

July 28, 2026

mark.peachey@ieso-ns.ca

Mark Peachey
Director, Regulatory Affairs
IESO Nova Scotia
1791 Barrington Street, Suite 1010
Halifax, NS B3J 3K9

Dear Mr. Peachey:

M12524 – Nova Scotia Power Incorporated – Concentric FERC Order 2023 Report

On October 23, 2025, Nova Scotia Power Inc. (NS Power) filed a report prepared by Concentric Energy Advisors about its review of FERC Order 2023 and recommendations regarding transmission system interconnection processes for Nova Scotia.

The Board panel considering this matter is Stephen T. McGrath, K.C., Chair; Roland A. Deveau, K.C., Vice Chair; and Steven M. Murphy, MBA, P.Eng., Member. This matter was conducted by way of a paper hearing process, with written submissions completed on May 6, 2026.

In a letter dated January 19, 2026, in response to a request from the Board, the Nova Scotia Independent Energy System Operator (IESO NS) stated it had discussed the matter with NS Power and the IESO confirmed that consideration of FERC Order 2023 pertained primarily to transmission interconnection processes. Accordingly, it agreed the consideration of Concentric's report was primarily the responsibility of IESO NS going forward, and that it was the appropriate party to respond to the Board's requests about whether Concentric's recommendations were formally accepted and to outline a plan and timeline for implementing those that are.

In a letter dated February 12, 2026, IESO NS stated that it accepted most of Concentric's recommendations. However, it noted that revisions to the interconnection documentation and processes, including the Standard Generation Interconnection Procedures (SGIP), may be needed and certain recommendations may require some effort to be fully implemented. A listing of Concentric's recommendations and IESO NS's views on the requirements to address them were provided in the following table:

Recommendation	Requirements
Two Cluster Studies Per Year	Will require amendments to the SGIP and corresponding NSEB approval.
System Upgrade Cost Allocation	
Cluster Study Cost Allocation	
ISO Penalty Structure	Will require further consideration, amendments to the SGIP, and corresponding NSEB approval.
Study Deposit Structure	
Transmission Heat Map	Will require further consideration and solution proposed by IESO Nova Scotia.
Information Tracking Systems	Development of appropriate information tracking systems is underway.

IESO NS stated that it intends to consult with stakeholders throughout 2026 on proposed revisions to the SGIP and that it is targeting submission to the Board by the end of December 2026. In addition, IESO NS noted that prior to approval of a revised SGIP, an interim agreement is required with NS Power to formally establish respective responsibilities for the administration of various interconnection processes. IESO NS expected that agreement to be in place during Q1 2026.

Comments from the Consumer Advocate (CA) and the Small Business Advocate (SBA) were filed on April 22, 2026.

The CA submitted comments on the following issues:

- Concentric recommended adoption of the penalty structure established under FERC Order 2023 for delays in processing interconnection studies. IESO NS noted that recommendation appeared to be ill-suited at this time because it is a not-for-profit organization. It proposed further consideration of that issue during the 2026 review of SGIP revisions. The CA questioned how such a penalty would be paid without being subsidized by ratepayers and agreed that the issue required further study.
- Concentric recommended implementing a proportional impact approach to system network upgrade cost allocation while allocating substation network upgrade costs on a per capita basis for associated interconnecting customers. The CA referred to NS Power's concern about balancing the interests of all customers and ensuring that only costs that can reasonably be shown to have some broader system and customer benefit are included in rate base.
- Regarding revisions to the SGIP, the CA agreed with IESO NS's approach to consult stakeholders prior to submitting proposed revisions for Board approval and looks forward to participating in that process.
- The CA also requested an update on IESO NS's expectation that an interim agreement between IESO NS and NS Power about respective responsibilities for administration of various interconnection processes would be finalized in Q1 2026.

In its filing, the SBA provided comments on four of the Concentric recommendations (cluster studies, transmission capacity heat map, study deposit structure, and penalty structure) that IESO NS indicated it would only implement with exceptions. The SBA noted that the IESO did not provide a specific date for implementation of any of the accepted Concentric recommendations, did not indicate how much it would cost to address and implement the report recommendations, and has not filed the IESO NS-NS Power interim interconnections administration agreement.



The SBA submitted that IESO NS should be required to address the following issues:

1. Confirm whether the additional costs relating to the implementation of the recommendations are already included in its 2026/2027 Revenue Requirement and, if not, provide an estimate of the cost increase.
2. Explain why it is unable to provide a transmission 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.
3. 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.

The SBA also noted the importance of the penalty structure issue and the need for a fulsome consideration in an expedient manner.

On May 6, 2026, IESO NS responded to the comments from the CA and the SBA:

- Regarding cluster studies, IESO NS clarified its intent to “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”. It also noted that cluster studies might not proceed if no requests are pending in the queue or they are otherwise not eligible for clustering (i.e., they are submitted for disparate areas of the province).
- In addressing the transmission capacity heat map issue, IESO NS stated that NS Power’s hosting capacity map was focused on the distribution system, not the transmission system. It also submitted that consideration will be given in 2026 to more timely and less costly solutions to provide transmission capacity information instead of by a heat map.
- On the study deposit issue, IESO NS noted that the reforms recommended in FERC Order 2023 are intended to “prevent speculative [interconnection requests], promote queue discipline, and ensure only serious projects advance”. It also stated that currently approved study deposit amounts may need to be reviewed since they may not be appropriately reflecting actual costs of interconnection studies associated with the complexity of Electromagnetic Transient analysis.
- Regarding the penalty structure issue, IESO NS proposed further consideration of that issue as part of its broader consideration of SGIP amendments in 2026. It also stated that the broader stakeholder consultation will begin during the July to September time period, “with specific dates to follow as suggested by the SBA”. The amended SGIP target submission date to the Board is the end of December 2026.
- Regarding an interim agreement with NS Power about the administration of various SGIP related processes, IESO NS stated that it is in the process of finalizing the agreement and expects it will be complete and entered into in May 2026.
- In responding to potential additional costs to implement recommendations related to FERC Order 2023, the IESO confirmed there are no additional costs and none were included in its 2026/27 revenue requirement application.

The Board takes note of IESO NS’s target date of December 31, 2026, to file an application for approval of various revisions to the SGIP, which includes several cost issues. Although IESO NS stated its expectation that the interim agreement on administration of



interconnection issues will be in place in May 2026, the Board has not received that agreement. Furthermore, although the stakeholder consultation on the SGIP and costing issues is proposed to begin in the July to September time period, the Board is not aware of any timeline or scheduled sessions. IESO NS is directed to file an update **by August 14, 2026**, which provides a timeline for the SGIP revision process leading up to the December application and to advise on the current status of the interim interconnections administration agreement with NS Power.

Yours very truly,

Lisa Wallace

for Crystal Henwood
Clerk of the Board

- c. William L. Mahody, K.C., Board Counsel
M10905 and M12174 Participants
Interested Parties, Electricity Mandate

