs associated with importing and exporting energy to or through New Brunswick;
 - To complete and incorporate the outcomes from the ELCC portfolio analysis update currently in progress in Matter M12247 (the 2025 Evergreen IRP Action Plan and Roadmap Update);
 - Demand response / hybrid peak scenarios. In addition to incorporating the portfolio effect associated with demand response resources in the ELCC analysis update, to directly consider all expanded demand response opportunities, including the use of AMI-enabled resources and existing or new time-of-use rate designs; and

- To ensure that all emissions offset purchase costs, carbon costs, and any ongoing use of the output-based pricing system are dynamically linked in the capacity expansion optimization modeling.
5. IESO Nova Scotia is directed to file quarterly reports starting on May 15, 2026, including updates about the status of Phase 1 and 2 of the transition of the system operator functions from NS Power to the IESO, as well as reporting about staffing, facilities and technology, regulatory compliance matters, on any material changes to the transition timeline or to forecast costs, and further items as outlined in the Board's decision.

DATED at Halifax, Nova Scotia, this 25th day of February 2026.


Clerk of the Board