

April 29, 2026

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

**Re: M12661 Extra Large Industrial Dispatchable (ELID) Tariff – Technical Conference
Materials and Revised Attachment to IG IR-20**

Dear Ms. Henwood:

On April 24, 2026, Nova Scotia Power (NS Power, Company) filed correspondence to notify the Nova Scotia Energy Board (NSEB, Board) of NS Power's and Port Hawkesbury Paper's (PHP) agreement to conduct a Technical Conference (April 29, 2026) and, to accommodate this session, suggested the filing deadline for Intervenor and Board Counsel Consultant Evidence be extended. The Board granted the Company's extension request and established a new filing deadline (May 8, 2026) for Evidence from parties.

NS Power committed to promptly filing the materials from the April 29 Technical Conference with the NSEB for inclusion on the evidentiary record in this proceeding. The Technical Conference presentation, prepared by NS Power, is provided as Attachment 1 to this correspondence. The presentation reflects NS Power's perspective on the questions raised. It is understood that there remain issues with which PHP does not agree with NS Power's position.

In preparing for the Technical Conference, the Company noted that the example provided in the Attachment to IG IR-20 required correction.¹ NS Power provided a revised attachment to parties in advance of the Technical Conference and has included IG IR-20, as filed on April 10,

¹ As detailed on slide 5 of the Technical Conference presentation (Attachment 1), the example provided in IG IR-20 required correction as the PHP flat load (CBL) did not align with the ADC shape. This created a larger difference in cost from an optimized run vs a flat load profile.

April 29, 2026
C. Henwood

2026, and the revised attachment to IG IR-20 as Attachment 2 to this correspondence.

Yours truly,

A handwritten signature in blue ink, appearing to read 'KM', with a stylized flourish at the end.

Karynne Munroe
Manager, Regulatory Affairs

A photograph of several wind turbines against a clear blue sky. The turbines are white and have three blades each. They are arranged in a line, with the closest one being the most prominent. The image is used as a background for the title slide.

M12661 Extra Large Industrial Dispatchable (ELID) Tariff Application – Technical Conference

April 29, 2026

Purpose

- Review and discuss NS Power's responses to additional questions provided by the Industrial Group's (IG) Consultant (Bowman), the Consumer Advocate (CA), and the Small Business Advocate (SBA)
- Following the Technical Conference, NS Power will file a copy of these materials for inclusion on the evidentiary record under M12661 (ELID Tariff Application)

Responses to IG Consultant (Bowman) Questions – 1 of 4

Question	NS Power Response	Please also refer to
In respect of the DR (previously ADC), the Tariff (page 8 of Attachment 1 to N-1) indicates: “NS Power will be able to actively manage the Customer’s load in accordance with the terms and conditions to be set out in an Operating Procedure”. However, the full rights provided by “actively manage” are somewhat unclear. - Ignoring the IR, does NSP’s power to actively manage arise only through economic signals (i.e., can PHP ignore DR price signals and operate how they want without restriction, but at a net cost to their DR credit)? Or can NSP force PHP consumption profiles under the DR? - If NSP retains the power to set dispatch under DR, why isn’t PHP dispatched to the lowest Operating Mode intrahour when system issues occur (per the Draft Tariff, Part B clause 5) as a tool already retained to NSP, negating the need for a separate Interruptible Rider for PHP? - If NSP does not retain this power, why doesn’t the tariff require NSP be granted this ability?	• Yes, under the DR PHP can “ignore DR price signals and operate how they want without restriction, but at a net cost to their DR credit.” NS Power cannot “force PHP consumption profiles under the DR.” • In general, “when system issues occur,” system costs will be high, and PHP is expected to be operating at lower levels. However, on occasion there are likely to be business reasons why PHP will determine it is beneficial to PHP to continue to run at higher volumes and forego the cost saving opportunity. It is this situation that may require NS Power to invoke the provisions of the Interruptible Rider. Given the long-established processes applicable to interruptible large industrial customers, including PHP, it is not necessary to duplicate the Interruptible Rider provisions in the DR.	• BW IR-9 part (d) • Synapse IR-14 • Synapse IR-16 • IG IR-15

