Nova Scotia POWER
An Emera Company

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December 17, 2025

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

Re: M12499 – Time-Varying Pricing 2024/25 (Year Four) Evaluation Report – Extension Request

Dear Ms. Henwood:

The Nova Scotia Energy Board (NSEB, Board) Decision and Order on Nova Scotia Power's (NS Power, Company) 2024/25 Time-Varying Pricing (TVP) Tariffs Application included the following directives:

> 6. NS Power is directed:
> //
> b. To report on the Year Four findings no later than July 31, 2025.
> c. To file the annual Evaluation, Measurement and Verification (EM&V) report no later than July 31, 2025.[1]

On July 18, 2025, NS Power submitted a request to extend the due date for filing the Year 4 Evaluation, Measurement and Verification (EM&V) Report (Year 4 Report, Report). This request was the result of the unavailability of the Advanced Metering Infrastructure (AMI) data and the data analytics systems required to finalize the Year 4 Report following the cyber incident. The Company committed to providing a recommended timeline for submission of the Year 4 Report to the Board by November 1, 2025, once more information became known.

On October 1, 2025, the Company filed its proposed approach for the 2025/26 TVP Season (November 1, 2025 to March 31, 2026), which included an update on the Year 4 Report. The Board issued its Decision on October 28, 2025 and, following NS Power's TVP Compliance Filing, the NSEB Order was issued on December 16, 2025. The Board Order provided:

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[1] M11822 – Board Decision and Order, 315765, page 3. September 23, 2024.

> NS Power is directed to provide an update on its progress in preparing the Year Four Evaluation, Measurement and Verification (EM&V) report, no later than December 31, 2025.[2]

In accordance with the Board's direction, NS Power provides the following update:

Data collection and preparation for the Year Four Report are currently in progress; however, due to delays in system and data availability following the cyber incident, additional time is required to complete the Report. NS Power proposes to file its Year 4 Report in Q2 2026 with the understanding that, if possible, NS Power will file the Report sooner.

As of December 17, 2025, the Company anticipates the following steps and timelines for completing the Year Four Report:

1. <u>Step 1 – Data Collection & Preparation</u>: NS Power will query all relevant datasets, including AMI, system load, weather, EfficiencyOne participation and savings levels, Critical Peak Event data, and Time-of-Use peak/off-peak period data. These datasets will be cleaned and prepared for Steps 2 and 3. Under normal conditions, this process spans 2-3 weeks.

   Prior to filing this update, systems and data were not fully available, and internal resourcing required to re-establish these systems were dedicated to other cyber incident restoration efforts. As systems and datasets become available, data collection and preparation are now well underway. The Company has made every effort to regain all systems in a timely manner and expects the remaining datasets required to initiate TVP EM&V to be available by mid-January 2026.

2. <u>Step 2 – Control Group Selection & Balancing</u>: Once all data collection and preparation is complete, control groups will be determined using the methodology provided in the Board-approved Evaluation Plan. This process requires 1-2 weeks under normal workload, system and dataset availability.

3. <u>Step 3 – Evaluation Measurement & Verification (Draft Report)</u>: NS Power will run the TVP regression model in alignment with the Board-approved Evaluation Plan and prepare the Evaluation Report. Historically, this step was conducted by the Company's third-party evaluator, Econoler, and required approximately 3 months for completion.

4. <u>Step 4 – Evaluation Measurement & Verification (Final Report)</u>: The Company will conduct internal review and quality control processes to finalize the Evaluation Report for filing. Historically, this step takes approximately 4 weeks.

The Company's October 1, 2025 TVP submission also requested relief of the following:

[2] M12499 – Board Decision and Order, 325082, page 2. December 16, 2025.

> Approval to defer outstanding Board directives and Consensus Agreement commitments to future Technical Sessions or the Year Four Evaluation Report, in light of current limitations and the need to maintain program continuity. Attachment 1 provides a progress update on the 2024/25 Areas of Focus Work Plan and TVP directives from M11822, M11823, and M11621 proceedings.[3]

This relief was not included as part of the Board's Decision or Order. The Company has provided Attachment 1 for the Board's review.

In summary, NS Power respectfully requests the Board's approval to:

1. File the Year 4 Report in Q2 2026, or earlier if the Company is able to do so; and

2. Defer the outstanding Board directives and Consensus Agreement commitments provided in Attachment 1 to future Technical Sessions or the Year Four Report.

If you have any questions or require any additional information with respect to this request, please contact the undersigned.

Yours truly,

Kathleen Murray

Kathleen Murray
Regulatory Counsel

[3] M12499 – Year Four (2024/25) Evaluation Report Update and Proposed Approach for 2025/26 Time Varying Pricing Tariffs, page 9. October 1, 2025.

