Nova Scotia POWER
An Emera Company

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April 20, 2026

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: M12686 Community Solar Program 2025 Report – NS Power Reply Submission

Dear Ms. Henwood:

Nova Scotia Power (NS Power, Company) filed its 2025 Community Solar Program (CSP, Program) Annual Report on January 30, 2026. The Company filed responses to information requests (IRs) from Nova Scotia Energy Board (NSEB, Board) Staff, the Consumer Advocate (CA), the Small Business Advocate (SBA), and Solar Nova Scotia (SNS) on March 27, 2026.

On April 13, 2026, NS Power received submissions from the CA and the SBA. In accordance with the Board-established timeline, the Company provides the following as its reply submission.

Financial and Fuel-savings Reporting

In its submission, the CA provides that "[i]t is unclear why the maximum administrative fee has not been included in the four awarded Power Purchase Agreements" and recommends NS Power "include information on whether the program costs are self-financing in future reporting and if not, to provide an explanation and discuss options to return to self-financing."[1] The CA also requested that future reports "include sufficient information to understand the impact the CSP is having on customers, including any potential fuel savings offsets."[2]

The Company notes the CA's review of the Program financial framework and the questions raised in its submission. Under the governing legislative and regulatory framework, the power purchase rate and administrative fee applicable to each project

[1] M12686 – CA Submission, page 3. April 13, 2026.
[2] CA Submission, page 3.

are determined by the Minister of Energy and issued, by the Minister, to NS Power through the Board-approved Power Purchase Agreement (PPA).[3] As such, the administrative fees reflected in the Program PPAs represent Ministerial determinations, which may be set at levels below the maximum administrative fee and/or above the minimum power purchase rate permitted under the *Community Solar Program Regulations* (CSP Regulations). Pursuant to Section 11(5) of the *Electricity Act* (Act), NS Power is bound by the terms of the Minister-issued PPA. Therefore, the Company does not have the discretion to apply a different power purchase rate or administrative fee, nor to implement any "discuss[ed] options to return to self-financing."

In this context, the Company submits that expanded annual reporting on Program self-financing provides limited insight that, even at full Program capacity (100 MW), is disproportionate to the magnitude of Program-related administrative costs. Accordingly, NS Power does not consider it beneficial to introduce additional reporting beyond what is required under the CSP Regulations and existing Board directives under M11911.[4]

Similarly, with respect to the CA's request for fuel savings analysis, the Company notes that fuel cost impacts associated with the energy purchased under the Program are addressed through established mechanisms within the Fuel Adjustment Mechanism. Further isolating or attributing incremental fuel savings to individual community solar projects would require additional assumptions, such as hourly 'with' and 'without' counterfactual modeling scenarios that, given the framework and scale of CSP, are not warranted and do not meaningfully enhance the Board's oversight of the Program. On an average basis, the Company does not expect fuel savings from community solar projects as the power purchase rate and the subscriber credit, together, exceed the average cost of fuel.

Interim Period Energy Purchases

In its submission, the SBA raises concerns regarding potential "Interim Period" liability associated with projects that have been issued PPAs but have not yet achieved Commercial Operation.[5]

For clarity, the three projects approved in 2025 have not yet interconnected; therefore, no Interim Period has commenced, and no Interim Period energy purchase obligations have arisen.

Under the terms of the Board-approved PPA, the "Interim Period" is defined as "any period prior to the Commercial Operation Date, but after interconnection of the Community Solar Garden to the Electrical System in accordance with the Interconnection Agreement, when the Community Solar Garden is capable of generating

[3] M11903 – Board Order, 318636, pages 2-28. January 30, 2025.
[4] Please refer to page 1 of the 2025 Report.
[5] M12686 – SBA Submission, page 2. April 13, 2026.

Energy and delivering that Energy to the Delivery Point."[6]

The purchase of energy during the Interim Period does not represent a separate or additional category of liability. Rather, it is an expressly contemplated component of the PPA and reflects the Company's obligation to purchase energy that is physically delivered to the system, whether during the Interim Period or following Commercial Operation, in accordance with the CSP Regulations.[7] The applicable pricing for Interim Period energy is set out in the Board-approved PPA and is distinct from the post-Commercial Operation Energy Rate.[8] As such, the acquisition of Interim Period energy from these projects is expected to be economically beneficial for customers in most plausible scenarios.

