M12663 - IESO Nova Scotia 2026/2027 Revenue Requirement and Fees Application
Opening Statement of IESO Nova Scotia
Provided by Johnny Johnston, CEO, IESO Nova Scotia
June 10, 2026

Introduction

Good morning, Chair and Members of the Board.

My name is Johnny Johnston, and I am the CEO of IESO Nova Scotia. On behalf of IESO Nova Scotia, I would like to thank the Board, Board staff, and all participating stakeholders for their time, diligence, and engagement in this proceeding. We recognize its importance, not only to the parties in this room, but to all Nova Scotians who depend on a reliable and affordable electricity system at this time of transition. We welcome the opportunity to be here today, and to continue to provide information about our 2026/2027 Revenue Requirement Application.

As the Board and intervenors will know, this proceeding is focused on the Board's assessment of IESO Nova Scotia's proposed 2026/2027 revenue requirement, based on the evidentiary record and within the statutory framework governing this Application. Our application is submitted to the Nova Scotia Energy Board under Section 29 of the *More Access to Energy Act*, which provides that the Energy Board may, as a result, either approve the revenue requirement or refer it back to IESO Nova Scotia for further consideration with the Energy Board's recommendations. My remarks this morning are intended to provide brief organizational context to assist the board in adjudicating the matter currently before it.

I'd like to start by briefly introducing myself, as this is my first time appearing before the Nova Scotia Energy Board. While I am new to Nova Scotia, I am not new to electricity systems and utility markets, having worked almost 30 years in the energy industry. I was born in Dundee in Scotland, and I am registered as a professional engineer in the U.K., as well as a Fellow of the Institute of Engineering and Technology. I started my career at the system operator in England and Wales, and was part of the project to extend their system operations to include the transmission system in Scotland, which was previously run by two independent transmission owners. I have had successively more senior roles in both the U.K. and North America, including being involved in setting up a new transmission planning organization working with a number of vertically integrated utilities and MISO — also known as the Midcontinent Independent System Operator — which operates across Manitoba and 15 U.S. states. I have worked with regulators in five different countries, including multiple U.S. states, and in my roles I have been accountable for utilities or generation assets in almost all of the Regional Transmission Operators or Independent System Operators in North America. In these roles, I have testified in regulatory proceedings in New York, Rhode Island, and Massachusetts. It is a pleasure to add Nova Scotia to this list today.

On the 18th of August 2025, I moved to this great province to take on the opportunity to lead the start-up of this new organization, IESO Nova Scotia — or the slightly more wordy Nova Scotia Independent Energy System Operator, as it was known at that time. I took the role as I believe in the independent system operator model and I was excited about the opportunity it provides for the

province — through the independence, optimization, competition, and transparency it brings to the energy sector here — and the potential it has to create real, tangible value for Nova Scotians in both the near and longer term.

Policy Context and Organizational Mandate

IESO Nova Scotia was established as a not-for-profit under the *More Access to Energy Act* in October 2024 to take on long-term system planning, new energy resource procurement, and transmission grid operations for the province, independent of governments, utilities, and independent power producers.

Our mandate under the *More Access to Energy Act* is critically important — to deliver a secure supply of electricity for the province, to enable the transition to renewable energy, and to do so at the best possible cost to Nova Scotians.

There is a real urgency to our mandate. Nova Scotia faces clear system pressures including growing electricity demand, a renewable energy transition with ambitious and important goals of phasing out coal and reaching 80% renewable electricity sales by 2030, and increasingly pressing energy supply reliability risks.

Reliability is a specific area of concern for IESO Nova Scotia. The latest long-term resource adequacy report from the North American Electric Reliability Corporation, or NERC, was published in January of this year, highlighting Nova Scotia's elevated electricity supply reliability risk. Nova Scotia was the only province to fail to meet the required resource adequacy needs in every year of NERC's analysis.

