
Request IR - 1

Reference: Application, p. 4, lines 9-17

Phase II involves the transfer of real-time dispatch operations. Due to the complexity of this transition and the direct impact on real-time operations and system reliability, additional work is required to scope and plan the implementation of this phase. IESO Nova Scotia has engaged a third-party expert consultant, selected through an open and competitive solicitation process, to support the delivery of this work in the first half of 2026. This work is expected to define the physical and technical changes required to implement Phase II with estimated costs and timelines. The current aspirational timeline for Phase II implementation is Q1 2027/2028; however, work in early 2026 is required to be completed to provide a deliverable plan, appropriate target date, and budget.

(a) Please provide the name of the consultant IESO NS selected for this work, and cost details.

(b) Please provide further and better particulars regarding the open and competitive solicitation process, including the RFP and proposals received from interested parties. If IESO NS has a procurement policy, please confirm and provide a copy.

(c) Please provide a copy of the contract, and any scope of work documents, between IESO NS and the consultant.

(d) Please describe why Q2 of the 2027 calendar year is only considered an "aspirational timeline for Phase II implementation"; in answering this question, please describe any

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specific barriers IESO NS anticipates may interfere with its ability to implement sooner or at least on time.

Response IR – 1

(a) IESO Nova Scotia retained IBM Canada Ltd to undertake this work at a cost of [redacted]

(b) Please refer to Attachment 1 for a copy of the procurement process. The Request for Proposals (RFP) was publicly posted on the IESO-NS website (https://ieso-ns.ca/procurement/ and https://ieso-ns.ca/wp-content/uploads/2026/02/Phase-2-Transition-Plan-and-IT-OT-Cybersecurity-Roadmap-RFP.pdf) to ensure broad market awareness and open access to interested proponents. As a result of this process, proposals were received from nine (9) proponents. All proposals were evaluated in accordance with the evaluation criteria set out in the RFP. Based on the evaluation of the technical proposals, the top four proponents were shortlisted and invited to interviews. Following the final technical assessment, these proponents were evaluated against the lowest-cost proposal. IBM and the next best proponent received equal overall scores; however, IBM was selected due to its stronger technical capabilities and experience in North America, greater depth of resources, and demonstrated leadership. The next best proponent was not selected as its North American practice is still developing, and its technical expertise was primarily

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focused on AMI, with limited experience in control centre operations and NERC CIP requirements. Please refer to Attachment 2 for the proposal evaluation spreadsheet.

(c) Refer to Attachment 3 and Attachment 4 for copies of the contract and SOW.

(d) Please refer to the response to NSEB IR-06.

Nova Scotia Independent Energy System Operator

Procurement Guidelines

Last updated: July 23, 2025

Contents

Purpose

These Interim Procurement Guidelines are established to guide the Nova Scotia Independent Energy System Operator (NSIESO) through ethical, transparent, and accountable purchasing decisions during its foundational start-up phase. In this period, the NSIESO must balance agility with diligence, supporting timely decision-making while upholding public trust, fiscal responsibility, and legal compliance. These guidelines will remain in effect until a more comprehensive procurement policy is developed and adopted.

Guiding Principles

Procurement will be guided by the following high-level principles:

- **Accountability**: All procurement decisions must be traceable and supported by clearly defined roles and responsibilities.

- **Transparency**: Procurement activities must be open to scrutiny and supported by appropriate documentation.

- **Value for Money**: NSIESO will seek the best possible outcome for each dollar spent, considering quality, service, sustainability, and cost over the product/service lifecycle.

- **Fair and Open Access**: All suppliers must be treated fairly, and processes must avoid any appearance of bias or favoritism.

- **Public Trust**: The organization must uphold the confidence of the public and its partners by acting with integrity and good judgment.

- **Preference for Local Suppliers:** Where feasible, preference shall be given to Nova Scotian and Canadian suppliers, provided value and quality are comparable.

- **Risk Management**: Procurement must consider financial, legal, operational, privacy, reputational, and cybersecurity risks.

Scope

These guidelines apply to the procurement of goods, services, consulting, and technology solutions by NSIESO staff, contractors, and Board members acting on behalf of the organization. These guidelines do not apply to NSIESO's procurement of energy capacity for the bulk power system.

Please use the supporting Procurement Checklist & Evaluation Form.

Process

The Interim Procurement Guidelines offer a streamlined, standardized process aimed at promoting consistency, transparency, and fairness.

Step	Description
1. Plan	• Define the procurement need, confirm budget availability, and obtain approval from the Board Chair, CEO or Executive Sponsor to proceed. • Select the appropriate procurement method and assign a responsible lead to manage the process.
2. Evaluate	• Request and assess quotations from qualified vendors in accordance with established evaluation criteria.
3. Award	• Finalize the selection, inform the Board Chair, CEO and/or assigned Executive Sponsor, and formally award the contract to the successful vendor.
4. Manage	• Manage the contract after award and monitor contractor performance.

1. Plan

Procurement Methods

Estimated Value (for the life of the contract)	**Method**	**Minimum Requirements**
Less than $10,000	Direct	One quote, direct purchase.
$5,001 – $25,000	Informal	Informal competition with minimum 3 written quotes.
$25,001 – $100,000	Invitational	Invitational EOI / RFP with minimum 3 formal submissions based on written criteria
Greater than $100,001	Open	In future, this will be publicly posted EOI / RFP with evaluation framework
Any value (if no practical and/or viable alternative or contract extension)	Sole Source	Must be pre-approved by the CEO or Board Chair (if <$50,000), or Board of Directors (if >$50,000) with written justification.

Flexibility Clause

In exceptional circumstances, where strict adherence to these procurement thresholds would significantly impede operations, the CEO, Executive Sponsor or Board Chair may approve an alternative procurement approach.

Such exceptions must be documented in writing with justification and reported to the Board of Directors for transparency. Such exceptions should be rare and must not be used to circumvent the intent of these guidelines.

2. Evaluate

Evaluation Criteria

Evaluation criteria should be considered when soliciting and evaluating proponents. The evaluation criteria is a guideline only and the evaluator and/or Evaluation Committee has the right to adjust their evaluation criteria to best reflect the need.

Please use the supporting Procurement Checklist & Evaluation Form to support your evaluation.

Criteria	Weight
Price	25%
Vendor location (preference for Nova Scotian and Canadian vendors)	15%
Relevant experience and references	15%
Delivery timelines	20%
Technical capabilities and proposed approach (adjusted for scope of work)	25%

Evaluation Team (if > $25,000)

The evaluation of proposals, quotes, or submissions must be conducted by an Evaluation Team to minimize personal bias.

- At least two individuals should review and score submissions
- Evaluators must declare any conflict of interest before reviewing bids, in which case a determination would be rendered whether a new evaluator should be appointed

3. Award

Contract

All contracts must be reviewed and approved with the knowledge and concurrence of the CEO, Executive Sponsor and/or Board Chair. Only members of the Board are authorized to sign contracts on behalf of NSIESO.

Delegation of contract management and execution may be permitted in specific cases, provided that prior approval is obtained from the CEO, Executive Sponsor and/or Board Chair.

Please use the supporting Procurement Checklist & Evaluation Form to support contract award.

Standard Contract Clauses

All contracts, purchase orders, or agreements must include the following elements:

- **Privacy & Data Protection**: Compliance with applicable privacy laws and organizational policies.
- **Confidentiality**: Restrictions on sharing internal NSIESO information.
- **Indemnity & Liability**: Reasonable protections for NSIESO in case of breach or loss.
- **Conflict of Interest**: Mandatory disclosure and withdrawal if applicable.
- **Termination Clause**: NSIESO must retain the right to terminate the contract for cause or convenience.

Conflict of Interest

NSIESO prohibits individuals from participating in a procurement decision where there may be:

- A financial or personal interest
- A family, friend, or prior employment relationship with a bidder of less than 5 years
- Any perception of favoritism or bias

4. Manage

Performance

Contracts must be actively monitored to ensure that deliverables are met, timelines are adhered to, and performance remains on track. The assigned contract manager is expected to promptly flag any issues, particularly in larger or longer-term procurements that carry operational or financial risk. These issues may include:

- **Scope changes** that alter the nature or extent of the work.
- **Accelerated burn rate**, where payments are being made faster than value delivered.
- **Deviations from plan**, such as delays or the substitution of key personnel.

Any amendments or extensions must follow the same approval process as the original agreement and be documented accordingly. Executed contracts must be stored in a secure, centralized repository accessible to authorized personnel.

Contract Extensions

Existing contracts may be extended when:

- The original contract includes an extension clause, or
- A justified operational need exists (e.g., continuity, timing, or transition risks), and
- The supplier has met expectations for performance and value.

All extensions must:

- Remain within the original scope of work or new scope under a threshold of $25,000
- Be supported by written justification
- Be pre-approved by the Chair
- Be documented and included in procurement records

Extensions should not be used to avoid competition or exceed procurement thresholds without proper approval.

Contract Purchases

All contract purchases and payments must be complete through the Nova Scotia Independent Energy System Operator, and no personal credit card or payments can be used for contract purchases unless approved by the CEO, Executive Sponsor or Board Chair.

Technical Proposal Evaluation		Experience & Capability to Perform the Work			Proposed Approach & Deliverables											
		Understanding of Engagement	Experience and Capabilities	Transition Implementation and Knowledge Transfer	Approach & Methodology	Innovation & Fit for Purpose	Deliverables & Outcomes	Project Management & Resourcing	Conflict of Interest?	Canadian Business Status?	TOTAL	Fixed Price $$	Lowest Fixed Price $$	Cost Proposal Points	TOTAL	NOTES
Short Listed Based on Technical Proposal		[redacted]														
[redacted]	Proponent 2	[redacted]														
[redacted]	Proponent 5	[redacted]														
[redacted]	Proponent 7	[redacted]														
IBM	Proponent 8	[redacted]														
[redacted]	on Technical Proposal	[redacted]														
[redacted]	Proponent 1	[redacted]														
[redacted]	Proponent 9	[redacted]														
[redacted]	Proponent 3	[redacted]														
[redacted]	Proponent 4	[redacted]														
[redacted]	Proponent 6	[redacted]														

FORM OF AGREEMENT

BETWEEN:

NOVA SCOTIA INDEPENDENT ENERGY SYSTEM OPERATOR
a body corporate established under the
More Access to Energy Act (Nova Scotia)
in the Province of Nova Scotia

("**IESO Nova Scotia**")

AND:

IBM Canada Limited

(the "**Supplier**")

In consideration of their respective agreements set out herein, the parties covenant and agree as follows:

1. Contract Documents

The contract between the parties in respect of certain consulting services, for the development of a phase 2 transition plan and IT, OT & cybersecurity roadmap, is comprised of the following documents, which are collectively referred to as the "Contract":

(a) this Agreement;

(b) the Schedule of Deliverables, Rates and Specific Provisions, attached hereto as Schedule 1 and the Statement of Work attached as Schedule 1(A); and,

(c) the Standard Terms and Conditions, attached hereto as Schedule 2.

2. Interpretive Value of Contract Documents

Any ambiguity, conflict or inconsistency between or among the documents comprising the Contract will be resolved by giving precedence to the express terms of the documents in the order in which they appear above, so that a first mentioned document shall prevail notwithstanding any term or aspect of a later mentioned document.

3. Execution

This Agreement may be executed by the different parties in separate counterparts and each such counterpart shall be an original and when taken together with the other counterparts shall constitute one and the same agreement. A counterpart of this Agreement delivered by facsimile or by electronic transmission in portable document format (PDF) is effective delivery of the Agreement and such counterpart shall be an originally executed counterpart of this Agreement for all purposes. A counterpart of this Agreement executed by an electronic signature and/or electronic imaging and transmission of a handwritten signature agreement is a reliable signature method and is binding on the parties, including the use of DocuSign for signing and execution, which will have the same force and effect as an original handwritten signature, and will be deemed an original for all purposes.

Signature Page Shall Follow

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date written below.

NOVA SCOTIA INDEPENDENT ENERGY SYSTEM OPERATOR

Signature: Signed by: David Luther 9ADC8FE8F0DC453...

Name:David Luther

Title: General Counsel & Corporate Secretary

Date of Signature: 1/27/2026

I have the authority to bind IESO Nova Scotia.

IBM CANADA LIMITED

Signature: Swaroop Kariath
Swaroop Kariath (Jan 27, 2026 12:44:56 MST)

Name: Swaroop Kariath

Title: Authorized Representative

Date of Signature: Jan 27, 2026

I have the authority to bind the Supplier.

Schedule 1 – Schedule of Deliverables, Rates and Specific Provisions

A. Description of Deliverables

During the Term, the Supplier shall complete delivery to IESO Nova Scotia, of all the Deliverables, including those as more particularly set out herein:

See Section 6 of Schedule 1A

B. Rates and Disbursements

B.1 Maximum Fee

Notwithstanding anything else in the Contract, the total amount payable by IESO Nova Scotia to the Supplier under the Contract shall not exceed [redacted]. The current value is [redacted].

B.2 Personnel and Rates

The following individuals are responsible for the provision of the Deliverables. The Rates for these individuals are set out below and shall remain fixed during the Term of this Contract:

N/A

C. Payment Terms

The payment terms for the Contract are as follows: See Section 11 of Schedule 1 A

D. IESO Nova Scotia and Supplier Representatives

IESO Nova Scotia Representative and contact information for the Contract is:

Ken Taylor
Director Technology and Security
1791 Barrington Street
Suite 1010
Halifax, NS B3J 3K9

Email: ken.taylor@ieso-ns.ca

The Supplier Representative and contact information for the Contract is:

Swaroop Kariath
Partner Energy, Environment and Utilities
227 11 Avenue SW
Calgary, AB T2R 1R9

Email: borloff@ca.ibm.com

E. Term of Contract

The Contract shall take effect on the January 5, 2026 (the **"Effective Date"**) and shall be in effect until April 10, 2026 (the **"Expiry Date"**), with an option in favor of IESO Nova Scotia to extend the term for an additional period of 30 days, unless it is terminated earlier in accordance with the terms of the Contract or otherwise by operation of law (the "**Term**").

F. Specific Provisions

N/A

Statement of Work

for

Phase 2: Transition Plan and IT, OT & Cybersecurity Roadmap

Prepared for

IESO Nova Scotia

1791 Barrington St, Suite 1010
Halifax, NS B3J 3Y8

January 27, 2026

IBM Confidential Information

Table of Contents

Overview and Approach

1. Statement of Work Overview

This Statement of Work ("SOW") is between IESO Nova Scotia (also called "Client" or "Customer") and the IBM legal entity that has executed this SOW ("IBM", together "the Parties"), and incorporates the Agreement identified in the Signature Acceptance section below.

Changes to this SOW will be processed by the Parties in a document that reflects a change and the effect the change will have on the Services and/or charges (each a "Project Change Request" or "PCR"). The Parties' Project Managers will review the PCR and agree, in writing, to implement it, recommend it for further investigation, or reject it.

1.1 Project Scope

This SOW is part of a binding contract, not a sales or marketing document. To support Client's objective to assume full dispatching, balancing authority, and control centre responsibilities in compliance with the *More Access to Energy Act (2024)*, applicable NERC CIP standards, and NPCC requirements, while maintaining system reliability, security, and operational continuity, IBM will provide Client with a comprehensive, implementable Transition Plan and integrated IT, OT, and Cybersecurity Roadmap ("Services").

IBM will:

a. Conduct discovery and current state analysis to establish a baseline understanding of transition needs for IESO Nova Scotia's Phase 2 responsibilities.

b. Develop 4–5 strategic options for IESO Nova Scotia's Phase 2 dispatch and control functions, evaluating costs, risks, dependencies, and degrees of independence from NSP.; and

c. Develop a comprehensive transition and roadmap plan to execute the selected control center strategy and ensure operational, regulatory, and cybersecurity readiness for Phase 2.

Key Conditions

a. Documentation provided by NS-IESO at the commencement of the engagement is complete, accurate, and sufficient to support a comprehensive assessment of options and the development of a detailed roadmap. This documentation includes, but is not limited to:

    (1) Prior assessments, including Archer's NERC compliance split.

    (2) Current NERC CIP standards and compliance practices applied by NSP.

    (3) Existing emergency response and contingency frameworks.

    (4) Detailed documentation of NSP's assets, infrastructure, and capabilities, including architecture diagrams and business process documentation.

b. No changes to market rules or market structure are required during Phase 2. Accordingly, the analysis will be limited to evaluating options that support IESO's long-term objectives.

c. IBM will apply a structured decision framework to screen and eliminate non-viable options early in the engagement. This framework will consider regulatory feasibility and high-level (rough-order-of-magnitude) cost, benefit, and ROI estimates.

d. detailed analysis will be conducted for the top two viable options, which may include Transfer and/or Staging scenarios. The detailed roadmap will be developed for the selected option.

2. Resources and Hours of Coverage

a. Services may be performed both at the Client's work location and remotely.

b. IBM will provide the Services under this SOW during normal business hours, 9:00 AM to 5:00 PM Atlantic Time, Monday through Friday, except national and IBM holidays. Out-oftown personnel may work hours other than those defined as normal business hours to accommodate their travel schedules.

c. IBM may use personnel and resources in locations worldwide and third-party suppliers to support the delivery of products and services. Such personnel will primarily work in their respective business hours while making sure that there is reasonable overlap with AST business hours.

3. Governance

IBM and Client will meet as agreed on a regular scheduled basis to review project performance, and to share planning information, and discuss any matters requiring escalation, Service Levels (if applicable), project status, changes, and recommendations.

