Blackburn Law Inc.

April 22, 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: M12778 – Nova Scotia Power Inc., Annual Interconnection Processes Proceeding Report

On March 31, 2026, Nova Scotia Power Incorporated ("NS Power") submitted, pursuant to Nova Scotia Energy Board (the "Board") its second Annual Interconnection Processes Proceeding Report ("IP Report") in M12778. [1] NS Power submitted its first IP Report on March 31, 2025, as required by the Board. In M10905 and M12174, the Board directed NS Power to submit its first IP Report to show how it had complied with the Synapse recommendations for the documents that prospective independent generation projects would have to sign in order to obtain a position in NS Power's interconnection queue. Of the four Board directives in M10905, NS Power focuses on directives 3 and 4 in this 2nd IP report[2], which are:

3) File interconnection update reports annually, starting March 31, 2025, with the Commercial Net Metering Program report.
4) File an annual report about how the creation of a lower capacity threshold for smaller transmission system or transmission system impactive resources affect Interconnection Customers, starting March 31, 2025.[3]

The Board included an additional directive:

> …In its filing of a proposed cost allocation and refund methodology for distribution network upgrades, NS Power is directed to address the points noted above and to justify how its proposal serves to minimize financial barriers faced by Interconnection Customers. Illustrative examples explaining how NS Power's proposed methodology would be applied are to be included in the application."[4]

[1] M12778 N-1 NS Power Annual Interconnection Processes Proceeding Report ("IP Report"), March 31, 2026.
[2] M12778 N-1, page 5, lines 12-17.
[3] M10905 and M12174 NSEB Decision letter, November 14, 2025, page 2.
[4] M10905 and M12174 NSEB Decision letter, November 14, 2025, page 7.

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SBA Concerns

The SBA notes that this second IP Report, while a comprehensive response to Synapse's recommendations and Board directives, is in effect a proposed conclusion of status that lacks a final review by stakeholders. NS Power provided a table in this second IP report showing the current status of what it deems to be the outstanding Synapse recommendations and additional Board Directives[5], all but five of which are marked as "Complete".

NS Power notes that IESO-NS has assumed responsibility for three of these five entries. According to NS Power, certain recommendations are the responsibility of IESO-NS as they concern transmission-related capacity process reporting. It is noted that IESO-NS has submitted their understanding of their responsibility for these Synapse recommendations in a separate filing.[6]

The other two entries shown below are addressed in later sections of this IP Report:

- Support development of additional distribution network upgrade cost refund regulation.
- Commercial Net Metering Reporting, on-going reporting requirement.

NS Power devotes most of this 2nd IP Report to its proposal to address the Board requirement to minimize financial barriers faced by Interconnection Customers through its proposal to refund Network Upgrade (NU) costs under its proposed cost allocation mechanism. The proposed cost allocation assigns a split of 50% to the first project with the remaining 50% allocated to rate base, i.e., to all customer classes.[7] But for larger class 2 projects Synapse suggests the allocation could be justified as a 75% split with the remaining 25% allocated to all customer classes.[8] A further refinement to NS Power's proposal involves crediting the refund for a potential term of up to 20 years.[9]

Another inconsistency between the straw proposals provided by NS Power and Synapse is what should be the defined threshold MW level of a small versus a large project.[10] NS Power argues that "...there remains little evidence on which NS Power may justify the reasonableness of initially "rate-basing" a portion of NU costs, in the absence of clear benefits accruing to the broader customer base and their customer classes."[11]

Submissions

The Small Business Advocate (SBA) has reviewed the IP Report and related filings in M10905, M12174 and M12524 as well as Board directives cited above and finds that the issues raised have

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[5] M12778 N-1 IP Report, Figure 1 Status of Recommendations and Directives pp. 6-7.
[6] M12524 IESO-NS letter dated February 12, 2026
[7] M12778 N-1 IP Report, p. 20, lines 10-16
[8] M12778 N-1 IP Report, p. 20, lines 31-37.
[9] M12778 N-1 IP Report, p. 22, lines 9-12.
[10] M12778 N-1 IP Report, p. 20, lines 5-9, and p. 21, lines 29-35.
[11] M12778 N-1 IP Report, p. 21, lines 24-27.

important implications for all customer classes, including the small business classes it represents. The SBA also notes that the proposed solution to lowering financial barriers and cost allocation additions to rate base could impact small businesses more significantly than larger customer classes.

Since the major outstanding issues raised in this IP Report are described as "straw" proposals and since NS Power acknowledges that it has yet to provide draft regulations for the Board's review and approval (as it is waiting for acceptance of the cost allocation proposal), the SBA respectfully submits that a decision in this matter would benefit from a separate stakeholder review session. The purpose of this session, beyond reviewing the current status of the outstanding recommendations and directives in this IP Report, would be to understand the implications of agreeing to both the magnitude and timing of further cost allocations being added to NS Power's rate base outside of a GRA.

For this reason, the SBA respectfully requests that the Board direct NS Power to schedule a technical session to provide the case for NU cost allocation using a ratebase split and to receive feedback from stakeholders before the deadline for final comments in this matter.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22nd day of April, 2026.

Yours truly,

Melissa P. MacAdam
Small Business Advocate