Responses to IG Consultant (Bowman) Questions – 2 of 4

Question	NS Power Response	Please also refer to
2. The PHP related savings from optimizing load are indicated to be already included in the COS from the GRA. NSP indicates this means that there is an extra charge for any 2026 DR pending through FAM that isn't in rates yet (other customers got benefit of PHP optimized load but not yet faced costs of this). - If PHP didn't optimize (or only partially optimize, and not as much as anticipated), then there would be no extra "pay PHP" charge in FAM, but where would the extra costs go?	• In circumstances where PHP "didn't optimize (or only partially optimize," the cost of serving the NS Power customer base will increase but the credit earned by PHP would decrease by an equal and offsetting amount. • For the 2026 and 2027 test years, because the credit to PHP is not included in the Fuel Cost, the sub-optimization would result in increased FAM costs. It is important to note this effect is limited to the DR credit. ELID Tariff energy and demand charges continue to be based on embedded costs.	• IG IR-18 • IG IR-20
3. NSPI (Synapse) RI-14(e) indicates: "The DR is calculated against a Customer Baseline Load (CBL), high-load factor profile to calculate the benefit of load shifting." However, BW-PHP-2 indicates: "The market for power is somewhat seasonal with winter and summer months having generally less demand than spring and fall. PHP's energy demand corresponds to this seasonal variance." - Why is the CBL developed based on the premise of a high load factor annual load, and all savings as compared to this load accrue to PHP, when the default PHP load would naturally be seasonally skewed towards lower cost seasons, absent ADC.	• The CBL reflects a generally optimal annual load profile from, both an Above-the-Line Tariff and operational perspectives. While it is understood that achievement of this profile would be subject to market and operational drivers, it is expected that, absent the DR opportunity, PHP would be incented to achieve the high load factor across months and throughout the year.	• BW IR-9 parts (f, g) • IG IR-27 part (b)

Responses to IG Consultant (Bowman) Questions – 3 of 4

Question	NS Power Response	Please also refer to
4. NSPI(IG) IR-27(b) indicates: “Any attempt to more precisely quantify monthly benefits before the annual load is known and the PortOps modeling process is completed would be inaccurate, could lead to confusion, and could be perceived as a lack of transparency. NS Power therefore believes that interim monthly metrics based on deviations from optimal dispatch represent the most transparent and accurate indicator of demand shifting performance until full annual data is available and the associated processes can be completed to accurately quantify the load shifting benefit.” a. If this is the case, how can the ELID rate be implemented part way through a year (e.g., mid-2026)? Doesn’t it have to apply to a full fiscal year to operate correctly and fairly, and avoid gaming?	For a partial year, assuming uptake of the ELID Tariff during 2026, the ELIADC Tariff would first need to be settled with its own ADC benefit per the ELIADC tariff. At that point for a partial year under the ELID Tariff: • The CBL would be constructed using PHP's actual energy consumption during the ELID service period • Outage days would be randomized across that same period • The comparison would be on an equivalent-energy basis for whatever period PHP was on ELID	• BW IR-9 part (g) • CA IR-8 • IG IR-1 part (a)

Responses to IG Consultant (Bowman) Questions – 4 of 4

Question	NS Power Response	Please also refer to
5. NSPI (IG)-20 shows a sample calculation for one day of how the DR would be calculated. But the example in question shows a case where PHP was forecast to use 3000, and instead consumed 2260, and the “difference” (presumably the DR credit available to PHP) is 129,000. But much of this “savings” is not due to PHP reshaping their load, but because PHP reduced their load. a. Under the new DR, what would be the CBL total energy – the original GRA forecast, or the actual. In other words, does the DR credit PHP with savings only from load shape, or also from overall load changes? (this IR appears to suggest the latter)	• The CBL will be developed based on actual load. NS Power load with the actual PHP load will be compared to the cost to serve the system load inclusive of the PHP load at the CBL. Overall load reduction will not be analysed, but rather how well PHP optimized their actual load compared to a CBL load shape assuming the same total amount of load for a year. • In preparing this response, the Company noted the example provided in IG IR-20 Attachment 1 required correction as the PHP flat load (CBL) did not align with the ADC shape. This created a larger difference in cost from an optimized run vs a flat load profile. NS Power has provided the revised Attachment in advance of this session and will file a revised IG IR-20 and Attachment along with its Technical Conference materials.	• BW IR-9 part (g) • Synapse IR-14 part (e) • IG IR-20
b. Also need to understand how FAM will address costs of Goose Harbour wind direct allocation – what are mechanics to ensure this is charged to PHP? Can an example of the mechanics be shown using this type of spreadsheet?	• In accordance with the PHP Sales Agreement, the cost of the wind farm energy will be passed directly through to PHP each month. Where wind farm energy exceeds PHP consumption, this will be recovered from PHP in a future month. • An example of this was filed as Synapse IR-17 Confidential Attachment 1.	• Synapse IR-17 • CA IR-7 • IG IR-17 part (f)