4. IBM Responsibilities

4.1 Project Management

An IBM Project Manager will establish a framework for project planning, communications, reporting, procedural and contractual activity, and other activities associated with the Services (including technical activities).

Stage 1 - Discovery and Current-State Assessment

Project Kickoff

IBM will facilitate a project kickoff meeting for up to two (2) hours and with up to ten (10) Client-selected participants, on a mutually agreed date and time.

IBM will:

a. Discuss project objectives, scope, assumptions, and success criteria;

b. Review project governance, roles, and responsibilities;

c. Confirm engagement approach, cadence, and communication protocols; and

d. Develop and confirm a schedule for discovery and data-collection activities. discuss project team roles and responsibilities;

IBM has conducted the kickoff meeting.

Client will:

a. Identify and ensure appropriate Client personnel participate in the kickoff meeting;

b. Provide access to relevant documentation and prior assessments; and

c. Confirm primary Client points of contact and decision authorities

4.2 Current-State Operational, Technical, and Regulatory Assessment

IBM will establish a validated baseline of existing NSP and IESO Nova Scotia operational, technical, cybersecurity, and regulatory states to inform subsequent option analysis and transition planning.

This activity is composed of the following tasks:

a. Review NSP control room operations and real-time operational processes;

b. Assess existing IT and OT systems, architectures, and system integrations;

c. Review current NERC CIP compliance posture and prior compliance assessments;

d. Review emergency response, restoration, and contingency frameworks;

e. Review market rules, legislative obligations, and regulatory requirements;

f. Assess Phase 1 outcomes and IESO Nova Scotia organizational readiness;

g. Map statutory responsibilities under the More Access to Energy Act (2024) to ISO business capabilities; and
h. Identify initial capability gaps, compliance risks, and transition dependencies.

IBM has documented the current-state operational, technical, cybersecurity, and regulatory environment.

Deliverables:

Current-State Architecture and Data-Flow Documentation

Capability Transfer and Responsibility Matrix

Regulatory and Compliance Mapping

Initial Gap and Risk Assessment

Client will:

a. Provide access to relevant documentation, systems descriptions, and SMEs; and
b. Participate in interviews and validation workshops as required.

4.3 Risk, Assumptions, Issues, and Dependencies (RAID) Development

IBM will develop an initial RAID register to capture key engagement risks, assumptions, issues, and dependencies.

This activity is composed of the following tasks:

a. Identify risks and dependencies related to operational transition, compliance, and schedule;
b. Document key assumptions underpinning analysis and option development; and
c. Validate RAID items with Client stakeholders.

IBM has developed and documented an initial RAID register.

Client will:

a. Review and validate identified risks and assumptions; and
b. Provide input on known constraints and dependencies.

Stage 2 - Control Centre and Operational Strategy

4.4 Strategic Options Development and Evaluation

IBM will define and evaluate feasible strategic options for how IESO Nova Scotia will independently deliver dispatching and control functions.

This activity is composed of the following tasks:

a. Develop four (4) to five (5) strategic delivery options, including transfer, shared-service, hybrid, build, or buy models;
b. Evaluate options across cost, schedule, operational resilience, cybersecurity, regulatory compliance, scalability, and independence;
c. Consolidate options into one (1) to two (2) coherent end-to-end scenarios; and
d. Facilitate executive and stakeholder workshops to validate assumptions and trade-offs.

IBM has documented and evaluated strategic delivery options and scenarios.

Deliverables:

Strategic Options Report

Comparative Evaluation Matrix

Client will:

a. Participate in workshops and option validation sessions; and
b. Provide direction on preferred strategic outcomes.

4.5 Recommended Strategy and Decision Documentation

IBM will document the recommended strategy and decision rationale.

This activity is composed of the following tasks:

a. Document the recommended option and rationale;
b. Capture executive decisions and key trade-offs; and
c. Confirm alignment with regulatory and operational objectives.

IBM has documented the recommended strategy and decision record.

Deliverables:

Executive Decision Record and Recommended Strategy Document

Client will:

a. Review and approve the recommended strategy; and
b. Confirm alignment with Client executive leadership.

Stage 3 - Transition Plan and IT/OT/Cybersecurity Roadmap

4.6 Transition Planning and Roadmap Development

IBM will translate the selected strategy into a detailed, phased transition plan supported by an integrated IT, OT, and cybersecurity roadmap.

This activity is composed of the following tasks:

a. Develop a multi-year transition roadmap with sequencing of capability transfers and shared services;
b. Define future-state control centre and system architecture aligned to NERC CIP zones;
c. Define interconnection points, operational interfaces, and data-exchange flows;
d. Identify regulatory filings, NPCC certifications, and audit milestones;
e. Develop cost and budget models (Capex and Opex) over a 3–5 year horizon;
f. Develop procurement-ready artifacts, including draft Statements of Work; and
g. Update and refine the RAID register.

IBM has developed an integrated transition plan and roadmap.

Deliverables:

Integrated Transition Plan

IT/OT/Cybersecurity Roadmap and Future-State Architecture

Regulatory Compliance Plan and Certification Schedule

Cost and Budget Model

Procurement Toolkit, including Draft SOW Templates

Updated RAID Register

Client will:

a. Review and validate transition milestones and sequencing; and
b. Provide input on regulatory, financial, and organizational constraints.

4.7 Recommended Strategy and Decision Documentation

IBM will document the recommended strategy and decision rationale.

This activity is composed of the following tasks:

a. Document the recommended option and rationale;
b. Capture executive decisions and key trade-offs; and
c. Confirm alignment with regulatory and operational objectives.

IBM has documented the recommended strategy and decision record.

Deliverables:

Executive Decision Record and Recommended Strategy Document

Client will:

a. Review and validate transition milestones and sequencing; and
b. Provide input on regulatory, financial, and organizational constraints.

5. Client Responsibilities

IBM's performance is dependent upon Client's fulfilment of its responsibilities. Any delay in the performance of Client's responsibilities may result in additional charges and/or delay of the completion of the Services and will be handled in accordance with the provisions of the Agreement.

5.1 Client Project Manager

Prior to the start of this project, Client will designate a Client Project Manager to whom all communications relative to this project will be addressed and who will have the authority to:

(1) act on behalf of Client in all matters regarding this SOW;
(2) serve as the interface between the Parties;
(3) provide information, data, and decisions within three (3) working days of IBM's request unless Client and IBM agree in writing to a different response time;
(4) as applicable review and accept Deliverables; and
(5) resolve issues, and changes.

5.1.1 Other Client Responsibilities

Client will:

a. provide safe access, suitable office space, supplies, high-speed connectivity to the Internet, and other facilities needed by IBM personnel while working at the Client's location;
b. have Client staff available to provide assistance as IBM reasonably requires and give IBM reasonable access to Client senior management;
c. IBM will not be responsible for any loss, damage, delay, or deficiencies in the Services arising from inaccurate, incomplete, or otherwise deficient information or materials supplied by or on behalf of Client;

6. Deliverables

The following deliverables are provided to Client as part of the Services ("Deliverables").

Deliverables marked with an asterisk (*) are exempt from the Deliverable Acceptance Procedure and will be considered accepted by Client upon delivery to the Client Project Manager.

In the event a Deliverable is inadvertently omitted from the list above; IBM will notify Client of the identity and the appropriate designation of the Deliverable.

a. Project Plan*

The Project Plan will document the activities and tasks required to complete the project as described in this SOW.

The Project Plan will be submitted to Client Point of Contact within five (5) days after the project kickoff.

Stage I – Discovery and Current-State Assessment

b. Discovery Kickoff Package*

The Discovery Kickoff Package will document the formal initiation of the engagement and will consist of the following, as applicable:

(1) Project objectives, scope, assumptions, and success criteria;

(2) Governance structure, roles, responsibilities, and escalation paths;

(3) Stakeholder map and engagement approach; and

(4) Initial data request list and discovery schedule.

IBM will deliver one (1) copy of the Discovery Kickoff Package in slide deck and meeting summary format to Client's Point of Contact as part of the **Project Kickoff** activity.

c. Legislative & Regulatory Requirements Summary

The Legislative & Regulatory Requirements Summary will consist of the following, as applicable:

(1) Mapping of relevant provisions of the More Access to Energy Act (2024) to ISO operational responsibilities;

(2) Summary of applicable NERC CIP and NPCC obligations; and

(3) Identification of regulatory constraints and compliance considerations relevant to transition planning.

IBM will deliver one (1) copy of the Legislative & Regulatory Requirements Summary in MS Word format to Client's Point of Contact as part of the **Current-State Assessment** activity.

d. As-Is Assessment Report

The As-Is Assessment Report will consist of the following, as applicable:

(1) Documentation of current NSP and IESO Nova Scotia operational, technical, and organizational states;

(2) IT and OT system architecture diagrams and data-flow maps; and

(3) Inventory of key operational processes and interfaces.

IBM will deliver one (1) copy of the As-Is Assessment Report in MS Word format with supporting diagrams to Client's Point of Contact as part of the Current-State Assessment activity.

e. Capability Transfer Matrix

The Capability Transfer Matrix will consist of the following, as applicable:

(1) Identification of operational capabilities to be transferred from NSP;

(2) Identification of capabilities to be newly developed by IESO Nova Scotia; and

(3) High-level implications for staffing, cost, and sequencing.

IBM will deliver one (1) copy of the Capability Transfer Matrix in spreadsheet format to Client's Point of Contact as part of the **Current-State Assessment** activity.

f. Gap and Risk Analysis

The Gap and Risk Analysis will consist of the following, as applicable:

(1) Identification of operational, cybersecurity, regulatory, and compliance gaps;

(2) Risk severity and likelihood assessments; and

(3) Visual summaries such as heatmaps to support prioritization.

IBM will deliver one (1) copy of the Gap and Risk Analysis in MS Word format with supporting visuals to Client's Point of Contact as part of the **Current-State Assessment** activity.

Stage II – Control Centre and Operational Strategy

g. Strategic Options Report

The Strategic Options Report will consist of the following, as applicable:

(1) Description of four (4) to five (5) feasible delivery models for dispatch and control functions;

(2) Evaluation of each option across cost, schedule, reliability, compliance, and scalability dimensions; and

(3) Comparative analysis highlighting trade-offs and implications.

IBM will deliver one (1) copy of the Strategic Options Report in MS Word format with a comparative matrix to Client's Point of Contact as part of the **Strategic Options Development** activity.

h. Option Evaluation Scorecard

The Option Evaluation Scorecard will consist of the following, as applicable:

(1) Side-by-side scoring of strategic options across agreed evaluation criteria; and

(2) Summary views suitable for executive decision workshops.

IBM will deliver one (1) copy of the Option Evaluation Scorecard in spreadsheet or dashboard format to Client's Point of Contact as part of the **Strategic Options Development** activity.

i. Recommended Option Summary & Decision Record

The Recommended Option Summary & Decision Record will consist of the following, as applicable:

(1) Summary of the selected strategic option;

(2) Decision rationale and key assumptions; and

(3) Executive approvals and decision checkpoints.

IBM will deliver one (1) copy of the Recommended Option Summary & Decision Record in MS Word or executive briefing format to Client's Point of Contact as part of the **Decision Validation** activity.

j. Preliminary Back-Office Change Recommendations

The Preliminary Back-Office Change Recommendations will consist of the following, as applicable:

(1) Identification of IT and business process changes required to support the preferred operational model; and

(2) Alignment considerations between operational and administrative systems.

IBM will deliver one (1) copy of the Preliminary Back-Office Change Recommendations in MS Word format to Client's Point of Contact as part of the **Strategic Options Development** activity.

Stage III – Transition Plan and IT/OT/Cybersecurity Roadmap

k. Future-State Architecture Package

The Future-State Architecture Package will consist of the following, as applicable:

(1) Control centre, data centre, IT, OT, and cybersecurity architecture diagrams;

(2) Mapping of cybersecurity zones aligned to NERC CIP requirements; and

(3) Narrative descriptions supporting design and procurement planning.

IBM will deliver one (1) copy of the Future-State Architecture Package in diagrammatic and MS Word format to Client's Point of Contact as part of the **Transition Planning** activity.

l. Integrated Transition Plan

The Integrated Transition Plan will consist of the following, as applicable:

(1) Sequenced activities, milestones, and dependencies;

(2) Risk mitigation actions to ensure uninterrupted operations; and

(3) A baseline plan suitable for implementation governance.

IBM will deliver one (1) copy of the Integrated Transition Plan in MS Word or PDF format with a supporting Gantt chart to Client's Point of Contact as part of the **Transition Planning** activity.

m. IT/OT/Cybersecurity Roadmap

The IT/OT/Cybersecurity Roadmap will consist of the following, as applicable:

(1) Integrated roadmap linking technology, process, and compliance initiatives;

(2) Capex and Opex estimates; and

(3) A maturity path extending beyond 2027.

IBM will deliver one (1) copy of the IT/OT/Cybersecurity Roadmap in MS Word format with timeline graphics to Client's Point of Contact as part of the **Transition Planning** activity.

n. Regulatory Compliance Plan

The Regulatory Compliance Plan will consist of the following, as applicable:

(1) Mapping of required regulatory filings, NPCC certifications, and NERC CIP controls; and

(2) Alignment of compliance activities to the transition timeline.

IBM will deliver one (1) copy of the Regulatory Compliance Plan in MS Word or matrix format to Client's Point of Contact as part of the **Transition Planning** activity.

o. Procurement Toolkit

The Procurement Toolkit will consist of the following, as applicable:

(1) Draft Statements of Work for follow-on procurements; and

(2) Milestone-based payment and delivery structures aligned to the roadmap.

IBM will deliver one (1) copy of the Procurement Toolkit in MS Word format to Client's Point of Contact as part of the **Transition Planning** activity.

p. Risk Register and Mitigation Plan

The Risk Register and Mitigation Plan will consist of the following, as applicable:

(1) Consolidated list of transition risks;

(2) Mitigation strategies and residual risk ratings; and

(3) Inputs suitable for ongoing program governance.

IBM will deliver one (1) copy of the Risk Register and Mitigation Plan in spreadsheet or MS Word format to Client's Point of Contact as part of the **Transition Planning** activity

q. Executive Summary and Presentation Deck*

The Executive Summary and Presentation Deck will consist of the following, as applicable:

(1) Summary of findings, decisions, and recommendations; and

(2) Forward-looking next steps to support Board and stakeholder communication.

IBM will deliver one (1) copy of the Executive Summary and Presentation Deck in MS PowerPoint format to Client's Point of Contact as part of the **Final Readout** activity.

7. Completion Criteria

IBM will have fulfilled its obligations under this SOW when any one of the following first occurs:

a. IBM completes the activities listed in Section 5 "IBM Responsibilities" according to each activity's respective completion criteria; or

b. the Services are terminated in accordance with the provisions of this SOW and the Agreement;

7.1 Deliverable Acceptance Procedure

a. Within five (5) business days of receipt, the Client Project Manager will either accept the Deliverable or provide IBM with a written list of requested revisions; otherwise, the Deliverable will be deemed accepted;

b. The revisions recommended by Client and agreed to by IBM will be made and the Deliverable will be resubmitted and deemed accepted; and

c. The revisions recommended by Client and not agreed to by IBM will be managed subject to Section 1 of this SOW.

8. Risks

Risk	Potential Impact	Mitigation Approach
Knowledge gaps or staff turnover	Loss of continuity in roadmap execution	Embed multiple staff in each workshop; provide comprehensive documentation and “train the trainer” materials; recommend succession planning for key roles.
Limited access to NSP information or documentation	Incomplete baseline analysis	Early data request list confirmed at kickoff; escalation process through transition governance; use alternative validation sources (NPCC, regulatory filings) if needed.
Complexity of cybersecurity and compliance obligations	Implementation delays or audit findings	Integrate compliance mapping and NERC CIP crosswalks into every deliverable; include cybersecurity lead in all roadmap design activities.
Change in regulatory timelines or approvals	Misalignment of transition milestones	Maintain regulatory liaison updates; design roadmap with contingency buffers; document dependencies clearly in transition plan.
Resource constraints within IESO Nova Scotia	Difficulty maintaining momentum post engagement	Provide scalable, right sized tools; define phased implementation sequencing; recommend prioritization criteria for early wins.

9. Estimated Schedule

Services are estimated to start on January 5, 2026 and will be performed based on the estimated schedule below. The estimated end date for the Services is April 10, 2026.

Both parties agree to make reasonable efforts to carry out their respective responsibilities to meet the following estimated schedule.

10. Dependencies

The following dependencies need to be met for the project to be completed on schedule

Dependency	Date to be completed	Impact
Documents as per the initial data list provided to IBM (see Appendix B)	End of Week 0, expected to be January 9, 2026	Delayed start of Stage 1 Discovery and Current-State Assessment, and will subsequently impact the project completion date
Review, feedback and approval of recommended control centre options by IESO Nova Scotia	End of Week 1, expected to be February 27, 2026	Delayed start of Stage 3 Transition Plan and Roadmap Development, and will subsequently impact the project completion date
Review, feedback and approval of Transition Plan and Roadmap	End of Week 12, expected to be April 3, 2026	Delayed completion of the project.

11. Charges

The Services will be conducted on a fixed price basis. The fixed price for performing the Services defined in the SOW will be [redacted]. This fixed price is exclusive of any travel and living expenses, other reasonable expenses incurred in connection with the Services, and any applicable taxes.

Client will be billed actual travel and living costs estimated at 5 % of the fixed price.

