

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: *The Public Utilities Act, R.S.N.S. 1989, c. 380*

-and -

IN THE MATTER OF: NOVA SCOTIA POWER'S APPLICATION FOR 2026 ANNUALLY
ADJUSTED RATES (AAR)

INFORMATION REQUESTS

To: **Michael Willett**
Director Regulatory Finance
c/o Nova Scotia Power Inc.
1223 Lower Water St.
PO Box 910
Halifax, NS B3J 3S8

From: Nova Scotia Consumer Advocate

Responses Due: **December 22, 2025**

Copies: 1 electronic copy (PDF searchable)

Contact Person: David Roberts
Pink Larkin
Consumer Advocate
Phone: (902) 423-7777
Email: droberts@pinklarkin.com

Issued at Halifax, Nova Scotia, this 1st day of December 2025.

1 **Request IR-1:**

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3 In Appendix J (p. 2), is the paragraph beginning with the words “As a result” a quotation, as
4 suggested by the formatting? If so, please provide the source.
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6 **Request IR-2:**

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8 Please explain whether the energy served for the GRLF, Shore Power, BUTU, Spill, and
9 Energy Balancing Service rates is included in the load forecast used for system planning
10 purposes and, if so, on what basis the peak demand for each rate is also included in the load
11 forecast.
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13 **Request IR-3:**

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15 In its letter of January 31, 2025, NS Power stated that it would “prepare a proposal outlining
16 the change in methodology for the calculation of the FCA component of 1P-RTP Tariffs for
17 distribution to stakeholders in Q2 2025, for review at the first stakeholder session.”¹ Please
18 explain whether this occurred and, if not, why not.
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20 **Request IR-4:**

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22 In the 2025 AAR proceeding, NS Power stated that the impact of recent emissions standards
23 on the 1P-RTP tariff “will continue to adversely affect the methodology until system dispatch
24 is no longer tightly constrained by the SO2 emissions limit” and when “renewable energy
25 sources are added to the system it is expected that this ... issue will subside.”² In its letter to
26 intervenor, NS Power wrote, “The growing complexity of the air emission market makes the
27 continued application of the current avoided fuel cost methodology increasingly difficult, it
28 leads to volatile results, and therefore is unreliable.”³

29 (a) Please explain whether it is still NS Power’s position that the SO2 emissions limit will
30 not be an issue for the design of the 1P-RTP Tariff after renewable energy sources are
31 added to the system. Please address this question specifically without relation to the
32 second reason for NS Power’s proposed departure from the use of avoided fuel costs
33 under the 1P-RTP Tariff.

34 (b) NS Power further stated, “An argument can be made that the system composition would
35 look different if the system resources mix was developed for the lower load case
36 resulting from the load decrement analysis. Therefore, the present system configuration
37 may not realistically simulate the load decrement case.”⁴ Considering the
38 circumstances anticipated for 2026, please identify how the system composition might
39 differ if the load served under the 1P-RTP Tariff was not present on NS Power’s
40 system.

¹ NS Power, Letter re: Update on Items Arising from 2024 and 2025 Annually Adjusted Rates Proceedings (January 31, 2025), Matter No. M11989.

² Exhibit N-2, Matter No. M11989, CA RIR-5(b).

³ Exhibit N-1, Appendix J, p. 2.

⁴ Exhibit N-1, Matter No. M11989, p. 17.

- 1 i. In your response, please specifically address the hypothesis that the marginal
2 system capacity for 2026 would be shifting Lingan 2 from cold reserve to full
3 retirement status.
- 4 ii. If your response to subpart (i) is that Lingan 2 represents the marginal system
5 capacity, please state whether removing the load served under the 1P-RTP
6 Tariff would be sufficient for NS Power to shift Lingan 2 from cold reserve to
7 full retirement status and, if so, provide the associated avoided costs.⁵
- 8 iii. If your response to subpart (i) is that some other unit capacity represents the
9 marginal system capacity for 2026, please identify that capacity and provide the
10 associated avoided costs.
- 11 iv. Please explain how the avoided costs referenced in your response are included
12 in the proposed 1P-RTP Tariff design. If no such avoided costs are included,
13 please confirm that your proposal assumes that the system resources mix that
14 would be developed for a lower load case resulting from the load decrement
15 analysis would not differ from the present system configuration. If not
16 confirmed, please explain.
- 17 (c) Please provide an alternate version of Appendix B2 using the SO2 adjustment method
18 approved for 2025 but otherwise retaining the same structure (removing the HV rate).
- 19 (d) Please summarize the total costs forecast to be recovered under the proposed 1P-RTP
20 and the alternate 1P-RTP (as provided in response to part (c) above) rates, and explain
21 any material differences in the total cost recovery.
- 22 (e) NS Power further states,
23 In view of the foregoing [referencing the SO2 emissions limit], NS Power has, in
24 this Application, eliminated the adjustment for the projected imbalance in the
25 recovery of the avoided fuel. Energy charges under these tariffs are proposed to be
26 based on hourly marginal costs, and the fixed cost adders are proposed to include
27 only non-fuel costs.⁶
- 28 And:
29 The fuel cost imbalance arises from employing hourly marginal costs, as opposed
30 to hourly average avoided fuel costs, in energy charges on customer bills. Since the
31 differential between hourly marginal and hourly avoided fuel costs can be volatile,
32 the projected annual fuel cost imbalance can vary and cause fluctuations in the
33 adders from one year to the next. As designed, the combined tariff components
34 collect the overall intended costs.⁷
- 35 i. Please confirm that the only justification specifically cited in the Application
36 for eliminating the “adjustment for the projected imbalance” is the SO2
37 emissions limit issue.
- 38 ii. Please explain any other reasons that NS Power has for eliminating the
39 “adjustment for the projected imbalance.”
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⁵ See Exhibit N-1, 2025 10-Year System Outlook, Matter No. M12386, p. 18.

