Nova Scotia Independent Energy System Operator (IESO Nova Scotia)
Responses to Nova Scotia Energy Board (NSEB) Information Requests

REDACTED / PARTIALLY CONFIDENTIAL (Attachments Only)

Request IR - 1

(a) Please provide the financial forecast document used to prepare the total expense forecasts.

Response IR - 1

(a) Please refer to Attachment 1. Please also refer to NSEB IR-11 and NSEB IR-21 for information on administration and operations employee compensation, respectively.

IESO Nova Scotia
Financial Forecast - Summary
April 1 2026 - March 31, 2027

Expense Category	Apr-26 Forecast	May-26 Forecast	Jun-26 Forecast	Jul-26 Forecast	Aug-26 Forecast	Sep-26 Forecast	Oct-26 Forecast	Nov-26 Forecast	Dec-26 Forecast	Jan-27 Forecast	Feb-27 Forecast	Mar-27 Forecast	2027 Total
Employees & Recruitment	360,854	400,854	360,854	360,854	360,854	390,854	360,854	360,854	360,854	390,854	360,854	360,854	4,430,248
Corporate Administration	21,861	21,861	21,861	21,861	21,861	21,861	21,861	21,861	21,861	23,761	21,861	21,861	264,235
Governance	36,500	42,000	36,500	42,000	51,500	36,500	42,000	36,500	36,500	42,000	51,500	36,500	490,000
Legal and Regulatory	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000	50,000	50,000	350,000	1,150,000
Procurement	103,189	104,949	80,949	110,949	110,949	74,949	50,949	86,949	50,949	56,949	38,949	20,952	891,628
Facilities & Technology (General)	134,670	134,670	134,670	134,670	134,670	134,670	135,233	135,233	121,516	121,516	121,516	121,516	1,564,552
Finance	43,917	52,250	58,500	58,500	58,500	54,333	50,167	50,167	50,167	50,167	43,917	83,917	654,500
Transition and Operational Planning	135,417	128,388	133,550	140,017	136,417	136,417	156,683	151,283	144,083	169,883	166,283	171,683	1,770,104
Operations (Phase 1)	392,488	392,488	392,488	392,488	392,488	392,488	392,488	392,488	392,488	392,488	392,488	(682,512)	3,634,855
Total Costs	**1,278,895**	**1,327,459**	**1,269,371**	**1,311,338**	**1,317,238**	**1,292,072**	**1,260,235**	**1,285,335**	**1,478,418**	**1,297,618**	**1,247,368**	**484,772**	**14,850,121**

IESO Nova Scotia
Financial
April 1 2026 - March 31, 2027

Expenses

#	Category		Apr-26 Forecast	May-26 Forecast	Jun-26 Forecast	Jul-26 Forecast	Aug-26 Forecast	Sep-26 Forecast	Oct-26 Forecast	Nov-26 Forecast	Dec-26 Forecast	Jan-27 Forecast	Feb-27 Forecast	Mar-27 Forecast	2027 Total
1	**Employees (Administration)**														
	Salaries and Wages, Administrative		360,854	360,854	360,854	360,854	360,854	360,854	360,854	360,854	360,854	360,854	360,854	360,854	4,330,248
	Recruitment			40,000				30,000				30,000			100,000
		Sub-total	**360,854**	**400,854**	**360,854**	**360,854**	**360,854**	**390,854**	**360,854**	**360,854**	**360,854**	**390,854**	**360,854**	**360,854**	**4,430,248**
2	**Corporate Administrative**														
	Directors & Officers Insurance		1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	12,675
	Errors & Omissions Insurance		486	486	486	486	486	486	486	486	486	486	486	486	5,835
	General Liability Insurance		355	355	355	355	355	355	355	355	355	355	355	355	4,265
	Cybersecurity Insurance		833	833	833	833	833	833	833	833	833	833	833	833	10,000
	Communications		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
	Web Hosting		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
	Stakeholder Consultation/Engagement		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
	Office Costs		8,130	8,130	8,130	8,130	8,130	8,130	8,130	8,130	8,130	10,030	8,130	8,130	99,460
		Sub-total	**21,861**	**21,861**	**21,861**	**21,861**	**21,861**	**21,861**	**21,861**	**21,861**	**21,861**	**23,761**	**21,861**	**21,861**	**264,235**
3	**Governance**														
	Board Support						15,000						15,000		30,000
	Board Compensation		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000
	Board Expenses (e.g., travel expenses, etc.)		1500	7,000	1,500	7,000	1,500	1,500	7,000	1,500	1,500	7,000	1,500	1,500	40,000
		Sub-total	**36,500**	**42,000**	**36,500**	**42,000**	**51,500**	**36,500**	**42,000**	**36,500**	**36,500**	**42,000**	**51,500**	**36,500**	**490,000**
4	**Legal and Regulatory**														
	Energy Board Application										250,000			250,000	500,000
	Energy Board Annual Assessment													50,000	50,000
	Legal and Compliance		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
		Sub-total	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**300,000**	**50,000**	**50,000**	**350,000**	**1,150,000**
5	**Procurement**														
	Other Capacity		18,928	14,688	2,688	2,688	2,688	2,688	14,688	2,688	2,688	2,688	2,688	2,692	72,500
	300MW NS RFP		66,000	54,000	6,000	0	0	0	0	0	0	0	0	0	126,000
	REOI Additional Capacity		0	18,000	54,000	90,000	90,000	54,000	18,000	66,000	30,000	36,000	18,000	0	474,000
	Procurement Department Consulting		18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	219,128
		Sub-total	**103,189**	**104,949**	**80,949**	**110,949**	**110,949**	**74,949**	**50,949**	**86,949**	**50,949**	**56,949**	**38,949**	**20,952**	**891,628**
6	**Facilities & Technology (General)**														
	Lease		31,320	31,320	31,320	31,320	31,320	31,320	31,883	31,883	31,883	31,883	31,883	31,883	379,222
	Application Software		78,850	78,850	78,850	78,850	78,850	78,850	78,850	78,850	65,133	65,133	65,133	65,133	891,329
	Managed IT Services		17,940	17,940	17,940	17,940	17,940	17,940	17,940	17,940	17,940	17,940	17,940	17,940	215,280
	Other IT Costs		6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	6,560	78,720
		Sub-total	**134,670**	**134,670**	**134,670**	**134,670**	**134,670**	**134,670**	**135,233**	**135,233**	**121,516**	**121,516**	**121,516**	**121,516**	**1,564,552**
7	**Finance**														
	Payroll and Accounting Subscription Services		2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000
	External Financial Audit													40,000	40,000
	Financing Costs on Operating Line of Credit / Loan from Province		41,667	50,000	56,250	56,250	56,250	52,083	47,917	47,917	47,917	47,917	41,667	41,667	587,500
		Sub-total	**43,917**	**52,250**	**58,500**	**58,500**	**58,500**	**54,333**	**50,167**	**50,167**	**50,167**	**50,167**	**43,917**	**83,917**	**654,500**
8	**Transition and Operational Planning**														
	HR Transition Planning and Change Management (HR Consultant)		3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
	Program and Project Management (PMO Consultant)		35,000	27,971	33,133	39,600	36,000	36,000	39,600	34,200	27,000	37,800	34,200	39,600	420,104
	Change Management (PMO Consultant)		8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
	Other short term consulting needs for transition projects - stand up control centre		41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	500,000
	Financial Advisory, Accounting and Bookkeeping														-
	Operational Transition Strategy, Advisory & Expertise Grid Interconnection/System Operations/System Planning		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
	Phase 2 Readiness Assurance Consultant								16,667	16,667	16,667	16,667	16,667	16,667	100,000
	NERC Compliance Implementation		16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	16,667	200,000
	NERC Assurance Phase 2											15,000	15,000	15,000	45,000
		Sub-total	**135,417**	**128,388**	**133,550**	**140,017**	**136,417**	**136,417**	**156,683**	**151,283**	**144,083**	**169,883**	**166,283**	**171,683**	**1,770,104**
9	**Operations**														
	Salaries & Wages, Technical		309,155	309,155	309,155	309,155	309,155	309,155	309,155	309,155	309,155	309,155	309,155	309,155	3,709,855
	Third Party Recoveries													- 1,075,000	- 1,075,000
	Integrated Resource Planning		83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	83,333	1,000,000
		Sub-total	**392,488**	**392,488**	**392,488**	**392,488**	**392,488**	**392,488**	**392,488**	**392,488**	**392,488**	**392,488**	**392,488** -	**682,512**	**3,634,855**
		TOTAL	**1,278,895**	**1,327,459**	**1,269,371**	**1,311,338**	**1,317,238**	**1,292,072**	**1,260,235**	**1,285,335**	**1,478,418**	**1,297,618**	**1,247,368**	**484,772**	**14,850,121**
	Total Cumulative Costs		1,278,895	2,606,355	3,875,726	5,187,065	6,504,303	7,796,375	9,056,610	10,341,945	11,820,363	13,117,981	14,365,349	14,850,121	

IESO Nova Scotia
Financial Forecast - Procurement
April 1 2026 - March 31, 2027

	ITEM	Total Estimate	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	2027 Total
		20%													
	Other Capacity	0													
	Legal			10,000					10,000						20,000
	Letter of Credit		13,533		-	-	-	-	-	-	-	-	-	-	13,533
	Misc technical support / comms		2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,243	26,883
	SUBTOTAL NBPOWER CAPACITY CONTRACT		15,773	12,240	2,240	2,240	2,240	2,240	12,240	2,240	2,240	2,240	2,240	2,243	60,416
20%	CONTINGENCY		3,155	2,448	448	448	448	448	2,448	448	448	448	448	449	12,083
	TOTAL OTHER CAPACITY CONTRACT	72,500	18,928	14,688	2,688	2,688	2,688	2,688	14,688	2,688	2,688	2,688	2,688	2,692	72,500
	RFP Costing														-
	Technical Expert	10,000	10,000												10,000
	Legal	20,000	10,000	10,000											20,000
	RFP Closeout	30,000	15,000	15,000											30,000
	Procurement Management	45,000	20,000	20,000	5,000										45,000
	SUBTOTAL RFP COSTING	105,000	55,000	45,000	5,000	-	-	-	-	-	-	-	-	-	105,000
20%	CONTINGENCY	21,000	11,000	9,000	1,000	-	-	-	-	-	-	-	-	-	21,000
	TOTAL RFP COSTING	126,000	66,000	54,000	6,000	-	-	-	-	-	-	-	-	-	126,000
	REOI for Additional Capacity														
	Technical Experts	160,000			30,000	30,000	30,000	30,000		40,000					160,000
	Legal	85,000				30,000	30,000				10,000	15000			85,000
	Documentation Development / Contract Process Execution	150,000		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000		150,000
	SUBTOTAL REOI for Additional Capacity	395,000	-	15,000	45,000	75,000	75,000	45,000	15,000	55,000	25,000	30,000	15,000	-	395,000
20%	CONTINGENCY	79,000	-	3,000	9,000	15,000	15,000	9,000	3,000	11,000	5,000	6,000	3,000	-	79,000
	TOTAL REOI Additional Capacity	474,000	-	18,000	54,000	90,000	90,000	54,000	18,000	66,000	30,000	36,000	18,000	-	474,000
	Procurement Department Consulting														
	TOTAL IESONS Procurement Consulting	219,128	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	219,128
		891,628	**103,189**	**104,949**	**80,949**	**110,949**	**110,949**	**74,949**	**50,949**	**86,949**	**50,949**	**56,949**	**38,949**	**20,952**	**891,628**