IBM will invoice Client monthly for the Services performed on a milestone basis as set forth in the Payment Schedule below, plus applicable taxes. IBM will invoice monthly for travel and living expenses, and other reasonable expenses incurred in connection with the Services.

Payment Event	Expected Date	Charges
Project Kick off	January 15, 2026	[redacted]
Completion of Stage 1	February 6, 2026	[redacted]
Completion of Stage 2	March 9, 2026	[redacted]
Completion of Stage 3	April 9, 2026	[redacted]
TOTAL CHARGES		[redacted]

The fixed price for this project is based on a contiguous work schedule. It does not account for schedule delays during the performance of the Services. Any Client caused or required delay in the project schedule will be handled by Section 1 of this SOW and may result in an increase in charges and/or schedule. In such an event, IBM, at its option, may change the resources/skills assigned to the project.

Amounts are due upon receipt of the invoice and payable within 30 days of the invoice from IBM date to an account specified by IBM and late payment fees may apply.

Client agrees to pay all applicable charges specified by IBM, charges for use in excess of authorizations, and customs or other duty, tax, levy, or fee imposed by any authorities resulting from Client's acquisitions under this SOW, and any late payment fees. Client is responsible to provide and keep any Client funding authorization (such as a purchase order) timely and current, with sufficient funding authorization to cover renewals for all charges, including usage and overage charges, to avoid any service disruptions, late payment fees, or Services termination.

11.1 Termination

Either party may terminate this Statement of Work by giving the other party not less than 30 calendar days written notice. Upon termination, Client will pay IBM:

a. the charges for Services IBM provides and Products IBM delivers through termination, and all Deliverables IBM has prepared through termination, whether or not completed or delivered; and

b. all costs and expenses IBM incurs in terminating the Services, including but not limited to, amounts IBM is required to pay third parties as a result of such termination.

c. any holdbacks retained by Client that are related to partially prepared Deliverables or partially completed milestones; and

d. the adjustment charges specified in the Charges section.

For fixed price charges associated with Deliverables or milestones that are partially prepared or completed, the charges for these Deliverables or milestones will be reasonably determined by IBM, in consultation with the Client, based on (i) a prorated amount calculated as the total charges for the preparation or completion of such Deliverables or milestones as set forth in the SOW, multiplied by the percentage of the period designated in the SOW for the preparation or completion of such Deliverables or milestones that has expired as of the termination date, or (ii) time and materials charges calculated as the number of hours expended by IBM on the preparation or achievement of such Deliverables or milestones at IBM's then-standard rates for these hours.

11.2 Tools

a. **IBM Tools:** IBM will use IBM and third-party tools, including generative AI tools and IBM's Delivery Central Platform (collectively, "IBM Tools"), during the Services to perform certain IBM responsibilities. The IBM Tools and associated documentation: 1) are not provided to Client under this SOW even if Client may view or have access to such tools and 2) remain the property of IBM or a third-party, as applicable. To the extent Client uses and accesses the IBM Tools, such use and access is subject to their applicable terms. If any IBM Tools are installed at Client's environment, IBM will remove such tools upon completion or termination of this Statement of Work. IBM will not use Client data for model training without Client's express consent (e.g., in an instance where Client has hired IBM to train a Client-specific instance of a model).

b. **Client-provided Tools**: If Client directs the use of, or makes available to IBM, its own or third party tools, including generative AI tools, (collectively, "Client Tools") in connection with the Services under this SOW: (i) Client will procure the necessary rights for IBM to use such Client Tools as necessary to perform the Services; and (ii) Client is responsible for its use of such tools, including any output from, or use of Client data within, such tools.

c. **Output:** The output of any generative AI tools is not a Project Material. When IBM provides the output to Client, as between the parties, and to the extent permitted by applicable law, Client owns the output. Due to the nature of AI, output may not be unique, and other clients may receive similar output from such generative AI Tools.

11.2.1 IBM Consulting Advantage

a. IBM is providing to Client access to IBM Consulting Advantage (ICA, IPSC 694970X) (and its Assets, associated user guides, training materials, and documentation (collectively, ICA)). ICA is an IBM AI services delivery platform that allows access to various productivity-oriented applications, agents, assistants, and other assets (collectively or individually Assets) that leverage generative artificial intelligence (Gen AI).

During the period in which IBM provides the relevant Services under this Statement of Work, Client ICA Users, as defined below, are permitted to use ICA, which constitutes Supplier Background IP and, thus, not a Work Product. Client ICA Users shall mean and include registered users of full-time permanent Client employees, as identified and designated by the Client. Client ICA Users will adhere to all terms, conditions and restrictions which governs the permitted usage, support obligations and access limitations associated with ICA. Client is responsible for the fees associated with all Client ICA Users and the protection of the IBM IP. Client ICA Users shall not copy, modify, decompile, reverse engineer, translate, disclose, transfer, or sub-license the tool to any third party.

Swaroop: Remove licensing below. We will use ICA and will not give this to the client to use.

b. **Licensed Assets and Relevant Pricing:** Subject to the terms of this Section and for the amounts specified below, IBM hereby grants to Client a non-exclusive, non-transferable, revocable, right to access and use ICA and certain of its Assets (see below) solely for the purpose of receiving the Services. ICA and any derivatives or modifications to it, remain the property of IBM and/or applicable third-party(s). Certain Assets are governed by IBM or third-party terms, and Client's use constitutes agreement with such license terms. The large language models (LLMs) used on and by ICA are subject to change.

Assets	Relevant Terms	Pricing (e.g. User Per Hour)
Document Builder	Access to the tool, usage guidelines, and associated support services	NA
ICA Assistants	Access to the tool, usage guidelines, and associated support services	NA
Image Generation	Access to the tool, usage guidelines, and associated support services	NA
Scribeflow	Access to the tool, usage guidelines, and associated support services	NA

c. ICA includes access to certain components of watsonx.ai SaaS. If Client has an existing agreement for its use of watsonx.ai, then such terms apply. If not, the terms for IBM watsonx.ai Runtime as a Service (located https://www.ibm.com/support/customer/csol/terms/?ref=i126-6883-22-11-2024-zz-en)apply (sections 1.2 (Optional Services) (except 1.2.1); 3 (Service Levels and Technical Support); 4 (Charges); 5.1 (HIPAA); 5.2 (Anaconda Packages); 5.3 (Federated Learning); and 5.6 (Technology Previews) do not apply).

d. **Restrictions:** Client shall not a) modify, decompile, disassemble, or reverse engineer ICA; b) attempt to discover source code of ICA; c) create derivative works of ICA; d) resell, redistribute, or sublicense access to ICA to any third party; and/or e) allow or enable others to do so. Client will comply with the documentation for ICA, which may include usage guidelines and/or limitations to preserve the performance, responsiveness, or integrity of the ICA offering.

e. **Open Source Software (OSS).** Certain OSS may be required for use of some Assets available under ICA. OSS used by Client is distributed and licensed to Client by the non-IBM OSS distributors under their terms and conditions. Click for Licenses.

f. **Technical Support.** Support services for ICA are available from 8:30 PM - 11:30 AM US EST, Monday – Friday, excluding national or statutory holidays. Issues submitted after business hours will be responded to during the next business day.

g. **Data Protection.** The DPA Exhibit at https://www.ibm.com/software/reports/compatibility/clarity-reports/report/html/softwareReqsForProduct?deliverableId=E73355B3ADBB4B18BC90BEFD157E1099&osPlatforms=spcrAllValues&duComponentIds=spcrAllValues&mandatoryCapIds=spcrAllValues&optionalCapIds=spcrAllValuesClick for DPA Exhibit will apply IBM's processing of personal data within ICA.

Term: Client will use ICA for the term of this SOW.

11.3 Information Security and Data Protection

Client shall retain responsibility for client-owned or managed assets, software, facilities or personnel, including but not limited to responsibility for asset control, administration of user IDs and passwords, patch management, vulnerability management, security configurations, change management, and security incident response, except to the extent explicitly defined elsewhere in the SOW.

Client shall identify and interpret any Client-specific requirements that impact IBM's performance of Services (including Client's security policies and legal or regulatory requirements that are applicable to the Client's business). Any changes to the Services resulting from such requirements will be addressed in accordance with Section 1 of this SOW.

Client agrees that no Client personal data will be provided to IBM for processing on behalf of Client under this transaction.

In the event of a change, Client will notify IBM in writing and IBM's Data Processing Addendum (DPA) at http://ibm.com/dpa and an agreed-upon DPA Exhibit will apply to IBM's processing of personal data on behalf of Client and be incorporated into the Agreement.

Appendix A: DPA Exhibit

Data Processing Addendum

This Data Processing Addendum (DPA) and its applicable DPA Exhibits apply to the Processing of Personal Data by IBM on behalf of Client (Client Personal Data) in order to provide services (Services) pursuant to the Agreement between Client and IBM. This DPA is incorporated into the Agreement and the DPA Exhibits for each Service will be provided in the applicable Transaction Document (TD). In the event of conflict, the DPA Exhibit prevails over the DPA which prevails over the rest of the Agreement.

Capitalized terms used have the meanings given below.

Controller means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of Processing Personal Data.

Data Subject means a natural person who can be identified, directly or indirectly.

Data Protection Laws means all legislation and regulations applicable to the Processing of Personal Data under the Agreement.

Non-Adequate Countries means countries not providing an adequate level of data protection pursuant to Data Protection Laws or a decision of a Supervisory Authority.

Personal Data means any information relating to a Data Subject.

Personal Data Breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Client Personal Data.

Process or **Processing** means any operation or set of operations performed on Client Personal Data, including storage, use, access and reading.

Processor means a natural or legal person which Processes Client Personal Data on behalf of Client.

Subprocessor means any other Processor IBM engages to Process Client Personal Data.

Supervisory Authority means an independent public authority responsible for monitoring the application of the applicable Data Protection Laws.

1. Processing

1.1 Client is either (a) a Controller of Client Personal Data; or (b) a Processor acting on behalf of other Controllers and has been instructed by and obtained the authorization of the relevant Controller(s) for the Processing of Client Personal Data by IBM as Client's subprocessor. Client appoints IBM as Processor to Process Client Personal Data. If there are other Controllers, Client will identify and inform IBM if required by the applicable Data Protection Laws.

1.2 A list of categories of Data Subjects, types of Client Personal Data and Processing activities is set out in the applicable DPA Exhibit for each Service. The duration of the Processing corresponds to the duration of the Service. The purpose and subject matter of the Processing is the provision of the Service as described in the Agreement.

1.3 IBM will Process Client Personal Data to provide and secure the Service according to Client's documented instructions or as otherwise set out in the Agreement. The scope of Client's instructions for the Processing of Client Personal Data is defined by the Agreement, and, if applicable, by Client's use of the features of the Service.

When providing Services, IBM will not further combine, use, retain or disclose Client Personal Data outside of the direct business relationship between IBM and Client or for any purpose other than to perform the Services and business purposes specified in the Agreement. IBM will not sell or share Client Personal Data as required by the applicable Data Protection Laws.

1.4 Client may provide further instructions regarding the Processing of Client Personal Data (Additional Instructions) as described in Section 10.2 and IBM will use commercially reasonable efforts to follow them.

If IBM notifies Client that an Additional Instruction is not feasible or that IBM can no longer meet its obligations as Processor, the parties shall work together to find an alternative. If IBM notifies Client that no alternative is feasible, Client may terminate the affected Service, in accordance with the Agreement. If IBM believes an instruction violates the applicable Data Protection Laws, IBM will notify Client, and may suspend the performance of such instruction until Client has modified or confirmed its lawfulness in documented form.

1.5 Client shall serve as a single point of contact for IBM and exercise any rights of other Controllers on their behalf, obtaining necessary permissions. IBM is discharged from informing or notifying other Controllers when IBM has informed or notified Client. IBM will also serve as a single point of contact for Client for its obligations as a Processor under this DPA.

1.6 Each party will comply with its respective obligations under the applicable Data Protection Laws for the processing of Client Personal Data and is responsible for determining the requirements of laws or regulations applicable to its own business. Client will not use the Services in a manner that would violate applicable Data Protection Laws.

2. Technical and Organizational Measures

Client and IBM agree that IBM will implement and maintain the technical and organizational measures set forth in the applicable DPA Exhibit (TOMs) which ensure a level of security appropriate to the risk for IBM's scope of responsibility. TOMs are subject to technical progress and further development. Accordingly, IBM reserves the right to modify the TOMs provided that the functionality and security of the Services are not degraded.

3. Data Subject Rights and Requests

IBM will notify Client of Data Subjects requests addressed directly to IBM, where the Data Subject has provided information to identify Client. If not, IBM will direct the Data Subject to Client. Client shall be responsible to handle such requests with IBM providing reasonable assistance under Section 10.2.

4. Third Party Requests and Confidentiality

4.1 IBM will not disclose Client Personal Data to any third party, unless authorized by the Client or required by law. If a government or Supervisory Authority demands access to Client Personal Data:

a. IBM will notify Client of such request to enable Client to take all necessary actions to communicate directly with the relevant authority and respond to such request.

b. If IBM is prohibited by law to notify Client of such request, it will make best reasonable efforts to challenge such prohibition and it commits to providing the minimum amount of information permissible when responding, based on a reasonable interpretation of the order.

c. IBM will provide to Client general information relative to any such request received from a government or Supervisory Authority during the preceding 12-month period.

4.2 IBM requires all of its personnel authorized to Process Client Personal Data to commit themselves to the requirements of this section.

5. Audit

Subject to the appropriate confidentiality and Section 10.2, IBM shall allow for, and contribute to, audits conducted by Client or another auditor mandated by Client, who shall be not a direct competitor of IBM, including inspections to the extent required by the applicable Data Protection Laws, in accordance with the following procedures:

a. IBM will provide Client or its mandated auditor with the most recent certifications and/or summary audit report(s), which IBM has procured to regularly test, assess and evaluate the effectiveness of the TOMs.

b. IBM will reasonably cooperate with Client by providing available additional information concerning the TOMs, to help Client better understand such TOMs.

c. If further information is needed by Client to comply with its own or other Controllers audit obligations or a competent Supervisory Authority's request, Client will inform IBM in writing to enable IBM to provide such information or to grant access to it.

d. To the extent it is not possible to otherwise satisfy an audit right mandated by applicable law or expressly agreed by the Parties, only legally mandated entities (such as a governmental regulatory agency having oversight of Client's operations), Client or its mandated auditor may conduct an onsite visit of the IBM facilities used to provide the Service, during normal business hours and only in a manner that causes minimal disruption to IBM's business, subject to coordinating the timing of such visit in order to reduce any risk to IBM's other customers.

6. Return or Deletion of Client Personal Data

Upon termination or expiration of the Agreement IBM will either delete or return Client Personal Data in its possession as set out in the respective DPA Exhibit, unless otherwise required by applicable law.

7. Subprocessors

7.1 Client authorizes the engagement of the Subprocessors listed in the respective DPA Exhibit. IBM will notify Client in advance of any addition or replacement of the Subprocessors, as reported in the applicable DPA Exhibit or in the Agreement. Within 30 days after IBM's notification, Client may object in writing stating specific reasons and possible mitigations, if any. If Client does not object within such period, the Subprocessor may process Client Personal Data. IBM shall impose substantially similar but no less protective data protection obligations as set out in this DPA on any approved Subprocessor prior to the Subprocessor initiating any Processing of Client Personal Data.

7.2 If Client reasonably objects to a Subprocessor and IBM cannot reasonably accommodate the objection, IBM will notify Client. Client may terminate the affected Services, otherwise the parties shall cooperate to find a feasible solution in accordance with the dispute resolution process, as set out in the Agreement, if applicable.

8. Transborder Data Processing and Country Required Terms

8.1 In the case of a transfer of Client Personal Data to Non-Adequate Countries, the parties shall cooperate to ensure compliance with the applicable Data Protection Laws by relying on the Transborder Data Processing document available at https://www.ibm.com/support/customer/csol/terms/?id=Z126-8005 or this DPA, as applicable. If Client believes the measures are not sufficient to satisfy the legal requirements, Client shall notify IBM and the parties shall work together to find an alternative.

8.2 Depending on the applicable Data Protection Laws, the parties can be subject to additional country required terms available at https://www.ibm.com/support/customer/csol/terms/?id=Z126-8005 (Country Required Terms).

9. Personal Data Breach

IBM will notify Client without undue delay after becoming aware of a Personal Data Breach with respect to the Services. IBM will promptly investigate the Personal Data Breach if it occurred on IBM infrastructure or in another area IBM is responsible for and will assist Client as set out in Section 10.

10. Assistance

10.1 IBM will assist Client by technical and organizational measures for the fulfillment of Client's obligation to comply with Data Subjects rights, security of Processing, Personal Data Breach notification and data protection impact assessment, including prior consultation with the responsible Supervisory Authority, if required, taking into account the nature of the processing and the information available to IBM.

10.2 Client will make a written request for any assistance, or any Additional Instructions, under this DPA. The parties shall reasonably cooperate to find a feasible solution in accordance with the Agreement.

The provisions set forth in the EU Data Act Terms apply to:

1. the access to and use of Product Data and Related Services Data ("Data") (Section 1. Data Access and Use); and

2. the Switching process between Data Processing Services (Section 2. Switching Data Processing Services)

in accordance with REGULATION (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on the harmonized rules on fair access to and use of data ("Data Act").

The EU Data Act Terms are incorporated into the Agreement and in the event of a conflict, their provisions prevail over the rest of the Agreement.