This has been further reinforced through the peak demand event, and very close call, we saw on the 23rd of January 2026, where the province was on the cusp of requiring rolling forced outages for residential customers because of insufficient firm generation capacity. In response to these challenges and urgency behind them, we have intentionally moved to stand up the organization and advance critical system planning and resource procurement work quickly. Making progress on these issues cannot wait — indeed, we will be launching our RFP for fast acting generation in the very near future.

The challenges don't stop there. We are in a time when energy affordability is front of mind for so many in our communities, and this further amplifies the importance and required thoughtfulness in our work. At IESO Nova Scotia, we keep electricity customers front of mind, in all we do. Every decision we make is through the lens of delivering value — making the best long-term decisions for the people of this province. In other words, all of our work is guided by a clear focus on serving the best interests of Nova Scotians.

We are still in the early stages of building an organization that can and will deliver on our important mandate — an organization that is guided by our carefully selected guiding behaviors of transparency, intentionality, collaboration, and curiosity.

IESO Nova Scotia's Board of Directors was appointed in February 2025, and as the organization's first employee, I was hired on the 18th of August 2025 — just 10 months ago.

Despite our short history, we have made substantial progress to enable the delivery of these critical tasks for the province. On the 1st of December 2025, we transitioned key system planning and interconnection responsibilities from Nova Scotia Power. To enable us to do this, we had to stand up

foundational governance, controls, and corporate functions, secure office space, secure short-term funding, hire key leadership resources, and begin building out the administrative and technical teams.

We entered into an agreement with New Brunswick Power for 100MW of fast-acting capacity from their new RIGS — or Renewables Integration Grid Security — facility, a project which was recently approved by the New Brunswick Energy and Utilities Board. This is a significant win for electricity supply reliability for Nova Scotians, through cross-provincial collaboration, that provides our province access to an urgently required resource more quickly and cost-effectively than we would otherwise have been able to do.

We have started our inaugural Integrated Resource Plan, kicking off with an independent process review and focusing on strong stakeholder engagement, and we have also executed a request for an expressions of interest for critically needed fast-acting gas generation, to enable the renewable energy transition and maintain a secure supply of electricity for Nova Scotians as our province's demand continues to grow.

We have engaged meaningfully with stakeholders, with over a hundred meetings to date, including Mi'kmaw communities and organizations, elected officials from all levels of government, energy industry participants, and customer representatives. We have also held six group meetings with our regulatory stakeholders to keep them up to date with our progress.

This progress has occurred while we have simultaneously worked to advance multiple regulatory filings, including our first two revenue requirement applications and reporting obligations.

The scale and urgency of the work before us cannot be overstated. In this current fiscal year, while ensuring we continue to deliver on our important regulatory requirements, including the development of a fee recovery mechanism, we are focused on advancing four key priorities: completing the competitive procurement of 300-600 megawatts of fast-acting natural gas-fired generation to secure urgently needed firm electricity capacity for Nova Scotia; completing our first Integrated Resource Plan to set the roadmap for future procurements to meet the province's evolving needs; managing ongoing system functions taken on from Nova Scotia Power, including transmission planning accountabilities and the interconnection queue; and progressing plans to take on the real-time oversight and control of both energy dispatch and the transmission system from Nova Scotia Power in the second phase of the system operator transition.

We will continue to build out our team to deliver on this work. As of the 10th of June, we have 31 employees working for IESO Nova Scotia, and a further nine roles in active recruitment. We also continue to mature our organizational policies, processes, controls, budgeting, and evidence preparation as we move forward.

This context — of a small, newly established organization, that is in a new and unique role in the province, that is not-for-profit, and is managing a large, important, and urgent workload — is essential to understanding both the timing and the substance of this Application.

We recognize this is a big change, and things are moving fast. We also recognize that as a brand-new organization, we have not had, nor could have been reasonably expected to have, all the information that parties may have been used to in similar applications from more mature organizations in similar processes.