Budget 2026/2027
Nova Scotia Independent Energy System Operator

ITEM	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	F2026-2027 Total
REOI Additional Capacity	-	18,000	54,000	90,000	90,000	54,000	18,000	66,000	30,000	36,000	18,000	-	474,000
Capacity Contract	18,928	14,688	2,688	2,688	2,688	2,688	14,688	2,688	2,688	2,688	2,688	2,692	72,500
300MW NS RFP	66,000	54,000	6,000	-	-	-	-	-	-	-	-	-	126,000
Procurement Department Consulting	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	219,128
	103,189	*104,949*	*80,949*	*110,949*	*110,949*	*74,949*	*50,949*	*86,949*	*50,949*	*56,949*	*38,949*	*20,952*	*891,628*

IESO Nova Scotia

Financial Forecast - Facilities and Technology

April 1 2026 - March 31, 2027

2026 / 2027		Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	TOTAL
								2%		2%				
BUILDING														
TD Building		$ 28,154	$ 28,154	$ 28,154	$ 28,154	$ 28,154	$ 28,154	$ 28,717	$ 28,717	$ 28,717	$ 28,717	$ 28,717	$ 28,717	$ 341,222
Space Updates		$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 3,167	$ 38,000
TOTAL FACILITIES		$ 31,320	$ 31,320	$ 31,320	$ 31,320	$ 31,320	$ 31,320	$ 31,883	$ 31,883	$ 31,883	$ 31,883	$ 31,883	$ 31,883	$ 379,222
TECHNOLOGY														
Cell phones - 2 yr contract - phone		$ 660	$ 660	$ 660	$ 660	$ 660	$ 660	$ 660	$ 660	$ 660	$ 660	$ 660	$ 660	$ 7,920
Cell phones - 2 yr contract - usage plan		$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 4,400	$ 52,800
Internet		$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 1,500	$ 18,000
Other IT Costs		$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 6,560	$ 78,720
Application fees - recurring	PSCAD	[redacted]												
Application fees - recurring	PLEXOS	[redacted]												
Application fees - recurring	PSSE	[redacted]												
Application fees - recurring	ASPEN OneLiner	[redacted]												
M365+Security+Office Productivity	Microsoft	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 49,200
Cloud Hosting Services (Azure)	Microsoft	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 30,000
Application fees - Misc		$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 1,667	$ 20,000
Application Software		$ 78,850	$ 78,850	$ 78,850	$ 78,850	$ 78,850	$ 78,850	$ 78,850	$ 78,850	$ 65,133	$ 65,133	$ 65,133	$ 65,133	$ 891,329
Managed IT & Security Services		$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 17,940	$ 215,280
TECHNOLOGY TOTAL		$ 103,350	$ 103,350	$ 103,350	$ 103,350	$ 103,350	$ 103,350	$ 103,350		$ 89,633	$ 89,633	$ 89,633	$ 89,633	$ 1,185,329
BUILDING AND TECHNOLOGY TOTAL		$ 134,670	$ 134,670	$ 134,670	$ 134,670	$ 134,670	$ 134,670	$ 135,233	$ 135,233	$ 121,516	$ 121,516	$ 121,516	$ 121,516	$ 1,564,552

IESO Nova Scotia
Financial Forecast - Finance
April 1 2026 - March 31, 2027

	Apr-26 Forecast	May-26 Forecast	Jun-26 Forecast	Jul-26 Forecast	Aug-26 Forecast	Sep-26 Forecast	Oct-26 Forecast	Nov-26 Forecast	Dec-26 Forecast	Jan-27 Forecast	Feb-27 Forecast	Mar-27 Forecast	Total
Payworks for payroll	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Accounting services	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000

NS Loan		Apr-26 Forecast	May-26 Forecast	Jun-26 Forecast	Jul-26 Forecast	Aug-26 Forecast	Sep-26 Forecast	Oct-26 Forecast	Nov-26 Forecast	Dec-26 Forecast	Jan-27 Forecast	Feb-27 Forecast	Mar-27 Forecast	Total
Balance of Loan		$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	
	interest													
Prime	**4.50%**	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 450,000
+ %	**0.50%**	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 4,167	$ 50,000
		$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 500,000
Bank Loan		$ -	$ 2,000,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 2,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ -	$ -	
	interest													
Prime	**4.50%**	$ -	$ 7,500	$ 13,125	$ 13,125	$ 13,125	$ 9,375	$ 5,625	$ 5,625	$ 5,625	$ 5,625	$ -	$ -	$ 78,750
+ %	**0.50%**	$ -	$ 833	$ 1,458	$ 1,458	$ 1,458	$ 1,042	$ 625	$ 625	$ 625	$ 625	$ -	$ -	$ 8,750
		$ -	$ 8,333	$ 14,583	$ 14,583	$ 14,583	$ 10,417	$ 6,250	$ 6,250	$ 6,250	$ 6,250	$ -	$ -	$ 87,500
TOTAL INTEREST		**$ 41,667**	**$ 50,000**	**$ 56,250**	**$ 56,250**	**$ 56,250**	**$ 52,083**	**$ 47,917**	**$ 47,917**	**$ 47,917**	**$ 47,917**	**$ 41,667**	**$ 41,667**	**$ 587,500**

Request IR - 2

On page 3 of the application the IESO Nova Scotia requests remittance of funds in March 2026 but requests it is effective January 1, 2026. On page 42 of its application, IESO Nova Scotia requests a direction from the Board requiring Nova Scotia Power to begin paying monthly payments to IESO Nova Scotia no later than April 1, 2026, "with such payments being made effective February 1, 2026."

(a) Please explain the discrepancy in the dates in these two references?

(b) Please explain how payments made on April 1, 2026 are effective January 1, 2026 or February 1, 2026".

Response IR - 2

(a) The first reference to the effective date of the remittance of funds being January 1, 2026 is incorrect. The correct effective date is the second reference noted by the NSEB of February 1, 2026.

(b) Please refer to page 12 of IESO Nova Scotia's rebuttal submission of February 19, 2026.

Request IR - 3

On page 4 of its application, IESO Nova Scotia refers to its mandate under the *More Access to Energy Act*.

(a) Please provide a detailed workplan of IESO Nova Scotia's planned activities in the period covered by this revenue requirement application.

(b) Please highlight specific activities in the workplan aimed at the achievement of each of the objects set out in clauses 9(a) to (t) of the statute. Please provide a separate response for activities (if any) relating to each object.

(c) In respect of ss. 10 and 11 of the More Access to Energy Act:

i. Please detail any work done for the IRP before October 24, 2025.

ii. Please indicate what work was underway for the IRP on October 24, 2025.

iii. Please provide the terms of reference developed for the IRP or indicate when it is expected to be completed.

iv. Please provide a timeline for the completion of the IRP, including any planned studies or milestones planned to be included in the process.

v. Please identify any planned procurements under s. 10(2), and the timing of these procurements.

Response IR - 3

(a) Please refer to Attachment 1. For additional clarity, some milestones and expected completions dates per initiative are provided. Please note that given the large number of initiatives being undertaken by the IESO in its first full year of operation, and the small internal resources to draw from, plans may be adjusted based on evolving priorities and circumstances.

(b) Please refer to Attachment 1.

(c)

i. Prior to October 24, 2025, IESO Nova Scotia undertook preparatory work related to the development of its inaugural IRP, including the development and issuance of a Request for Proposals seeking qualified consultant firms to assess the effectiveness of the current NS Power IRP development process, to provide recommendations to support the development and execution of IESO Nova Scotia's own IRP process, and invited interested parties to register to be part of IESO Nova Scotia's first Integrated Resource Plan.

ii. By October 24, 2025, IESO Nova Scotia had initiated the IRP consultant Request for Proposal process. IESO Nova Scotia had also issued a press release and posted details on its website with information for stakeholders on how to register to be part of the IRP process.

iii. The draft Terms of Reference for the IRP is expected to be informed by the recommendations from the IRP process review which will be completed in March 2026. The Terms of Reference is anticipated to be complete by March 31, 2026.

iv. An indicative, high-level timeline for the completion of the IRP, including planned studies or milestones is shown below. IESO-NS notes that this timeline was developed prior to receipt of findings and recommendations from the IRP process review, led by Dunsky, which is currently underway. Accordingly, the timeline and milestones presented here are subject to revision as that work is completed.

Key Activities	Projected Timing
IRP process review recommendation report	March 2026
Draft Terms of Reference available	March 31, 2026
ELCC study completed	April 2026
Hybrid Heating study completed	April 2026
Define assumptions and modeling scenarios	Q1 2026/2027
Early modeling insights/results	June/July 2026
Final modeling results	Q2 2026/2027
Draft action plan and road map	Q3 2026/2027
Publication of final IRP report	Dec 2026

v. The currently planned procurements by IESO Nova Scotia under s. 10(2) and their timing are as follows:

- Procurement of Capacity Contract (100 MW) with New Brunswick Power. The term sheet has been executed and was announced in February 2026. The Definitive Agreement is expected to be executed in April 2026.
- Procurement of at least 300MW fast acting generation RFP: Please refer to the response to IG IR-13 part (a).
- Procurement of Additional Capacity: Please refer to the response to NSEB IR-16 part (a).