Capitalized terms not defined in the EU Data Act Terms have the meanings given to them in the Data Act and the Agreement.

1. Data Access and Use

1.1. Information Relating to Data

IBM provides information about the Data required to be provided to Client under Article 3 of the Data Act on the applicable IBM Documentation page labeled "EU Data Act" (the "Data Information Page").

1.2. IBM Use

Client agrees that IBM may use the Data for the purposes of: performing the Agreement; monitoring, supporting and maintaining the IBM Machine or Services; improving the performance or function of any product or service offered by IBM; assisting Client with planning; developing new features, functions, or products or services offered by IBM; and aggregating Data with other data and creating derived data for any lawful purpose. Client agrees that IBM may use the Data to assess claims related to the above purposes. Client agrees that IBM may share the Data with third parties under contract with IBM only for the above purposes.

1.3. Data Access by Client

a. IBM will make the Data accessible to Client in accordance with the Data Act. The means by which Client can access the Data is set forth on the Data Information Page.

b. IBM may unilaterally change Data specifications or the way Data can be accessed. Changes may include, but are not limited to, technical modification of any delivery method, the IBM Machine or Related Service. Client may be required to agree to additional contract terms or other protective measures. IBM will provide Client with reasonable notice of such changes on the Data Information Page.

2. Switching Data Processing Services

2.1. Client may, subject to Client's payment obligations under the Agreement, terminate the Agreement by initiating the Switching in accordance with the terms described herein.

2.2. To initiate the Switching, Client shall submit a written notice at least two (2) months in advance. For submitting the notice Client will use the established communication channels, such as the Cloud Services portal or by opening a Service Support Case. Upon expiration of the notice period, the parties shall enter into a transitional period of thirty (30) calendar days to discuss the details of the Switching. Following the transitional period, a retrieval phase of thirty (30) calendar days shall commence.

2.3. Within fourteen (14) working days of Client initiating the Switching IBM may notify Client in writing that the transitional period is technically unfeasible and indicate an alternative transitional period, which shall not exceed seven (7) months.

2.4. Upon written notice from Client to be provided to IBM, Client may request IBM to extend the transitional period once during the Switching, as soon as practicable.

2.5. Within the notice period, Client shall notify IBM without undue delay of its intention to perform one or more of the following actions: (a) switch to a Data Processing Service provided by another provider with related information, or (b) port its Exportable Data and Digital Assets to an on-premises ICT infrastructure or (c) erase its Exportable Data and Digital Assets.

2.6. IBM shall inform Client of the categories of data and Digital Assets (if any) that will be ported during the Switching, including those data that are not portable due to the exemption under the Data Act.

2.7. IBM shall support Client's exit strategy by providing relevant information, also related to continuity risks, and reasonable assistance, including by maintaining business continuity and adherence to IBM Data Security and Privacy Principles (DSP) throughout the Switching.

2.8. The Agreement is intended terminated when: (a) the Switching is successfully complete or (b) when Client indicates during the notice period that Client does not wish to switch, but to erase its Exportable Data and Digital Assets. IBM will notify Client accordingly.

2.9. IBM will delete all Exportable Data and Digital Assets in accordance with the provisions set forth in the" Deletion and Return of Content" section of the relevant Data Sheet(s).

Appendix B: Initial Data List

Schedule 2 - Standard Terms and Conditions

Index

ARTICLE 1 – INTERPRETATION

1.01 Defined Terms

When used in the Contract, the following words or expressions have the following meanings:

“Affiliate” means, with respect to any Person, any other Person Controlling, Controlled by or under common Control with, such Person, where Control and its derivatives means, with regard to any Person, the legal, beneficial or equitable ownership, directly or indirectly, of more than 50% of the aggregate of all voting equity interests in an entity.

"**Authority"** means any government authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Contract; and "Authorities" means all such authorities, agencies, bodies and departments;

"Business Day" means any working day, Monday to Friday inclusive, but excluding statutory holidays and other days on which IESO Nova Scotia has elected to be closed for business;

"Conflict of Interest" includes, but is not limited to, any situation or circumstance where (a) in relation to the procurement process, the Supplier had an unfair advantage or engaged in conduct, directly or indirectly, that may have given it an unfair advantage, including but not limited to (i) having access to information that is confidential to IESO Nova Scotia and not available to other bidders or proponents; (ii) communicating with any person with a view to influencing preferred treatment in the procurement process; or (iii) engaging in conduct that compromises the integrity of the open and competitive procurement process; or (b) in relation to the performance of the Contract, the Supplier’s other commitments, relationships or financial interests (i) could exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgment; or (ii) could compromise, impair or be incompatible with the effective performance of its contractual obligations;

"Deliverables" means everything specifically developed for or expressly agreed to be provided to IESO Nova Scotia in the course of performing under the Contract or agreed to be provided to IESO Nova Scotia under the Contract by the Supplier or its directors, officers, employees, Affiliates, or subcontractors, as defined in Schedule 1, ;

"Effective Date" is as set out in Schedule 1 (Schedule of Deliverables, Rates and Specific Provisions);

"Expiry Date" is as set out in Schedule 1 (Schedule of Deliverables, Rates and Specific Provisions);

"FOIPOP" means the *Freedom of Information and Protection of Privacy Act* (Nova Scotia)*;*

"Indemnified Parties" means IESO Nova Scotia and IESO Nova Scotia’s officials, directors, officers, agents, and employees;

"Industry Standards" include, but are not limited to (a) the provision of any and all labour, supplies, equipment and other goods or services that are explicitly specified within the scope of the Contract or customarily furnished by Persons providing Deliverables of the type provided hereunder in similar situations in Canada and; (b) adherence to commonly accepted norms of ethical business practices, which shall include the Supplier establishing, and ensuring adherence to, precautions to prevent its employees or agents from providing or offering gifts or hospitality of greater than nominal value to any person acting on behalf of or employed by IESO Nova Scotia;

"Intellectual Property" means any intellectual, industrial property rights protected or protectable under the laws of Canada, any foreign country, or any political subdivision of any country, includingany intellectual property rights protected by legislation (such as legislation governing copyrights, industrial designs, integrated circuit topographies, patent or trademarks),or by associated common law or at equity;

"Newly Created Intellectual Property" means any Intellectual Property created and delivered by the Supplier to IESO Nova Scotia in the course of performance of its obligations under the Contract, and excludes Supplier's Intellectual Property;

"Person" if the context allows, includes any individuals, persons, firms, partnerships or corporations or any combination thereof;

"Personal Information" means recorded information about an identifiable individual or that may identify an individual;

"Proceeding" means any action, claim, demand, lawsuit, or litigation or other proceeding (whether civil, criminal, administrative, investigative, or informal) threatened, commenced, brought, conducted, or heard by or before or otherwise involving any governmental body or court;

"Rates" means the applicable price, in Canadian funds, to be charged for the applicable Deliverables, as set out in Schedule 1 (Schedule of Deliverables, Rates and Specific Provisions);

"Record" means any recorded information, including any Personal Information, in any form: (a) provided by IESO Nova Scotia to the Supplier, or provided by the Supplier to IESO Nova Scotia, for the purposes of the Contract; or (b) created by the Supplier in the performance of the Contract;

"Requirements of Law" mean all applicable requirements, laws, statutes, codes, acts, ordinances, orders, decrees, injunctions, by-laws, rules, regulations, official plans, permits, licenses, authorizations, directions, and agreements with all Authorities that now or at any time hereafter may be applicable to either the Contract or the Deliverables or any part of them;

"Supplier Representative" is as set out in Schedule 1 (Schedule of Deliverables, Rates and Specific Provisions);

"Supplier's Intellectual Property" means Intellectual Property owned by the Supplier prior to its performance under the Contract or created by the Supplier during the Term of the Contract independently of the performance of its obligations under the Contract, including any modification or enhancements thereto;

"Term" is as set out in Schedule 1 (Schedule of Deliverables, Rates and Specific Provisions);

"Third-Party Intellectual Property" means any Intellectual Property owned by a party other than IESO Nova Scotia or the Supplier;

"IESO Nova Scotia Confidential Information" means all information of IESO Nova Scotia that is of a confidential nature, including all confidential information in the custody or control of IESO Nova Scotia, regardless of whether it is identified as confidential or not, and whether recorded or not, and however fixed, stored, expressed or embodied, which comes into the knowledge, possession or control of the Supplier in connection with the Contract. For greater certainty, IESO Nova Scotia Confidential Information shall: (a) include: (i) all new information derived at any time from any such information whether created by IESO Nova Scotia, the Supplier or any third-party; (ii) all information (including Personal Information) that IESO Nova Scotia is obliged, or has the discretion, not to disclose under provincial or federal legislation or otherwise at law; but (b) not include information that: (i) is or becomes generally available to the public without fault or breach on the part of the Supplier of any duty of confidentiality owed by the Supplier to IESO Nova Scotia or to any third-party; (ii) the Supplier can demonstrate to have been rightfully obtained by the Supplier, without any obligation of confidence, from a third-party who had the right to transfer or disclose it to the Supplier free of any obligation of confidence; (iii) the Supplier can demonstrate to have been rightfully known to or in the possession of the Supplier at the time of disclosure, free of any obligation of confidence when disclosed; or (iv) is independently developed by the Supplier; but the exclusions in this subparagraph shall in no way limit the meaning of Personal Information or the obligations attaching thereto under the Contract or at law; and

"IESO Nova Scotia Representative" is as set out in Schedule 1 (Schedule of Deliverables, Rates and Specific Provisions).

ARTICLE 2 – GENERAL TERMS

2.01 No Indemnities from IESO Nova Scotia

[redacted]

2.02 Limitation of Liability

[redacted]

[redacted]

2.03 **Entire Contract**
The Contract embodies the entire agreement between the parties with regard to the provision of the Deliverables and supersedes any prior understanding or agreement, collateral, oral or otherwise with respect to the provision of the Deliverables, existing between the parties at the Effective Date of the Contract. Without limiting the generality of the forgoing, and for greater certainty, the terms of any IESO Nova Scotia purchase order or other general terms of IESO Nova Scotia will not be binding on the parties and will not be construed to modify the terms of the Contract.

2.04 **Severability**
If any term or condition of the Contract, or the application thereof to the parties or to any Persons or circumstances, is to any extent invalid or unenforceable, the remainder of the Contract, and the application of such term or condition to the parties, Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

2.05 **Failure to Enforce Not a Waiver**
Any failure by IESO Nova Scotia to insist in one or more instances upon strict performance by the Supplier of any of the terms or conditions of the Contract shall not be construed as a waiver by IESO Nova Scotia of its right to require strict performance of any such terms or conditions, and the obligations of the Supplier with respect to such performance shall continue in full force and effect.

2.06 **Changes by Written Amendment Only**
Any changes to the Contract shall be by a written amendment agreement, signed by the parties, except that the Supplier may unilaterally modify the Standard Terms and Conditions in Schedule 2 upon written notice to IESO Nova Scotia. In the case of IESO Nova Scotia, such amendment agreement must be duly signed by one (1) signing officer. No changes shall be effective or shall be carried out in the absence of such an amendment agreement or, in the case of Standard Terms and Conditions, such written notice. Any such written changes, as therein defined, shall be included in the definition of Contract.

2.07 **Force Majeure**
Neither party shall be liable for damages caused by delay or failure to perform its non-monetary obligations under the Contract where such delay or failure is caused by an event beyond its reasonable control. The parties agree that an event shall not be considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in the Contract would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, the parties agree that force majeure events shall include natural disasters and acts of war, insurrection and terrorism but shall not include shortages or delays relating to supplies or services. If a party seeks to excuse itself from its obligations under the Contract due to a

force majeure event, that party shall immediately notify the other party of the delay or non-performance, the reason for such delay or non-performance and the anticipated period of delay or non-performance. If the anticipated or actual delay or non-performance exceeds fifteen (15) Business Days, the other party may immediately terminate the Contract by giving notice of termination and such termination shall be in addition to the other rights and remedies of the terminating party under the Contract, at law or in equity.

2.08 **Notices by Prescribed Means**
Notices shall be in writing and shall be delivered by postage-prepaid envelope, personal delivery or email and shall be addressed to, respectively, IESO Nova Scotia Representative and the Supplier Representative. Notices shall be deemed to have been given: (a) in the case of postage-prepaid envelope, five (5) Business Days after such notice is mailed; or (b) in the case of personal delivery or email one (1) Business Day after such notice is received by the other party. In the event of a postal disruption, notices must be given by personal delivery or by email. Unless the parties expressly agree in writing to additional methods of notice, notices may only be provided by the methods contemplated in this paragraph.

2.09 **Governing Law**
The Contract, including its execution, shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

ARTICLE 3 – NATURE OF RELATIONSHIP BETWEEN WORKSAFENB AND SUPPLIER

3.01 **Supplier's Power to Contract**
The Supplier represents and warrants that it has the full right and power to enter into the Contract and there is no agreement with any other Person which would in any way interfere with the rights of IESO Nova Scotia under the Contract.

3.02 **Representatives May Bind the Parties**
The parties represent that their respective representatives have the authority to legally bind them to the extent permissible by the Requirements of Law.

3.03 **Supplier Not a Partner, Agent or Employee**
The Supplier shall have no power or authority to bind IESO Nova Scotia or to assume or create any obligation or responsibility, express or implied, on behalf of IESO Nova Scotia. The Supplier shall not hold itself out as an agent, partner or employee of IESO Nova Scotia. Nothing in the Contract shall have the effect of creating an employment, partnership or agency relationship between IESO Nova Scotia and the Supplier or any of the Supplier's directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors.

3.04 **Non-Exclusive Contract**, **Work Volumes**
The Supplier acknowledges that it is providing the Deliverables to IESO Nova Scotia on a non-exclusive basis. IESO Nova Scotia makes no representation regarding the volume of goods and services required under the Contract. IESO Nova Scotia reserves the right to contract with other parties for the same or similar goods and services as those provided by the Supplier and reserves the right to obtain the same or similar goods and services internally.

3.05 **Responsibility of Supplier**

The Supplier agrees that it is liable for the acts and omissions of its directors, officers, employees, agents, partners, affiliates, volunteers and subcontractors, subject to the limitations set forth in this Contract. This paragraph is in addition to any and all of the Supplier's liabilities under the Contract and under the general application of law. The Supplier shall advise these individuals and entities of their obligations under the Contract and shall ensure their compliance with the applicable terms of the Contract. In addition to any other liabilities of the Supplier pursuant to the Contract or otherwise at law or in equity, the Supplier shall be liable for all damages, costs, expenses, losses, claims or actions arising from any breach of the Contract resulting from the actions of the above-mentioned individuals and entities, subject to the limitations set forth in this Contract. This paragraph shall survive the termination or expiry of the Contract.

3.06 **No Subcontracting or Assignment**

Neither party shall subcontract or assign the whole or any part of the Contract without the prior written consent of the other party, except that the Supplier may assign (a) the right to receive payments under the Contract, or (b) the Contract in connection with the sale of a portion of its business that includes the services or products covered by the Contract. Such consent shall be in the sole discretion of the consenting party and subject to the terms and conditions that may be imposed by the consenting party. Without limiting the generality of the conditions which a party may require prior to consenting to the other party's use of a subcontractor, every contract entered into by a party with a subcontractor shall adopt all of the terms and conditions of the Contract as far as applicable to those parts of the Deliverables provided by the subcontractor. Nothing contained in the Contract shall create a contractual relationship between any subcontractor or its directors, officers, employees, agents, partners, affiliates or volunteers and the other party.

3.07 **Duty to Disclose Change of Control**

In the event that the Supplier undergoes a change in control the Supplier shall immediately disclose such change in control to IESO Nova Scotia and shall comply with any terms and conditions subsequently prescribed by IESO Nova Scotia resulting from the disclosure.

3.08 **Conflict of Interest**

The Supplier shall: (a) avoid any Conflict of Interest in the performance of its contractual obligations; (b) disclose to IESO Nova Scotia without delay any actual or potential Conflict of Interest that arises during the performance of its contractual obligations, excluding any conflicts related to anti-corruption matters; and (c) comply with any requirements prescribed by IESO Nova Scotia to resolve any Conflict of Interest. In addition to all other contractual rights or rights available at law or in equity, IESO Nova Scotia may immediately terminate the Contract upon giving notice to the Supplier where: (a) the Supplier fails to disclose an actual or potential Conflict of Interest; (b) the Supplier fails to comply with any requirements prescribed by IESO Nova Scotia to resolve a Conflict of Interest; or (c) the Supplier's Conflict of Interest cannot be resolved to the satisfaction of IESO Nova Scotia. This paragraph shall survive any termination or expiry of the Contract.

3.09 **Contract Binding**

The Contract can be enforced by and is binding upon the parties and their successors, executors, administrators and their permitted assigns.

ARTICLE 4 – PERFORMANCE BY SUPPLIER

4.01 **Commencement of Performance**
The Supplier shall commence performance upon receipt of written instructions from IESO Nova Scotia.

4.02 **Deliverables Warranty**
[redacted]

4.03 **Health and Safety**
Without limiting the generality of section 4.02, the Supplier agrees that it has complied with and will comply with, and ensure that any subcontractors comply with, all applicable occupational health and safety laws, regulations and standards in relation to the performance of the Supplier's obligations under the Contract. The Supplier shall provide IESO Nova Scotia with evidence of the Supplier's compliance with this section upon request by IESO Nova Scotia.

