



May 6, 2026

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

Re: M12524 - Concentric FERC Order 2023 Report - IESO Nova Scotia Reply

Dear Ms. Henwood:

On October 23, 2025, Nova Scotia Power Inc. (NS Power) filed the report *Interconnection Process Recommendations for the Nova Scotia Electricity System Following Review of FERC Order No. 2023* prepared by Concentric Energy Advisors (report) with the Nova Scotia Energy Board (NSEB, Board). On January 26, 2026, the NSEB directed the Independent Energy System Operation of Nova Scotia (IESO, IESO Nova Scotia) to "indicate whether it accepts the recommendations in Concentric's report and to outline a plan and timeline for implementing those that are."¹ On February 12, 2026, the IESO Nova Scotia complied with the Board's direction by way of a letter describing the IESO's position on various recommendations in the report. On April 7, 2026, the Nova Scotia Energy Board (NSEB, Board) established the following timeline regarding the above noted matter:

- April 22, 2026 - Comments from Interest Parties
- May 6, 2026 - Reply from IESO Nova Scotia

On April 22, 2026, the Small Business Advocate (SBA) and the Consumer Advocate (CA) provide comments. Please accept this letter as the IESO's reply to the SBA's and CA's comments.

Cluster Studies

The SBA provided the following comments with respect to the IESO's February 12, 2026 comments on cluster studies:

IESO-NS reserves the flexibility to conduct cluster studies for Interconnection Requests based on its professional judgement and may not meet the two cluster studies per year minimum. It is not clear whether this means that IESO may conduct as few as zero cluster studies in a year.²

¹ NSEB Letter re: M12524 - Concentric FERC Order 2023 Report - IESO Nova Scotia, January 26, 2026.

² SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.2.

The IESO provided the following in its submission: “...IESO Nova Scotia will endeavor to maintain a minimum of two cluster studies per year as recommended by Concentric, but recommends that it reserve the ability to conduct more cluster studies per year, and one-off studies, as the circumstances call for.”³ The intent of the IESO’s comments were to indicate that it is preferable that the IESO reserve the ability to conduct *more* than two cluster studies a year, not less, based on the number and nature of Interconnection Requests (IR) received in a study window. However, for further clarity, it is possible that cluster studies may not proceed in a given study window in the event that there are no Interconnection Requests (IRs) pending in the queue, or they are otherwise not eligible for clustering (i.e. IRs are submitted for disparate areas of the province).

Transmission Capacity Heat Map

The SBA provided the following comments with respect to the IESO’s February 12, 2026 comments on a transmission capacity heat map:

IESO-NS proposes to create “fit-for-purpose options” and providing this information “in the most cost effective manner”, but without defining what these options and manners are and without acknowledging that capacity heat maps have already been provided, as stated in NS Power’s Hosting Capacity Map: Stakeholder Workshop, M11626, April 17, 2025, or explaining why this ability is no longer available.⁴

The SBA suggested the NSEB require the IESO to do the following:

Explain why it is unable to provide a transition capacity heat map given that the ability to do so already exists and present a comparison of the previously available transmission capacity heat map to the one that it plans to improve upon.⁵

IESO Nova Scotia interprets the SBA’s reference to existing capacity heat maps as pertaining to Nova Scotia Power Incorporated’s (NS Power) distribution capacity heat map.⁶ This is not a transmission capacity heat map; for clarity, there has never been a transmission capacity heat map developed or published for the Nova Scotia transmission system. Accordingly, in the event the IESO deemed a transmission capacity heat map of measurable value, it would require the development of a bespoke technology solution under the IESO with corresponding costs. Therefore, consistent with the IESO’s February 12, 2026 comments, the IESO submits that there may be more timely and less costly solutions that provide transmission capacity information of sufficient value to Interconnection Customers, which it will consider in 2026.

Study Deposit Structure

The SBA provided the following comments with respect to the IESO’s February 12, 2026 comments on study deposit structure:

³ IESO NS Submission Re: M12524 - Concentric FERC Order 2023 Report - IESO Nova Scotia - Recommendations Plan and Timeline, and M12174 - Interconnection Processes Proceeding - Annual Report, February 12, 2026, p.3.

⁴ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.3.

⁵ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.3.

⁶ <https://nspi.maps.arcgis.com/apps/webappviewer/index.html?id=67d565f111fe4f1e82444321e1909846>

IESO-NS states, without providing any detail, that the cost of these studies have increased due to the complexity of EMT analysis required to integrate inverter-based resources and concludes that it may need to make appropriate revisions to the SGIP. Since the SGIP has already been approved in M10905 and reviewed by potential project developers, it is respectfully submitted that this conclusion would have benefited from prior stakeholder input.⁷

Concentrics' report provided the following regarding "Increased Study Deposits":

To prevent an inflow of speculative interconnection requests and alleviate the strain on transmission providers' resources, the Commission established a set of reforms in Order 2023 to **increase financial commitments and readiness requirements. Included in this set of reforms was an increased study deposit structure**, which was further refined in Order No. 2023-A. The initial study deposit, which the Commission requires customers to submit only once-upon entry into the cluster study - is calculated using a tiered approach based on the proposed MW size of the generating facility.¹⁹

...