Responses to CA Questions and Topics – 1 of 3

Question	NS Power Response	Please also refer to
1. CA IR-4 response says Line losses between PHP mill and the Goose Harbour Lake Wind Farm are not considered in the netting of energy. When was this approach decided/approved? Who pays for line losses that will be incurred?	The commercial terms under which PPA Wind is credited against PHP consumption are established in the PHP Power Sales Agreement. The Power Purchase and Sales Agreements are established by the Minister of Energy in accordance with the Electricity Act (Act) and the Regulations under the Act.	- CA IR-4 - CA IR-7 - IG IR-17 part (f)
With respect to the topics, would like to explore more information on the following: 1. Consistency of the positions with the GRA settlement agreement. PHP finds its positions consistent with the agreement, whereas NSP does not.	NS Power's position on matters related to the PHP Tariff development and the Settlement Agreement is provided in the Application and IR responses.	- NSEB IR-6 - BW IR-3 part (d) - CA IR-1 - CA IR-9 - PHP IR-4

Responses to CA Questions and Topics – 2 of 3

Question	NS Power Response	Please also refer to
2. PHP Deferral in the context of ELIADC extension beyond 2026.	- At paragraph 353 of the Board GRA Decision, the following is provided: <i>“Further, any amounts to be transferred to the deferral account will be assessed against the various assumptions agreed to by the parties as inputs to the cost-of-service study applied in the GRA, as set out in sections (a) to (f) in the “PHP Treatment” section of the settlement agreement. As with all deferrals, any transfer to the deferral account is subject to review for prudence.”</i> - The Company anticipates that variances between the PHP Tariff assumptions included in the GRA and what actually unfolds will be eligible for inclusion in the PHP deferral, subject to the Board’s approval of a tariff applicable to PHP for 2026 or 2027 and subject to PHP’s subscription to the approved tariff. - It is understood recovery of these amounts will be subject to future approval by the Board and parties will have the opportunity to examine the Company’s deferral proposal in accordance with the Board’s established practice.	- NSEB IR-6 - CA IR-8 - IG IR-22

Responses to CA Questions and Topics – 3 of 3

Question	NS Power Response	Please also refer to
3. Appropriateness of the interruptible credit rate	NS Power’s position on matters related to the interruptible credit, in particular, as informed by the Settlement Agreement is provided in the Application and IR responses.	- SBA IR-2 - CA IR-1 - IG IR-31 - PHP IR-4
4. Use of total vs firm PHP demand in setting the tariff	NS Power’s position on matters related to “total vs firm PHP demand in setting the Tariff,” in particular, as informed by the Settlement Agreement is provided in the Application and IR responses.	- CA IR-9 - SBA IR-1
5. Appropriateness of the Dispatchable Rider	Other than the year-end value determination, the proposed ELID Tariff DR mirrors the existing Active Demand Control provision of the ELIADC Tariff which has been in place since 2020.	With respect to comparison between the DR and Interruptible Rider and the interplay between the two, please refer to: - NSEB IR-3 - BW IR-9 - Synapse IR-14 - IG IR-18

Responses to SBA Questions – 1 of 4

Question	NS Power Response	Please also refer to
I. Historical Load Questions: a) What specific governance or planning criteria does NS Power apply when using the 65MW 3CP demand determinant to assure that this value remains “reasonable” over time?	• NS Power has not developed a proposal for the methodology to apply beyond 2027 for the determination of the demand-related Cost of Service treatment applicable to the ELID Tariff. • It is the Company’s position that this has been determined for application for 2026 and 2027 through the Settlement Agreement. A proposal will be required for the next GRA, subject the Board’s approval of the ELID Tariff and PHP’s subscription to this tariff.	• SBA IR-1 part (c) • IG IR-5 part (c)
b) There is no formal mechanism to recalibrate the 3CP demand determinant in future GRAs. While the 65 MWs 3CP demand determinant is part of the settlement agreement, would NS Power consider establishing a standardized, formula based metric – such as a rolling multi year average – to provide stability and customer certainty going forward?	• Yes, if such an approach was determined to provide for a fair allocation of costs to PHP served under the proposed ELID Tariff.	• SBA IR-1 part (c) • IG IR-5 part (c)