4.04 **Shipment of Goods**
[redacted]

[redacted]

4.05 **Use and Access Restrictions**
The Supplier acknowledges that unless it obtains specific written preauthorization from IESO Nova Scotia, any access to or use of IESO Nova Scotia property, technology or information that is not necessary for the performance of its contractual obligations with IESO Nova Scotia is strictly prohibited. The Supplier further acknowledges that IESO Nova Scotia may monitor the Supplier to ensure compliance with this paragraph. This paragraph is in addition to and shall not limit any other obligation or restriction placed upon the Supplier.

4.06 **Notification by Supplier of Discrepancies**
During the Term, the Supplier shall advise IESO Nova Scotia promptly of: (a) any contradictions, discrepancies or errors found or noted in the Contract; (b) supplementary details, instructions or directions that do not correspond with those contained in the Contract; and (c) any omissions or other faults that become evident and should be corrected in order to provide the Deliverables in accordance with the Contract and Requirements of Law.

4.07 **Change Requests**
IESO Nova Scotia may, in writing, request changes to the Contract, which may include altering, adding to, or deleting any of the Deliverables. The Supplier shall comply with all reasonable IESO Nova Scotia change requests and the performance of such request shall be in accordance with the terms and conditions of the Contract. If the Supplier is unable to comply with the change request, it shall promptly notify IESO Nova Scotia and provide reasons for such non-compliance. In any event, any such change request shall not be effective until a written amendment agreement reflecting the change has been executed by the parties.

4.08 **Pricing for Requested Changes**
Where a IESO Nova Scotia change request includes an increase in the scope of the previously contemplated Deliverables, IESO Nova Scotia shall set out, in its change request, the proposed prices for the contemplated changes. Where the Rates in effect at the time of the change request (a) include pricing for the particular type of goods or

services contemplated in the change request, the Supplier shall not unreasonably refuse to provide those goods or services at prices consistent with those Rates; or (b) are silent to the applicable price for the particular goods or services contemplated in the change request, the price shall be negotiated between IESO Nova Scotia and the Supplier within a reasonable period of time and in any event, such change request shall not become effective until a written amendment reflecting the change has been executed by the parties.

4.09 **Performance by Specified Individuals Only**
The Supplier agrees that to the extent that specific individuals are named in the Contract as being responsible for the provision of the Deliverables, only those individuals shall provide the Deliverables under the Contract. The Supplier shall not replace or substitute any of the individuals named in the Contract without the prior written approval of IESO Nova Scotia, which may not arbitrarily or unreasonably be withheld. Should the Supplier require the substitution or replacement of any of the individuals named in the Contract, it is understood and agreed that any proposed replacement must possess similar or greater qualifications than the individual named in the Contract. The Supplier shall not claim fees for any replacement individual greater than the Rates established under the Contract.

4.10 **Timely Performance**
The Parties acknowledge and agree that this Agreement includes specific time frames governing the performance by the applicable Party of certain obligations set forth herein.

4.11 **Rights and Remedies Not Limited to Contract**
The express rights and remedies of IESO Nova Scotia and obligations of the Supplier set out in the Contract are in addition to and shall not limit any other rights and remedies available to IESO Nova Scotia or any other obligations of the Supplier at law or in equity.

4.12 **Additional Supplier Warranties and Covenants**

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

4.13 Warranty Disclaimer

The warranties expressly stated in this Article 4 supersede all inconsistent provisions of any and all purchase orders, invoices, acknowledgments, or other writings or statements, written or otherwise.

Except as provided in this Contract, the Supplier makes no warranty, whether written, oral, express or implied, as to any matter whatsoever with respect to the Deliverables, and does not warrant uninterrupted or error-free provision of any Deliverables supplied. All other warranties are expressly disclaimed by the Supplier, including, but not limited to any implied warranty of merchantability, or fitness for a particular purpose. Supplier warranties herein will not apply if there had been misuse, modification, damage not caused by Supplier, or failure by IESO Nova Scotia to comply with instructions provided by Supplier. Some jurisdictions do not permit the exclusion of implied warranties, in which case the exclusion of implied warranties may not apply.

ARTICLE 5 – PAYMENT FOR PERFORMANCE AND AUDIT

5.01 **Payment According to Contract Rates**
IESO Nova Scotia shall, subject to the Supplier's compliance with the provisions of the Contract, pay the Supplier for the Deliverables provided at the Rates established under the Contract.

5.02 **Hold Back or Set Off**
[redacted]

5.03 **No Expenses or Additional Charges**
There shall be no other charges payable by IESO Nova Scotia under the Contract to the Supplier other than the Rates established under the Contract.

5.04 **Payment of Taxes and Duties**
Unless otherwise stated, the Supplier shall pay all applicable taxes, including excise taxes incurred by or on the Supplier's behalf with respect to the Contract, except that IESO Nova Scotia shall pay any customs duty, tax, or levy assessed by the Authorities when IESO Nova Scotia imports, exports, transfers, accesses, or uses Supplier products across a border, excluding taxes based on Supplier's net income.

5.05 **Withholding Tax**
IESO Nova Scotia may, in its discretion, withhold any applicable withholding tax from amounts due and owing to the Supplier under the Contract and shall remit it to the appropriate government in accordance with applicable tax laws. This paragraph shall survive any termination or expiry of the Contract.

5.06 **Interest on Late Payment**
If a payment is in arrears through no fault of the Supplier, the the Supplier, may charge a late payment fee not to exceed the lessor of 2% per month or the amount allowable under law.

5.07 **Document Retention and Audit**
For seven (7) years after the expiration or termination of the Contract, the Supplier shall maintain all necessary records to substantiate (a) all charges and payments under the Contract and (b) that the Deliverables were provided in accordance with the Contract and with Requirements of Law applicable to the Supplier as a provider of IT consulting services. During the Term, and for two (2) years after the expiry or termination of the Contract, the Supplier shall permit and assist IESO Nova Scotia, at IESO's sole cost and expense, in conducting audits of the Supplier to verify (a) and (b) above. IESO Nova Scotia shall provide the Supplier with at least ten (10) Business Days prior notice of its requirement for such audit. IESO Nova Scotia shall limit such audit to no more than once per year and at no time shall IESO Nova Scotia, or its auditors have access to information pertaining to Supplier's other customers, information bound by privilege, or information about Supplier costs. The Supplier's obligations under this paragraph shall survive any termination or expiry of the Contract.

ARTICLE 6 – CONFIDENTIALITY

6.01 **Confidentiality and Promotion Restrictions**

Neither party shall use the other party's name or mark or refer to the other party directly or indirectly in any media release, public announcement, or public disclosure relating to this Contract, including in any promotional or marketing materials, without the prior written approval of the other party to each such use or release. Without limiting the generality of this paragraph, neither party shall, among other things, at any time directly or indirectly communicate with the media in relation to the Contract unless it has first obtained the express written authorization to do so by the other party.

6.02 **IESO Nova Scotia Confidential Information**

During and following the Term, the Supplier shall: (a) use reasonable care to keep all IESO Nova Scotia Confidential Information confidential and secure; (b) limit the disclosure of IESO Nova Scotia Confidential Information to only those of its directors, officers, employees, agents, partners, affiliates, volunteers, subcontractors, financial and legal advisers who have a need to know it for the purpose of providing the Deliverables and who have been specifically authorized to have such disclosure; (c) use reasonable care not to directly or indirectly disclose, destroy, exploit or use any IESO Nova Scotia Confidential Information (except for the purpose of providing the Deliverables, or except if required by order of a court or tribunal), without first obtaining: (i) the written consent of IESO Nova Scotia and (ii) in respect of any IESO Nova Scotia Confidential Information about any third-party, the written consent of such third-party; (d) provide IESO Nova Scotia Confidential Information to IESO Nova Scotia on demand; and (e) return all IESO Nova Scotia Confidential Information to IESO Nova Scotia on or before the expiry or termination of the Contract, with no copy or portion kept by the Supplier.

6.03 **Restrictions on Copying**

The Supplier shall not copy any IESO Nova Scotia Confidential Information, in whole or in part, unless copying is essential for the provision of the Deliverables. On each copy made by the Supplier, the Supplier must reproduce all notices which appear on the original.

6.04 **Notice of Breach**

The Supplier shall notify IESO Nova Scotia promptly upon the discovery of loss, unauthorized disclosure, unauthorized access or unauthorized use of IESO Nova Scotia Confidential Information.

6.05 **Injunctive and Other Relief**

The Supplier acknowledges that breach of any provisions of this Article may cause irreparable harm to IESO Nova Scotia or to any third-party to whom IESO Nova Scotia owes a duty of confidence, and that the injury to IESO Nova Scotia or to any third-party may be difficult to calculate and inadequately compensable in damages. The Supplier agrees that IESO Nova Scotia is entitled to seek injunctive relief (without proving any damage sustained by it or by any third-party) or any other remedy against any actual or potential breach of the provisions of this Article.

6.06 **Notice and Protective Order**

If the Supplier or any of its directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors become legally compelled to disclose any IESO Nova Scotia

Confidential Information, the Supplier, subject to Requirements of Law will provide IESO Nova Scotia with prompt notice to that effect in order to allow IESO Nova Scotia to seek one or more protective orders or other appropriate remedies to prevent or limit such disclosure, and it shall co-operate with IESO Nova Scotia and its legal counsel to the fullest extent. If such protective orders or other remedies are not obtained, the Supplier will disclose only that portion of IESO Nova Scotia Confidential Information which the Supplier is legally compelled to disclose, only to such person or persons to which the Supplier is legally compelled to disclose, and the Supplier shall provide notice to each such recipient (in co-operation with legal counsel for IESO Nova Scotia) that such IESO Nova Scotia Confidential Information is confidential and subject to non-disclosure on terms and conditions equal to those contained in the Contract and, if possible, shall obtain each recipient's written agreement to receive and use such IESO Nova Scotia Confidential Information subject to those terms and conditions.

6.07 **Records and Legislative Compliance**

The Supplier and IESO Nova Scotia acknowledge and agree that FOIPOP may apply to and govern all Records and may require the disclosure of such Records to third parties. Furthermore, the Supplier agrees (a) to keep Records secure; (b) to provide Records to IESO Nova Scotia within seven (7) calendar days of being directed to do so by IESO Nova Scotia for any reason including an access request or privacy issue (subject to Supplier's right to redact such Records pursuant to FOIPOP); (c) not to access any Personal Information unless IESO Nova Scotia determines, in its sole discretion, that access is permitted under FOIPOP and is necessary in order to provide the Deliverables; (d) not to directly or indirectly use, collect, disclose or destroy any Personal Information for any purposes that are not authorized by IESO Nova Scotia; (e) to use reasonable care to ensure the security and integrity of Personal Information and keep it in a secure and logically separate location safe from unintentional loss, alteration, destruction or intermingling with other records and databases; (f) to restrict access to Personal Information to those of its directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors who have a need to know it for the purpose of providing the Deliverables and who have been specifically authorized by a IESO Nova Scotia representative to have such access for the purpose of providing the Deliverables; and (g) that any confidential information supplied to IESO Nova Scotia may be disclosed by IESO Nova Scotia where it is obligated to do so under FOIPOP, by an order of a court or tribunal or pursuant to a legal proceeding. Similarly, the Supplier may disclose IESO Nova Scotia's confidential information under equivalent circumstances, including obligations under FOIPOP, court orders, or Proceedings, and the provisions of this paragraph shall prevail over any inconsistent provisions in the Contract.

6.08 **Survival**

The provisions of this Article shall survive any termination or expiry of the Contract.

ARTICLE 7 – INTELLECTUAL PROPERTY

7.01 **IESO Nova Scotia Intellectual Property**

The Supplier agrees that all Intellectual Property and every other right, title and interest in and to all concepts, techniques, ideas, information and materials, however recorded, (including images and data) provided by IESO Nova Scotia to the Supplier shall remain the sole property of IESO Nova Scotia at all times.

7.02 **No Use of IESO Nova Scotia Insignia**

Neither Party shall use any insignia or logo of the other Party except where required to provide the Deliverables, and only if it has received the prior written permission of the other party to do so.

7.03 **Ownership of Intellectual Property**

[redacted]

7.04 **Supplier's Grant of License**

[redacted].

7.05 **No Restrictive Material in Deliverables**

[redacted]

7.06 **Third-Party Intellectual Property**

[redacted]

7.07 **Survival**

The obligations contained in this Article shall survive the termination or expiry of the Contract.

ARTICLE 8 – INDEMNITIES AND INSURANCE

8.01 **Supplier Indemnity**

[redacted]

8.02 **Insurance**

The Supplier hereby agrees to put in effect and maintain insurance for the Term, at its own cost and expense, with insurers having a secure A.M. Best rating of B + or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person in the business of the Supplier would maintain, specifically the following:

[redacted]

- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]

[redacted]

8.03 **Proof of Insurance**

The Supplier shall provide IESO Nova Scotia with proof of the insurance required by the Contract in the form of valid certificates of insurance that reference the Contract and confirm the required coverage. The Supplier shall provide IESO Nova Scotia with renewal replacements on or before the expiry of any such insurance. Supplier subcontractors used in the performance of this contract shall maintain insurance coverages of the types and in the amounts customary for businesses of similar size and in accordance with industry practice.

8.04 **Workplace Safety and Insurance**
The Supplier warrants and agrees that it has complied and will comply with all applicable workplace safety and insurance laws and regulations and, if applicable will provide proof of valid coverage by means of a current clearance certificate to IESO Nova Scotia upon request. The Supplier covenants and agrees to pay when due, and to ensure that each of its subcontractors pays when due, all amounts required to be paid by it and its subcontractors under all applicable workplace safety and insurance laws and regulations during the Term. The Supplier further agrees to indemnify IESO Nova Scotia for any and all fines and penalties incurred by IESO Nova Scotia (including reasonable legal fees) in connection with the Supplier's failure to comply with any applicable workplace safety and insurance laws or related to the Supplier's status with any workplace safety and insurance board or body.

ARTICLE 9 – TERMINATION, EXPIRY AND EXTENSION

[redacted] [redacted]

[redacted]

[redacted] [redacted]

[redacted] [redacted]

[redacted]

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[redacted]

IBM PROPOSAL RESPONSE TO

Nova Scotia Independent Energy System Operator

For Phase 2: Transition Plan and IT, OT & Cybersecurity Roadmap

By Bruce Orloff
1592 Barrington Street
Halifax NS B3J 1Z6

Telephone (613) 620-0535
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December 5, 2025

Table of Contents

1. Our Understanding of the Engagement

The **More Access to Energy Act (2024)** establishes the policy and legislative foundation for transforming Nova Scotia's electricity system to meet its **2030 and 2050 decarbonization commitments**. The Act recognizes that achieving 80% renewable electricity by 2030, significantly reducing greenhouse gas emissions, and enabling new sources of clean generation and flexibility requires a fundamentally different operating model—one built on independence, transparency, technical capability, and cost discipline.

To enable this transformation, the Act creates the **Nova Scotia Independent Energy System Operator (IESO Nova Scotia)**: an independent, not-for-profit entity responsible for operating the bulk electricity system, enabling competitive access to clean energy resources, and ensuring system reliability and affordability throughout the transition. The RFP for Phase 2 directly supports this legislative objective by developing the capabilities, architecture, and transition roadmap required for IESO Nova Scotia to assume its mandate in a structured and reliable manner.

The Act makes clear that a successful system operator for a net-zero future must embody four **Critical Success Factors**, which serve as design principles for all work under this RFP:

Neutrality – The IESO must operate free from vested interests, enabling open participation from all generators, storage providers, DER aggregators, and future innovators. This requires clear market rules, transparent operational processes, and a technology-agnostic integration framework.
Transparency – The IESO must provide clear and timely operational and market information so participants can make informed decisions. This transparency drives competition, reduces balancing costs, and supports regulatory oversight. The systems and data architecture developed in this RFP must embed transparency by design.
Technical Capability – As the grid transitions from predictable, centralized generation to highly variable renewable and inverter-based resources, the IESO must have the tools, systems, and operational competencies to maintain reliability. The RFP's focus on EMS/SCADA, dispatch, data flows, cybersecurity, and real-time operational readiness directly supports this capability.
Cost Effectiveness – Achieving net-zero affordably requires a pragmatic approach to building ISO capabilities. The RFP's requirement for multiple options—including reuse of NSP assets, hybrid models, or new builds—reflects the mandate to balance independence, reliability, cost, and implementation risk.
In addition to these design principles, **Section 9** of the Act outlines the IESO's statutory responsibilities, many of which inform the capability assessments in this RFP:

- Operating the IESO-controlled grid and maintaining adequacy and reliability.
- Establishing and enforcing reliability standards, coordinating with national standards authorities.
- Integrating with neighbouring jurisdictions and enabling regional coordination.
- Conducting integrated resource planning and competitive procurement for generation, capacity, storage, and ancillary services.
- Facilitating competitive electricity markets and settlements consistent with oversight from the Nova Scotia Energy Board.

- Supporting provincial decarbonization and renewable energy goals consistent with the Environmental Goals and Climate Change Reduction Act.

The Act also mandates a **phased transition** of system operator responsibilities from **Nova Scotia Power (NSP)** to IESO Nova Scotia. This RFP's focus on control centre strategy, real-time operations capability, cybersecurity and NERC/CIP alignment, and end-to-end transition planning is essential to enabling that shift while preserving **continuity, reliability, and operational integrity**.