The current study deposit structure in Nova Scotia is intended to promote queue discipline, deter speculative applications, and ensure that only serious projects advance through the interconnection process... In the future, if projects are observed bottlenecking the queue for speculation purposes and creating unreasonable interconnection request congestion, Nova Scotia may wish to further strengthen the readiness requirements such as creating milestone payments, introducing incremental withdrawal penalties, or establishing stricter site control requirements. Additionally, only projects that successfully complete all milestones in the Customer Engagement Window will enter the study phase.

Adopting the different study deposit thresholds required by Order 2023 could create unnecessary financial barriers for viable projects, particularly in a region where interconnection volumes do not justify a change. For these reasons, Concentric recommends that Nova Scotia not adopt the deposit framework prescribed by the Order. By maintaining existing practices in the province, transmission providers can continue to manage financial risk responsibly, support customer access, and ensure a fair and proportionate allocation of interconnection costs.⁸ [emphasis added]

Study deposit requirements are primarily intended to ensure that each Interconnection Customer appropriately pays for the costs associated with study of their IR.⁹ The reforms recommended in FERC Order 2023, are intended, as Concentric noted, to prevent speculative IRs, promote queue discipline, and ensure only serious projects advance. IESO Nova Scotia's

⁷ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.3.

⁸ Concentric Report: Interconnection Process Recommendations for the Nova Scotia Electricity System Following Review of FERC Order No. 2023 and August 2025 Stakeholder Workshop, October 23, 2025, p.8 - 9.

⁹ Refer to IESO NS 2026/27 Revenue Requirement application (M12663), January 20, 2026, page 30 and 31, Table 15 and lines 15 to 18, respectively.

related February 12, 2026 comments simply noted that “with the increased complexity of Electromagnetic Transient (EMT) analysis required to enable the reliable integration of high levels of inverter-based resources, study costs have increased.”¹⁰ It may therefore be appropriate, as part of a future review or proceeding, to review the currently approved study deposit amounts in order to ensure they continue to appropriately reflect the actual costs of interconnection studies at that time.

Penalty Structure

The SBA provided the following comments with respect to the IESO’s February 12, 2026 comments on penalty structure:

IESO-NS recognized that, as a transmission provider, it would be subject under existing rules to a penalty if it does not meet transmission study deadlines. IESO-NS takes exception to this liability because it is a not-for-profit organization and says that this recommendation should receive further consideration (but not others mentioned above). The SBA respectfully submits that this is an important issue and needs fulsome consideration in an expedient manner.¹¹

The CA provided the following:

The Consumer Advocate agrees with IESO NS’s concerns. Given IESO NS’s non-profit status, it is unclear how such a penalty would be paid without being subsidized by ratepayers. That is not to say that IESO NS should not be penalized for study delays, only that ratepayers should not be liable for such costs. The Consumer Advocate agrees that this issue requires further study.¹²

Consistent with IESO’s February 12, 2026 comments, it proposes to consider the penalty issue further as part of its broader consideration of SGIP amendments in 2026.

SGIP Amendments

With respect to the IESO’s proposed review of SGIP amendments and corresponding stakeholder engagement, the CA provided the following:

The Consumer Advocate agrees with this approach, and looks forward to participating in that process.¹³

The SBA provided the following:

The SBA reviewed the Report and the correspondence cited above and respectfully submits that IESO-NS’s failure to obtain stakeholder input with respect to the above-

¹⁰ IESO NS Submission Re: M12524 - Concentric FERC Order 2023 Report - IESO Nova Scotia - Recommendations Plan and Timeline, and M12174 - Interconnection Processes Proceeding - Annual Report, February 12, 2026, p.4.

¹¹ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.3.

¹² CA Submission re: M12524 - Nova Scotia Power Incorporated - Concentric FERC Order 2023 Report, April 22, 2026, p.2.

