

NOVA SCOTIA ENERGY BOARD

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

-and-

IN THE MATTER OF: Nova Scotia Power Incorporated's Application for approval of an Extra Large Industrial Dispatchable Above-the-line applicable to Port Hawkesbury Paper

OPENING STATEMENT OF NOVA SCOTIA POWER

September 14, 2026

Nova Scotia Power is here before the Board in support of its Application for approval of the Extra Large Industrial Dispatchable, or ELID, Tariff applicable to Port Hawkesbury Paper.

This Application was filed on December 29, 2025. Over the last several months, parties have had an opportunity to test the proposal through written evidence, information requests, a technical conference requested by the Industrial Group, evidence from Board Counsel's consultant and intervenor consultants, further information requests, and reply evidence from both Nova Scotia Power and Port Hawkesbury Paper.

Equally important, this proceeding does not begin with the filing of the Application. The foundation for the proposed ELID tariff was established through the Cost of Service Study and the 2026-2027 General Rate Application (GRA) process. The treatment of Port Hawkesbury Paper as an Above-the-Line customer, the allocation methodologies reflected in the Cost of Service study, and the key assumptions underlying the tariff were presented through the GRA process which included stakeholder consultation, technical conferences, and negotiations involving Nova Scotia Power, Port Hawkesbury Paper, the Consumer Advocate, the Small Business Advocate, the Industrial Group, and Municipal Electric Utilities. The resulting Settlement Agreement reflected a broad consensus on the core parameters supporting an Above-the-Line tariff framework. The ELID tariff is therefore not a departure from the regulatory path established through the GRA. It is the logical implementation of that path.

In Nova Scotia Power's submission, the move from the existing ELIADC Tariff to an Above-the-Line structure delivers meaningful benefits to both Port Hawkesbury Paper and other customers.

First, it provides enhanced cost certainty and predictability. Unlike the existing below-the-line framework, the ELID Tariff places PHP within the same embedded-cost framework that applies to other Above-the-Line customers. Costs are allocated using established Cost of Service methodologies, and the Customer Baseline (CBL) provides a transparent reference point against which dispatchability benefits can be measured. This approach offers greater certainty regarding cost allocation and recovery while enabling PHP's contribution toward the embedded costs of the system.

Second, the ELID Tariff creates regulatory and administrative efficiencies. Rather than relying on a separate and complex tariff construct, PHP becomes part of established Above-the-Line mechanisms, including the Fuel Adjustment Mechanism. The tariff utilizes processes, methodologies, and review mechanisms already familiar to the Board and stakeholders. The proposed dispatchability calculations rely on the same production-cost modelling tools, methodologies, and oversight processes already used elsewhere within NS Power's operations and regulatory framework. Any impact to the FAM remains subject to the established audit and review processes.

Third, the ELID Tariff enhances overall system planning and risk management. Incorporating PHP within the Above-the-Line and FAM framework allows NS Power to manage supply costs, forecasting, and portfolio risk in a fully integrated fashion. It aligns PHP with the Fuel Stability Plan (hedging) and broader Energy Risk Management practices that are designed to benefit all customers through greater cost stability and reduced exposure to energy market volatility. Given the existing Power Purchase Agreement and Power Sales Agreement arrangements associated with supply from the Goose Harbour Lake Wind Farm, the proposed ATL framework represents the most coherent and practical long-term tariff structure.

Fourth, and perhaps most importantly, the ELID Tariff preserves valuable operational flexibility for the electric system. As Nova Scotia continues its transition toward a system with increasing levels of renewable generation, demand-side flexibility becomes increasingly important.

Throughout this proceeding, parties and consultants have proposed various refinements to elements of the Tariff. Nova Scotia Power has carefully considered those recommendations and has responded through evidence and information request responses. The Board has before it a substantial record demonstrating both the rationale for the tariff and the customer impacts associated with alternative assumptions and methodologies.

At its core, this proceeding is about ensuring that PHP's transition to an Above-the-Line tariff appropriately recognizes the value of dispatchable load, maintains priority interruptible service by PHP, accommodates the Goose Harbour Lake Wind power purchase and sales agreements, and advances the interests of the broader customer base.

Nova Scotia Power submits that the proposed ELID Tariff achieves those objectives. It reflects the work of the Cost of Service proceeding and the General Rate Application Settlement, provides a practical and administratively efficient framework for the future, and equips the utility with tools that will become increasingly important as the province's electricity system continues to evolve.

Those are the reasons the Company respectfully requests that the Board approve the Application.

Thank you for the opportunity to share this Opening Statement.