Taken together, the Act, the IESO mandate, and the four Critical Success Factors serve as the guiding framework for all the activities, deliverables, and capability development in Phase 2. This proposal aligns our approach, methodology, and recommendations with those expectations, ensuring that IESO Nova Scotia is positioned to meet its obligations on day one—and to evolve into a technically sophisticated, independent, and future-ready system operator capable of managing a high-renewables grid.

The Act and associated implementation plan outline a **two-stage transition**:

Phase 1 – Transmission Planning and Procurement (Target: December 2025)

- Transfer of transmission planning, resource adequacy, load forecasting, generation interconnection procedures, and procurement functions from NSP to IESO Nova Scotia.
- Establishment of the organization's foundational governance, staffing, and back-office systems.
- Focus on enabling independent planning and resource procurement consistent with the Energy Board's oversight.

Phase 2 – Dispatching and Control (Target: Q2 2027)

- Transfer of real-time system operations, near-term operational planning, balancing authority (BA), and transmission operator (TOP) functions.
- Implementation of independent control room, IT, OT, and cybersecurity capabilities to enable IESO Nova Scotia to direct system operations in compliance with NERC/NPCC standards.
- Development of enduring inter-organizational interfaces to ensure reliability and information exchange between IESO Nova Scotia, NSP, and other regional entities.

All deliverables will need to be completed and approved by **March 31, 2026**, ensuring IESO Nova Scotia is positioned to proceed with implementation toward **Phase 2 go-live in 2027**.

2. Proposed Approach and Methodology

2.1. Overview

Our approach is designed to deliver a clear, actionable, and consensus driven roadmap that enables IESO Nova Scotia to assume its Phase 2 responsibilities in full compliance with the *More Access to Energy Act (2024)*, NERC and NPCC standards, and modern IT/OT cybersecurity practices. We will organize the engagement into three structured stages-each with defined outcomes, stakeholder touchpoints, and quality assurance checkpoints.

Our proposed approach leverages a broadly applicable Merger, Acquisition, and Divestiture management method as the foundation for planning and executing the transition. This universal methodology is further strengthened by ISO-specific transformation approaches and accelerators, which are detailed in subsequent sections:

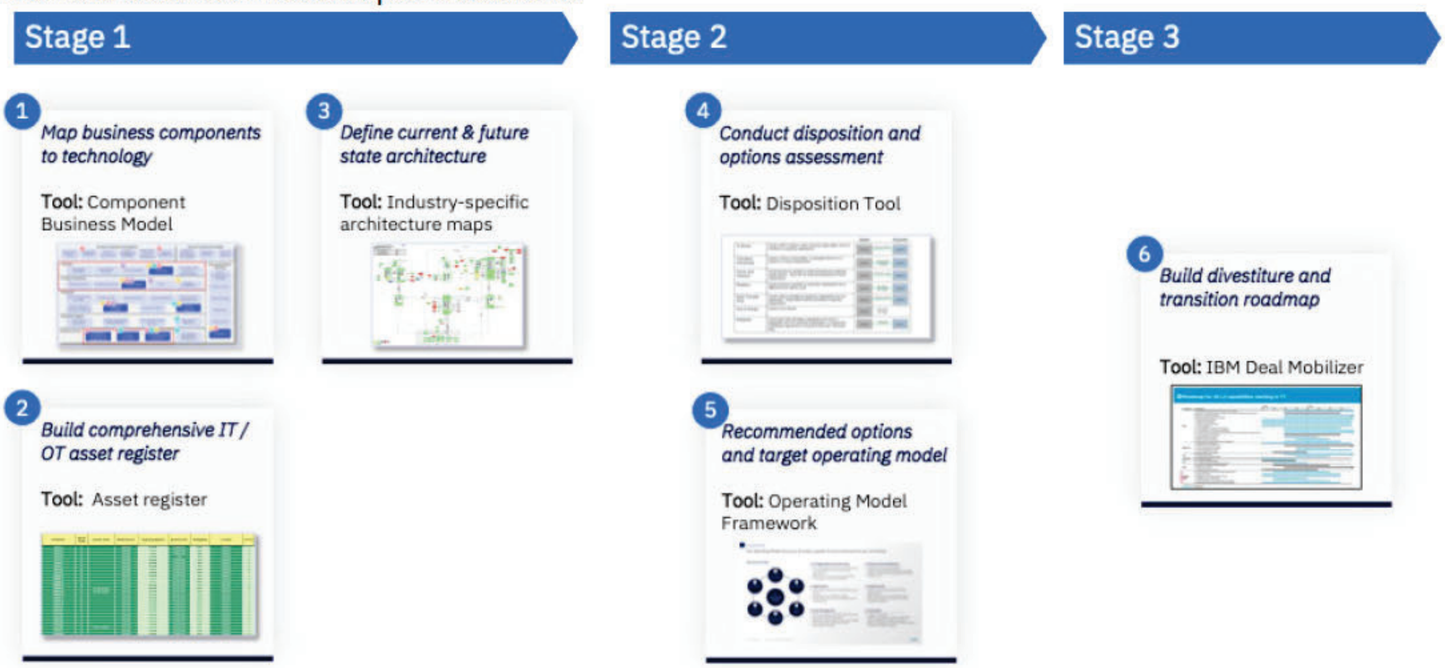


Figure 1 : IBM method for merger and divesture planning

2.2. Stage I – Discovery and Current State Assessment

Purpose: To inform all subsequent recommendations, we will first establish a factual baseline of the current NSP and IESO Nova Scotia operational, technical, and regulatory states, capturing both existing NSP operations and IESO capabilities at the completion of Phase 1.

The following table outlines the Phase 1 activities we will undertake, along with the accelerators and assets we will apply to maximize efficiency and productivity for both IBM and IESO Nova Scotia teams. The artifacts and techniques referenced are illustrated immediately after the table.

Activities	Proposed approach and accelerators
I. A. "As is" analysis: • Assess NSP's current control room operations, NERC CIP compliance	[redacted]

posture, and IT/OT systems and architecture • Analyze information-sharing requirements between NSP, IESO Nova Scotia, NPCC, and the Energy Board. • An assessment of the existing Nova Scotia Power assets, capabilities, resources, infrastructure • NS current market rules • Legislative requirements	[redacted]
I.B. “Phase 1 outcome” analysis • A review of IESO Nova Scotia’s Phase 1 state and readiness and organizational structure • Review emergency and contingency frameworks to identify any additional work required from the anticipated transfer	[redacted]
I.C. “To be” analysis & Vision • Conduct document reviews covering legislative and regulatory obligations under the *More Access to Energy Act (2024)* • Build a clear understanding of future separation of duties between the NERC functions. Same with all interconnected parties like DNO / DSO, neighboring Reliability Coordinators e.g. New Brunswick Power and the U.S. ISO-NE. • Review of the Archer assessment of the split of	[redacted]

NERC compliance requirements between IESO NS and NSP and other risk assessment work, mapped to the different roles and processes.	

[redacted]

[redacted]

[redacted]

[redacted]

The table below illustrates an initial mapping of NERC CIP controls to architecture domains, which will serve as the foundation for our evaluation of NSP's current compliance posture.

Architecture Domain	NERC CIP Standards Most Relevant
Enterprise IT & External Interfaces	CIP-002, 004, 005, 011, 012, 013
Secure DMZ/ IT–OT Integration	CIP-005, 008, 009, 011
OT Environment	CIP-002, 005, 007, 010, 011, 014
Cybersecurity & Infrastructure Services	CIP-004–010, 013
Core Infrastructure / Data Centers	CIP-005–006, 009–010, 013

Table 1: CIP controls mapped to the architectural domains

2.2.1. Stage II – Define Control Center and Operational Strategy

Purpose: Build and evaluate a set of 4–5 strategic options for how IESO Nova Scotia can deliver dispatch and control functions independently while maintaining system reliability and cost efficiency.

We will reuse the CBM and ISO Reference Systems Map and Architecture developed in Stage 1 to design and assess options for each IT/OT system in scope, as well as for each business capability required for NS IESO to operate a Net-Zero energy system, as illustrated in the figure below.

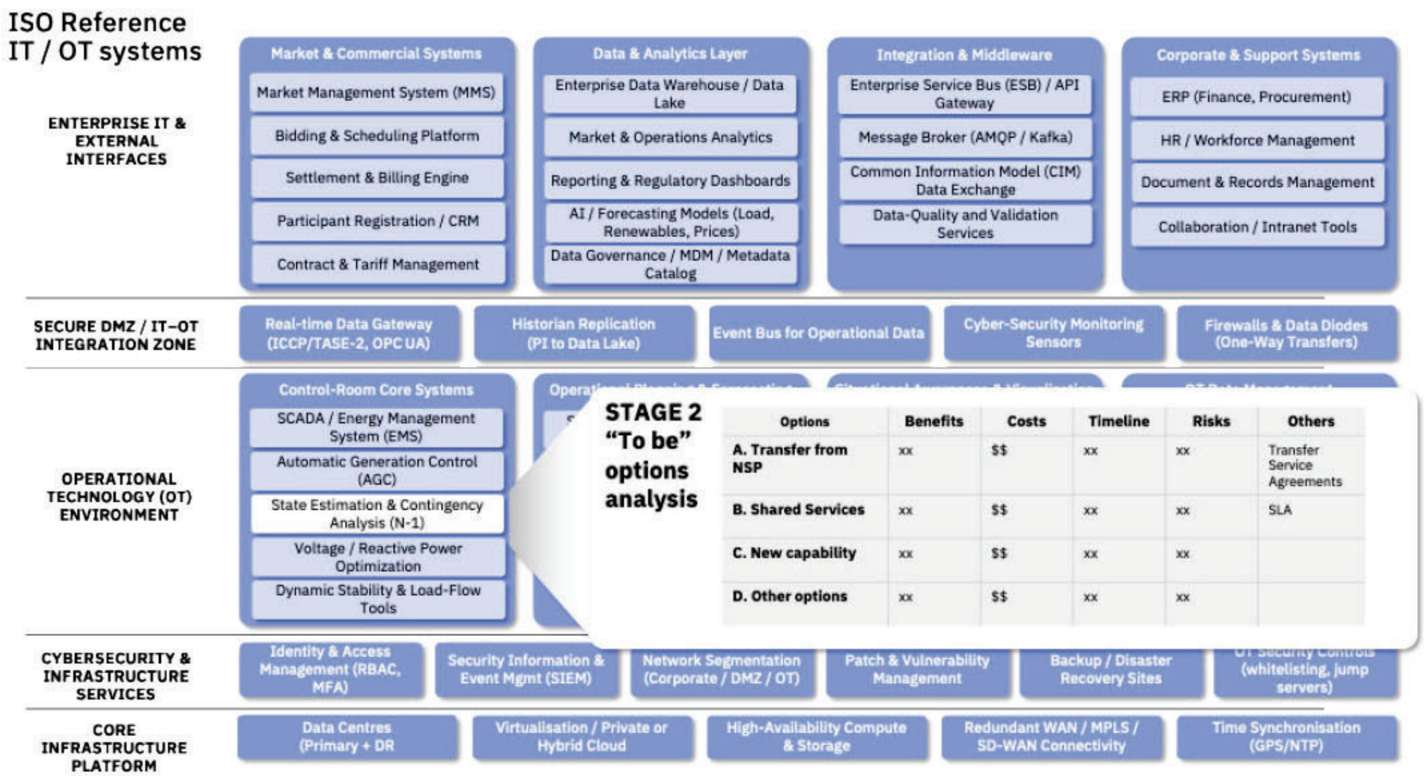


Figure 5: Stage 2 approach and key activities for each IT / OT system

Activities	Proposed approach and accelerators
II. A. Develop options for the delivery of Phase 2 dispatching and control **Cost / benefits / timeline / risk / dependencies for each implementation option (transfer, share, build, buy, other) for each capability / IT / OT system required for fit for the future**	[redacted]

operations (short / medium / long term)	[redacted]
II.B Consolidated scenarios **Develop 2/3 scenarios (consolidated view) that combine the recommended options**	[redacted]

The table below illustrates sample assumptions that will guide prioritization, enabling an initial top-down evaluation of cost, schedule, risk, and other key dimensions to identify the most viable options for detailed analysis.

Capability	OT / IT system	Point of view / initial assumptions
Main and Backup Control Centers	OT and IT systems	Consider full transfer of both centers and their systems into IESO NS with several possible scenarios for delivering dispatch and control functions. For the backup control centre possible transition into a cloud-based solution.
Operational Systems	SCADA/EMS real-time monitoring and control system	Consider full transfer into IESO NS with several scenarios as described below in "Strategies to deliver dispatch and control functions".
Operational system - real-time and study-mode	EMS real-time and study- mode applications	Consider full transfer into IESO NS with several scenarios as described below in "Strategies to deliver dispatch and control functions".
Data Acquisition & Telemetry	SCADA and WAMS through IEDs, RTUs, PMUs	To be transferred from NSP with transformation: IESO must receive direct telemetry rather than rely on Transmission Operator feeds to ensure independence and settlement. To be decided: ownership of OT assets at substations and local control rooms, noting that all servers and associated infrastructure are expected to be transferred to IESO NS.
Outage Planning & Scheduling	Systems for outage planning, scheduling, management and approval	Outage management is usually an integrated part of the EMS/SCADA real-time platform. However, shared responsibilities would require coordination between both parties. Usually, a common platform for data sharing can be developed as NSP cannot interfere with grid operation of EMS system. Sharing EMS access is not common approach due to security matters.
Planning and EMS/SCADA study mode - Real time integration	Power system tools i.e. DigSilent & EMS/SCADA real-time	Unify real-time, planning, and study modes in a simple integrated approach.
Market system	Market Management System (MMS)	If in place, MMS to be transferred to IESO NS with future development based on market strategy If not, consideration of market strategy and future system needs.

Control functions	OT and IT system	Control functions under the EMS/SCADA will be transferred to IESO NS. To be decided: ownership of OT assets delivering field control functions.
Logical nodes	OT and IT system	Logical nodes would require shared responsibilities between IESO NS and NSP.
Interfaces	OT and IT system	Interfaces in the main and backup control centres to be transferred into IESO NS, whereas field interfaces could be shared or have a single owner.
Communication protocols	OT and IT system	Communication protocols will be approached in the same manner as Interfaces.

Table 2: Examples of top-down assumptions on priority options

As the transition process defines the split responsibilities between IESO NS and NSP, common and shared responsibilities will be considered as well. For shared responsibilities, we envision:

- Connection process: IESO remains with operational planning and NSP manages physical connections
- Emergency response and power restoration: IESO instructs on actions, NSP performs field operations
- Reliability and continuity of power supply: IESO sets operational requirements, NS manages assets to comply with. IESO operates the system in real time, NSP uses assets and responds to requests
- Regulatory Reporting & Compliance: coordination between IESO and NSP for regulatory changes, implementation and reporting
- Data exchange: to identify shared data and data flow used in processes like connections, planning, etc.
- Cybersecurity & OT Integration: Coordinated approach during IT-OT transition
- Explore Hybrid or Shared-Service Model: Certain non-dispatch functions shared with NSP (e.g., IT infrastructure or modeling tools) while dispatch and reliability authority functions operate independently. Focus will be to maintain independence, transparency and a constructive interrelationship with NSP.
- Explore Inter-Regional Collaborative Models: Exploring partnerships with neighboring system operators to share infrastructure, data, or technologies.

2.3. Stage III – Transition Plan and IT/OT/Cybersecurity Roadmap

Purpose: Translate the selected strategy into a detailed, implementable transition plan and integrated technology roadmap that ensures reliable, secure, and compliant operations.

Key activities are listed below. Initial analysis will be done by IBM / Quanta with focused workshops for review, feedback and buy-in. Playback sessions to the executives for final buy-in. Our approach is designed to create a Roadmap and Plan that will facilitate and properly enable the transition of roadmap execution.

Activities	Proposed approach and accelerators
III. A. Phase 2 Transition Plan and Roadmap by bundling	[redacted]

capabilities and logically phasing their deployment	[redacted]
III.B. Interconnections process and flows and resulting Operating Model	[redacted]
III.C. Cost & budget	[redacted]
III.D. Procurement approach	[redacted]
III.E Updated RAID log	[redacted]

[redacted]

2.4. Innovation and Fit for Purpose

2.4.1. Right Sizing the Work and Team for Nova Scotia's Context

Nova Scotia's electricity system - approximately 2.8 GW of installed capacity, limited interconnections, and a population of roughly 1.1 million - requires solutions that are **nimble, cost-effective, and proportional** to its scale. Our proposal is built around that principle: a **lean, highly experienced team** that brings deep system-operator expertise from both large and small jurisdictions, while tailoring every activity to the realities of Nova Scotia's size, resources, and timelines. Our team has supported transitions and real-time control center projects for major Independent System Operators (ISOs) and smaller regional entities. This breadth of experience allows us to draw upon proven practices from large systems like Ontario or Alberta, while right sizing them for Nova Scotia's compact grid and organizational footprint.

We will deploy a **core multidisciplinary team -** senior practitioners in powers system operations, IT/OT architecture, and cybersecurity - supported by targeted specialists as needed. This structure ensures depth of expertise without the overhead of large program teams, keeping focus and cost efficiency aligned with Nova Scotia's needs.

2.4.2. Right-Sized Approach to Stage II: Defining Feasible Options

Stage II will not select a single solution; it will develop a **range of 4-5 strategic delivery options** for how IESO Nova Scotia can assume dispatching and control functions. Each option will be evaluated for practicality, scalability, and cost effectiveness within Nova Scotia's unique context.

