Nova Scotia Energy Board

3rd Floor, 1601 Lower Water Street
Halifax, Nova Scotia B3J 3P6

Mailing Address
PO Box 1692, Unit M
Halifax, Nova Scotia B3J 3S3

TEL 902-424-1332
FAX 902-424-3919
TF 1-833-809-0040

board@novascotia.ca
nserbt.ca/nseb

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MaryEllen.Greenough@nspower.ca

Mary Ellen Greenough
Director, Legal and Regulatory ECEI
Nova Scotia Power Incorporated
PO Box 910, 1223 Lower Water Street
Halifax, NS B3J 2W5

Dear Ms. Greenough:

M12494 – Nova Scotia Power Inc. – Battery Energy Storage System Project – Interim Report

On June 13, 2024, the Nova Scotia Utility and Review Board (NSUARB) approved Nova Scotia Power Inc.'s (NS Power) application for its Capital Investment C0045132 Battery Energy Storage System (BESS) Project, under matter M11539.

In response to Provincial legislation, NS Power commenced the BESS Project to provide a grid scale battery storage system. The BESS Project is comprised of three sites with enough capacity to deliver 50 MW each to interconnection points on NS Power's grid. The total cost of the project was forecast to be $354 million. The federal government agreed to fund $115.6 million. NS Power, therefore, requested approval for the projected net cost to ratepayers of $237.7 million.

The NSUARB found that the cost of the BESS Project was justified and reasonable. The BESS Project was approved in the amount of $237.7 million, subject to reporting directives, one of which included the filing of an interim report by September 30, 2025. The interim report was to provide a summary of the actual costs incurred against the initial estimates, the projected completion dates for the three sites and updates on external funding and other relevant information.

On April 1, 2025, on proclamation of the *Energy and Regulatory Boards Act*, SNS 2024, c 2, Sch A, the NSUARB was succeeded by the Nova Scotia Energy Board for all applications related to electric utilities.

NS Power filed an Interim Report on the BESS Project with the Nova Scotia Energy Board (Board) on September 29, 2025. The Board panel consisting of Richard J. Melanson, LL.B., Panel Chair, Member; Steven M. Murphy, MBA, P.Eng., Member; and Jennifer L. Nicholson, CPA, CA, Member has reviewed the Interim Report.

NS Power reports that the Bridgewater and Spider Lake sites are expected to go into operation in November 2025. The White Rock Road site is on track to begin operations in July 2026.

As of August 2025, NS Power reports that the project's costs are in keeping with initial estimates. Notably, there have been some savings in labour and project non-labour costs. As of the date of the filing of the Interim Report, contingency funds have not been used. However, a significant amount of construction work and manufacturing has yet to be completed for the White Rock Road site.

According to the Interim Report, much of the project's costs have been submitted to Natural Resources Canada (NRCan) under the Smart Renewables and Electrification Pathways Program and the Electricity Predevelopment Program. So far, $67,155,509 in funding has been received from NRCan. Other submitted costs are under review. Expenditures related to Allowance for Funds Used During Construction, land and legal costs do not qualify for funding under NRCan's programs.

The Board accepts the Interim Report as filed and considers this directive to be satisfied. The Board looks forward to receiving the final report when all three projects are in commercial operation.

Yours very truly,

Crystal Henwood

Crystal Henwood
Clerk of the Board

c. William Mahody, K.C.