



January 30, 2026

Via Electronic Mail

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
PO Box 1692, Unit "M"
Halifax NS B3J 3S3

Dear Ms. Henwood:

Re: M12451 - NSPI – 2026-2027 General Rate Application (GRA)

These submissions are filed on behalf of Renewall Energy Inc. ("REI") with respect to NSPI's 2026-2027 General Rate Application (GRA).

REI is the sole Licensed Retail Supplier ("LRS") authorized to sell renewable low-impact electricity in the Renewable to Retail ("RtR") market in Nova Scotia. First service is anticipated in Q4 2026 with an authorized deadline of March 31, 2027.

REI provides submissions addressing two issues

1. Inconsistencies between Cost of Service Study (COSS) and Open Access Transmission Tariff (OATT) calculations
2. Fuel forecasting accuracy and Fuel Adjustment Mechanism (FAM) process

Background

REI is an intervenor in M12451, however, due to confidentiality restrictions did not receive a full copy of the COSS outputs for 2026 and 2027 until after the GRA Hearing¹. REI believes that if information was available earlier in the process, some of the issues below could have been addressed earlier in the GRA process

Two important aspects of the COSS update process relate to the allocation methodology of demand related costs and updated consideration of causation by rate class. REI has no

¹ U-4 (N-67) was filed January 15th, 2026

issue with either concept, however, it believes that it has been inconsistently applied to tariffs that impact the retail market.

The notes below focus on issues identified regarding the OATT. Careful consideration is also needed regarding the Standby System Tariff and Demand Tariff, both of which are impacted by COSS demand assumptions and should be considered for accuracy and consistency.

REI also highlights section 6(2) of the Energy and Regulatory Board Act states the following (emphasis added)

In approving or fixing rates, tolls, charges, tariffs, capital applications and all other matters over which the Energy Board has authority, the Board shall give appropriate consideration to the extent to which such rates, tolls, charges, tariffs, capital applications or other matters

(a) support competition and innovation in the provision of energy resources in the Province;

*(b) **support the development of a competitive electricity market;***

REI references this obligation in both topics below, as accuracy, consistency and fairness are all important aspects of meeting the Board's obligation to support the development of a competitive electricity market.

1. OATT Calculations

REI's primary concern regarding application of the 2026-2027 COSS is in inconsistencies between it and the OATT calculations, both of which were provided as part of the GRA filing.

i. Technical issues

There appears to be inconsistencies between COSS Exhibits provided in Exhibit N-67 and the OATT calculations provided in Exhibit N-17(i). These inconsistencies may have a material impact on the calculation of OATT rates. Inconsistencies seem to exist for both 2026 and 2027 test years, with 2026 values referenced below specifically.

The Coincident factor used in 2026 OATT calculations² does not match COSS Exhibit 9A³.

2026 OATT Rates are calculated using a 91.7% coincident factor⁴. Coincident factors for domestic, general, and industrial rate classes range from 70.3% to 83.9%. COSS Exhibit 9A reports system coincident factor of 78.6% for 2026.

By way of example, if a coincident factor of 78.6% is used in Att 11 – Trans Fig 5-13, rather than 91.7%, the calculated Monthly Billing rate for Network Service changes from \$4,888/MW-month to \$4,192/MW-month, a reduction of over 14%.

System Peaks in OATT calculations⁵ do not match COSS Exhibit 9A⁶. For 2026, the OATT calculations assume a coincident peak of 1,778MW and a non-coincident demand 1,939MW, while COSS Exhibit 9A suggests a coincident peak of 2,095MW and a non-coincident peak of 2,667MW. These discrepancies appear erroneous. All else equal, REI assumes that the lower OATT coincident demand figures, relative to the COSS, would produce a materially higher rate per MW. Corrections should be made to address these errors.

ii. **Minor issue in OATT Ancillary service revenue requirement**

As highlighted in REI's Submission regarding 2026 Annually Adjusted Rates⁷, there are at least two inconsistencies between GRA SR-01 ATT 12 – Summary Rates⁸, and ATT 11 – Anc Serv – Fig 6.8⁹. Specifically, hardcoded MW figures in the formulas in cell B27 and B29 of Att 12 do not appear to match the MW figures in Att 11 – Fig 6.8.

REI does not expect these to have a material impact on resulting rates but should be rectified for record keeping.

iii. **Impact**

Both coincident factors and system peaks feed into the transmission and ancillary service portions of the OATT. The OATT costs per MW would be lower, if the figures in the updated COSS were used.