Importantly, the Company's obligations under the Act, the CSP Regulations, and the PPAs issued by the Minister, to purchase Interim Period energy is integrated into overall system supply and does not give rise to a unique cost exposure for non-participating customers (and as noted above, is expected to be economically beneficial). Energy delivered during the Interim Period is integrated into system supply and, like all purchased energy, serves to meet system load and displace alternative sources of energy that would otherwise be required. Once Commercial Operation is achieved and customers are subscribed to the CSP Solar Garden, the energy purchased from CSP Solar Gardens is delivered to those subscribers first. The Company's obligation to purchase energy delivered under the Program therefore reflects the core operating mechanics of CSP and does not represent a new, unanticipated, or exceptional liability.

Interconnection Status Reporting

In its Submissions, the SBA "respectfully submits that the Board should consider requiring NS Power to add to its CSP annual report more information for each project, whether new or existing, on a) the interconnection status, whether governed by NS Power or IESO-NS at that time, b) the Interim Period and an estimate of whether NS Power has financial liability as a result, and c) an explanation of the role played by IESO-NS to ensure these projects reach their planned and final commercial operations dates."[9]

The Company's reply to the SBA's requested reporting with respect to Interim Period energy is provided in the prior section.

In relation to interconnection statuses for the three projects approved in 2025, the status and timeline of these non-operational projects is on the record through responses to SNS IR-1 and IR-2 in this proceeding, which include details related to Interconnection

[6] M11903 – Board Order, 318636, page 23.
[7] Please refer to Section 28 of the CSP Regulations.
[8] Section 6.1(a)(i) of the PPA provides: "The rate to be paid by the Company pursuant to the PPA for Interim Period energy is the lower of: (i) 75% of the "Incremental Energy Rate" (i.e. NS Power's experienced marginal cost per MWh over the prior 12 month period); and (ii) 75% of the contractual PPA energy rate."
[9] SBA Submission, pages 3-4.

Requests IR746, IR751, and IR769 available on the Open Access Same-time Information System (OASIS).[10]

In response to the SBA's request to provide interconnection updates in future CSP Annual Reports, NS Power notes that interconnection-related information for all non-net metering distribution-connected projects, including CSP, is provided in the annual Interconnection Processes Report.[11] For clarity, distribution-connected projects are expected to remain within NS Power's interconnection processes.

Low-income Solar Garden Rate Rider Subscriber Communications

The CA requested "the Board direct NS Power to report on the methods used to contact SGRR customers and the number of customers that have transitioned to the CSP in future reporting."[12]

The Company confirms that CSP-related updates to low-income Solar Garden Rate Rider (SGRR) subscribers were delivered by email, consistent with NS Power's standard customer program communication practices. Upon enrolment, all SGRR subscribers provide their email address as the primary point of contact.

At present, there are four SGRR subscribers that have identified as low-income.[13] In accordance with the Board's directive in the Smart Grid Nova Scotia Asset Disposition Plan (M12178) proceeding, these subscribers have, and will continue to be, notified of CSECR subscription availability as information becomes available. Given the small number of affected SGRR subscribers, and subject to the Board's determination in this proceeding, the Company notes that further reporting on communication methods or transition activity provides limited value.

Program-related Billing Enhancements

In relation to billing system enhancements to accommodate the CSECR, the CA's submission provides "it is reasonable to defer the billing system enhancements until such time as program volumes require them" and recommends "NS Power be directed to isolate the costs of any billing system enhancements that solely benefit community solar generation subscribers and ensure such costs are recovered through program administration fees."[14]

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[10] As provided in the Company's response to SBA IR-3 part (d), interconnection status updates can be accessed via OASIS "at: https://www.nspower.ca/docs/default-source/pdf-to-upload/nspi-combined-interconnection-request-queue(pdf).pdf?sfvrsn=d56d149_100, and the Company's response to SNS IR-1 and SNS IR-2."

[11] M12778 – Annual Interconnection Processes Proceeding Report, Section 4, pages 30-32. March 31, 2026.

[12] CA Submission, page 3.

[13] One of the (previously reported) five low-income SGRR subscribers was unenrolled, in accordance with the Availability conditions within the SGRR Tariff, due to their enrolment in a net-metering option.

[14] CA Submission, page 3.

The Company agrees that deferring billing system automation until the scale of the Program warrants further investment is appropriate and aligned with prudent cost management.

The Company confirms that costs associated with billing system enhancements required to administer the Program are (for enhancements already implemented) and will be (as applicable to future enhancements), identified and isolated at the Program level and to be recovered over time through the administrative fee established in the PPAs. The timing of revenue collections may differ from the timing of cost incurrence; however, consistent with the design of the Program, these costs are managed and recovered on a Program-wide basis.

Yours truly,

Karynne Munroe
Manager, Regulatory Affairs