Our approach emphasizes **fit for purpose innovation** rather than scale replication:

1. **Tailored to System Scale and Geography**
    - Each option will reflect Nova Scotia's size, topology, and limited interconnections (~350 MW to NB and 470 MW HVDC to NL).

    - We will examine models that leverage existing NSP assets or shared infrastructure where feasible, reducing capital investment while maintaining independence and reliability.
2. **Grounded in Practical Implementation**
    - For each option, we will define high level implementation paths, resource needs, and regulatory dependencies.
    - We will identify "no regrets" activities - early initiatives that benefit all options - to help IESO Nova Scotia start building readiness immediately.
3. **Scalable and Future Ready**
    - Options will be designed to grow as IESO Nova Scotia matures, supporting the province's 2030 target of 80 % renewables and increasing system complexity.
    - Modular IT/OT and cybersecurity designs will allow gradual integration of new technologies (storage, distributed energy resources) without major re-architecting.
4. **Cost Efficiency and Transparency**
    - Comparative cost assessments (Capex, Opex, Run the Business) will be developed for each model to illustrate affordability and overall value for Nova Scotia ratepayers.
    - We will present costs alongside qualitative factors - complexity, reliability, independence - to allow informed trade-off decisions.
5. **Compliance and Reliability Embedded by Design**
    - Each option will be assessed against NERC CIP, NPCC, and provincial reliability requirements, ensuring regulatory viability from the outset.
    - Cybersecurity boundaries, data sharing protocols, and compliance obligations will be explicitly mapped within each architecture.
6. **Targeted Use of Generative AI**
    - Using IBM Consulting Advantage with ethical and secure AI platform, for activities such as SOW generation

2.4.3. How the Approach Fits Nova Scotia's Scale and Accelerates Implementation

Our lean, senior-led team and structured approach provide Nova Scotia with a process that is **efficient, collaborative, and outcome-oriented**:

- **Lean Delivery Model:** A compact team of senior experts ensures rapid decision making, minimal overhead, and high-quality deliverables tailored to Nova Scotia's context.
- **Balanced Expertise:** Combined experience of IBM and Quanta across diverse ISOs and adjacent organizations means we can identify proportional solutions - avoiding over-engineering while maintaining best-practice governance and reliability.
- **Collaborative Engagement:** Frequent workshops with IESO Nova Scotia, NSP, and regulators. Regular executive playback sessions ensure alignment and consensus at every step of the process.
- **Accelerated Readiness:** By identifying common dependencies and early actions across all options, we can enable IESO Nova Scotia to begin implementation preparation before the final strategy is selected.
- **Sustainable Outcomes:** All recommendations are designed to be maintainable by IESO Nova Scotia staff using available resources, supported by documentation and knowledge transfer built into the engagement to facilitate bridging with the next steps moving forward.
- **Extensive Use of Accelerators:** We apply a robust suite of accelerators—including the IBM Method for Merger and Divestiture Planning, IBM's proprietary ISO CBM, ISO Reference Architecture, Reference Utility Technical Architecture, and AI-powered IBM Consulting Advantage—to deliver with efficiency, consistency, and quality.

3. Deliverables and Outcomes

Our deliverables are organized across the three major stages of the engagement - **Discovery**, **Control Center Strategy**, and **Transition & Roadmap** - and are designed to move IESO Nova Scotia from understanding its current state to having a complete, actionable plan for Phase 2 execution. Each deliverable will be formatted to be directly usable for decision making, regulatory alignment, and subsequent procurement of implementation services.

3.1. Stage I – Discovery and Current-State Assessment

Deliverable	Form / Format	Purpose and Decision Support
1. Discovery Kick-off Package	Slide deck and meeting summary	Establishes shared understanding of objectives, scope, and governance. Confirms data request list and stakeholder roles.
2. Legislative & Regulatory Requirements Summary	Report (5-10 pages)	Maps relevant clauses of the *More Access to Energy Act (2024)*, NERC CIP, and NPCC obligations to operational functions. Used to validate transition scope and compliance alignment.
3. As Is Assessment Report	Report + diagrams	Documents current NSP and IESO NS technology, process, and organizational states. Includes system architecture diagrams, dataflow maps, and process inventories. Provides baseline for gap analysis and future design.
4. Capability Transfer Matrix	Spreadsheet / table	Defines which operational capabilities will transfer from NSP and which must be newly developed. Supports resource and cost forecasting.
5. Gap and Risk Analysis	Report + heat-map visualization	Identifies compliance, cybersecurity, and operational gaps to be addressed in later stages. Guides prioritization and informs strategic option evaluation.

Outcome:
A validated, evidence-based baseline enabling IESO Nova Scotia to understand its starting point, compliance posture, and immediate readiness challenges.

3.2. Stage II – Control Center and Operational Strategy

Deliverable	Form / Format	Purpose and Decision Support
6. Strategic Options Report	Report (15-20 pages) + comparative matrix	Presents 4–5 feasible delivery models for dispatch and control (e.g., shared services, hybrid, independent). Includes cost/time estimates, pros & cons, and compliance implications. Enables leadership to evaluate tradeoffs transparently.
7. Option Evaluation Scorecard	Matrix / dashboard	Provides a clear, side by side comparison across criteria (cost, reliability, independence, scalability, compliance). Used in decision workshops.
8. Recommended Option Summary & Decision Record	Executive briefing note	Documents the chosen strategic option and rationale for Energy Board and stakeholder communication.
9. Preliminary Back-Office Change Recommendations	Short report	Identifies IT and business process adjustments required to support the preferred model, ensuring alignment between operational and administrative systems.

Outcome:
A consensus-based strategic decision on how IESO Nova Scotia will deliver Phase 2 functions, supported by transparent analysis and documentation suitable for Board or regulatory presentation.

3.3. Stage III – Transition Plan and IT/OT/Cybersecurity Roadmap

Deliverable	Form / Format	Purpose and Decision Support
10. Future-State Architecture Package	Technical diagrams + narrative	Depicts the proposed control center architecture, data centers, IT/OT systems, and cybersecurity zones mapped to NERC CIP. Serves as blueprint for design and procurement.
11. Integrated Transition Plan	Detailed plan (Word/PDF + Gantt chart)	Defines sequencing of activities, milestones, dependencies, and risk mitigations to ensure uninterrupted operations. Forms the baseline project plan for implementation.
12. IT/OT/Cybersecurity Roadmap	Report (approx. 20 pages) + timeline graphic	Provides integrated roadmap linking technology, process, and compliance initiatives. Includes Capex/Opex estimates and maturity path beyond 2027. Guides budgeting and resource planning.
13. Regulatory Compliance Plan	Matrix / report	Maps required filings, NPCC certifications, and NERC CIP controls to the transition timeline. Enables proactive regulatory scheduling.
14. Procurement Toolkit	Draft SOW templates + milestone-based payment schedule	Supplies ready to use SOWs for subsequent procurements (facilities, systems integration, cybersecurity). Accelerates contracting and maintains alignment with roadmap.
15. Risk Register and Mitigation Plan	Spreadsheet / report	Lists key transition risks (technical, regulatory, operational) with mitigation strategies and residual risk ratings. Enables monitoring through implementation.
16. Executive Summary and Presentation Deck	Slide deck	Concise briefing for IESO Nova Scotia Board and stakeholders summarizing findings, decisions, and next steps. Supports final sign-off and public communication.

Outcome:
A complete, implementation ready package that provides IESO Nova Scotia with the plans, tools, and documentation necessary to execute Phase 2 confidently and compliantly.

3.4. How Deliverables Enable Decision-Making and Execution

1. **Evidence-based decisions:** Each stage provides progressively detailed, validated information-moving from understanding to strategy to execution.
2. **Regulatory traceability:** Deliverables link directly to clauses in the *More Access to Energy Act (2024)* and NERC/NPCC standards, simplifying regulatory review and approval.
3. **Operational continuity:** Transition plans and risk registers ensure a structured, low-risk hand-off from NSP.
4. **Procurement readiness:** SOW templates and architecture packages allow immediate initiation of implementation procurements post-March 2026.
5. **Transparency and consensus:** Workshop outputs and decision records document stakeholder agreement, supporting accountability and communication with the Energy Board and public stakeholders.

4. Implementation and Knowledge Transfer

Our approach ensures that IESO Nova Scotia staff are fully equipped to **own and execute the Transition Plan and IT/OT/Cybersecurity Roadmap** after the engagement concludes. The goal is to leave behind not only documentation, but also the internal capability and confidence to implement, maintain, and evolve the roadmap independently.

4.1. Knowledge Transfer Philosophy

We treat knowledge transfer as an integral, continuous part of the engagement-not a final hand-off. Throughout each stage, IESO Nova Scotia personnel will be embedded in workshops, technical reviews, and decision sessions to build understanding and ownership of the deliverables.
Key principles guiding our approach:

- **Transparency:** All assumptions, analyses, and methodologies will be documented and shared.
- **Hands-on participation:** IESO Nova Scotia staff will co-develop models and review draft outputs rather than only receiving final reports.
- **Progressive learning:** Training and documentation will build cumulatively, aligned to each stage of the roadmap development.
- **Sustainability:** Tools and templates will be designed for ongoing use beyond the engagement period.

4.2. Knowledge Transfer Methods

Method	Timing / Stage	Description and Outcome
Embedded Workshops	Across all stages	Interactive sessions where IESO Nova Scotia staff participate in discovery, option evaluation, and roadmap design. Builds familiarity with underlying data, processes, and decision frameworks.
Technical Deep Dive Sessions	Stage II–III	Facilitated sessions on key topics (control center architecture, cybersecurity controls, dataflow mapping). Transfer of technical understanding from subject matter experts to internal leads.
Documentation Repository	Continuous	All reports, diagrams, and templates maintained in a shared, version-controlled repository. Includes final editable source files to allow future modification.
Toolkits and Templates	Stage III	Delivery of reusable templates (SOWs, risk registers, compliance crosswalks, architecture models) that IESO Nova Scotia can apply in future procurements or audits.
Training and Handover Workshops	Final month (March 2026)	Structured walkthrough of the Transition Plan and Roadmap deliverables. Includes "train-the-trainer" sessions for operations, compliance, and cybersecurity staff.
Executive Briefings	End of each stage	Concise summaries for leadership and Board members to ensure alignment on decisions, next steps, and knowledge retention.

4.3. Documentation Deliverables for Handover

At engagement close, IESO Nova Scotia will receive:

- **Comprehensive documentation set**, including:

- Final Transition Plan and Roadmap (editable formats)
- Supporting analyses, architecture diagrams, and option matrices
- Risk register, compliance mapping, and decision log
- Workshop summaries and training materials

4.4. Handover Approach

Our handover process includes:

1. **Joint review sessions:** Detailed walkthrough of all deliverables with technical and project teams.
2. **Transition-readiness checklist:** Confirmation that all required data, tools, and documents are accessible and understood by IESO Nova Scotia leads.
3. **Final presentation and Q&A session** for leadership and Board to ensure strategic understanding of the roadmap.
4. **Post handover support window (optional):** A short advisory period following completion to address clarification questions and assist with early implementation steps.

4.5. Key Risks and Mitigation Strategies

Risk	Potential Impact	Mitigation Approach
Knowledge gaps or staff turnover	Loss of continuity in roadmap execution	Embed multiple staff in each workshop; provide comprehensive documentation and "train the trainer" materials; recommend succession planning for key roles.
Limited access to NSP information or documentation	Incomplete baseline analysis	Early data request list confirmed at kickoff; escalation process through transition governance; use alternative validation sources (NPCC, regulatory filings) if needed.
Complexity of cybersecurity and compliance obligations	Implementation delays or audit findings	Integrate compliance mapping and NERC CIP crosswalks into every deliverable; include cybersecurity lead in all roadmap design activities.
Change in regulatory timelines or approvals	Misalignment of transition milestones	Maintain regulatory liaison updates; design roadmap with contingency buffers; document dependencies clearly in transition plan.
Resource constraints within IESO Nova Scotia	Difficulty maintaining momentum post engagement	Provide scalable, right sized tools; define phased implementation sequencing; recommend prioritization criteria for early wins.

5. Project Management and Resourcing

5.1. High level schedule

[redacted]

We planned the project for a delivery over 12 weeks and recommend adding a buffer of 2 additional weeks, allowing to produce the key deliverables by end of March 2026 as requested.
The visual frameworks and maps used to structure the deliverables and produce "easy to consume" diagrams and visual aids are described in section 3 Proposed Approach and Methodology.

5.2. Team structure

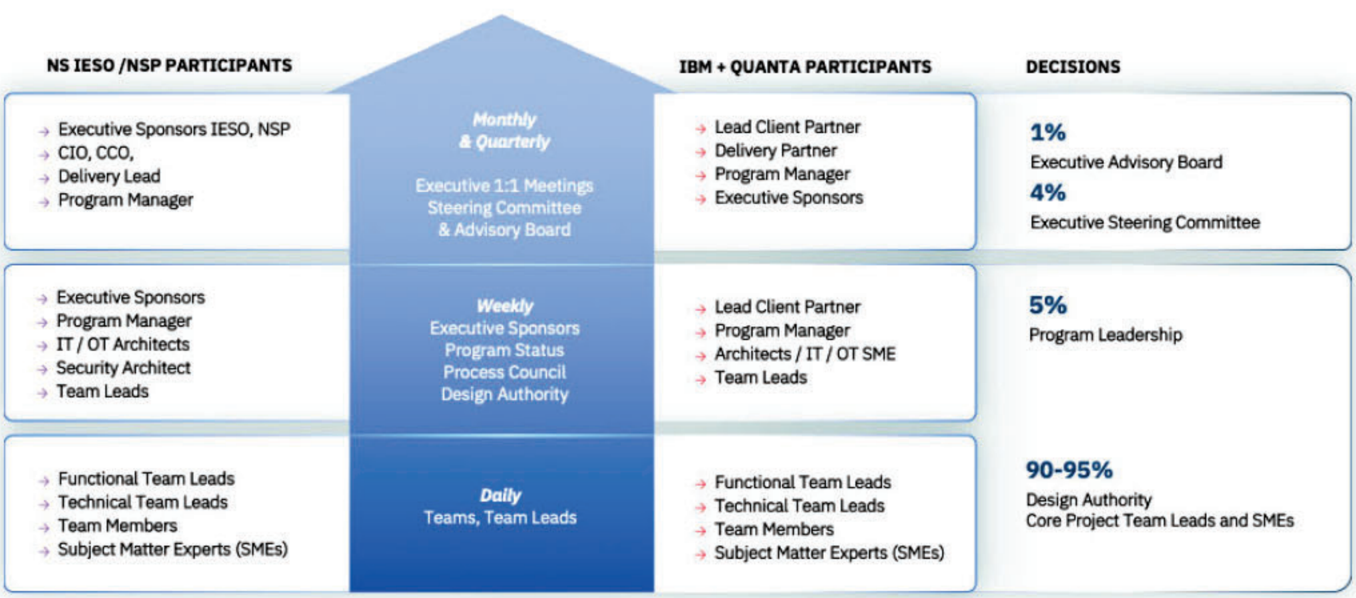
[redacted]

[redacted]

5.3. Governance

The governance model will establish a clear legal and functional separation between IESO NS and NSP, eliminating conflicts of interest and enabling innovation and future competitive infrastructure development. It will define transparent roles and responsibilities across planning, real-time operations, and connection processes.

We will drive effective governance through our commitment to alignment, communication, and relationships



6. Experience and Capabilities

6.1. Key references overview and relevance to NS IESO

[redacted]

6.2. Detailed references

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Request IR - 2

Reference: Application, p. 4, lines 18-23

As a consequence of the phased approach, IESO Nova Scotia expects its annual revenue requirement submissions to adjust commensurate with the increasing scope over the implementation period. As such, while this Application will utilize the previous revenue requirement application budget as a foundation, some of the figures used depart from the previous application assumptions as IESO Nova Scotia has updated information and assumptions as its knowledge and experience continues to grow.

(a) What "information and assumptions" has IESO NS updated? Please provide details regarding any changes/updates.

Response IR – 2

Changes and updates to the assumptions from the 2025/2026 application are described in the 2026/2027 application for each cost category in each respective section. Please also refer to the comparison tables with annualized 2025/2026 budget amounts for greater clarity.

(a) Information and assumptions updated since the previous application include:

- Salary and Wages, Administrative - Refined with FTE required adjusted for the expected increased scope of the IESO in 2026/2027.

- Corporate Administrative – Insurance costs were revised lower based on the actual premium costs for policies bound in 2025.
- Corporate Administrative – Office costs were added to the 2026/2027 revenue requirement based on the actual results in 2025 of costs associated with occupied office space.
- Governance – Budget costs were adjusted to reflect experience from 2025 with reductions in compensation partially offset by increases in support costs.
- Legal and Regulatory – Assumption changes based on expected increase in legal work related to transition and regulatory activity in 2026.
- Procurement - Includes an assumption for 2026 of new initiatives for REOI additional capacity.
- Facilities and Technologies - Assumptions have been updated for the actual costs in lease agreement and actual costs for application software required for core functions.
- Finance - Assumptions were updated for the full 12-month period of 2026/2027 as well as scenarios that envisioned delays in receipt of the revenue requirement which increased financing costs.
- Transition Cost - Assumptions have been updated based on experience from Phase I in 2025 and the expectation of increased work levels with the Phase II requirements. The result of these changed assumptions is certain components of this category decrease in 2026/2027 versus 2025/2026 while other components increase.

