BEFORE THE NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF:	The *More Access to Energy Act, 1998,* SNS 2024, c 2, Sch B, (the "Act")
	- and -
IN THE MATTER OF:	an application by the Nova Scotia Independent Energy System Operator for approval of its proposed expenditure and revenue requirements for the test year ending March 31, 2027.

OPENING STATEMENT

OF

THE SMALL BUSINESS ADVOCATE

Mr. Chair and Board members, please accept this opening statement on behalf of the Small Business Advocate (SBA).

The Nova Scotia Independent Energy System Operator (IESO-NS) was created in October 2024 and has been active, first through a Board of Directors (appointed in February 2025) and then through the hiring of various staff, starting in the summer of 2025.

IESO-NS has filed 2 Annual Applications for recovery of proposed expenditures and revenue requirements. The first was filed in August 2025 and included a request for the creation of an OM&A Deferral and Variance Account which was to account for, in addition to recording its approved forecast, any deviations between what was approved by this Board and what was ultimately spent by IESO-NS through the 2025-2026 fiscal year. IESO-NS stated in its application that the forecast was created using a bottom-up approach, noting that it had no historical or operational data. The Board approved the first application, covering the 2025-2026 fiscal year, including the creation of the OM&A Deferral and Variance Account, on February 25, 2026.

IESO-NS filed its second application, the 2026-2027 annual proposed expenditure and revenue requirement application on January 20, 2026 (the "Application").

Like the previous annual application, IESO-NS has requested a variance account to address any over or under collection and/or spending as compared to its Board approved revenue requirement, except that it has now asked the Board that the variance account be made permanent and to include additional cost categories including capital and procurement. It has also been renamed the Net OM&A Deferral and Variance Account.

The SBA understands that the creation of a new IESO-NS, where there has never been one before, requires a lot of work and includes a lot of moving parts. However, the rate classes that the SBA represents have the right to expect that the money that they will eventually have to pay for the work done by IESO-NS has been properly and fairly spent. There are several questions regarding the current debt owing to IESO-NS from ratepayers; how over/under spending will be addressed; and overall spending that remain outstanding and require clarification. There has also been much discussion over the past several years regarding concerns about the potential for duplication of effort between NS Power and IESO-NS, and it is essential that it is avoided as much as possible.

Another significant concern relates to the issue of ensuring that risks, relating to spending, procurement, and contracts, are properly assessed and assigned. Whereas with NS Power, rate classes could be assured that if there was a finding of imprudence by the Board, they would not bear the liability for that imprudence, the same has not been confirmed with respect to IESO-NS. This is a significant concern, especially with all of the upcoming changes anticipated as we move along the path to 2030.

The SBA looks forward to exploring these and other topics during this hearing. Thank you for the opportunity to submit this opening statement.

Dated at Bedford, Nova Scotia, this 10th day of June, 2026.

Melissa P. MacAdam
Small Business Advocate