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TIME-VARYING PRICING PILOT
2024/25 AREAS OF FOCUS WORK PLAN – PROGRESS UPDATE

Summary of Deliverable / Commitment	Detail & Context	Source[1]	Due by / Completed on	Status
File proposed MURB TOU Tariff evaluation metrics	File, no later 31 December 2024, a list of the proposed MURB TOU Tariff evaluation metrics, and their definitions, along with an explanation of how it will measure the impact and difference in revenue received under this Tariff, compared to that which would have been received under the General tariff.	M11822 Directive	31 December 2024	completed
Continue to refine MURB TOU Tariff to better reflect value of load shifting	This should be accomplished by considering marginal (or avoided) costs in determining the rates in each period.	M11822 Directive	Technical Session 1 (3 March 2025)	completed
Work with stakeholders to refine methods of estimating load reductions	NS Power committed to try to refine its methodologies to estimate load reductions of heating groups if a viable method is identified. Further, NS Power is directed to work with stakeholders to refine its methods of estimating load reductions achieved through the TVP tariffs.	M11823 Directive	Technical Session 1 (3 March 2025)	completed
Exploration of TVP revenue stability mechanisms	• TVP revenue stability will be explored using the structural and load shift revenue neutrality models and/or avoided cost models. • Provide an assessment of revenue impacts and potential tools available to address as required (e.g. enrolment targets, rate design scorecard).	2024 Consensus Agreement	Technical Session 1 (3 March 2025)	completed
Review of accessibility as applicable to vulnerable customers (i.e. low-income)	• Examine the results of the Year 3 report as it relates to income and develop proposal to address gaps/opportunities, as appropriate • Assess potential impacts to vulnerable customers • Examination of challenges with more detailed income analyses (e.g. lack of control group)	2024 Consensus Agreement	Technical Session 1 (3 March 2025)	completed

[1] "M11822 Directive" refers to the 2024/25 TVP Application proceeding, "M11823 Directive/Commitment" refers to the 2023/24 (Year Three) Evaluation Report proceeding, "2024 Consensus Agreement" refers to the 2024 TVP Consensus Agreement as filed in M11822, and "M11621 Directive" refers to the Smart Grid Nova Scotia Final Report proceeding.

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2024/25 AREAS OF FOCUS WORK PLAN – PROGRESS UPDATE

Summary of Deliverable / Commitment	Detail & Context	Source[1]	Due by / Completed on	Status
	• In response to the Consumer Advocate's comments, NS Power will provide a summary of applicant characteristics (e.g. customer home type, primary heating source) for review and discussion re. barriers to accessing TVP Tariffs for renters v. homeowners			
Review of current metering and billing (Customer Information System) system capabilities	• Provide update on status of current metering and CIS system capabilities and future potential capabilities with system upgrade and plan to address in TVP strategy.	2024 Consensus Agreement	Technical Session 1 (3 March 2025)	completed
Evaluate the extent to which the demand charge acts as a barrier	It is important that NS Power evaluate the extent to which the demand charge acts as a barrier to TOU participation for other commercial and industrial customers and continue to evaluate non-demand TVP rate designs for General Service customers.	M11822 Directive	Technical Session 2 (7 April 2025)	completed
Assessment of demand charge impacts on General Service customers	Synapse believes that the demand charge is likely to be a barrier to TOU and CPP participation for other General Service customers beyond the MURB sector, and therefore it is imperative that NS Power evaluate demand charge modifications or alternatives for its TVP offerings to General Service customers.	M11822 Directive	Technical Session 2 (7 April 2025)	completed
Evaluate the level of costs that are truly driven by an individual's non-coincident demands	Synapse recommends that NS Power evaluate the level of costs that are truly driven by an individual's non-coincident demands (e.g., an individual customer's transformer), and only recover those costs through a non-coincident demand charge. All other demand-related costs should be recovered through either an on-peak volumetric charge or a demand charge that only applies during on-peak hours.	M11822 Directive	Technical Session 2 (7 April 2025)	completed
Undertake an analysis and model the changes in the demand charge for commercial customers	NS Power acknowledged that there may be a perceived risk of higher demand charges deterring commercial customers from participating in the TVP Pilot. NS Power agreed to undertake an analysis and model	M11823 Commitment	Technical Session 2 (7 April 2025)	completed