Project Work Plan and Schedule
Date: March 10, 2026

Project	Key activities	Estimated Completion	MAEA Objects
2026/2027 Revenue Requirement and Fee Application (M12663)	-Evidence by Intervenors and Board Counsel Consultants due March 31, 2026 -IESO Rebuttal due May 26, 2026.	Q1 2026/27 NSEB Decision TBD	MAEA s.9(a),29
Permanent Fee and Cost Recovery Mechanism	- Consultant engagement - Stakeholder engagement - Submission in Q1 2026/27	Q1 2026/2027 NSEB Schedule TBD	MAEA s.9(a),(r),29,30
Integrated Resource Plan	- Stakeholder engagement throughout 2026 -Complete pre-studies (ELCC, Hybrid Heating) and process design work -Complete draft and final modeling -Complete development of IRP Action Plan and final report - Submission Q3 2026/27	Q3 2026/27 NSEB Schedule TBD	MAEA s.9(b),(h),(j),(o),(p),(q),(r),10,11
Procurement: Fast Acting Generation	-Develop RFP, Tolling Agreement, and supporting documentation -Launch RFP process; submit Tolling Agreement to NSEB -Review bids and award proponent(s) -Continue site development activities until handoff to awarded proponents -Submission in Q1 2026/27 -Aiming to award in Q2 2026/27	Q2 2026/27 NSEB Schedule TBD	MAEA s.9 (c),(e),(l),(m),(o),(p),(r)
Procurement: New Brunswick Capacity Purchase	-Conclusion of Definitive Agreements -Ongoing project oversight -Plant operations forecasted for 2028/2029	Q1 2026/27 (Definitive Agreement)	MAEA s.9(c),(e),(h),(l),(m),(o),(p)
Procurement: Additional Capacity	-Requirement to be refined through RFP (Q3 2026/27) -Potentially release REOI (Q4 2026/27) -Develop RFP and form of agreement (e.g. tolling agreement, PPA) -Engage with proponents and interested stakeholders on process and documentation -Potential to launch procurement in Q4 2026/27	Ongoing into 2027/28	MAEA s.9(c),(e),(l),(m),(o),(p),10
2027/2028 Revenue Requirement and Fee Application	- Develop initial plan and budget Q1/Q2 2026/27 - Stakeholder engagement Q2 2026/27 - Submission in Q2/Q3 2026/27	Q2/Q3 2026/27 NSEB Schedule TBD	MAEA s.9(a),29
FY 25/26 Year End Audit	- Retain qualified accounting firm to conduct audit through competitive bidding - Select accounting framework that best meets IESO reporting needs - Complete year end audit working papers with supporting documentation - Draft year end financial statements with complete disclosures - Review audit plan and support audit fieldwork as needed - Board review and sign-off of audited financial statements before deadline.	Q2 2026/27	MAEA s.9(a),(r),(s),31
Phase II Planning and Implementation	- Determine best option for establishing IESO Control Center to perform IESO operating functions (Q4 2025/26) - Develop implementation plan including key activities, implementation budget & timeline) (Q4 2025/26 - Q1 2026/27) - Develop & implement funding plan based on magnitude of above (Q1 2026/27) - Go out to market to solicit and select an external firm to help IESO with the implementation of the option selected in the planning phase (Q1/Q2 2026/27) - Implement the plan - starting Q2 2026/27 Additional work related to: -Project Management Office -Phase II Market Readiness & Transition Planning -Compliance Readiness & Preparedness Assurance	Q1 2027/28* * this remains the aspirational target, but planning work is on-going	MAEA s.9(a),(b),(d),(e),(f),(i),(l), (m),(n),(p),(q),(r)
SGIP Administration Process	- Submission in Q1 2026/27	Q1 2026/27 NSEB Schedule TBD	MAEA s.9(a),(d),(g),(k),(r)
SGIP Revisions and FERC Order 2023 Recommendations (M12524)	- Stakeholder engagement throughout 2026 - Submission by Q3 2026/27	Q3 2026/27 NSEB Schedule TBD	MAEA s.9(a),(d),(g),(k)
Interconnection Processes Annual Reporting (M12174)	- Submission by March 31 annually	NSEB Schedule TBD	MAEA s.9(a),(d),(g),(k)
Generation Interconnection Processes	-Complete Feasibility and System Impact Studies in alignment with the Generation Interconnection Procedures -Support for comissioning activities for wind farms in development	Ongoing	MAEA s.9(e),(g),(j),(o),(r)
NERC & NPCC Compliance Activities	-Completion of compliance activities associated with Transmission Planner, Resource Planner, and Planning Coordinator functions -Support NPCC Task Forces and Working Groups for which IESO-NS is a member -Complete Comprehensive Review of Transmission Adequacy under NPCC Directory 1 for the Nova Scotia portion of the Maritimes Area -Complete Interim Review of Resource Adequacy under NPCC Directory 1 for the Nova Scotia portion of the Maritimes Area	Ongoing	MAEA s.9(e),(i),(r)
NERC Reliability Standards	- Comments submitted on Quarterly basis	Ongoing	MAEA s.9(d),(i)
Quarterly IESO Reports	- Beginning May 15, 2026 per NSEB Direction M12412	Ongoing	NSEB Direction
Annual IESO Report	- Due September 31, 2026 per the *More Access to Energy Act* section 32	Ongoing	MAEA s.9(a),(r),32

Project Work Plan and Schedule
Date: February 4, 2026
Version: 1.0

Object	Summary
9(a)	Operate and manage the grid reliably and efficiently
9(b)	Plan for adequacy and reliability of the bulk system
9(c)	Procure energy, capacity and ancillary services
9(d)	Establish and administer market rules and standards
9(e)	Administer transmission tariffs
9(f)	Collect and publish system information
9(g)	Undertake and file IRP
9(h)	Forecast energy and capacity needs
9(i)	Assess resource options
9(j)	Enhance competition where permitted
9(k)	Stakeholder engagement and education
9(l)	Consider GHG and environmental goals
9(m)	Coordinate with other jurisdictions/entities
9(n)	Administer dispute resolution (curtailment/outages)
9(o)	Support ratepayer interests (cost, reliability, transparency)
9(p)	Promote renewable and storage integration
9(q)	Support DSM and energy efficiency
9(r)	Develop procedures and systems to carry out mandate
9(s)	Undertake other activities required by the Act
9(t)	Carry out additional objects prescribed by regulation

Request IR - 4

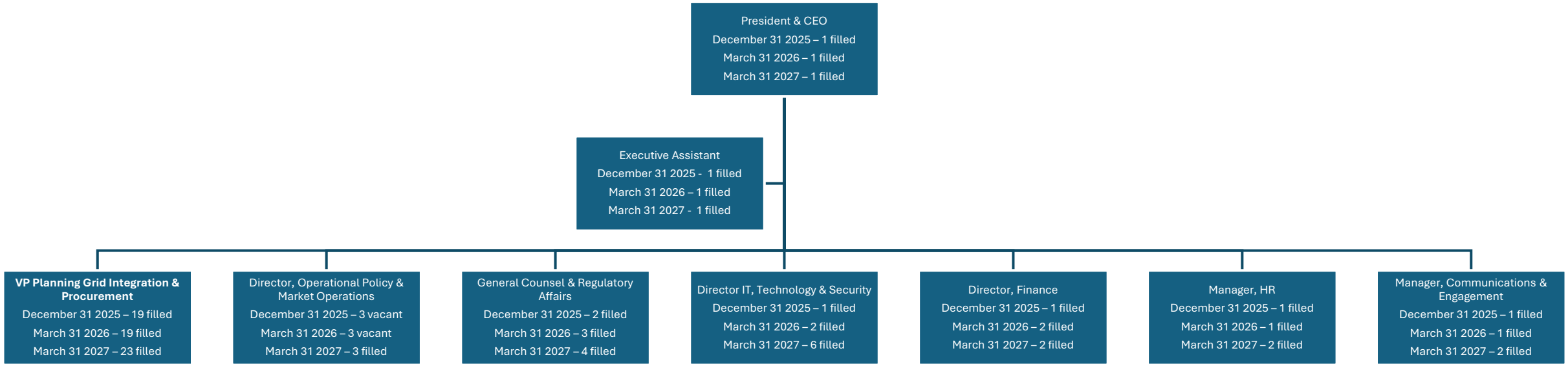
(a) Please provide IESO Nova Scotia's number of full-time equivalent employees, as of December 31, 2025, March 31, 2026, and March 31, 2027, broken down by position. Please include an organization chart.

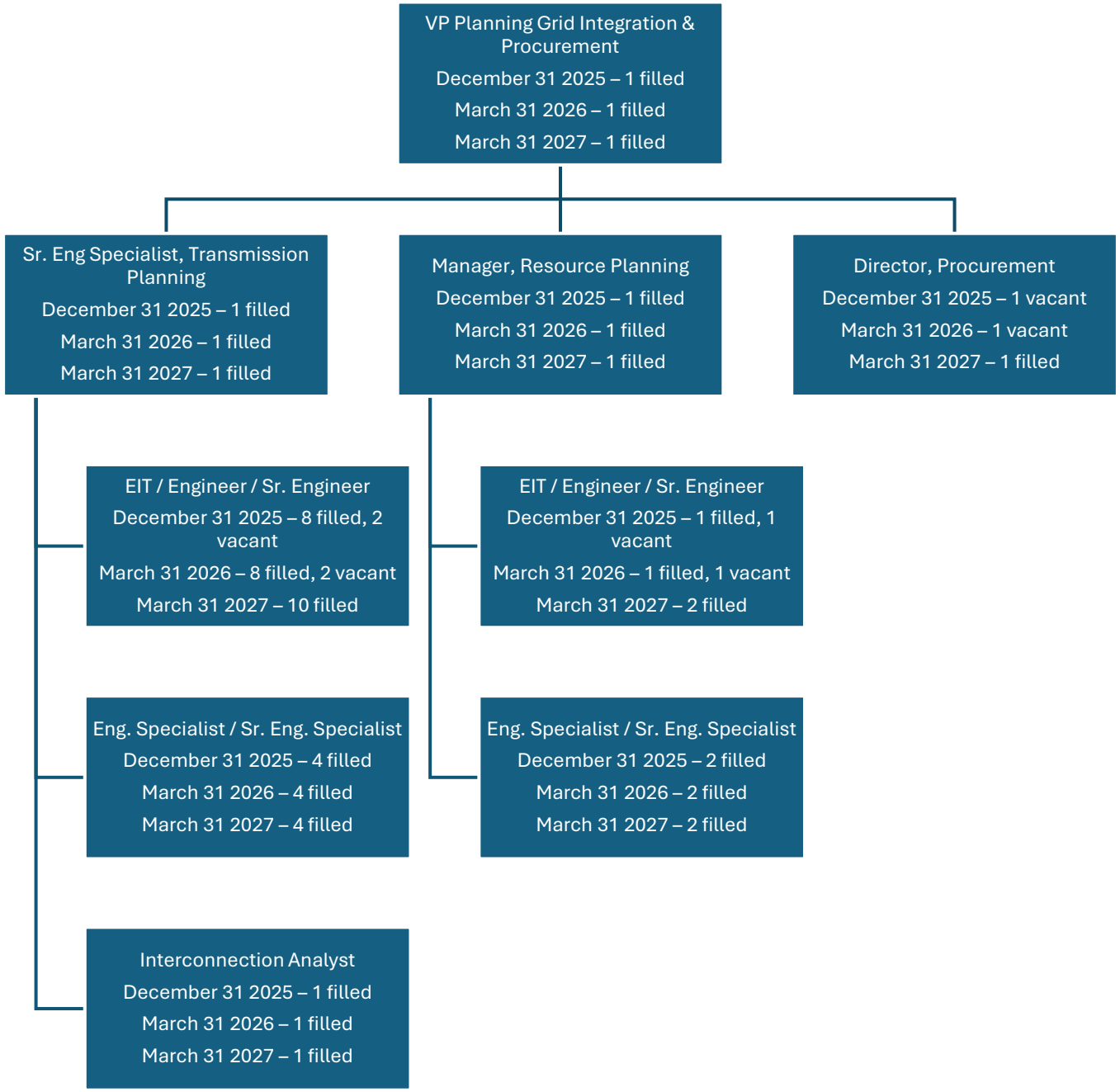
Response IR - 4

(a)

