April 15, 2026

Ms. Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Re: M12663 – IESO Nova Scotia - 2026/2027 Revenue Requirement and Fees Application – Request for an Oral Hearing

Dear Ms. Henwood:

On April 7, 2026, in accordance with the Nova Scotia Energy Board's (NSEB, Board) Hearing Order regarding the above noted matter, the Small Business Advocate (SBA) requested that the NSEB convene an oral hearing regarding the IESO Nova Scotia's 2026/27 Revenue Requirement and Fees Application. The SBA noted that the Consumer Advocate and the Industrial Group support that request, and the Consumer Advocate has since filed a letter to that effect. Although the Board's Hearing Order did not contemplate a reply from the Independent Energy System Operation of Nova Scotia (IESO Nova Scotia, IESO), the IESO understands that the Board is amenable to receiving comments from the IESO which are provided herein.

IESO Nova Scotia respects the positions of the stakeholders, and would be happy to prepare for and support an oral hearing should the Board deem one is necessary. However, it submits that any issues may be efficiently and effectively addressed without the need for a full oral hearing at this very early stage of the organization's development.

IESO Nova Scotia notes that intervenors elected not to file evidence by the March 31, 2026 deadline set out in the Board's Hearing Order. As such, the only review submission regarding the Application was conducted by Board Counsel's consultant, Doane Grant Thornton (DGT), whose findings identified no material concerns with IESO Nova Scotia's OM&A costs, transitional costs, or the proposed net revenue requirement deferral and variance mechanism. Several of DGT's recommendations are consistent with those made in the prior 2025/26 proceeding (M12412), which were ultimately reflected in the Board's Decision in that matter.

IESO Nova Scotia acknowledges the SBA's concern regarding the sufficiency of information and justification in the Application. Much of the current evidentiary record is a reflection of IESO Nova Scotia being in its first year of operation, and having had employees only as recently as November/December 2025. IESO Nova Scotia nevertheless has made best efforts to strengthen the evidence provided to the Board and intervenors through the information request process, including supplemental responses provided at the request of intervenors.

IESO Nova Scotia notes that it is actively implementing the Board's prior direction in M12412 and enhancing its engagement with stakeholders, which, along with ongoing additional initiatives and corresponding stakeholder engagement activities, will address many of the issues noted by the SBA in its letter. Key initiatives include the development of accounting policies, guidelines, and financial controls (expected to be filed with the IESO's first quarterly report on May 15, 2026), early-stage stakeholder engagement on the forthcoming permanent fee and cost recovery mechanism application, and a comprehensive stakeholder update scheduled for April 30, 2026.

IESO Nova Scotia also notes that organizational resources are intensively focused on advancing foundational regulatory work, along with significant work underway in long-term electricity system planning, including robust stakeholder collaboration through its inaugural Integrated Resource Plan process, advancing resource procurement to secure reliable, sustainable electricity for Nova Scotians at the best possible cost, critical preparations for the transition of real-time transmission grid operations from Nova Scotia Power to the IESO, aspirationally in 2027, and purposefully moving forward to establish a permanent fee and cost recovery mechanism in consultation with stakeholders, with related work and engagement already underway.

In these circumstances, IESO Nova Scotia submits remaining concerns regarding the 2026/2027 Revenue Requirement and Fees application could be appropriately addressed through oral submissions, as contemplated in the Hearing Order, with written closing and reply submissions if the Board considers that appropriate. This represents a measured and efficient approach that supports continued progress on the IESO's priorities while ensuring that the matters before the Board are fully and fairly addressed. This approach is also proportionate to the scope of the remaining approvals sought, namely an overall revenue requirement of $14.85 million and the proposed net revenue requirement deferral and variance mechanism.

IESO Nova Scotia remains committed to continuous improvement, increased transparency, and effective regulatory engagement as it matures.

Respectfully submitted,

Mark Peachey
Director, Regulatory Affairs
IESO Nova Scotia