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March 17, 2026

VIA WEB PORTAL

Crystal Henwood, Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Dear Ms. Henwood:

Re: M12588 - Nova Scotia Power Incorporated - CI C0053699 - Renewable to Retail Implementation - $5,644,468

Please accept the following submissions on behalf of the Consumer Advocate in respect of the above-noted matter.

Background

Nova Scotia Power Inc. ("NS Power") has applied for approval of its Renewable to Retail Implementation Project. The Renewable to Retail (RtR) program allows independent licensed retailers to sell renewable, low-impact electricity, generated in Nova Scotia, directly to NS Power's retail customers. As noted in the Application:

> A key tenet of the RtR program is that LRSs and their customers are responsible for all setup and operational costs related to the new market that would otherwise be the responsibility of NS Power and its customers. Cost recovery for capital expenditures and operating costs associated with the initial setup and ongoing operation will be recovered from LRSs through the applicable RtR tariffs. Accordingly, costs associated with the previous establishment of tariffs to facilitate the RTR market, leading up to the Board's 2016 decision will be included in and considered through a future Annually Adjusted Rates (the AAR) process starting in 2026 and continuing until full cost recovery has been achieved.[1]

[1] Application, N-1, p. 1

NS Power describes the project submitted for approval in the following terms:

> This project consists of the implementation of updates and enhancements to existing software solutions to enable customer billing; customer information management; metering; interval data collection and aggregation; tariff maintenance; reporting; settlement; and final reconciliation within the RtR market. The project also includes the development of new and enhanced business processes and procedures. The requirements of this project will impact several teams across NS Power and necessitate enhancements to technology solutions such as the Customer Information System (CIS) and Meter Data Management System (MDMS). These system and business changes will be made scalable to accommodate potential future growth in the RtR market, including the addition of other LRS as necessary.[2]

Submissions

The Consumer Advocate has reviewed the Application, as well as NS Power's responses to all Information Requests. The Consumer Advocate has also reviewed the Small Business Advocate's submissions, which were filed with the Board earlier today.

On review of the materials filed, the Consumer Advocate agrees with the comments provided by the Small Business Advocate, and in particular the Small Business Advocate's concern about cost recovery.

In this regard, the Application indicates a variance of $581,816 due to "increased Administrative Overheads and the requirement to ramp up resources a second time to accommodate extended project timelines to align with the LRS' revised COD dates and to a lesser extent, an increase in technical requirements for data integration of forecasted generation data as well as additional testing complexity that was previously not considered."[3] In response to an Information Request provided by the Small Business Advocate, NS Power stated that "the Reason for Variance would have been clearer if it was worded "the increase is due to the requirement to ramp up resources a second time to accommodate the COD date change, and associated Administrative Overhead and AFUDC."[4] NS Power further noted that "Regular Labour, Term Labour, Consulting, Administrative Overhead and AFUDC would have seen increased costs due to the COD date change."[5]

Based on the information provided, it would appear as though the LRS is primarily if not solely responsible for the variance in costs. The Consumer Advocate acknowledges that the intention remains for market participants to fully bear the costs of the program and its implementation. Accordingly, and if all goes to plan, domestic customers should not be responsible to pay these costs. However, the Consumer Advocate remains concerned about what could occur if the LRS is

[2] Application, N-1, p. 1
[3] Application, N-1, p. 2-3
[4] N-5, IR-1 (SBA)
[5] N-5, IR-1 (SBA)

unsuccessful, and NS Power is unable to recover these costs from market participants through rates. This concern is especially pronounced where those costs are directly caused by actions taken or not taken by the LRS, as would be the case for those costs resulting from the LRS changing its Commercial Operation Dates or COD.

The Consumer Advocate respectfully submits that this issue should be considered by the Board in determining whether to approve the Application as filed.

The Consumer Advocate thanks the Board for the opportunity to participate in this matter and provide these submissions.

Yours truly,

PINK LARKIN

David Roberts, on behalf of
Consumer Advocate
DJR/aw