Responses to SBA Questions – 2 of 4

Question	NS Power Response	Please also refer to
c) NS Power has indicated that when PHB is in operation minimum loads must be 15 MWs, yet the ELID tariff reflects 8 MW firm service. Since firm service is intended to reflect reliability under all relevant conditions, how does NS Power reconcile the use of 8 MWs?	- NS Power's position on matters related to PHP's firm load for the purposes of COS development, in particular, as informed by the Settlement Agreement, is provided in the Application and IR responses. - Absent the requirement to support biomass generator operations, PHP's load can be 8 MW or lower.	SBA IR-1 part (b)
d) NS Power has stated that transmission facilities serving PHP are planned to accommodate PHP under normal operating conditions. Would treating the ELID tariff value of 8 MWs for firm service, as PHP prescribed, introduce a disconnect between system planning and cost allocations, resulting in under allocation of costs to PHP?	Yes. This is NS Power's position.	- Synapse IR-16 - CA IR-9 - SBA IR-1 part (c)
e) NS Power confirmed PHP's flexibility is incorporated into its planning, i.e. at 65 MWs. Given this planning approach, does NS Power consider the 65 MWs value to be the most appropriate representation of PHP's contribution for embedded cost-based rate design purposes?	Please refer to SBA 1 (a-b) on slide 9.	- SBA IR-1 part (f) - IG IR-5 part (b)

Responses to SBA Questions – 3 of 4

Question	NS Power Response	Please also refer to
Governance Questions: a) While the pass-through nature DR (Dispatchable Rider) credit does make it cost neutral, retroactive audits do not substitute for clear procedures. Why has NS Power not provided greater transparency to the Board regarding DR operating protocols?	The Company has provided the draft DR operating protocols and confirmed they are expected to operate in accordance with that applicable under the ELIADC Tariff.	- IG IR-19 - IG IR-26 - IG IR-27
b) Given that some level of DR participation is reflected in system planning and expected FAM outcomes, to what extent are other customers implicitly relying on PHP's participation in the DR Rider? Should the tariff include performance expectations and consequences if PHP elects not to provide flexibility?	It is understood as service to the Company's largest load, with implications for total FAM costs, other customers will be interested in the operation of the DR and PHP's performance under it. However, because the DR construct has been developed such that other customers will be indifferent to PHP's performance under the DR Rider, performance metrics are not required and are likely to complicate the operation and administration of the tariff.	- NSEB IR-3 - BW IR-9 part (d) - IG IR-18

Responses to SBA Questions – 4 of 4

Question	NS Power Response	Please also refer to
Credits Questions a) The LIIR (Large Industrial Interruptible Rider) credit allocates the avoided capacity value based on forecasted non-coincident peak demand across the year, and NS Power has indicated that the interruptible characteristics of LIIR customers and PHP are similar. Please explain how NS Power views these two tariffs with interruptible credit riders as different or comparable?	• The LIIR class interruptible service credit is determined based on the class's forecast interruptible load at time of system peak. The pricing of the credit is based on the class's interruptible load billing across the year. • The Company's position is that for 2026 and 2027, the value of the credit has been established by the Settlement Agreement. For future GRAs, it is expected that the value of the ELID Tariff interruptible credit would be established in accordance with the LIIR methodology.	• CA IR-1 • SBA IR-1 part (j)
b) Priority interruptibility has never been exercised, yet the cost to all other rate payers is approximately \$500,000. Given that NS Power finds no benefit to the system or need for priority interruption, how does NS Power justify continued cost recovery from customers?	• The Company has not completed a comprehensive analysis of the potential value of PI service, the potential reliability benefits of PHP's dispatchable load or the associated cost recovery. Nor has the Company fully examined the implications of past related Board Decisions. In light of this and until this can be examined more thoroughly in the next GRA, the Company is proposing to retain the 10% PI credit value as modelled in the GRA.	• NSEB IR-2 • SBA IR-2 • IG IR-11 • IG IR-15