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shifting load from on-peak to off-peak	the changes in the demand charge for commercial customers shifting load from on-peak to off-peak.			
Additional income-based billing impacts	Provided in response to Synapse's comments on Technical Session 1	Technical Session 1 Comments	Technical Session 2 (7 April 2025)	completed
Small General and General CPP model results using 15 events + 3 hypothetical	Provided in response to Synapse's comments on Technical Session 1	Technical Session 1 Comments	Technical Session 2 (7 April 2025)	completed
Assessment the degree to which the TVP offering reflect avoided costs	The Areas of Focus list for 2024/2025 includes a "review of system planning related values as applicable to TVP… including avoided costs." Synapse agrees with the review of avoided costs, but recommends that the discussion also include an assessment of the degree to which the TVP offering reflect avoided costs, with the potential for modifications to the tariffs to ensure that they are cost-reflective.	M11822 Directive	Technical Session 3 (date to be determined)	postponed
Provide a draft weekend-inclusive TOU tariff to be reviewed by stakeholders in the upcoming engagement sessions then file the EM&V metrics when NS Power is prepared to add the new tariff	• Examination of alternative Domestic tariffs including a TOU structure with weekend peak/off-peak periods • NS Power agreed with Synapse's recommendation to examine a weekend-inclusive TOU tariff. The Board directs NS Power to provide a draft weekend-inclusive TOU tariff to be reviewed by stakeholders in the upcoming engagement sessions. NS Power will incorporate appropriate feedback from the stakeholders into the proposed weekend-inclusive TOU tariff and provide the metrics for the tariff's evaluation to the Board when NS Power is prepared to add the new tariff to the TVP Pilot Program.	2024 Consensus Agreement + M11823 Directive	Technical Session 3 (date to be determined)	postponed
Review of system planning related values as applicable to TVP	Review system planning related value applicable to TVP including: • Technologies that deliver load shifting • Update on the avoided cost analysis from 2023/24 (Year Three) Technical Sessions, how the avoided costs were applied to TVP, and	2024 Consensus Agreement	Technical Session 3 (date to be determined)	postponed

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Summary of Deliverable / Commitment	Detail & Context	Source[1]	Due by / Completed on	Status
	rate design scorecard to discuss the assessment of TVP cost reflectivity • Examine alignment of TVP pricing with avoided cost and determine implications for future TVP pricing • Review of ELCC as applied to TVP			
Review potential structure for seasonally adjusted default rate	In response to Synapse's comments, in the TVP 2024/25 Kick-off Session in November 2024, on what a potential structure for a seasonally adjusted default rate might look like. NS Power will provide a reference rate with only a seasonal adjustment. NS Power does not intend to pursue such a rate other then as an informational tool on seasonal impacts for stakeholders.	November 2024 (Kick-off Session) Comments	Technical Session 3 (date to be determined)	postponed
Discussion of new and/or revised tariffs enabling customers to have the option to charge from, and discharge to, the grid with behind-the-meter energy storage (including vehicle-to-grid) that is not integrated with generation	• Review the opportunities and restrictions with batteries today on current TVP rates and general demand rates when paired with consumption and develop recommendations to address, as appropriate. • Identify and evaluate additional potential use cases of behind-the-meter energy storage in the context of TVP pricing ratios (e.g. 2:1, 10:1) and net metering.	M11621 Directive	Technical Session 3 (date to be determined)	postponed
System peaking and TVP role	In response to the Energy Storage Canada comments, NS Power will: • Discuss why NS Power still views the winter evening peak to be the most likely and impactful time for a system peak moving forward. Variability in weather systems can affect timing of system peaks. This creates the potential for system peak to occur at other times such as the morning or weekend daily peaks.	Technical Session 1 Comments	Technical Session 3 (date to be determined)	postponed

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Summary of Deliverable / Commitment	Detail & Context	Source[1]	Due by / Completed on	Status
	• What role TVP can play in meeting load and reserve requirements. Both though demand side flexibility, as well as by reducing variability in daily load.			
Demand-related costs v. demand-related revenues, by class	Provided in response to Synapse's comments on Technical Session 2	Technical Session 2 Comments	Technical Session 3 (date to be determined)	postponed
Share the summary data for the segmentation model	Provided in response to the Consumer Advocate's and Synapse's comments on Technical Session 2	Technical Session 2 Comments	Technical Session 3 (date to be determined)	postponed
Where any standard load shapes exist for segments, please provide	Provided in response to Synapse's comments on Technical Session 2	Technical Session 2 Comments	Technical Session 3 (date to be determined)	postponed
Complete a performance assessment of the General Service Class customers then provide the outcomes first to stakeholders and then to the Board in the YR4 Report.	• The Year 3 Report notes that commercial customer enrollment in the TVP is low, making a robust evaluation of this customer group problematic. The Board directs NS Power to complete a performance assessment of the General Service Class customers, as described in Synapse's evidence, evaluating the extent that bills increase as they shift load from on-peak hours to off-peak hours. It is expected that this assessment will identify whether the demand charge increases the electricity bills for these participants. If the assessment finds that the demand charge results in higher bills to the commercial class customers shifting their load from on-peak to off-peak, NS Power is to assess removal of the demand charge, as well as any other changes, which could incentivize the participation of the commercial rate class customers in the TVP Program. • The Board directs NS Power to provide the outcome of this assessment and potential tariff changes to stakeholders during an engagement session and to the Board in the Year 4 Report.	M11823 Directive	Technical Session 3 (date to be determined) + 2024/25 (Year 4) Evaluation Report (date to be determined)	postponed