Categorical Function	# of FTEs		
	31-Dec-25	**31-Mar-26**	**31-Mar-27**
Legal, Regulatory Affairs and Risk and Compliance	2	6	6
Finance, Human Resources and Communications Management	3	6	6
Information Technology	1	4	4
Operational Oversight	2	7	7
Operations (System Planning)	2	21	21
	10	44	44

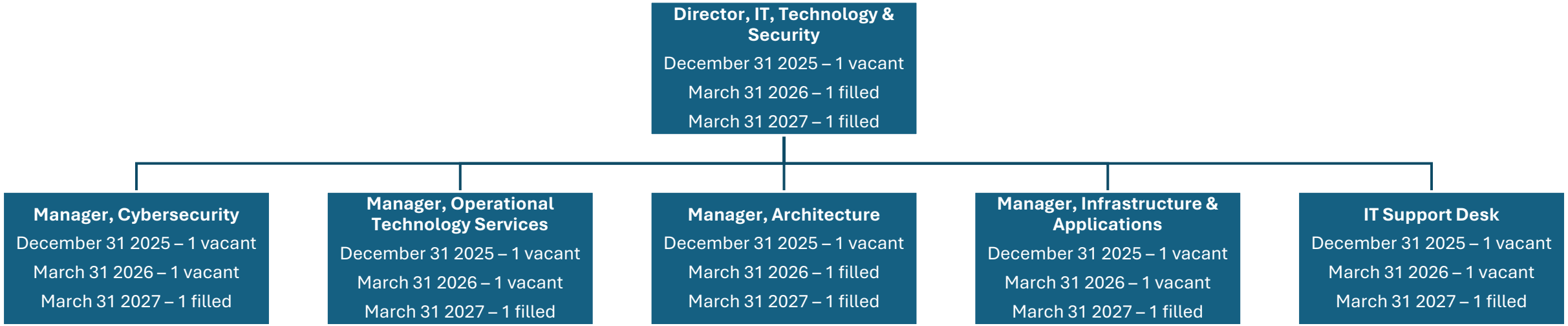
Please refer to Attachment 1 for the organization chart.


President & CEO
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Executive Assistant
December 31 2025 - 1 filled
March 31 2026 – 1 filled
March 31 2027 - 1 filled
VP Planning Grid Integration & Procurement
December 31 2025 – 19 filled
March 31 2026 – 19 filled
March 31 2027 – 23 filled
Director, Operational Policy & Market Operations
December 31 2025 – 3 vacant
March 31 2026 – 3 vacant
March 31 2027 – 3 filled
General Counsel & Regulatory Affairs
December 31 2025 – 2 filled
March 31 2026 – 3 filled
March 31 2027 – 4 filled
Director IT, Technology & Security
December 31 2025 – 1 filled
March 31 2026 – 2 filled
March 31 2027 – 6 filled
Director, Finance
December 31 2025 – 1 filled
March 31 2026 – 2 filled
March 31 2027 – 2 filled
Manager, HR
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 2 filled
Manager, Communications & Engagement
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 2 filled


VP Planning Grid Integration & Procurement
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Sr. Eng Specialist, Transmission Planning
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Manager, Resource Planning
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Director, Procurement
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled
EIT / Engineer / Sr. Engineer
December 31 2025 – 8 filled, 2 vacant
March 31 2026 – 8 filled, 2 vacant
March 31 2027 – 10 filled
EIT / Engineer / Sr. Engineer
December 31 2025 – 1 filled, 1 vacant
March 31 2026 – 1 filled, 1 vacant
March 31 2027 – 2 filled
Eng. Specialist / Sr. Eng. Specialist
December 31 2025 – 4 filled
March 31 2026 – 4 filled
March 31 2027 – 4 filled
Eng. Specialist / Sr. Eng. Specialist
December 31 2025 – 2 filled
March 31 2026 – 2 filled
March 31 2027 – 2 filled
Interconnection Analyst
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled


General Counsel & Regulatory Affairs
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Director, Regulatory Affairs
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Legal Assistant
December 31 2025 – 1 vacant
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Risk & Compliance Specialist
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled


Director Operational Policy & Market Operations
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled
Market Rules & Services Specialist
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled
Market Reporting Specialist
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled


Director, IT, Technology & Security
December 31 2025 – 1 vacant
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Manager, Cybersecurity
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled
Manager, Operational Technology Services
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled
Manager, Architecture
December 31 2025 – 1 vacant
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Manager, Infrastructure & Applications
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled
IT Support Desk
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled


Director, Finance
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
Accounting Specialist
December 31 2025 – 1 vacant
March 31 2026 – 1 filled
March 31 2027 – 1 filled


Manager, HR
December 31 2025 – 1 filled
March 31 2026 – 1 filled
March 31 2027 – 1 filled
HR Coordinator
December 31 2025 – 1 vacant
March 31 2026 – 1 vacant
March 31 2027 – 1 filled

Manager, Communications & Engagement

December 31 2025 – 1 filled

March 31 2026 – 1 filled

March 31 2027 – 1 filled

Engagement Specialist

December 31 2025 – 1 vacant

March 31 2026 – 1 vacant

March 31 2027 – 1 filled

Request IR - 5

In its application Matter M12412, dated August 5, 2025, IESO Nova Scotia advised that Phase I of the transition of the system operator functions from NS Power was expected to occur in Q4 2025. On page 4 of the present application, IESO Nova Scotia notes that Phase I has not yet been achieved, but significant progress has been made.

(a) Please outline the steps in Phase I described in NSEB IR-1 (M12412) that were completed by December 31, 2025, with the completion date.

(b) Please outline the steps for Phase I that have not been completed and the expected timeframe for completing each of these steps.

(c) Please explain the reasons for the delay.

Response IR - 5

(a) Phase I of the transition involved the transfer of system planning, generation interconnection, and energy procurement functions from NS Power to IESO Nova Scotia. The following Phase I steps were completed by December 31, 2025:

- Transition of applicable roles and accountabilities effective December 1, 2025. Three vacant roles are expected to be filed by April 1, 2026.
- Assumption of responsibility for system planning and generation interconnection processes.

- Commencement of IESO Nova Scotia's inaugural Integrated Resource Planning (IRP) process.
- Establishment of foundational governance, financial, IT, and administrative systems necessary to support independent operations.

The remaining Phase I item as of December 31, 2025 was related to NERC compliance and registration activities. NERC compliance registration was subsequently completed and made effective as of February 15, 2026.

(b) See part (a)

(c) See part (a). The timing of compliance accountability transfer was selected in coordination with NS Power, NERC, and NPCC.

Request IR - 6

In its application Matter M12412, dated August 5, 2025, IESO Nova Scotia advised that Phase II of the transition of the system operator functions from NS Power was expected to occur in Q2 2027. On page 4 of the present application, IESO Nova Scotia notes that the "aspirational" timeline for Phase II is Q2 of 2027 but that it intends to complete work in the first half of 2026 "to define the physical and technical changes required to implement Phase II with estimated costs and timelines."

(a) What does "aspirational" mean in this context?

(b) Please explain if IESO Nova Scotia's expectations for the completion date for Phase II have changed since what was expected on August 5, 2025 (Matter M12412), versus the "aspirational" completion date in the present application filed January 21, 2025. If there is any difference, what is the reason for the change in expectations?

(c) When was the RFP for the work "to define the physical and technical changes required to implement Phase II with estimated costs and timelines" issued, when was the contract awarded and to whom?

(d) Please indicate when in 2026 the deliverable plan, appropriate target date and budget will be available to be filed with the Board.

Response IR - 6

(a) The Q1 2027/28 timeline for Phase II implementation is aspirational whereas, while IESO Nova Scotia endeavors to achieve this timeline, necessary scoping work to confirm feasibility has yet to be completed. Phase II implementation in Q1 2027/28 was originally noted in IESO Nova Scotia's 2025/2026 Revenue Requirement application of August 5, 2025 (M12412). At that time, IESO Nova Scotia was in the early stages of establishing a plan, was yet to have its first dedicated employee, and much work was still to be undertaken to understand the feasibility and reasonableness of this date. This work includes aligning with NS Power on the target state and division of activities, creating a detailed scope, identifying the level of effort to implement that scope, and then building a roadmap to phase and deliver the work including securing any necessary funding and/or approvals. This work is still to be completed and so the Q1 2027/28 timeframe for Phase II implementation remains the same. As a result, it is premature to provide a firm date. That said, this work is on-going and planned to be completed by the end of the first half of 2026/27. As well, as the plan is firmed up, details will be shared with stakeholders including the NSEB on planned timings, including any drivers for necessary changes.

(b) Please refer to part (a).

(c) The RFP was issued November 10, 2025. The contract was awarded to IBM on December 19, 2025. The contract was signed on January 27, 2026.

(d) June 30, 2026.

Request IR - 7

On page 6 of the application, IESO Nova Scotia notes that actual expenditures for fiscal year 2025/2026 are materially tracking against its proposed 2025/2026 Revenue Requirement.

(a) Please provide a breakdown of 2025/2026 actual expenses to date compared to the proposed revenue requirement in Matter M12412 and provide reasons for variances in any component of the revenue requirement greater than +/-10%.

Response IR – 7

(a) Please refer to the figure below for actual expenses as of December 31, 2025 compared to prorated proposed revenue requirement in M12412. As of December 31, 2025, overall actual expenditures were $5.05M as compared to the Board-approved revenue requirement of $5.31M.

OM&A Cost Category	2025/2026 Budget Total OM&A Costs ($) (Millions)	Prorated 2025/26 Budget at December 31, 2025 ($) (Millions) A	2025/2026 Actual Costs at December 31, 2025 ($) (Millions) B	Variance (A – B) ($) (Millions)
Employees (Administration)	1.57M	0.87M	0.71M	0.16M
Corporate Administrative	0.29M	0.23M	0.27M	(0.04)M
Governance	0.52M	0.41M	0.46M	(0.05)M
Legal and Regulatory	0.81M	0.41M	0.48M	(0.07)M

Procurement	1.00M	0.75M	0.58M	0.17M
Facilities and Technology	1.00M	0.71M	1.53M	(0.82)M
Finance	0.16M	0.07M	0.01M	0.06M
Transition and Operational Planning	1.02M	0.74M	1.02M	(0.28)M
Operations (System Planning)	1.61M	1.08M	0.42M	0.66M
Total OM&A Expenses	**7.98M**	**5.27M**	**5.48M**	**(0.21)M**

Explanation of variances at December 31, 2025:

- Employees (administration) costs to December 31, 2025 are $0.16M (18%) less than the prorated budget amount due to employee start dates later in the period than planned, reducing the compensation costs for the period. The reduction was offset by higher recruitment costs than planned as professional recruitment was utilized to hire the management team.

- Corporate administrative costs to December 31, 2025 are $0.04 (17%) higher than the prorated budget with higher communications cost than planned offset by savings in various insurance policies.

- Governance costs to December 31, 2025 are $0.05 (12%) higher than the prorated budget due to extra costs incurred with a higher level of work in the first year of operation.

- Legal and Regulatory costs to December 31, 2025 are $0.07 (17%) higher than the prorated budget with two revenue applications in progress. Additionally, the first year of the IESO Nova Scotia has created additional legal costs.