- Operations - The FTE requirements have been adjusted based on greater experience at this point in time versus the estimates for 2025/2026. Other costs and recoveries reflect a full year of operations versus the partial year in 2025/2026.

Request IR - 3

Reference: Application, p. 5, lines 14-19

IESO Nova Scotia notes that actual expenditures for fiscal year 2025/2026 are materially tracking against its proposed 2025/2026 Revenue Requirement, and IESO Nova Scotia has no further amendments to the assumptions or costs noted in its 2025/2026 Revenue Requirement Application. Any variances of budget to actual will be captured and accounted for in the Net Revenue Requirement Deferral and Variance Mechanism.

(a) Please describe what is meant by "materially tracking" in this context.

Response IR - 3

(a) Please refer to NSEB IR-07.

Request IR - 4

Reference: Application, p. 8, lines 10-15

Subject to the proclamation of certain provisions of the Act, Phase II involves the transfer of real-time dispatch operations. Detailed transition planning is commencing for Phase II, and the exact timing of the transition will depend on a number of factors, including technology requirements, regulatory compliance readiness (including reliability compliance), and space requirements. Subject to the completion of the detailed transition planning work, the Phase II transition is targeted to commence in Q2 of the 2027 calendar year.

(a) Please describe the provisions of the Act which remain to be proclaimed, and also provide details on any discussions IESO NS has had with government concerning proclamation of these provisions.

(b) Has IESO NS completed any work yet towards assessing its "technology requirements, regulatory compliance readiness (including reliability compliance), and space requirements." If so, what is IESO NS's current assessment of these requirements.

Response IR - 4

(a) Please refer to IG IR-8 part (b). IESO Nova Scotia has not had any formal discussions with government concerning the proclamation of these provisions.

(b) IESO has not completed any work yet toward assessing its technology, compliance and space requirements for Phase II. The Phase II planning work currently underway with the assistance of external consultant experts will inform that requirement. The tentative timeline for the completion of that work is early to middle of April.

Request IR - 5

Reference: Application, p. 8, lines 17-26

As a result of IESO Nova Scotia's mandate and associated work already completed (specifically with respect to Phase I) and to be completed in the years ahead, IESO Nova Scotia has incurred and expects to incur costs beyond OM&A. Namely, IESO Nova Scotia has incurred and will incur capital-related costs and expects to incur costs associated with future energy resource procurements. Accordingly, IESO Nova Scotia's revenue requirement and fees applications going forward will likely include for review and approval capital and energy resource procurement costs, as well as corresponding fees, assuming they have not otherwise been subject to NSEB review and approval via separate applications submitted to the Board. Any references to capital costs in this Application are not included for approval at this time. The regulatory pathways for NSEB review and approval of these additional cost categories will be assessed in further detail in 2026.

(a) What capital-related costs has IESO NS already incurred?

(b) What capital-related cost does IESO NS expect to incur (if possible, provide an estimate based on current requirements and assumptions)?

Response IR - 5

(a) Please refer to IG IR-17. These costs categories were contemplated and included in the line item "Office and Employee Technology Hardware and Software" in the One-Time

Transition Costs in the 2025/2026 Revenue Requirement Application (M12412). These assets were required as part of standing up the IESO, and so will be covered by the provincial grant as contemplated in that Application.

(b) Please refer to NSEB IR-10.

Request IR - 6

Reference: Application, Exhibit B-1

(a) With respect to the various budget items noted in Table 1, please provide a table that includes each budget item and the IESO NS's understanding of whether each budget item reflects cost savings that should occur at NS Power as a result of the transfer of responsibilities from NS Power to IESO NS.

(b) For each of the cost categories listed in Table 1 that reflect cost savings that should occur at NS Power, please confirm whether these costs are proportionate to the costs that NS Power would have otherwise incurred for performing similar work. If IESO NS's costs are greater than what NS Power would have incurred in any of the relevant categories, please describe which categories, and why.

(c) IESO NS indicates it is a "relatively newly established entity with limited historical financial or operational information" (p. 10, lines 2-3). However, IESO NS also confirms that it established a Joint Transition Committee to facilitate coordination between IESO NS and NS Power (p. 6, lines 12-13)

i. Please confirm that NS Power has historical financial and operational information pertaining to the NS Power System Operator.

ii. Please confirm whether NS Power has made this information available to IESO NS, whether through the Joint Transition Committee or otherwise.

iii. If the answer to ii. above is No, please explain why not. If the answer to ii. above is Yes, please explain the extent to which IESO NS has relied upon this information; and if IESO NS has not relied upon this information, please explain why not.

(d) With respect to all cost categories noted in the Application, to what extent have IESO NS and NS Power discussed the minimization of costs in the transition of the system operator role to IESO NS? In answering this question, please address the following topics, which should be considered as illustrative:

i. Lease arrangements and use of facilities (including, for example, whether IESO NS and NS Power discussed the possibility of IESO NS leasing space at any properties owned by NS Power)

ii. Employee compensation (including, for example, whether NS Power shared compensation details with IESO NS for any employees transitioning to IESO NS, and, whether NS Power is open to permitting IESO NS to participate in its benefits and/or pension plans)

iii. Historical financial and operational information (including, for example, any information pertaining to each category of OM&A costs)

iv. Transition of software licences

v. Transition of office resources and equipment

In addition to the above, please also address any other topics that have been discussed between NS Power and IESO NS with respect to cost minimization.

Response IR - 6

(a-b) In Exhibit B-1 Table 1, the only line item that contains the direct transfer of resources from NS Power to the IESO is Operations (System Planning). IESO Nova Scotia reasonably expects that a corresponding reduction in costs at NS Power would occur. However, the IESO notes that NS Power may retain some roles, functionality and assets insofar as those items continue to have relevance for NS Power in different but similar responsibilities. For example, NS Power will retain the transmission owner, the distribution owner, and distribution system operator. Accordingly, any comparison of the IESO's costs to NS Power's would be inherently imprecise and would otherwise need to be understood with the aforementioned context in mind. The other line items are necessary IESO organizational and shared service costs that NS Power would also have. IESO Nova Scotia does not have access to NS Power's operating model nor detailed financial information in order to assess if cost savings are possible nor complete the specific cost comparison requested by the CA.

(c)

i) IESO Nova Scotia assumes that NS Power has historical financial and operational data related to the NSPSO.

ii) NS Power shared employee compensation information with the IESO in order to facilitate the transfer of employees in accordance with the *More Access to Energy Act*. Otherwise, historical financial and operational information pertaining to the NS Power System Operator was not made available.

iii) Given the majority of the IESO's OM&A costs are associated with employee salaries and compensation under the Employees (Administrative) and Operations (System Planning) categories, and 1) the Operations salaries and compensation were based on NS Power employees transferred to IESO Nova Scotia, and 2) the Administration salaries and compensation will be fulfilled in the near term and expected to remain stable, additional financial or historical operational information regarding the NSPSO would not have provided meaningful additional budgeting certainty for the remainder of the IESO's operations. For example, after Phase II Transitional Costs, the next largest OM&A cost category is Facilities and Technology, which includes the office lease and IT application software; NSPSO historical information on which to budget these costs would be mostly irrelevant, as the IESO would require separate office space with costs entirely independent of NS Power's costs to host the NSPSO, and IT application software costs are well known in the market irrespective of what NS Power may have paid for them. As the IESO continues to gain operational experience over this year and into the future, it will have the benefit of its own historical financial and operating experience on which to base and refine its budgeting going forward. Of course, any budgeting to actual variances will not only be examined to improve budgeting, it will be transparently reported for stakeholder and NSEB review in its annual revenue requirement and fees applications via its Net Revenue Requirement Deferral and Variance Mechanism if approved by the NSEB.

(d) IESO Nova Scotia has made efforts to set-up the organization in the most cost-effective way possible, within the context and inherent constraints of a fully independent energy system operator. Realizing commensurate benefits in furtherance of the Province's policy goals codified in the *More Access to Energy Act* requires complete independence, and as such not all categories of expenditures can be coordinated with NS Power for cost minimization.

i) Given the IESO's independence, IESO Nova Scotia did not discuss leasing space from NS Power as, at this time and phase of the IESO's operations, this would have been inappropriate. The reasons and benefits associated with IESO Nova Scotia's leased office space are described on page 25 of the Application.

ii) Employee compensation information for those roles transferred to the IESO under Phase I was shared with the IESO in order for the IESO to make a comparable offer (or no worse) as required in accordance with the *More Access to Energy Act*. Moreover, for those employees on Defined Benefit pension plans, IESO has retained corresponding employees' participation in NS Power's plans due to the comparatively higher costs of IESO Nova Scotia to stand-up its own DB pension program.

iii) Please refer to part c) iii) above.

iv) Please refer to CA IR-7 part i) and ii).

v) IESO Nova Scotia asked to transfer office resources and equipment from NS Power and were advised that those resources were still required by NS Power.

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Request IR - 7

Reference: Application, Exhibit B-2

(a) IESO NS indicates that for the purposes of preparing its budget, it has "assumed that the 23 employees responsible for functional management and administrative matters are fully employed during the 26/27 fiscal year." Please confirm whether all of these positions are currently filled; if any are vacant, please describe which ones, and provide a timeline as to when they are expected to be filled. If the positions will not all be filled for the entire duration of the 26/27 fiscal year, then please confirm whether the budget takes that into account.

(b) Of the 23 Administrative positions, please describe which would be considered "new" roles compared to NS Power's complement of employees who had fulfilled a similar function.

(c) Did IESO NS rely upon any expert consultants when establishing compensation for the non-CEO roles? (p. 13, line 13). If so, please provide details of the work performed by the consultant(s). If not, please explain why not.

(d) Please explain how IESO NS came up with the "fringe rate" of 15%. In answering this question, please also provide the "updated budget information from IESO Nova Scotia's benefits provider."

(e) On what basis does IESO NS say that cost of living increases will give rise to an "overall 3% increase in the Administration Salaries compared to those in the 2025/2026 Revenue Requirement Application"?

(f) On what basis did IESO NS assess the potential turnover rate of "2-3 employees"?

(g) Regarding Table 4:

i. Please describe any planned stakeholder engagements in the 26/27 fiscal year, and address how this cost was assessed.

ii. Please describe the process IESO NS used to procure web hosting services, and confirm that IESO NS selected the least cost option.

iii. Please provide further and better particulars regarding the "Office Costs" (i.e. what are the specific "office administrative fees and resources").

(h) Please provide a breakdown of the governance costs noted at pages 18-19.

(i) With respect to Table 11, the budget includes the costs of purchase or licensing of software.

i. Please provide a list of the major software purchases or licenses.

ii. For each item listed in part (a), please state whether the software was transferred from NS Power. For software that was not transferred from NS Power, please state to the best of your knowledge the status of the same software at NS Power (e.g., active use, license cancelled, etc.).

iii. Please state whether any specialized hardware is required to operate the software discussed above. If so, please also explain whether the hardware was transferred from NS Power and the status of that same hardware at NS Power.

(j) In Section H, IESO NS indicates it expects 21 roles to transition from NS Power to IESO NS (p. 30). Please confirm whether any of these positions are currently filled; if any roles are vacant, please describe which ones, and provide a timeline as to when they are expected to be filled. If the positions will not all be filled for the entire duration of the 26/27 fiscal year, then please confirm whether the budget takes that into account.

Response IR – 7

(a) IESO NS can confirm that 9 of the 23 functional management and administrative positions are currently filled. The remaining vacancies include a mix of administrative and specialized technical roles. Several administrative roles are expected to be filled in March/April 2026. Recruitment for the specialized positions is ongoing, as these typically require longer lead times to find the necessary skillset. For budgeting purposes, the 2026/2027 budget assumes all positions are in place for the full fiscal year.

(b) All 23 administrative positions are considered new. None of these roles existed within the group of employees who transferred from NS Power to IESO NS.

(c) Yes. IESO NS hired an external consultant to support the development of compensation ranges for non-CEO roles, as the HR Manager had not yet been hired. The HR consultant also discussed the compensation of multiple roles with a local recruiting firm in gathering support for the budget. The consultant developed salary bands by reviewing available market data and providing recommendations to inform the initial structure. In addition, a benefits consulting firm was hired to support the development of the benefit package.

(d) The fringe rate of 15% reflects the estimated employer cost of benefits as a percentage of salary. This rate was developed by an external consultant using available benefits information and standard market assumptions. The consultant's updated estimates were incorporated into the budget.

(e) The projected 3% increase reflects the standard cost-of-living adjustment related to inflation. This percentage was also based on general market compensation trends and consultant input during the development of the initial compensation structure.

(f) The estimate of 2–3 employees was a general planning assumption used for budgeting purposes. It reflects typical turnover expectations for an organization of IESO Nova Scotia's size during its early establishment phase, based on consultant input and common HR assumptions rather than a detailed statistical calculation.

(g) Regarding Table 4:

i. The budget item for stakeholder engagement was based on IESO Nova Scotia's general stakeholder engagement activities throughout the year based on

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historical engagement to date. This item is unrelated to specific initiatives or regulatory application stakeholder engagements.

ii. An expression of interest (EOI) was sent to multiple perspective proponents. All proposals were evaluated for price, experience, and qualifications. The least cost web hosting option was selected. Please refer to Attachment 1.

iii. Please refer to DGT IR-11 part (c).

(h) Breakdown of the governance costs (000's):

Cost Category	2026/2027 Proposed Budget ($) (Millions)
Governance	**0.49M**
Board support for strategic issues	0.03
Board remuneration	0.42
Board expenses	0.04

(i) With respect to Table 11:

i. Please see response to PHP IR-10.

ii. All of the software tools continue to be in use at NS Power and in general software license agreements prohibit the transfer of licenses between organizations. Notwithstanding, IESO Nova Scotia was successful in a significant cost mitigation negotiation with one vendor:

- PSSE - [redacted]

[redacted]

iii. Workstation PCs are required to operate the specialized software. No workstation PCs were transferred from NS Power as the hardware in use at NS Power was either approaching end of life, or shared with other NS Power departments which continue to have a requirement for that hardware.

(j) IESO NS confirms that 18 of the 21 roles expected to transition from NS Power are currently filled. Three positions remain vacant. The budget assumes a full complement of positions for the 26/27 fiscal year.

Criteria	Weight Guideline	Vendor #1 Rhyme+Reason	Comments	[redacted]	Comments	[redacted]	Comments	[redacted]	Comments
Price	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Experience and Demonstrated Ability to Deliver	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Qualifications	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
SCORE	**100%**	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Request IR - 8

Reference: Application, Exhibit B-3

a) If much of the work to stand up IESO NS's HR systems, processes, and policies was completed in 2025/2026, please provide further details regarding any work that remains to be done, and provide a breakdown in comparison to the work that was already completed.

b) Please describe what work is expected to be completed within the category of "change management," and also justify how the cost was assessed.

c) Please describe the "significant ongoing project work for IESO Nova Scotia in 2026/2027."

d) Please describe what IESO NS means when it says "significant uncertainty remains around the exact scope of Phase II and all the work that will be required."

Response IR – 8

a) In 2025/2026, IESO Nova Scotia completed foundational work to establish its core HR systems, processes, and policies necessary to operate as an independent entity. This included implementing payroll and benefits administration, developing employment agreements and compensation frameworks, establishing foundational recruitment and onboarding processes and drafting foundational HR policies. The remaining work in 2026/2027 relates primarily to refinement, transition, and operationalization of those systems. This includes workforce planning aligned with Phase II implementation, documenting procedures to support expanded operational responsibilities, and supporting organizational readiness for Phase II staffing transitions, including unionized employees. Unlike 2025/2026, which focused on standing up foundational systems, the 2026/2027 work is focused on maturation of those processes and supporting readiness for Phase II staffing transition.

b) Please refer to the response to PHP IR-12 for the basis of how the estimate for change management was developed. The work required for change management includes employee impact assessment, employee support, knowledge transfer plans, training and capability building and reinforcement and stabilization activities.

c) Please refer to the response to NSEB IR-3 (a) for a summary of the 2026/2027 workplan.

d) Please refer to NSEB IR-6.

Request IR - 9

Reference: Application, Exhibit C-1

If the Board approves IESO NS's requested Net Revenue Requirement Deferral and Variance Mechanism, does IESO NS agree that any costs that exceed an approved budget in any given year will remain subject to a prudence review? In the event such costs are deemed imprudent, what would be the appropriate mechanism to address any disallowances?

Response IR - 9

Please refer to NSEB IR-28 parts e) and f).

Request IR - 10

Reference: Application, Exhibit D-1

(a) With respect to IESO NS's justification for interim relief:

i. Please provide further and better particulars to support IESO NS's claim that even with a $10M line of credit, IESO NS will be "unable to meet its liabilities as they become due in May 2026."

ii. IESO NS states that it "has become known to IESO Nova Scotia that … commercial lenders are not prepared to loan IESO Nova Scotia funds in advance of revenue or an approved revenue requirement." Please describe how this became known to IESO NS, and also whether IESO NS has considered any other options.

iii. Please provide further information to support IESO NS's claim that it will cost a "minimum" of $950,000 per month to ensure it meets its obligations.

iv. Please confirm whether IESO NS and NS Power discussed options for cost recovery other than through charges to the FAM, and if so, (a) advise what options were discussed and (b) why those options were not considered acceptable to either IESO NS or NS Power.

Response IR - 10

(a) Please note that the NSEB approved IESO Nova Scotia's request for temporary financial relief by letter on February 25, 2026.

i. Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

ii. Please refer to page 5 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

iii. Please refer to pages 4-7 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

iv. Please refer to DGT IR-6.