But please be assured that we have heard the feedback from the Board and intervenors that we must

continue to build on our evidentiary record and early engagement with stakeholders. It is, and has always been, our intention to do just that, but we recognize there is more for us to do.

My lean and extremely hard-working team, of whom I am very proud, is making every possible effort to move forward our critical mandate, and in parallel, to deliver on the Board's expectations of us on these important matters. We take our stakeholders, the regulatory process, and the public interest very seriously, and are intently focused on continuing to improve.

I believe that IESO Nova Scotia, the Board, and our stakeholders are all working toward the same goal: reliably providing critical energy to Nova Scotians in the most affordable way possible.

The Application Before the Board

The Application before you seeks approval of a total revenue requirement of $14.85 million for the 2026/2027 fiscal year.

This amount comprises $13.08 million in ongoing operating, maintenance, and administrative costs, and $1.77 million in transitional costs associated with Phase 2 of the system operator transition.

We submit that this revenue requirement is prudent and, in its entirety, appropriate for approval.

It reflects a carefully developed budget, built using historical information where available and suitable inputs and assumptions.

Each category of cost directly supports IESO Nova Scotia's statutory mandate, from system planning, to the procurement of essential energy resources, regulatory compliance, or the foundational corporate functions required to operate as an independent system operator.

Importantly, the Application also reflects the realities of a phased transition. Many of the costs in this budget arise from responsibilities that have only recently transferred, or will transfer in the future, to IESO Nova Scotia. Others reflect necessary investments in systems, personnel, and expertise to ensure reliability and compliance as those responsibilities grow.

We also acknowledge that this Application has been filed in a unique procedural context. Due to statutory timelines, it was necessary to prepare and submit the 2026/2027 Application while the 2025/2026 proceeding remained ongoing. As a result, there was no opportunity to incorporate feedback from the 2025/2026 decision into this filing.

IESO Nova Scotia takes that feedback seriously. We have reviewed direction from the Board, and submissions from the Board consultant and intervenors, and are actively working on incorporating that feedback into future applications as appropriate.

Conclusion

While this Application focuses on the 2026/2027 fiscal year, it is only one step in the broader development of IESO Nova Scotia's regulatory and financial framework.

We anticipate further engagement with the Board and intervenors on major initiatives, including the enduring fee recovery mechanism currently under development, the Integrated Resource Plan, additional energy resource procurements, and the next phase of the system operator transition.

At each stage, our objective will be to incorporate lessons learned, improve the clarity and robustness of our evidence, and ensure that our applications continue to meet the expectations of the Board within the context of a newly established independent energy system operator and the *More Access to Energy Act*.

IESO Nova Scotia's Application reflects the realities of an organization that is new, but entrusted with a critical and urgent mandate. I am very proud of the work that we have accomplished in a very short period of time, and that work continues at pace.

The requested revenue requirement is designed to ensure that we can:

- maintain and enhance system reliability,
- advance the transition to a cleaner electricity system, and
- build the institutional capabilities required to deliver enduring value.

Ultimately, this work is about the electricity system that underpins the daily lives of Nova Scotians and the future economic growth of the province.

That is why, in the way we approach our work, including in our decisions around our organizational budget and the costs included in this Revenue Requirement Application, we consider customers before all else. Our decisions are driven by the needs of Nova Scotians: the need for a secure supply of electricity to reliably power our hospitals, schools, homes, and businesses, and the need for our system to be resourced and run as cost-effectively as possible. We work diligently to ensure that all IESO Nova Scotia's costs are reasonable, responsible, and required for us to deliver on our legislated mandate.

We respectfully submit that approval of this Application is the appropriate outcome, and will enable IESO Nova Scotia to continue making meaningful progress toward its mandate, in a manner that is prudent, transparent, and responsive to regulatory oversight. To the extent the Board has any remaining concerns, the *More Access to Energy Act* provides that the Application may be referred back to IESO Nova Scotia for consideration of the Board's recommendations.

We thank the Board and all participants for their attention and engagement, and we look forward to addressing your questions.