- Procurement costs to December 31, 2025 are $0.17 (23%) lower than the prorated budget due to the timing of activity and variability of costs.

- Facilities and Technology costs to December 31, 2025 are $0.82 (115%) higher than the prorated budget as the full transition costs related to computer hardware such as workstations, servers and audio-visual equipment that had not been fully budgeted. Also, software costs were higher than anticipated as were costs related to IT implementation planning. These were offset by lower lease costs with the office space lease starting in January 2026 and a lease inducement received.

- Finance costs to December 31, 2025 are $0.06 (86%) lower than the prorated budget primarily due to the lower financing costs on the line of credit facility due to a lower interest rate than forecast and timing of the draws.

- Transition and operational planning costs to December 31, 2025 are $0.28 (38%) higher than the prorated budget primarily due to higher consulting costs for program and project management as well as financial advisory work due to a greater scope of work than originally planned.

- Operations (Systems Planning) costs to December 31, 2025 are $0.66 (61%) lower than the prorated budget due to timing with a later start than originally envisioned for this work.

Request IR - 8

(a) Please provide details of the established process for ensuring compliance with NERC and NPCC reliability standards related to Phase I, and the plan to effectively transfer ultimate responsibility for the same to IESO Nova Scotia.

Response IR – 8:

(a) IESO Nova Scotia and NS Power established a 'Compliance Transition Agreement' on December 1, 2025 whereby certain compliance activities are undertaken by the IESO Nova Scotia associated with Phase I activities (transmission planning, resource planning and planning coordination), until IESO Nova Scotia completes its formal registration processes with NERC related to these Phase I activities. During this time, IESO has performed compliance activities as required by NERC and NPCC reliability compliance requirements. The IESO Nova Scotia requested formal registration with NERC which became effective on February 15, 2026, effectively transferring ultimate responsibility to the IESO Nova Scotia. The IESO Nova Scotia continues to undertake compliance activities to fulfill its obligations in meeting NERC and NPCC reliability compliance requirements. Relatedly, IESO Nova Scotia has a membership application submitted to NPCC and expects its membership to be voted on by the NPCC Board of Directors in Spring 2026.

Request IR - 9

(a) On page 8 of the application, IESO Nova Scotia said it has targeted late 2026 for the completion of its inaugural IRP; however, on page 31 of the application, it says its IRP consultant is expected to complete their review of "the current NS Power processes for Integrated Resource Planning" by March 31, 2026. Please confirm or explain otherwise, that, at this time, the IRP consultant is simply advising IESO Nova Scotia how to conduct an IRP process based on what Nova Scotia Power has done before.

(b) Please confirm whether the core staff members from NS Power who conducted the last IRP study have been transferred to the IESO.

(c) If confirmed, please explain why it was necessary to engage consultant services to advise on the process for conducting an IRP analysis.

Response IR - 9

(a) Not confirmed. While it is correct that the IRP consultant is reviewing past IRP practices in Nova Scotia as a component of their work, they are also looking at other jurisdictions to identify industry standards and leading practices. In addition, the IRP consultant is conducting stakeholder interviews and workshops with interested parties which include forward-looking considerations of how a refreshed IRP process can best fit the Nova Scotia electricity planning landscape today. The IRP consultant will be providing a set of recommendations to aid IESO Nova Scotia in developing and executing its IRP process.

(b) Confirmed.

(c) The transition of responsibility for the IRP from NS Power to IESO Nova Scotia offers the opportunity to examine the IRP process anew, and to identify how the process can evolve to maintain pace with emerging industry practices and to meet the evolving needs of Nova Scotia. IESO Nova Scotia recognizes there are opportunities for continuous improvement, and this review offers the opportunity to improve on what has been done in the past.

Request IR - 10

On page 8 of its application, IESO Nova Scotia states it will incur capital-related costs and expects to incur costs associated with future energy resource procurement.

(a) Please describe the nature of the capital-related costs expected to be incurred, and estimate in which fiscal year(s) they are expected to be incurred.

(b) Given that IESO Nova Scotia's objective in s. 9(m) of the More Access to Energy Act contemplates the conduct of competitive procurements for energy resources, s. 10(b) directs IESO Nova Scotia to carry out competitive procurements of energy resources, and s. 30 provides for the recovery of costs for energy resource supply contracts and administrative costs, please confirm that IESO Nova Scotia does not expect to build and own energy resources. If not confirmed, what is IESO Nova Scotia's authority for doing so?

(c) Please explain whether IESO Nova Scotia intends to recover the costs of energy resource supply contracts through its revenue requirement approved under s. 29 or separately under s. 30? If it intends to embed these costs in its revenue requirement under s. 29, please explain how cost of service differences between transmission related operating costs and energy resource costs will be able to be properly allocated to NS Power's various rate classes.

(d) Please explain what is meant by the statement, "The regulatory pathways for NSEB review and approval of these additional cost categories will be assessed in further detail in 2026."

Response IR - 10

(a) The term "capital-related costs" refers to (1) activities to support the procurement of future energy resources as contemplated in the IRP and (2) infrastructure that may be required to fulfill the IESO Nova Scotia's mandate.

For support of energy resource procurements, costs include procurement design, market and supply opportunity identification, reporting, regulatory support, stakeholder engagement, documentation development, and maintenance. Fiscal 2026/2027 work includes continuing with the 300MW SCCT RFP, continued project support for the NB Power 100MW contract, and commencing the REOI for wider-scope technologies. Fiscal 2027/2028 and beyond expects to include development of three battery sites and additional energy resource procurements.

For infrastructure, costs may include those related to control centre space with respect to Phase II of the IEO implementation, as well as assets such as computer hardware, audio – visual equipment, and specialized software.

(b) Confirmed.

(c) It is IESO Nova Scotia's present understanding that Section 30 of the More Access to Energy Act applies specifically with respect to recovery of costs for energy resource supply contracts. Nevertheless, all costs may be reasonably interpreted to be the IESO's revenue requirement, and may appear in IESO Nova Scotia's revenue requirement applications for the sake of completeness of transparency of the IESO's overall revenue requirement amount. The IESO anticipates that it will clarify and propose appropriate energy resource supply contract cost recovery either through specific applications to the NSEB under Section 30 of the Act, or via its permanent fee and cost recovery mechanism stakeholder engagement and application expected in Q2 2026/2027.

(d) At present, IESO Nova Scotia anticipates it will incur three broad categories of costs: OM&A, capital, and energy resource supply contracts. The regulatory pathway for review and approval of OM&A costs is already established via its revenue requirement applications (sections 29 of the MAEA), and as affirmed by Board approval for recovery of those costs in its recent Decision under M12412. Recovery of capital related costs will depend on whether the IESO Nova Scotia becomes a public utility under the Public Utilities Act – if so, at some point in the future, Section 35 of the PUA may apply. Absent this, capital costs may appropriately be included for review and approval in IESO Nova Scotia's revenue requirement application under the MAEA. Please refer to part (c) regarding energy

resource contract supply costs. Finally, the permanent fee and cost recovery mechanism for associated costs has not yet been submitted for NSEB review and approval, representing a regulatory pathway for future consideration amongst stakeholders and the Board. The IESO Nova Scotia intends to submit the permanent fee and cost recovery mechanism to the NSEB in Q2 2026/2027, subsequent to stakeholder engagement.

Request IR - 11

Regarding Table 3 on page 12 of the application:

(a) Please provide a breakdown of the 23 full-time equivalent employees included in the $4.34 million compensation amount, broken down by position and indicating which positions are currently filled, which are vacant and which are new positions that will be added during the test period.

(b) Does the $4.34 million administrative cost include compensation for any executives? If so, please elaborate.

(c) For any new positions included in the compensation amount, please confirm that IESO Nova Scotia has assumed that all new positions will start on April 1, 2026, and the justification for this assumption.

(d) Please identify any of the 23 FTEs that were included in the revenue requirement for the period ending March 31, 2026, that have not been hired as of the date of the response to this information request. Please explain why.

(e) Please indicate whether employees and/or executives are eligible for bonus or incentive payments, and if so, the processes and metrics used to determine entitlements to bonuses and incentives.

(f) Please explain the basis for the $100,000 to recruit 2 or 3 employees if there is turnover and for contract negotiations with prospective employees. Is there any market data to support that level of turnover?

(g) Please elaborate on the costs associated with contract negotiations for prospective employees.

Response IR - 11

(a) Please refer to the tables below for a breakdown of administration employees broken down by categorical function.

Categorical Function & Specific Roles	# of Roles	Total Compensation	Vacancy
Legal, Regulatory Affairs and Risk and Compliance	**6**	**$ 931**	**4**
General Counsel & Regulatory Affairs			
Regulatory Director/Manager			
RTO/NERC Specialist & Risk Analytics			x
Business Analyst			x
Risk & Compliance Specialist			x
Legal Assistant/Paralegal			x
Finance, Human Resources and Communications Management	**6**	**$ 860**	**3**
Director, Finance			
HR Manager			
Manager, Communications & Engagement			
Accounting Specialist			x
Engagement Specialist			x
HR Coordinator			x
Information Technology	**5**	**$ 996**	**3**
Director, IT, Technology & Security			
Manager, Architecture, Infrastructure & Applications			
Manager, Cybersecurity			x
Manager, Operational Technology Services			x

IT Support Desk Specialists			x
Operational Oversight	**6**	**$ 1,543**	**4**
CEO			
VP System Planning & Grid Integration			x
Director, Procurement			x
Director, Operational Policy and Market Operations			x
Market Rules & Services Specialist			x
Executive Assistant			
TOTALS	23	$ 4,330	14
		000's	

(b) Yes. The CEO is included in the Operational Oversight categorical function. Please also refer to part (e).

(c) Confirmed. The IESO continues to hire for the roles noted on page 12 of the Application, which is expected to be completed by April 1, 2026.

(d) The 2025/2026 budget included 13 FTEs for the period ending March 31, 2026. One of these positions was not filled as it was outsourced to a service organization (IT Specialist). Two other roles (Director, Market Operations and Financial Analyst) have not been hired due to the decision to delay further hiring until temporary financial relief was granted or a permanent fee and cost recovery mechanism was approved.

(e) Only the CEO is eligible for bonus or incentive payments. The process and metrics to determine entitlements to bonuses and incentives are currently in development.

(f) A 5 percent attrition rate was assumed to calculate an estimated turnover of 2 –3 employees. The assumption of 2–3 employees was a planning estimate based on the IESO Nova Scotia's size and stage of operations, informed by consultant input and typical early-stage turnover expectations.

(g) The $100k recruitment fee is intended to cover the costs of recruitment of 2-3 employees, if necessary, but could also be used to cover other fees associated with contract negotiations for prospective employees, which could potentially include costs such as pre-employment assessments, contract review, signing bonus, retainers etc.

Request IR - 12

Regarding Table 3 on page 15 of the application, please provide a version adding a column for actual 2025/2026 to date and the 2025/2026 annualized amount based on the 2025/2026 budget and not adjusted based on "the most recent assumptions on the number of employees and salaries as currently planned by the end of 2025/2026."

