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Request IR-1:

Table 1 of the report presents a comparison of 2024 and 2025 data.

(a) What factors does NS Power consider contributed to the 30.9% decrease in net metering customers.

(i) Did NS Power suspend program registration at any point in 2025?

(b) Please explain the decrease in nameplate capacity from 2024 to 2025 of -26%

Response IR-1:

(a) There are a number of factors that contribute to a decrease in new net metering participation, including cost, available incentives, and access to financing.

(i) NS Power did not suspend program registration at any point in 2025.

(b) The decrease in net new nameplate capacity of 26 percent was driven by decreased volume of net new solar installations, as noted in part (a). The average nameplate capacity increased from 8.9 to 9.6 kW offsetting some of the volume driven year over year decrease. For clarity, total nameplate capacity increased in 2025 by 18.6 MW.

NON-CONFIDENTIAL

Request IR-2:

In Appendix A, please explain why the 2025 Energy (kWh) and Payout (\$\$\$) decreased in May and June, relative to 2023 and 2024?

(a) Is it attributable to lost customer data from the cybersecurity incident?

(b) Please explain the significant spike in August and November 2025 Energy (kWh) and Payout (\$\$\$) relative to 2023 and 2024.

(i) Is this increase attributed to weather or was this the impact of employing meter readers?

Response IR-2:

(a) The decrease in payouts for these periods in comparison to 2023 and 2024 is primarily attributable to the cyber security incident. In the absence of available meter readings following the cyber security incident in late April 2025, NS Power was unable to process the payout of excess generation to Legacy Net Metering (LNM) customers until a meter reading became available. Though this created a short delay in the processing of customer payouts, customers were accurately compensated for excess generation upon a true reading becoming available. As described in NSEB IR-2 in Matter M12600, the Company's legacy Customer Information System (CIS) has no estimation routine for generation – only for consumption. For net metering accounts, when meter data was unavailable, the CIS estimation subroutine estimated consumption and set generation to zero. Developing estimation logic for generation was not feasible, as it would involve too many uncontrollable factors (e.g. weather conditions that vary significantly by customer location). Instead, NS Power hired meter readers to obtain generation information from customers, as detailed in part (e) to M12600 NSEB IR-2.

Regulation 3.6 – 2025 Net Metering Report (NSEB M12783)
NSPI Responses to NSEB Information Requests

NON-CONFIDENTIAL

- 1 (b) These spikes in comparison to 2023 and 2024 are primarily attributable to when meter
2 readings became available for LNM customers enabling NS Power to settle-up billing and
3 provide payment based on true energy generation vs. estimation.
4
5 (i) Please refer to part (b).

NON-CONFIDENTIAL

Request IR-3:

For 2025, please provide the total costs that have been transferred from customers participating in the program to the remainder of the customer base.

Response IR-3:

With respect to domestic rate class net metering customers, the estimated cost transfer for 2025 has been calculated using the same methodology described in the Company's IR response in the 2024 NM Report.¹ For clarity, the 2025 cost transfer has been appended to the 2020-2024 values presented in the M12165 IR response and provided as Table 1.

Table 1: Total Estimated Cost Reallocation from Domestic Net Metered Customers to Customer Base by Exported Generation

Year	2020	2021	2022	2023	2024	2025
Domestic Net Metered Participants ²	2,375	3,996	5,919	8,141	10,921	12,789
Exported Generation (kWh/year)	15,789,860	26,566,854	39,351,655	54,124,315	72,606,761	85,025,901
Non-fuel Costs	\$1,465,615	\$2,465,935	\$3,652,621	\$4,706,109	\$6,313,158	\$7,393,002
FAM AA/BA Rider Costs	(\$300,639)	\$0	\$0	\$0	\$113,267	\$529,711
DSM Cost Recovery Rider (DCRR) Costs ³	\$0	\$0	\$0	\$330,158	\$447,258	\$538,214
Storm Cost Recovery Rider (SCRR) Costs	\$0	\$0	\$0	\$0	\$0	\$317,997
Estimated Total⁴	\$1,164,976	\$2,465,935	\$3,652,621	\$5,036,267	\$6,873,682	\$8,778,924

Numbers may not sum due to rounding.

¹ M12165 – NSPI (NSEB) IR-5. May 30, 2025.

² 2025 Net Metering Report, Appendix A, tab 'Total Active Customers,' filtered to Domestic rate class.

³ DSM costs were recovered as part of non-fuel costs from 2020-2022.

⁴ The total estimated cost does not consider behind-the-meter consumption, the effect of net metered load on peak demand contributions, or avoided emissions, panel degradation, weather effects, and customers joining partway through a given year. Please also refer to NSEB IR-4 in this process and M12782 NSEB IR-6.