² N-17(i) - GRA SR-01- Att 11 – Trans fig 5-13

³ N-67 - Page 80

⁴ N-17(i) - SR-01- Att 11 – Trans fig 5-13, Cell E13

⁵ N-17(i) - SR-01- Att 11 – Revenue Req, Columns AB and AC

⁶ N-67 - Page 80

⁷ M12551 – N-12

⁸ N-17(i) - SR-01 – Att 12, Summary Rates tab

⁹ N-17(i) - SR-01 - Att 11, Anc Serv – Fig 6.8

In addition, as various rate classes migrate from NSPI to an LRS, the coincident factor may be very different than that included in the OATT calculations. If the OATT rates are not calculated appropriately, customers who migrate to an LRS will pay a higher unit rate for similar transmission service.

This discrepancy results in an over collection of revenue and inconsistent pricing between markets. It is also outside of Energy and Regulatory Board Act principles of encouraging competition to have different rates for similar service between markets.

iv. Suggested action/changes

We respectfully request that the Board direct NSPI to ensure consistency and accuracy between the COSS and the OATT calculations. Consideration should also be given to updating the OATT calculation process to align with rate class causation as a key aspect of the latest COSS.

2. FAM Forecast and Process

REI inquired during the Hearing about the accuracy of the FAM forecast. NSPI confirmed in person as well as in their submission that no changes to the forecasting methodology or process are being contemplated suggested¹⁰.

i. FAM Forecast accuracy and process

REI submits that increased accuracy in fuel forecasts is not only beneficial for NSP customers, as interest on fuel cost deferrals is avoided, but also essential for encouraging competition in Nova Scotia as legislated in the Energy and Regulatory Board Act.

Average fuel cost forecasts have been significantly lower than actual costs in each of past 5 years. Even since the Maritime Link and Muskrat Falls have been fully commissioned and online, FAM shortages continue. REI submitted evidence as part of M12551 2026 Annually Adjusted Rates¹¹ on this topic as follows:

In January 2021, the FAM had a surplus of \$19 million, whereas by 2025 the FAM was at a deficit of \$91.4 million. This is on top of the fact that within this timeframe,

¹⁰ GRA Hearing, January 8th, 2026 Panel 4, starting page 642

¹¹ M12551 – N-12(ii)

NSPI received the benefit of a \$165 million carbon cost forgiveness, \$117 [million] Invest Nova Scotia receivable purchase, and most recently the backstopped \$500 million Federal Loan Guarantee. In sum, the average fuel cost has been short \$895.2 million over 5 years, or \$179 million per year

This means that NSPI's customer rates have been lower than required in each of the last 5 years. If NSPI's retail rates are consistency lower than needed to recover the appropriate revenue, it creates an unfair market condition for retail competition in two ways. It sets an unrealist benchmark of posted retail rates for comparison purposes, and it creates an ongoing fuel liability for customers looking to leave NSPI bundled service.

These repeated fuel deficiencies, resulting from structural bias that appears to under forecast fuel and power purchase costs, have cumulated to the point where collecting them in one year, as outlined in the FAM Plan of Administration (POA), would be considered a "rate shock", and government assistance and delayed payments need to be deployed as mitigation measures.

REI respectfully requests that the Board direct NSPI to establish more accurate fuel cost forecasts, and to follow the FAM POA that outlines that fuel cost overages from one year be recovered in the following year (rather than deferred over multiple years), as outlined in the definition of AA:

The AA rate is calculated for the following year on the basis of the over- or under-recovery of the Base Cost of Fuel at the end of September (year 1). Any over- or under-recovery from October to December will not be included in the rate calculation and will be deferred for recovery until the year subsequent to the following year (year 3). The actual AA starting balance for the following year (year 2) is the over- or under-recovery of the Base Cost of Fuel at the end of December (year 1).

REI submits that failing to eliminate structural bias in fuel forecasting that is resulting in persistent under forecasting of fuel costs, and that not following the FAM POA by deferring fuel cost collection beyond the subsequent year, are both conflicting with the principals of Section 6(2) of the Energy and Regulatory Board Act.

3. Conclusion

REI appreciates the Boards consideration of these issues, and the timing in which information was made available to REI to consider and inquire upon.

REI respectfully requests that the Board directs NSPI to:

- i. Recalculate the OATT rates to ensure consistency with COSS and appropriate coincident factors in line with rate class causation.
- ii. Update the FAM POA fuel cost methodology to increase accuracy and to avoid ongoing deferrals of under recovered fuel costs

Sincerely,



Daniel Roscoe P.Eng

President

Renewall Energy Inc.