(a) Please elaborate on the costs associated with contract negotiations for prospective employees.

Response IR - 12

Table 3: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Employees (Administration) Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	Annualized 2025/26 based on budget not adjusted (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Employees (administration)	**1.57M**	**0.66M**	**2.93M**	**4.44M**	**(1.51M)**
Compensation	1.45M	0.40M	2.81M	4.33M	(1.52M)
Recruitment	0.12M	0.26M	0.12M	0.11M	0.01M

(a) Costs associated with contract negotiations include legal and consulting fees as required.

Request IR - 13

(a) Regarding Table 5 on page 18 of the application, please provide a version adding a column for actual 2025/2026 to date.

Response IR - 13

(a) Table 5: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Corporate (Administrative) Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	2025/2026 Annualized Expenditures ($) (Millions) (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Corporate (administration)	**0.23M**	**0.25M**	**0.27M**	**0.26M**	**0.01M**
Various insurance coverages	0.08M	0.02M	0.08M	0.03	0.05
Communications	0.07M	0.16M	0.07M	0.04	0.03
Stakeholder Engagement	0.05M	0.03M	0.06M	0.03	0.03
Web Hosting	0.03M	0.0M	0.06M	0.06	0.00M
Office Costs	0.0M	0.04M	0.00M	0.10	(0.10M)

Request IR - 14

(a) Regarding Table 6 on page 19 of the application, please provide a version adding a column for actual 2025/2026 to date.

Response IR - 14

(a) Table 6: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Governance Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	2025/2026 Annualized Expenditures ($) (Millions) (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Governance	**0.51M**	**0.46M**	**0.52M**	**0.49M**	**0.03M**

Request IR - 15

(a) Regarding Table 8 on page 20 of the application, please provide a version adding a column for actual 2025/2026 to date.

Response IR - 15

(a) Table 8: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Legal and Regulatory Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	2025/2026 Annualized Expenditures ($) (Millions) (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Legal and Regulatory	**0.81M**	**0.46M**	**0.85M**	**1.15M**	**(0.3M)**
Regulatory proceedings and Assessments	0.55M	0.35M	0.55M	0.55M	0.00M
Legal and Compliance	0.26M	0.11M	0.3M	0.6M	(0.3M)

Request IR - 16

Regarding Exhibit B-2, page 21, "In addition, IESO Nova Scotia has plans to commence a subsequent procurement for additional capacity additions and/or storage beginning in the second half of 2026/2027 as defined by the IRP and consistent with the Clean Power Plan" and page 22, "These costs are associated with managing an annual RFP process for new capacity, completing the RFP process that commenced in 2025/26, and starting a new procurement process for additional capacity and/or storage resources in 2026/2027".

(a) Confirm, or explain otherwise, that the timing for any additional RFP work associated with capacity beyond the first 300 MW of fast acting capacity will not begin until after the results of the IRP to be conducted in 2026 are available.

(b) Confirm which Clean Power Plan update vintage NS IESO is currently using in consideration of future capacity contracting RFPs.

Response IR - 16

(a) At this time IESO Nova Scotia does not intend to formally launch additional procurements for capacity, beyond the current Fast Acting Generation RFP, until after results from the IRP to be conducted in 2026/2027 are available.

(b) IESO Nova Scotia's use of the term Clean Power Plan refers specifically to the document "Nova Scotia's 2030 Clean Power Plan" published by the Nova Scotia Department of Natural Resources and Renewables, which is available at: https://www.novascotia.ca/sites/default/files/documents/1-3582/nova-scotia-clean-power-plan-presentation-en.pdf

Request IR - 17

(a) Regarding Table 10 on page 23 of the application, please provide a version adding a column for actual 2025/2026 to date.

Response IR - 17

(a) Table 10: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Procurement Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	2025/2026 Annualized Expenditures ($) (Millions) (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Procurement	**0.99M**	**0.59M**	**0.99M**	**0.89M**	**0.10M**
Capacity Contract	0.44M	0.21M	0.44M	0.07M	0.37M
Procurement Department Contractors	0.19M	0.0M	0.19M	0.22M	(0.03M)
300 MW RFP	0.36M	0.38M	0.36M	0.12M	0.24M
Additional Capacity Procurement	0.00M	0.00M	0.00M	0.48M	(0.48M)

Request IR - 18

(a) Regarding the IT application software in Table 11 on page 24 (the portion related to system planning functions), is it IESO Nova Scotia's understanding that this software expense will no longer be required for NS Power? Or will this be a cost incurred by both entities? Please identify the software.

Response IR - 18

(a) Although it is possible that NS Power's use of the system planning software would reduce over time due to IESO Nova Scotia now performing the system planning function, as owner of the transmission assets, there might be other reasons for NS Power to retain some licenses of these software tools.

Request IR - 19

(a) Regarding Table 12 on page 26 of the application, please provide a version adding a column for actual 2025/2026 to date.

Response IR - 19

(a) Table 12: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Facilities and Technology Cost Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	2025/2026 Annualized Expenditures ($) (Millions) (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Facilities and Technology	**0.87M**	**0.65M**	**1.15M**	**1.56M**	**(0.41M)**
Technology Needs Assessment and Business Case	0.50M	0.10M	0.50M	0.00M	0.50M
Office Lease	0.14M	(0.23)M	0.36M	0.38M	(0.02M)
IT Application Software	0.00M	0.73M	0.0M	0.89M	(0.89M)
Managed IT Services	0.18M	0.05M	0.24M	0.21M	0.03M
Other Tech Costs	0.00M	0.00M	0.00M	0.08M	(0.08M)
Control Centre Planning	0.05M	0.0M	0.05M	0.00M	0.05M

To note, the actual 2025/2026 costs as of December 31, 2025 for the Office Lease cost subcategory are offset by a lease inducement.

Request IR - 20

(a) Regarding Table 14 on page 29 of the application, please provide a version adding a column for actual 2025/2026 to date.

Response IR - 20

(a) Table 14: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Finance Cost Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	2025/2026 Annualized Expenditures ($) (Millions) (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Finance	**0.16M**	**0.01M**	**0.17M**	**0.65M**	**(0.48M)**
Financing Costs on Operating Line of Credit from Province	0.10M	0.01M	0.10M	0.58M	(0.48M)
External Financial Audit	0.04M	0.00M	0.04M	0.04M	0.00M
Payroll and Accounting Subscription Services	0.02M	0.00M	0.03M	0.03M	0.00M

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Request IR - 21

Regarding Table 15 on page 30 of the application:

(a) Please provide a breakdown of the 21 full-time equivalent employees included in the $3.71 million salaries and wages amount, broken down by position and indicating which positions are currently filled, which are vacant and which are new positions that will be added during the test period.

(b) Were former NS Power employees transferred at their former compensation levels or were adjustments made to those compensation levels? Please elaborate.

(c) For any new positions included in the salaries and wages amount, please confirm that IESO Nova Scotia has assumed that all new positions will start on April 1, 2026, and the justification for this assumption.

(d) Please identify any of the 21 FTEs that were included in the revenue requirement for the period ending March 31, 2026, that have not been hired as of the date of the response to this information request. Please explain why.

(e) Please indicate the processes and metrics used to determine entitlements to bonuses and incentives for employees and indicate whether any executive compensation is included in this operational category.

(f) With respect to the third-party recoveries:

i. How are these amounts determined or forecast?

ii. What is the likelihood that costs will be incurred that are not able to be recovered from prospective generators?

Response IR - 21

(a) The details of the pay bands including number of employees within the band, the total compensation for the band, and number of vacancies is noted below:

Pay Bands / Levels	**# of roles**	**Total comp (000's)**
Engineering - Level A	6	[redacted]
Engineering - Level B	4	[redacted]
Engineering - Level CD	8	[redacted]
Engineering - Level EF	3	[redacted]
Total	**21**	**$3,710**
		(000's)

All 21 roles are expected to be filled by March 31, 2027. Three of the 21 roles remain to be filled at this time: two engineering roles in transmission planning and one engineering role in resource planning.

(b) As noted in Exhibit B-2 Page 30:

IESO Nova Scotia's budget for the Operations (System Planning) cost category was established on the basis that the Act mandates IESO Nova Scotia to make an offer of employment to applicable NS Power employees on at least as good terms and conditions as their current employment arrangements. As such, the budget compensation cost is based on the total compensation packages of NS Power employees, including base salaries, incentives, benefits, pensions, and other cash/non-cash components.

In alignment with legislation, former NS Power employees in these roles were transferred at terms equivalent to their previous compensation levels.

(c) IESO Nova Scotia has assumed that all new positions will start by April 1, 2026; nearly all roles had transferred to IESO Nova Scotia in December 2025, and three positions remain to be filled.

(d) Please refer to part (a) and (c). The three positions that remain open are due to those positions having been vacant at NS Power as of December 1 2025.

(e) None of the technical staff receive bonuses or incentives as part of their compensation. The salaries and wages for technical staff category does not include executive compensation.

(f)

i. Please refer to IG IR-26.

ii. As detailed in the Board-approved Generation Interconnection Procedures (GIP), interconnection customers are required to provide a specified deposit prior to commencement of an interconnection study. The operations team tracks costs to each interconnection study as the work is executed. Upon completion of the study, costs to complete are reconciled against the deposit obtained, and if the deposit is insufficient, IESO Nova Scotia will invoice the interconnection customer per the terms of the GIP. The GIP also notes in Section 13.3 that "The Transmission Provider shall not be obligated to perform or continue to perform any studies unless the Interconnection Customer has paid all undisputed amounts in compliance herewith". As a result, it is unlikely that costs will be incurred that are not able to be recovered from prospective generators.

Request IR - 22

(a) Regarding Table 16 on page 32 of the application, please provide a version adding a column for actual 2025/2026 to date and the 2025/2026 annualized amount based on the 2025/2026 budget and not adjusted based on "the most recent assumptions on the number of employees and salaries as currently planned by the end of 2025/2026."

Response IR - 22

(a) Table 16: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the Operations (System Planning) Cost Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	Annualized 2025/26 based on budget not adjusted (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Operations (System Planning)	**1.61M**	**0.42M**	**3.22M**	**3.64M**	**(0.42M)**
Salaries and Wages for Technical Staff	1.65M	0.39M	3.30M	3.71M	(0.41M)
Third Party Recoveries	(0.54M)	0.00M	(1.08M)	(1.07M)	(0.01M)
Integrated Resource Planning Consulting Fees	0.50M	0.03M	1.00M	1.00M	0.00M

Request IR - 23

(a) Regarding the Phase II readiness assurance consultant costs on page 34, has IESO Nova Scotia done any preliminary work to find consultants qualified for this work? Please explain the preliminary work. If not, what is the forecast based on?

Response IR - 23

(a) At this stage, no work has been undertaken to identify nor secure an assurance consultant; this would be anticipated later in the 2026/2027 fiscal year, and much closer to the aspirational implementation date of Q2 2027/2028. It is estimated that an appropriately qualified subject matter expert would charge $2,500 to $4,000 a day. Barrington Consulting based the minimum and maximum daily rates on a sample size of historical consulting fees from both local and international firms. It was estimated that this work will take around 6 weeks or 30 days. These assumptions provide a range of between $75,000 and $120,000 to complete the work. The middle of the range was $97,500, which was rounded to $100,000 for revenue request.