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	• The Board finds that if NS Power's assessment determines the demand charge is not a deterrent and/or the cause of lower commercial customer enrollment in the TVP, NS Power is directed to review and improve its customer engagement with commercial rate class customers and to revisit the incentive structure for the commercial TVP tariffs so that commercial operations and load shifting are not mutually exclusive.			
File YR4 Report	• Report on the Year Four findings no later than 31 Jul 2025 • File the annual Evaluation, Measurement and Verification (EM&V) report no later than 31 Jul 2025	M11822 Directive	2024/25 (Year 4) Evaluation Report (date to be determined)	postponed
Reporting back to stakeholders on changes that could be made to help customers determine whether they will benefit from TVP options	This report will be provided by NS Power and include the following: • Summary of the general load characteristics of small business customers that may enable a small business customer to shift load in response to TVP, CPP, or TOU rates. • Information on commercial/small business customer recruitment tele-marketing or on-site contact with the customer (including parent company staff), as may be necessary. NS Power does not currently collect complete SIC Code data for all customers. However, NS Power agrees that this type of information would be valuable and will explore analytical opportunities that could allow customers to be classified by business sector. NS Power will provide an update on these efforts in the report. • The recruitment tactics for contacting business customers for Years 4 and beyond have not yet been determined; however, should outcall be utilized, NS Power will provide the script.	2024 Consensus Agreement	Technical Session 2 (7 April 2025) + 2024/25 (Year 4) Evaluation Report (date to be determined)	completed + postponed
Provide an analysis of the correspondence of system	NS Power agreed with Synapse that system margin forecasts may be a better indicator of when to call a CPP event. The Board directs NS	M11823 Directive	2024/25 (Year 4) Evaluation Report	postponed

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Summary of Deliverable / Commitment	Detail & Context	Source[1]	Due by / Completed on	Status
margin forecasts and CPP events in the YR4 Report	Power to provide an analysis of the correspondence of system margin forecasts and CPP events in the Year 4 report, providing the days with a forecast of low system margin and the forecast system margin for the days when a CPP event was called.		(date to be determined)	
Report on the review of marketing and communication efforts and its planned changes in the Year 4 Report	Synapse recommended NS Power analyze the differences in satisfaction among the tariffs and demographics and find improvements in communication with customers, particularly about bill savings. NS Power indicated that there will be a review of marketing and communication efforts with stakeholders through the pricing innovation process. The Board believes it is important that NS Power adequately communicate with the Pilot participants to set their bill savings expectations appropriately to ensure the Pilot can maintain enrollment, produce high-quality results and protect the trust of NS Power customers. NS Power is directed to report on the review of its marketing and communication efforts and its planned changes, informed by stakeholders through the pricing innovation process, in the Year 4 Report.	M11823 Directive	2024/25 (Year 4) Evaluation Report (date to be determined)	postponed
Develop and provide an analysis of commercial class customer characteristics that have the capacity in the TVP to reduce load at peak periods	• Following the completion of the Year 4 pilot, NS Power will develop and provide to stakeholders an examination of the commercial class customer characteristics (load shape, magnitude, business type) that have demonstrated the capacity in the TVP pilot to reduce load during peak periods. Findings may enable targeted outreach to non-TVP pilot small business customers with similar characteristics, with the intent to improve enrolment and response to CPP and/or TOU peak periods • NS Power agreed with Synapse's recommendation to improve customer education and to continue collecting participant feedback. As part of the 2024/25 Areas of Focus, NS Power will develop and provide stakeholders with an analysis of commercial class customer	2024 Consensus Agreement + M11823 Commitment	2024/25 (Year 4) Evaluation Report (date to be determined)	postponed

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Summary of Deliverable / Commitment	Detail & Context	Source[1]	Due by / Completed on	Status
	characteristics that have the capacity in the TVP to reduce load at peak periods.			
Continue to file annual Evaluation Reports	• Maintain the established TVP Report and EM&V processes • File an annual EM&V report that will be prepared internally by NS Power	2024 Consensus Agreement	2024/25 (Year 4) Evaluation Report (date to be determined)	postponed
Conduct a MURB Industry Group Session	Session may include a discussion on the following: • Based on feedback received from MURB stakeholders, the parties acknowledge that incentives and rebates from third parties are expected to be required to support the adoption of TVP rates by MURB customers and the parties will support the development and introduction of such opportunities	2024 Consensus Agreement	2024/25 (Year 4) Evaluation Report (date to be determined)	postponed