¹³ CA Submission re: M12524 - Nova Scotia Power Incorporated - Concentric FERC Order 2023 Report, April 22, 2026, p.3.

noted four recommendations, and its failure to file an annual report, is unsatisfactory.¹⁴

Relatedly the SBA suggested the NSEB require the IESO to do the following:

Propose specific dates in the near future for stakeholder workshops to review the Report's nine recommendations, its proposed exceptions to them and respond to feedback.¹⁵

In the IESO's February 12, 2026 comments, it provided the following regarding pending amendments to the SGIP:

IESO Nova Scotia intends to consult stakeholders on proposed revisions to the SGIP, and any relevant interconnection technical documents and processes, prior to submission to the NSEB for review. IESO Nova Scotia foresees this occurring alongside, or subsequent to and informed by, any Board initiated process to seek comments about Concentric's report and recommendations from participants in Matters M10905 and M12174 as noted in the Board's letter of December 23, 2025. Accordingly, IESO Nova Scotia will carry out consideration of potential revisions, implement revisions, consult stakeholders on proposed revisions throughout 2026, with a target submission date to the Board by end of December 2026, with the understanding that if submission to the NSEB can be made sooner, IESO Nova Scotia will do so.

Development and completion of information tracking systems are expected on a similar timeline, as well as consideration of alternatives to a transmission heat map.

Until the SGIP is revised and approved by the NSEB, to formally establish IESO Nova Scotia and NS Power's respective responsibilities for the administration of various interconnection processes, both parties are working to codify a more immediate interim solution for administration with respect to the SGIP and respective GIAs, all in accordance with the current Board approved SGIP. IESO Nova Scotia expects that this agreement will be finalized and entered into in Q1 2026.¹⁶

With respect, the IESO does not believe there was a failure to consult stakeholders regarding its recommendations. In this case, the IESO merely responded to the NSEB's direction within the timeline prescribed, and deferred to further discussion as part of a broader SGIP revision stakeholder engagement process. The IESO looks forward to engaging stakeholders on future SGIP revisions and proposes to begin consultations in Q2 2026/27 (July - September), with specific dates to follow as suggested by the SBA.

Likewise, the IESO does not believe there was a failure to report on interconnection related matters given the timing of its comments as requested by the NSEB and the Board's February

¹⁴ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.3.

¹⁵ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.3.

¹⁶ IESO NS Submission Re: M12524 - Concentric FERC Order 2023 Report - IESO Nova Scotia - Recommendations Plan and Timeline, and M12174 - Interconnection Processes Proceeding - Annual Report, February 12, 2026, p.5-6.

8, 2026 approval of the most recently updated SGIP, narrowing the number of issues to be considered under the Board's interconnection processes proceeding; any interconnection processes report provided by the IESO would have pertained only to the FERC Order 2023 report recommendations, and therefore duplicative of its comments in its February 12, 2026 letter.

With respect to an interim agreement with NSPI regarding the administration of various SGIP related processes, the CA provided the following:

Further, IESO NS states that until the SGIP is revised and approved by the NSEB, "to formally establish IESO Nova Scotia and NS Power's respective responsibilities for the administration of various interconnection processes, both parties are working to codify a more immediate interim solution for administration with respect to the SGIP and respective GIAs, all in accordance with the current Board approved SGIP. IESO Nova Scotia expects that this agreement will be finalized and entered into in Q1 2026."

The Consumer Advocate requests that IESO NS provide a status update, and confirmation as to whether the agreement has been finalized.¹⁷

The SBA provided the following:

As far as the Small Business Advocate (SBA) is aware, that agreement, which was expected to be entered into by this point, has not been filed by IESO-NS.¹⁸

IESO Nova Scotia is in the process of finalizing the agreement with NSPI and expects it will be complete and entered into in May 2026.

Additional Costs

Regarding the potential of additional costs associated with IESO Nova Scotia's recommendations, the SBA provided the following:

IESO-NS's letter did not address how much it would cost to address and implement the recommendations from the Report, or whether the cost was included in IESO's proposed 2026/2027 Revenue Requirement Application.¹⁹

Relatedly, the SBA suggested the NSEB require the IESO to do the following:

Provide confirmation whether the additional costs relating to the implementation of the Recommendations are already included in its 2026/2027 Revenue Requirements and, if not, provide an estimate of the cost increase.²⁰

The IESO confirms that there are no additional costs associated with its FERC Order 2023-related recommendations, and therefore none were contemplated or included in its 2026/27 Revenue

¹⁷ CA Submission re: M12524 - Nova Scotia Power Incorporated - Concentric FERC Order 2023 Report, April 22, 2026, p.3.

¹⁸ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.2.

¹⁹ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.2.

²⁰ SBA Submission re: M12524 - Nova Scotia Power Inc., Concentric FERC Order 2023 Report, April 22, 2026, p.3.

Requirement application. In the event the IESO determines that a transmission heat map is of cost-effective value to ICs, there would be associated costs, but no decision has been made to pursue such a project at this point in time.

IESO Nova Scotia trusts the foregoing clarifications addresses the issues raised by the SBA and CA.

Kind regards,

A handwritten signature in blue ink, consisting of a series of loops and a final upward stroke.

Mark Peachey
Director, Regulatory Affairs
IESO Nova Scotia