Request IR - 24

(a) Regarding Table 2 on page 36 of the application, please provide a version adding a column for actual 2025/2026 to date.

Response IR - 24

(a) Table 2: Comparison Chart Between 2025/2026 and 2026/2027 Budgets for the OM&A Transitional Costs Category

Cost category	2025/2026 budget ($) (Millions)	Actual 2025/2026 at Dec 31 ($) (Millions)	2025/2026 Annualized Expenditures ($) (Millions) (A)	2026/2027 Proposed Budget ($) (Millions) (B)	Difference ($) (Millions) (increase)/decrease (A-B)
Total Transitional Expenses	**1.23M**	**1.20M**	**1.85M**	**1.77M**	**0.08M**
PMO Support	0.72M	0.74M	1.29M	0.57M	0.72M
Subject Matter Expertise – Phase II	0.07M	0.28M	0.12M	0.86M	(0.74M)
Compliance Preparedness and Assurance	0.44M	0.18M	0.44M	0.34M	0.10M

Request IR - 25

On page 37 of its application, IESO Nova Scotia states: "IESO Nova Scotia's 2025/2026 revenue requirement application (currently before the NSEB under M12412) requested approval of an OM&A deferral and variance account referred to as the Net OM&A Deferral and Variance Account. The rationale for the initial request for the Net OM&A Deferral and Variance Account still exists, and IESO Nova Scotia is requesting continuation of the Net OM&A Deferral and Variance Account for 2026/2027 and in perpetuity for the purpose of tracking and deferring any variance from the approved revenue requirement.

(a) Please explain the rationale for the initial request, why it still exists, and why it will exist in perpetuity.

(b) Please explain the basis for a single deferral and variance account that would address operating, capital and resource procurement costs, given that these costs may not be allocated in the same way amongst Nova Scotia Power's various rate classes.

Response IR - 25

(a) The rationale of the initial request was to true-up and recover deferred amounts unrecovered for the 2025/2026 fiscal year. Those amounts remain to be recovered, and are proposed to be recovered in fees collected from NS Power through a combination of the interim temporary financial relief request and in future through a Board-approved

permanent fee and cost recovery mechanism. Additionally, the Net Revenue Requirement Variance and Deferral Mechanism proposed in the Application, which is an extension and refinement of the Net OM&A Deferral and Variance Account, will be required in perpetuity whereas actual costs incurred as compared to NSEB-approved revenue requirements will vary, and therefore requires a true-up mechanism to ensure that any over or under-collected revenue requirements through fees are accounted for.

(b) At this time, the Net Revenue Requirement Deferral and Variance mechanism in and of itself is not anticipated to influence cost of service treatment (e.g. allocation to NS Power's various rate classes). It is a true-up mechanism designed to record variances between actual costs as compared to NSEB-approved revenue requirements. Rather, allocation to various rate classes would be applied via a future NS Power cost recovery mechanism (or other market participants as applicable), based on an allocation methodology which would be determined as part of a permanent fee and cost recovery mechanism application. As noted in the Application, IESO Nova Scotia intends to submit the permanent fee and cost recovery mechanism to the NSEB in Q1 2026/2027.

Request IR - 26

(a) What is the current balance of the Net OM&A Deferral and Variance Account? How and when is it proposed to be reviewed and recovered?

Response IR - 26

(a) IESO Nova Scotia's fiscal year runs from April 1st to March 31st of every year. Therefore, the balance of IESO Nova Scotia's actual costs as compared to budget has yet to be determined. However, as noted in the application, the amounts proposed to be recovered at this time include the approved revenue requirements for the 2025/2026 and 2026/2027 fiscal years for an approximate total of $20.16M. Pursuant to the Application, the intent of the Net Revenue Requirement Deferral and Variance Mechanism, which is an extension and refinement of the Net OM&A Deferral and Variance Account, is to reconcile actual costs incurred to approved revenue requirement with each annual revenue requirement and fees application. As such, any variances from approved revenue requirement to actual costs incurred for fiscal year 2025/2026 will be included in the 2027/2028 revenue requirement and fees application to be submitted to the NSEB for review and approval by end of year 2026. Any variances would be worked into corresponding fees to be recovered, and ultimately reviewed and approved by the NSEB.

Request IR - 27

The application in Matter M12412 described a Provincial grant of $2.68 million to cover transition costs. IESO Nova Scotia projected to use $1.23 million of that amount to pay for transition costs in fiscal 2025/2026. It also forecast to apply the balance of $1.44 million against the "Ongoing OM&A costs".

(a) How much of the Provincial grant of $2.68 million is expected to be applied to transition costs as of March 31, 2026?

(b) What amount of the Provincial grant for transition expenses was used to offset costs that would otherwise have gone into the Net OM&A Deferral and Variance Account?

Response IR – 27

(a) The table below shows actual transition costs incurred as of December 31, 2025 as well as total forecast transition expenses as of March 31, 2026. As shown in the table, total one time transition costs are now forecast to be $2.48 Million as of March 31, 2026.

Therefore, a corresponding amount of $2.48M of the provincial grant is expected to be applied to transition costs as of March 31, 2026. This would leave approximately $0.20M of the Provincial grant remaining as of March 31, 2026.

One-Time Transition Costs Category	Table 15: 2025/2026 Revenue Application ($) (Millions)	Actual Costs at December 31, 2025 ($) (Millions)	Forecast Costs at March 31, 2026 ($) (Millions)
HR Transition Planning and Change Management	0.31M	0.16M	0.21M
Program and Project Management and Financial Advisory	0.39M	0.58M	0.73M
Accounting Set-up and Bookkeeping	0.02M	0.15M	0.18M
Operational Planning and Strategy	0.30M	0.12M	0.33M
Branding and Web Development	0.06M	0.01M	0.05M
Governance	0.01M	0.02M	0.02M
Office and Employee Technology Hardware and Software	0.14M	0.88M	0.96M
Total One-Time Transition Costs	**1.23M**	**1.92M**	**2.48M**
Provincial Funding	2.68M	2.68M	2.68M
Provincial Funding Surplus	1.45M	0.76M	0.20M

(b) The 2025/2026 revenue requirement application requested funding of $5.31 Million which was based on a total 2025/2026 OM&A Expenses of $7.98 Million less $2.68 Million of Provincial funding. The IESO's 2025/2026 Revenue Requirement Application stated that "The NSIESO forecasts that once it applies the Provincial funding to its one-time transition

costs of $1.23M, there will be a surplus of $1.44M to be applied to Ongoing OM&A costs."[1] Pursuant to part (a) above, the remaining Provincial grant surplus is forecast to be $0.20M. It is yet to be determined what amounts the surplus of the Provincial grant will offset.

[1] IESO Nova Scotia 2025-2026 Revenue Requirement Application (M12412), August 5, 2025, Exhibit A-1; p. 9.

Request IR - 28

On pages 38 and 39 of its application, IESO Nova Scotia provides a "simplified calculation for the Net Revenue Requirement Deferral and Variance Mechanism":

(a) Will IESO Nova Scotia be preparing an administration manual detailing the policies and procedures applicable to its proposed deferral and variance account (and if so when)?

(b) Please explain if interest or financing costs will be associated with balances in the deferral and variance account, and if so, how that mechanism will work.

(c) Please describe the monthly and quarterly reporting that IESO Nova Scotia will provide for this account.

(d) Please describe whether and how the deferral and variance account will include interim adjustments if balances begin to accumulate to significant levels between annual adjustments.

(e) Please explain how any variances would be reviewed and approved, and how IESO Nova Scotia will manage any disallowances if they occur.

(f) Please confirm or explain otherwise, that the proposed Net Revenue Requirement Deferral and Variance Mechanism will transfer 100% of the risk relating to budgeting under or over-estimation to customers.

(g) Please confirm or explain otherwise, that the costs proposed to be included in the Net Revenue Requirement Deferral and Variance Mechanism are costs that, when they were the responsibility of Nova Scotia Power, were not subject to any adjustment mechanism

(outside of resource procurement costs that would have been included in Nova Scotia Power's Fuel Adjustment Mechanism).

(h) How does IESO Nova Scotia propose to ensure the accuracy of its budgets to minimize volatility in its proposed Net Revenue Requirement Deferral and Variance Mechanism and mitigate potential intergenerational equity concerns?

(i) Since IESO Nova Scotia does not propose to be at risk for any expenses that run over budget, please describe in detail the cost containment strategies and processes it intends to implement and the transparency and reporting it will provide around these processes.

(j) Please confirm, or clarify otherwise, that the overall result of the IESO's two sample scenarios would be either a regulatory asset or liability of $10. If not confirmed, please explain how the variances will be recorded for accounting purposes.

Response IR - 28

(a) Pursuant to the NSEB's Order regarding the IESO's 2025/2026 revenue requirement application (M12412), the Board approved the Net OM&A Deferral and Variance Account and directed as follows: "specific guidelines and accounting policies must be developed and approved before there is a recovery of Net Ongoing OM&A amounts from the Deferral and Variance Account. IESO Nova Scotia is directed to include these specific guidelines and accounting policies, and a description of the financial controls it has adopted, no later

than its application for the 2027/2028 revenue requirement."[1] Whereas the Net Revenue Requirement Deferral and Variance Mechanism is an extension and refinement of the Board-approved Net OM&A Deferral and Variance Account, the Board's direction in M12412 noted above will address the development of guidelines and accounting policies for the Net Revenue Requirement Deferral and Variance Mechanism, assuming it is also approved by the Board.

(b) It is expected that financing costs will apply, but details have yet to be determined. Work regarding the Board's direction noted in response to part a) is expected to address this.

(c) Pursuant to the NSEB's Order regarding the IESO's 2025/2026 revenue requirement application (M12412), the Board directed quarterly reporting as follows: "IESO Nova Scotia is directed to file quarterly reports starting on May 15, 2026, including updates about the status of Phase 1 and 2 of the transition of the system operator functions from NS Power to the IESO, as well as reporting about staffing, facilities and technology, regulatory compliance matters, on any material changes to the transition timeline or to forecast costs, and further items as outlined in the Board's decision."[2] Moreover, the NSEB provided the

[1] Nova Scotia Energy Board re: M12412 - Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 29, 2026, p. 34.
[2] Nova Scotia Energy Board re: M12412 - Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 29, 2026, p. 6.

following in its corresponding decision: "the Board considers it reasonable for the IESO to focus on new or unexpected costs that are expected to be recovered in rates, and material changes impacting operations, costs and schedule."[3] Accordingly, the IESO will include new or unexpected costs, which would be captured in the Net Revenue Requirement Deferral and Variance Mechanism, in its quarterly reporting beginning on May 15, 2026.

