BEFORE THE NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: The *More Access to Energy Act, 1998,* SNS 2024, c 2, Sch B, (the "Act")

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IN THE MATTER OF: an application by the Nova Scotia Independent Energy System Operator for approval of its proposed expenditure and revenue requirements for the test year ending March 31, 2027.

REPLY TO CLOSING SUBMISSIONS

OF

THE SMALL BUSINESS ADVOCATE

The Small Business Advocate (SBA) relies on its closing submissions, filed July 24, 2026, and provides a brief reply to address some issues raised by other parties in their closing submissions

<u>Board Authority</u>

The Consumer Advocate (CA), in its closing submissions, set out an extensive and detailed analysis regarding the Board's options with respect to responding to IESO-NS's application. Specifically, the CA addressed the suggestion put forward by counsel for the Department of the Environment that the Board had only two options in its consideration of IESO-NS's application – that it could only approve the application or send it back to IESO-NS to revise the application, but could not disallow it.

The SBA respectfully submits that the CA's analysis was thorough and the determination that the Board has the authority, pursuant to Section 29(4) of the *More Access to Energy Act*, SNS 2024, c 2, Sch B, to approve or disapprove of the IESO's requests, either in whole or in part, is correct. To find otherwise would create a situation where it could take many additional months for there to be a complete application which is acceptable to the Board and fully approved. As the Board retains the ultimate approval authority, if the Board does not approve of an aspect of an application and refers it back to IESO-NS, or disallows it and provides the opportunity for IESO-NS to reapply, the result is the same – the Board does not approve that part of the application.

For example, in the Ontario Energy Board (OEB) decision of EB-2015-0275, the OEB "did not approve the single usage fee sought by the IESO[1]", as stated by IESO-NS in its closing submissions. While the usage fee issue was sent back to IESO-Ontario for reconsideration with recommendations, the remainder of the application was apparently approved. The SBA respectfully submits that it would suggest, based on IESO-NS's description, that the single usage fee was disapproved while the remainder of the application was approved, with the OEB providing IESO-Ontario the opportunity to reapply with respect to that particular issue.

In its closing submissions, IESO-NS references the OEB decision noted above, and then concludes that:

> Notably, the OEB did not exercise a power to disallow costs or unilaterally fix the IESO's revenue requirement; rather, it approved the expenditure and revenue requirements and referred back only the fee structure with recommendations — precisely the iterative process that IESO Nova Scotia submits is contemplated by subsection 29(4).[2]

The SBA respectfully submits that the fact that the reference to the OEB decision did not include a disallowance of costs does not mean that costs cannot be disallowed, or not approved and referred back with recommendations. Rather, the SBA submits that the only conclusion that should be reached is that the OEB determined that the expenditure and revenue requirement was appropriate and the single usage fee was not.

It should be noted, based on the excerpt from the decision in IESO-NS's closing submissions, that the direction of the OEB was that IESO-Ontario 'should' submit a revised proposal on that issue, but that it was not mandatory. The SBA respectfully submits that this type of approach is reasonable and would maintain the authority of the Board to disallow part or all of IESO-NS's application, but also allow IESO-NS to reapply, with changes that reflect the Board's recommendations.

Travel Costs

In its closing submissions, at page 17 of 50, Lines 412-418, IESO-NS states:

> With respect to budgeting, IESO Nova Scotia included the 50th percentile salary at the top end of each salary banding group as noted, for the purpose of simplifying the budgeting process and to account for additional indirect employee costs — such as **travel**, training, and professional development — that are not specifically broken out in the Application, due to the absence of historical data. This approach reflects the practical reality of

[1] M12663 – IESO-NS Closing Submissions, Page 42 of 50, Lines 1147-1148.
[2] M12663 – IESO-NS Closing Submissions, Page 43 of 50, Lines 1167-1171.

> budgeting for a newly-established organization and ensures that the total employee cost forecast is reasonable on a per-employee basis. (Emphasis added)

However, in response to undertaking U-4, IESO confirmed that the $24,000 budgetary amount under the 'Other' category in the Office Expense budget was for employee travel:

> The "Other Expense" category under Office Costs in IESO Nova Scotia's response to IR-11(c) is for various travel requirements. Those travel requirements include airfare and accommodations for travel to various conferences, professional organization meetings, and discussions with other independent system operators.[3]

The reference to "additional indirect employee costs" followed by reference to travel appears to suggest that each employee's salary includes funds for travel, which would be in addition to the $24,000 set out in the Office Expense budget. The SBA has significant concerns with this duplication of costs as well as the necessity of such extensive travel given the very local nature of IESO's work and the ability to connect with parties virtually. The SBA respectfully submits that it is important, when IESO-NS is taking certain steps in "simplifying the budgeting process[4]", that due diligence and cost management is not lost.

The SBA respectfully submits that this cost duplication should be eliminated and consequently a reduction made to the amount of the overall budget to ensure that only a reasonable amount of funds is allocated for travel.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 7th day of August, 2026.

Melissa P. MacAdam
Small Business Advocate

[3] M12663, Exhibit N-18, Undertaking U-4, Page 1 of 1, Lines 8-11.
[4] M12663 – IESO-NS Closing Submissions, Page 17 of 50, Line 413.