Blackburn Law Inc.

June 1, 2026

VIA EMAIL

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

Dear Ms. Henwood:

Re: M12768 – Nova Scotia Power Inc. – Extra Large Industrial Active Demand Control Tariff – 2025 Annual Report

On March 26, 2026, Nova Scotia Power Incorporated ("NS Power") filed its 2025 Extra Large Industrial Active Demand Control (ELIADC) Annual Report (the "2025 Report") to confirm the dollar value of system savings that have been achieved for the most recent year.[1]

The Board approved NS Power's ELIADC Tariff as part of the 2024 Annually Adjusted Rates (AAR) filing on March 20, 2025.[2] In response to NS Power's 2025 AAR filing[3], the Board issued an interim order that effectively allowed the 2024 ELIADC Tariff's rate components to remain in effect for an extra month, through January 31, 2025, after which the 2025 ELIADC Energy Charge (and its components) came into effect on February 1, 2025.[4]

The ELIADC Tariff formula requires the calculation of the ELIADC Energy Charge, which itself is made up of the CBL Energy Charge, the CBL Adder and a Variable Capital Charge, and which is reviewed and approved by the Nova Scotia Energy Board ("Board") as part of NS Power's AAR filing.[5] The ELIADC Energy Charge is then multiplied by the total MWh supplied to PHP during the year. However, the ELIADC Tariff also provides that PHP pay the minimum of the ELIADC Energy Charge plus $4.00 per MWh:

> The ELIADC Tariff requires that a minimum payment shall be made by PHP in respect of each tariff year, which shall not be less than the sum of:

[1] M12768, Exhibit N-1, 2025 ELIADC Annual Report (2025 Report), page 1.

[2] M11422, Exhibit N-1, NS Power's 2024 Annually Adjusted Rates (AAR) application, Board Order dated March 20, 2024.

[3] M11989, Exhibit N-1, NS Power's 2025 AAR application -Redacted, (2025 AAR) (November 28, 2024).

[4] M11989, InterimBoard Order dated January 31, 2025, page 1 of 1.

[5] M11989, Exhibit N-1, 2025 AAR, , pages 37-40.

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(a) NS Power's actual total incremental cost of serving PHP during the year (including the cost of fuel and purchased power, line losses, variable operating costs and variable capital costs for NS Power's incremental generation and delivery of electricity to the customer), plus

(b) $4.00 multiplied by the total number of MWh supplied in the year.

Any adjustments required to achieve this minimum payment amount will be determined and charged to PHP after the year end.[6]

...

In its 2025 Report, NS Power notes:

> PHP will be billed the cost to serve above the amount that was collected on a monthly basis, in addition to the $4/MWh and other applicable fixed costs, to ensure compliance with the Tariff. NS Power will include the required adjustment of $149,304, taking into account all of PHP's payments during the year, on PHP's upcoming bill.[7]

The intent of the ELIADC Tariff was to provide both PHP and NS Power with an incentive to work collaboratively on load shifting opportunities for the benefit of all customers. However, anticipating this might not always be possible due to PHP's plant operations and market conditions for its products, the minimum payment threshold was created to ensure that the arrangement would still result in some benefit for other customers. Since its inception, the ELIADC Tariff has provided a positive benefit from PHP load shifting for two out of the six years between 2020 and 2025, and during the other four years the minimum payment prevailed. A summary of the results for each year is shown in Table 1, as reproduced from the 2025 Report, below.[8]

Table 1 – Comparison of 2025 and Prior Year ELIADC Tariff Outcomes

Year	PHP Load (GWh)	ADC Load Shifting Differential ($M)	Benefit to Other Customers ($M)
2020	875	6.6	7.3
2021	966	(16.7)	3.9
2022	957	(48.9)	3.8
2023	670	(33.6)	2.7
2024	766	(0.8)	3.1
2025	691	1.5	4.4

The 2025 Report not only meets the Board's requirement that NS POWER show the system savings achieved through the ELIADC Tariff each year and over time but also responds to the three recommendations of Bates White, in its 2022-2023 FAM Audit Report. As NS Power noted in the 2025 Report:

> Also on July 5, 2024, Bates White filed the 2022-2023 FAM Audit Report (M11533). With respect to the ELIADC Tariff, Bates White made the following recommendations:

[6] M12768, Exhibit N-1, 2025 Report, page 2 of 9.
[7] M12768, Exhibit N-1, 2025 Report, page 2 of 9.
[8] M12768, Exhibit N-1, 2025 Report, Reproduction of Table 1, page 3 of 9.

Recommendation XV-1: NSPI should be required to develop a benefits calculation that takes into account the hourly benefits and costs of PHP load deviations based on hourly quantities and prices, by cause code type, to the extent possible.

Recommendation XV-2: The calculation of CBL Energy Charge, which includes fixed costs, appears to conflict with the language of the ELIADC tariff. NSPI should either revise the calculation of the CBL Energy charge to remove the fixed cost component or revise the definition of the CBL Energy Charge in the ELIADC tariff to allow the inclusion of a fixed component.

Recommendation XV-3: We recommend that NSPI further improve its annual reporting by including more detailed quantification of actual load shifting benefits (and costs), an identification and discussion of the types of deviations that provide the most benefits and why, ways to improve the tariff or tariff administration, and a comparison of current year outcomes to prior years to help to evaluate ELIADC performance over time."[9]

The Small Business Advocate (SBA) reviewed the 2025 Report and NS Power's responses to information requests (IRs) submitted by the Board, the Consumer Advocate, Industrial Group as well as its own IRs and has the following comments and concerns.

Concerns

In its 2025 Report, NS Power states that it has met the three Bates White recommendations from the 2022-2023 FAM Audit. However, the SBA notes that NS Power acknowledged that it would not be able to address the requested hourly modeling enhancements and that it would provide an update on the modeling of actual load shifting benefits to all stakeholders at the March 2026 FAM SWG meeting. However, this full update did not occur in March 2026, and a further update has yet to be planned for FAM SWG members. NS Power noted in its response to the IG's IR 11 (a-b):

> NS Power intends to include a more detailed quantification of actual load shifting benefits in the 2025 ELIADC Tariff Annual Report, pending discussion with Bates White with respect to the appropriate level of detail within the limits of system dispatch model accuracy.[10]
>
> - March 2026 update – The Company has implemented additional reporting metrics and data, as requested in Recommendation XV-3, consistent with the Board's direction in the 2023 Report (M12123), and the Board's M12184 Order, in Table 1-3 of this correspondence. With respect to "more detailed quantification of actual load shifting benefits (and costs)," the Company continues to investigate whether and how this analysis may be able to be compiled, particularly in light of the restoration timing for

[9] M12768, ExhibitN-1, 2025 Report, pages 5-6; See also, M11533, Exhibit N-1, Bates White FAM Audit Report for 2022-2023, (FAM 2022-2023 Audit), page 423.
[10] M12768, Exhibit N-3, NSPI (IG) RIR-11, page 2 of 3, at lines 28-29; page 3 of 3, at lines 1-2.

key data and platforms (PI, PortOps). The Company will discuss this further at an upcoming meeting with the FAM Small Working Group."[11] (Underline added.)

Submissions

The SBA respectfully submits that the Board should require NS Power to commit to when it will provide the promised update on its ability to provide detailed quantification of actual load shifting benefits and costs, as well as the status of its efforts to restore key data and platforms following the recent cyber event.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 1st day of June, 2026.

Yours truly,

Melissa P. MacAdam
Small Business Advocate

[11] M12768, Exhibit N-3, NSPI (IG) RIR-11, page 3 of 3, at lines 14-21..