ORDER **M12663**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE MORE ACCESS TO ENERGY ACT

- and -

IN THE MATTER OF AN APPLICATION by the **NOVA SCOTIA INDEPENDENT ENERGY SYSTEM OPERATOR** for approval of its proposed expenditure and revenue requirement for the test year ending March 31, 2027

BEFORE: Stephen T. McGrath, K.C., Chair
Jennifer L. Nicholson, CPA, CA, ICD.D., Member

ORDER

The Nova Scotia Independent Energy System Operator (IESO Nova Scotia) applied to the Nova Scotia Energy Board on January 20, 2026, for approval of its 2026-2027 expenditures and revenue requirement under the *More Access to Energy Act*, SNS 2024, c 2, Sch B. It also sought approval for a permanent Net Revenue Requirement Deferral and Variance Mechanism to track variances from its approved revenue requirements for later reimbursement or recovery.

The Board issued its decision on **November 2, 2026,** approving the application.

The Board orders that:

1. IESO Nova Scotia's expenditure and revenue requirement for its 2026-2027 fiscal year at $14.85 million is approved.

2. Subject to s. 4 of this order, the Board directs IESO Nova Scotia to include the following in its future revenue requirement applications:

    - Formal support for all significant assumptions and expenditures in the application, such as quotes, any referenced market information, correspondence from discussions surrounding estimates, market data supporting employee salaries, etc.;

    - Up to five years of actual audited historical financial results as they become available;

- Three years of projected financial results;

- An annual business plan that includes:

    - a detailed workplan of IESO Nova Scotia's planned activities in the period covered by the revenue requirement application connecting each activity to the achievement of IESO Nova Scotia's objects in the *More Access to Energy Act*;

    - timelines for activities expected to span more than one year;

    - an analysis of the past year's results, including reasons for failing to complete activities in the prior business plan and the reasons for any adjustments to timelines for longer-term activities;

- Details of engagement activities with Indigenous groups and stakeholders; and

- Provide more refined cost categories for its proposed expenditures to increase transparency, including separately identifying employee compensation, consulting, travel and procurement related costs.

3. Subject to s. 4 of this order, the Board approves IESO Nova Scotia's proposed Net Revenue Requirement Deferral and Variance Mechanism, but directs IESO Nova Scotia to provide the following relating to this mechanism:

    - Guidelines;
    - Accounting policies;
    - A confirmed carrying cost rate;
    - A defined sub-ledger template;
    - Cost category-level reporting; and
    - A functioning review methodology.

4. Some of the information in ss. 2 and 3 of this order was the subject of directions to IESO Nova Scotia in the Board's decision in Matter M12412 (2026 NSEB 5), and should be included in IESO Nova Scotia's application for the approval of its 2027-2028 revenue requirement. New directives in the Board's decision in this matter should be included in IESO Nova Scotia's 2027-2028 revenue requirement application, if possible, but otherwise must be included no later than in its application for the approval of its 2028-2029 revenue requirement.

5. IESO Nova Scotia is further directed to file the following with the Board for review and approval no later than July 2, 2027:

    - Procurement policies relating to both operating costs and relating to energy resource supply agreements; and

- Guidelines for allocating costs for recovery under s. 29 and s. 30 of the *More Access to Energy Act*.

6. IESO Nova Scotia must continue to provide quarterly reports, as directed by the Board in its prior decision, including updates about the status of Phase 1 and 2 of the transition of the system operator functions from NS Power to IESO Nova Scotia, as well as reporting about staffing, facilities and technology, regulatory compliance matters, and on any material changes to the transition timeline or to forecast costs.

DATED at Halifax, Nova Scotia, this 2nd day of November 2026.

Lisa Wallace

Clerk of the Board