HE	Marginal Cost	PHP Optimized	PHP Optimized Cost	PHP Flat	PHP Flat Cost
1	\$50	155.0	\$7,750.00	124.1	\$6,207.18
2	\$50	155.0	\$7,750.00	124.1	\$6,207.18
3	\$50	155.0	\$7,750.00	124.1	\$6,207.18
4	\$50	155.0	\$7,750.00	124.1	\$6,207.18
5	\$50	155.0	\$7,750.00	124.1	\$6,207.18
6	\$50	155.0	\$7,750.00	124.1	\$6,207.18
7	\$150	110.0	\$16,500.00	124.1	\$18,621.54
8	\$150	60.0	\$9,000.00	124.1	\$18,621.54
9	\$150	100.0	\$15,000.00	124.1	\$18,621.54
10	\$150	100.0	\$15,000.00	124.1	\$18,621.54
11	\$150	100.0	\$15,000.00	124.1	\$18,621.54
12	\$150	100.0	\$15,000.00	124.1	\$18,621.54
13	\$150	155.0	\$23,250.00	124.1	\$18,621.54
14	\$150	155.0	\$23,250.00	124.1	\$18,621.54
15	\$150	155.0	\$23,250.00	124.1	\$18,621.54
16	\$150	155.0	\$23,250.00	124.1	\$18,621.54
17	\$150	155.0	\$23,250.00	124.1	\$18,621.54
18	\$150	110.0	\$16,500.00	124.1	\$18,621.54
19	\$150	60.0	\$9,000.00	124.1	\$18,621.54
20	\$150	60.0	\$9,000.00	124.1	\$18,621.54
21	\$150	60.0	\$9,000.00	124.1	\$18,621.54
22	\$150	104.4	\$15,666.99	124.1	\$18,621.54
23	\$50	155.0	\$7,750.00	124.1	\$6,207.18
24	\$50	155.0	\$7,750.00	124.1	\$6,207.18
	\$116.67	2,979	\$322,916.99	2,979	\$347,602.08
Difference			(24,685)		

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Request IR-20:

Reference: N-1, ELID Application, page 17.

In addition to [fixed cost recovery], the ELID tariff will affect fuel costs borne by other customer classes in two respects:

- (1) DR service will reduce total system costs; however, because (as proposed) the benefits of this will accrue to PHP, the net effect on customers will be neutral. Please note, the GRA as filed includes the assumed benefit of the DR service in the fuel budget but does not include compensation due to PHP (i.e. the DR credit). Subject to Board approval of the ELID Tariff, this will be addressed through the FAM.**
- (2) The incremental cost of serving PHP will affect the total cost of fuel borne by all ATL customers. When marginal costs are below average ATL classes will generally benefit by PHP ATL service at the embedded (i.e. average) cost of fuel. When marginal costs are above average, the reverse applies.**

[emphasis added]

Preamble: The above excerpt addresses the relationship between marginal and average fuel costs in general terms but does not address how the DR credit interacts with or is affected by variations in marginal costs.

(a) In relation to item (2) above, please explain, with quantified examples, how the described relationship between marginal and average fuel costs operates to affect PHP and other ATL customers (including the effects of the DR credit) in each of the following scenarios:

- (i) Marginal costs are generally above average across the system, but PHP shapes its ELID consumption to avoid higher marginal cost periods and consumes ELID energy only during periods when the marginal cost is below average.**

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- 1 (ii) **PHP operates at a high load factor for its combined ELID and SEA**
2 **consumption, but the SEA energy is consumed during the same hours in which**
3 **NSPI's other wind resources are generating — hours that coincide with very**
4 **little high-variable-cost fuel generation — while the ELID energy is served**
5 **predominantly from above-average marginal cost sources.**

6
7 Response IR-20:

8
9 (a)

- 10 (i) When marginal costs are above average costs, additional above-the-line (ATL)
11 customer load will add to the average fuel costs borne by all customers. As for all
12 ATL load, this is also the case for PHP's high load factor (i.e. levelized) load which
13 is what will be included in the FAM. With respect to the Dispatchable Rider (DR)
14 credit, this compensates PHP for optimizing its load compared to the assumed
15 levelized load, with net zero effect on the FAM. Please refer to NSEB IR-3 and IG
16 IR-18.

17
18 If "PHP shapes its ELID consumption to avoid higher marginal cost periods and
19 consumes ELID energy only during periods when the marginal cost is below
20 average" system fuel costs will be reduced compared to the assumed PHP high load
21 factor load and the DR credit to PHP will be increased in an equal and offsetting
22 amount.

23
24 Please refer to Attachment 1 for a hypothetical example of PHP optimized vs a high
25 load factor dispatch.

- 26
27 (ii) The DR credit will reflect a benefit to the extent PHP can shape its load
28 requirements to lower costing times and avoid higher cost hours. The Goose
29 Harbour Lake Wind Farm, including curtailed or Automated Generation Control

NSPI Responses to Industrial Group Information Requests

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1 (AGC) volumes will be included on PHP's bill as appropriate and PHP will be
2 billed at the above-the-line rate for the remaining energy volume. If PHP's demand
3 is such that it requires energy during these higher-variable-cost fuel generation
4 period, the DR credit will be reduced, PHP will still have wind credited on its bill,
5 but its net bill will be the same. FAM will absorb the difference, and it will be
6 apportioned to customers accordingly.

HE	Marginal Cost	PHP Optimized	PHP Optimized Cost	PHP Flat	PHP Flat Cost
1	\$50	155.0	\$7,750.00	124.1	\$6,207.18
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