(d) At this time there is no mechanism planned for interim adjustments. The annual review of variances via IESO Nova Scotia's revenue requirement and fees applications will likely provide sufficient frequency to prevent the accumulation of significant variances. However, if circumstances arise that may warrant interim adjustments, the IESO Nova Scotia is amenable to making such interim adjustments subject to stakeholder and NSEB feedback. Consideration of interim adjustments will occur as part of the Board directed guidelines noted in part a) above.

(e) Variances would be reviewed and approved in each annual IESO Nova Scotia revenue requirement and fees application. The Board found in its Decision regarding the 2025/2026 Revenue Requirement application (M12412) that "The Board agrees with the IESO that it would be efficient to conduct any prudence reviews during the IESO's annual revenue

[3] Nova Scotia Energy Board re: M12412 - Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 29, 2026, p. 34.

requirement and fees applications. Therefore, IESO Nova Scotia must, in its applications, provide an explanation for cost category variances exceeding +/-10%."[4] At this time there is no established methodology on how NSEB disallowances might be treated, but the IESO Nova Scotia submits that should the Board deemed costs to be imprudent, an appropriate treatment of those costs can be determined at that time. Consideration of disallowances must take into account the IESO Nova Scotia's not-for-profit status, and the particular impacts that they may have on its operations.

(f) Not confirmed. Please refer to part e). The Board established a +/10% threshold for variances, above or below which further prudency review must occur for Board approval and IESO Nova Scotia's recovery/refund of those costs.

(g) IESO Nova Scotia is not aware of variance mechanisms established for NS Power's non-FAM or non-capital costs. With respect to capital, the NSEB-approved NS Power Capital Expenditure Justification Criteria establish a threshold of +/- the greater of $250K or 5% on capital project expenditures, past which authorizations to overspend or final cost applications are required for NSEB review and approval. However, the IESO Nova Scotia

[4] Nova Scotia Energy Board re: M12412 - Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 29, 2026, p. 21.

notes Doane Grant Thornton's (DGT) submission in the 2025/2026 Revenue Requirement application (M12412), which provided in part the following:

> Overall, the implementation and use of deferral accounts and mechanisms is a common practice among utilities and ISOs across Canada. They are important to help ensure stabilization of rates, alignment of cost recovery with service delivery, and for compliance with regulatory frameworks. Therefore, the NSIESO's proposal to implement the concept of a Net OM&A Deferral and Variance Account is aligned with standard industry practice.[5]

The Board approved the IESO's Net OM&A Deferral and Variance Account in its Decision regarding its 2025/2026 Revenue Requirement application.

(h) Pursuant to the NSEB's Order regarding the IESO's 2025/2026 revenue requirement application (M12412), the Board approved the Net OM&A Deferral and Variance Account, and directed as follows: "specific guidelines and accounting policies must be developed and approved before there is a recovery of Net Ongoing OM&A amounts from the Deferral

[5] Doane Grant Thorton Submission re: M12412 – Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, October 28, 2025, p. 6 and 51.

and Variance Account. IESO Nova Scotia is directed to include these specific guidelines and accounting policies, and a description of the financial controls it has adopted, no later than its application for the 2027/2028 revenue requirement."[6] Concerns regarding intergenerational equity would only be engaged insofar as deferral of variances and corresponding adjustments extended well into the future. At this point in time, the Net Revenue Requirement Deferral and Variance Mechanism is not anticipated to defer costs beyond the next revenue requirement application fiscal year.

(i) Please refer to parts (a-h)

(j) Confirmed at this time. The accounting treatment of over and under expenditures will be subject to further review and Board approval pursuant to the development of guidelines and accounting policies procedures as directed by the NSEB and referenced in this response above.

[6] Nova Scotia Energy Board re: M12412 - Nova Scotia Independent Energy System Operator Application for Approval of its Proposed Expenditure and Revenue Requirement for the Test Year Ending March 31, 2016, January 29, 2026, p. 20.

Request IR - 29

IESO notes that the monthly payments are "exclusive of applicable taxes". While the Board understands that HST may be payable by ratepayers as it is now, it is not clear why the monthly payments by Nova Scotia Power, which simply represents the collection of costs by Nova Scotia Power from its customers on behalf of IESO Nova Scotia, would be subject to taxes.

(a) Please explain the basis for this statement and whether Nova Scotia Power's customers are being exposed to higher tax costs as a result of the arrangements between Nova Scotia Power and IESO Nova Scotia.

Response IR - 29

(a) IESO Nova Scotia's temporary financial relief rebuttal submission of February 19, 2026 provided as follows:

> IESO Nova Scotia received a finalized written opinion from KPMG on February 18, 2026. While that opinion remains currently under review by IESO Nova Scotia, it understands KPMG's position to be that amounts charged or assessed by IESO Nova Scotia for the purpose of recovering its approved revenue requirement will generally be subject to HST at the applicable rate of 14%.[1]

[1] IESO Nova Scotia Rebuttal Submission, Re: M12412 — IESO Nova Scotia 2025/2026 Revenue Requirement Application, February 19, 2026, p. 8.

Please refer to Attachment 1 for a copy of KPMG's opinion.

As the Board noted in its Information Request, it is reasonable to expect that amounts collected by NS Power from its customers on behalf of IESO Nova Scotia would themselves be subject to HST. Although IESO Nova Scotia cannot speak to NS Power's tax position, it is reasonable to assume that any HST paid by NS Power to IESO Nova Scotia would give rise to corresponding input tax credits for NS Power. In that circumstance, the economic effect on customers should foreseeably be neutral, because the HST collected from customers would be remitted through to IESO Nova Scotia for onward remittance, while NS Power would be entitled to recover the same amount through the input tax credit mechanism. The expected result is that customers would not bear any incremental tax burden arising from the temporary fee arrangement.[2]

[2] IESO Nova Scotia Rebuttal Submission, Re: M12412 — IESO Nova Scotia 2025/2026 Revenue Requirement Application, February 19, 2026, p. 8.

Request IR - 30

(a) Please explain how the Monthly Assessment amount of $950,000 was determined (given that even the recovery of that amount over 14 months is less than the proposed 2026/2027 revenue requirement) and the impact of accumulating deferrals if IESO Nova Scotia does not apply for a permanent fee and cost recovery mechanism in time for it to be approved by March 31, 2027.

Response IR - 30

(a) Please refer to pages 4 – 7 of IESO Nova Scotia's rebuttal submission of February 19, 2026. IESO Nova Scotia has not determined the impact of accumulating deferrals as described by the NSEB above, as IESO Nova Scotia intends to submit a permanent fee and cost recovery mechanism in Q1 2026/2027 in anticipation of an NSEB Decision by year-end.

IESO-NSEB-RIR29
ATTACHMENT #1
Removed for Confidentiality
Purposes

Request IR - 31

(a) Given that none of the costs associated with the proposed Monthly Assessment would have flowed through Nova Scotia Power's Fuel Adjustment Mechanism, and would have been allocated to customers on a different basis than FAM costs, please explain why it is appropriate to use the FAM for these costs (given that Nova Scotia's weighted average cost of capital applies to the FAM's balance) and the impact of cost of service cost allocation differences on Nova Scotia Power's various rate classes in doing so.

(b) How will the interim relief balance be treated or reconciled once a cost recovery mechanism is approved?

(c) Can the IESO Nova Scotia confirm that NS Power's intention is to not recover any of these costs from its customers until such time as a cost recovery mechanism is approved for the IESO Nova Scotia?

Response IR - 31

Please note that the NSEB has approved IESO Nova Scotia's request for temporary financial relief by letter on February 25, 2026. In that letter, the Board advised that costs related to fees paid to the IESO Nova Scotia are not to be charged to the FAM. Instead, the NSEB allowed for NS Power to accrue the amounts in a separate deferral account, and to accrue interest at NS Power's weighted average cost of capital.

a) IESO Nova Scotia's submission of February 23, 2026 provided the following: "Any Board order issued pursuant to temporary financial relief remains strictly temporary in nature. As noted in IESO Nova Scotia's Application and Rebuttal, a permanent cost recovery mechanism is expected to be submitted to the Board in Q2 2026, which will fully address or supersede any concerns regarding the current immediate temporary financial relief being sought, to the extent those issues are not already fully addressed in this proceeding. Any issues related to the associated temporary cost recovery mechanism may also be canvassed and reconciled to the permanent cost recovery mechanism as part of the future permanent cost recovery mechanism proceeding."[1] Appropriate cost of service allocation will be addressed via the permanent fee and cost recovery mechanism.

b) Please refer to part a). At a high-level, differences between the balance of the interim fees collected and collection of IESO Nova Scotia's remaining full Board-approved revenue requirement would be allocated to fees in accordance with a Board-approved fee and cost recovery mechanism. For example, interim fees collected would be subtracted from the full Board-approved revenue requirement, and the remaining revenue requirement would be collected via fees. The exact calculation of which is contingent on the nature of the permanent fee and costs recovery mechanism and the timing of the Board's approval.

[1] IESO Nova Scotia 2026/2027 Revenue Requirement and Fees Application – Temporary Financial Relief (M12663), February 23, 2026, p.2.

c) Confirmed. Please refer to the response to DGT IR-6.

Request IR - 32

In Matter M12412, IESO Nova Scotia proposed to defer the approval of a rate recovery mechanism until its application for the period April 1, 2026, to March 31, 2027 (see NSEB IR-3 in M12412). Given the need for certainty amongst all parties about IESO Nova Scotia's charges to Nova Scotia Power's ratepayers, IESO Nova Scotia's need for a stable source of revenue, and the fact that IESO Nova Scotia projects it will be unable to meet its planned and forecasted financial liabilities as they become due in or about May 2026, please explain in detail why IESO Nova Scotia did not do as it had indicated it would and apply for a permanent fee and recovery mechanism in this proceeding.

Response IR - 32

IESO Nova Scotia acknowledges that under normal circumstances it would have researched options regarding a permanent fee and cost recovery mechanism, compiled evidence on potential options, conducted stakeholder engagement with NS Power and interested parties regarding those options, prepared an application with supporting evidence, and included all for review and approval in its Application to the NSEB. However, given the nascent state of IESO Nova Scotia operations and the requirement under the *More Access to Energy Act* to file its revenue requirement and fees application by year-end or as soon as possible, there was not enough lead time or capacity to do so under the circumstances. Those circumstances are extraordinary, as IESO Nova Scotia requires immediate funding to avoid insolvency as evidenced in its rebuttal submission of February

19, 2026. Given this, it was determined that the most expedient and beneficial course of action was to seek approval of temporary financial relief until such a time that a permanent fee and cost recovery mechanism could be appropriately developed, consulted, and provided to the NSEB for review and approval. As noted, IESO Nova Scotia intends to submit a proposed permanent fees and cost recovery mechanism to the NSEB in Q1 2026/2027.

Request IR - 33

Please identify the additional costs included in the 2026/2027 revenue requirement associated with IESO Nova Scotia's proposed permanent fee recovery mechanism application later in 2026 that would not have been necessary (including but not limited to regulatory costs and financing costs) if the request for a permanent fee recovery mechanism had been included in this application.

Response IR - 33

There are no costs included in the Application related to a separate permanent fee and cost recovery mechanism application.