⁶ Exhibit N-1, p. 20.

⁷ Exhibit N-1, Appendix J, p. 3.

1 **Request IR-5:**
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3 In its 2018 AAR application, NS Power stated that the “the marginal hourly costs of the next
4 MWh are determined by the incremental costs of the source of generation on the margin in
5 each hour.”⁸ In that same application, NS Power explained that changes in system demand can
6 “cause a coal unit to be shut off because it cannot run below its minimum stable level;”⁹ this
7 raises the topic of unit commitment costs. Please explain how each of the following 1P-RTP
8 Tariff designs collects unit commitment costs that result from the additional demand: (i) as
9 approved in the 2024 AAR decision; (ii) as approved in the 2025 AAR decision, and (iii) as
10 proposed in the 2026 AAR application.
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12 **Request IR-6:**
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14 In its decision on the 2025 AARs, the Board stated:

15 The Board agrees with Mr. Wilson that it is prudent to have a sensitivity analysis for
16 potential delayed wind resources in the 2026 AARs. In the 2025 ACE Plan M12012,
17 Appendix H lists several wind projects that are expected to go into service in 2025 and
18 2026. Given the circumstances, it is important to ensure that rates are set on reasonable
19 assumptions and are accurate. The Board seeks to understand how the AARs will be
20 affected if some, or all, of these resources miss their target in-service dates. The Board
21 considers that NS Power is in the best position to identify realistic scenarios for sensitivity
22 analyses. NS Power is directed, in the 2026 AAR application, to provide scenarios of delays
23 to wind resources scheduled to go into service in 2025 and 2026 and explain the
24 assumptions it applies in the sensitivity analyses.¹⁰

25 In its application, NS Power states that it “does not believe the ‘no new wind’ scenario to be
26 indicative of a plausible outcome for 2026.”¹¹

- 27 (a) Please explain why NS Power submitted a sensitivity analysis that it believes is not
28 “plausible” in response to a board directive to identify a “realistic” scenario.
29 (b) NS Power further states, “In addition, the forecast, as developed in Q3 2025, reflects
30 the latest available information reducing the likelihood of an alternate scenario from
31 the anticipated full operation planned 2026 wind sites.”
32 i. Please provide the Q3 2025 forecast for wind site operation.
33 ii. Please explain the difference between the forecast and the “anticipated full
34 operation” as suggested by the use of the phrase “alternate scenario.” If there is
35 no difference between these two points, please explain what is meant by “an
36 alternate scenario.”
37 (c) Please provide an alternate scenario that reflects a delay in some, but not all, wind
38 projects to 2027.
39 (d) Please explain whether NS Power views the Sensitivity 4 results as indicating a
40 material difference if it were used as the basis for rates. If the answer differs by rate,
41 please state your opinion by rate.
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⁸ Exhibit N-1, Matter No. M08383, p. 8.

⁹ Exhibit N-1, Matter No. M08383, p. 8.

¹⁰ NSUAR Decision, Matter No. M08383, p. 5-6.

¹¹ Exhibit N-1, Matter No. M08383, p. 13.

1 **Request IR-7:**
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3 Re: Application, p.14 and Confidential Appendix A7, identifying factors that cause actual
4 import volumes to vary from forecast.

- 5 (a) Please provide a list of the factors, including but not limited to those identified in
6 Confidential Appendix A7, that NS Power believes may have caused actual import
7 volumes to materially vary from forecast during the years identified in the Board
8 Decision (2021-2025).
9 (b) Please explain whether NS Power expects any of the factors listed in its response to
10 part (a) to drive variation in imports from the NB/ISONE market during 2026.
11 (c) Please state when the forecasts for the following factors that could affect import
12 volumes were developed, how the following factors were considered in those
13 forecasts, and note any material changes in NS Power's understanding of those
14 factors that have occurred since the forecasts were developed.
15 i. Availability of each energy product (e.g., NS Block, surplus) forecast for
16 delivery via the Maritime Link.
17 ii. Outages of any major generation units (e.g., NB or NLH units).
18 iii. Environmental regulations.
19 (d) Does the use of a historical average adequately account for material changes in the
20 factors discussed in parts (b) and (c)? If NS Power does not believe so, please provide
21 a sensitivity analysis that adequately accounts for such changes.
22 (e) Please provide a comparison of monthly forecast import volumes and monthly model
23 import limits for 2026.
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