NON-CONFIDENTIAL

Request IR-4:

- (a) Please confirm that the estimated value totals in Appendix A EO, Worksheet 2025 Net Metering Summary, Cells E46 and I46 are the estimated annual value of sales offset by Net Metering generation. Please clarify whether this is the amount of energy that was exported to the grid by Net Metering customers or the amount of energy that was provided to them at a later time and offset by credits from generation. If these two amounts are different, please provide both.**
- (b) Please provide the total annual avoided costs for solar generation that was produced by the Net Metering customers and consumed behind the meter, based on the avoided cost at the time when the energy was generated.**
- (c) Please provide the total annual avoided costs for solar generation that was produced by the Net Metering customers and exported to the grid, based on the avoided cost at the time when the energy was generated.**
- (d) Please compare the avoided cost for Net Metering energy exported to the grid by customers to the incremental cost of providing them with energy that is offset by the bill credits/payouts provided to the Net Metering customers for the energy that was exported to the grid.**

Response IR-4:

Preamble: the Company has developed the analysis requested in parts (b) to (d) using calculated load profiles of a “representative customer” across five rate classes (Domestic Standard Offer, Domestic Time-of-Day, Small General, General, and Small Industrial) to capture differences in load profiles, tariff structures, and system impacts. These load profiles were developed using AMI

NON-CONFIDENTIAL

1 hourly consumption and exported generation data.¹ Total estimated solar generation was matched
2 to Appendix A of the Report, with behind-the-meter generation calculated as the difference
3 between total generation and measured exports. Displaced energy was estimated by allocating the
4 difference across consumption hours using an irradiance-based weighting approach.² Avoided fuel
5 costs were approximated using hourly marginal fuel prices, supported by a comparison of marginal
6 generating unit capacity to total solar capacity.³ The incremental cost to serve during times when
7 consumption exceeds generation was broken into the additional cost of fuel, average non-fuel
8 costs, and riders. Consistent with the avoided fuel costs analysis, the use of hourly marginal cost
9 of fuel was used to calculate the additional fuel cost of the incremental load at the time in which it
10 is required by the customer and otherwise offset by a bill credit. Average non-fuel costs and DSM
11 (Program Cost Recovery only) and FAM AA/BA riders, were incorporated by rate class using
12 tariff structures and pricing applicable in 2025.⁴

13
14 This methodology captures the representative effects associated with the timing of net metering
15 energy flows, including the cost relationship between the value of exported generation and the cost
16 of subsequent consumption that is offset by energy credits. As such, this analysis provides an
17 indicative estimate of the associated costs and benefits in response to parts (b) to (d) of this IR.
18 Subject to data availability and the Board's determination in this process, a similar analysis could
19 be provided in the 2026 NM Report.

¹ Customers who added generation or who began service partway through 2025 are not included in the calculation of a representative customer.

² Irradiance is the amount of radiant power (energy) incident upon a surface per unit area and is used to gauge the immediate solar power available for conversion into electricity. Estimated total solar production less the known exported energy defines the estimated displaced energy behind-the-meter; however, it does not determine when this displacement occurs. To determine how much of the displaced energy should be allocated to each hour in the year, solar irradiance data was used to weigh the dispersion. As such, periods of higher irradiance would have greater displaced energy behind-the-meter.

³ To determine whether the marginal fuel cost was representative of the avoided cost of fuel, NS Power compared the estimated total in-province solar generation (MW) to the maximum capacity (MW) of the marginal unit in each hour. The result indicated that 94 percent of the time that solar energy was being generated, its generation was less than the total capacity of the marginal unit. This finding provided confidence that the use of marginal fuel cost was a reasonable proxy to avoided fuel costs.

⁴ The BA component of the DSM Rider and the Storm Cost Recovery Rider were excluded as these mechanisms serve as true-up mechanisms for prior year balances. As the 2025 FAM AA/BA Riders provide for recovery of costs on a longer-term (i.e. the \$117M Invest Nova Scotia receivable and the \$500M Maritime Link Supplement Assessment), both the 2025 AA and BA riders were included.

NON-CONFIDENTIAL

1 (a) The values referenced in Appendix A of the Report represent the total production of all net
2 metering (NM) generation, including energy displaced behind-the-meter and exported to
3 the grid, valued at the applicable retail rate (as a proxy value). These values are based on
4 total installed capacity and estimated annual output based on the previously established
5 average capacity factor of 12.3 percent for behind-the-meter solar.

6
7 For clarity, using the model outputs from the analysis provided in parts (b) and (c), below,
8 NS Power calculated that the representative Domestic standard offer rate customer exports
9 6,485 kWh to the grid, displaces 2,920 kWh behind-the-meter, and produces a total of
10 9,405 kWh annually.

11
12 (b) In 2025, the total annual avoided cost of energy displaced by solar generation behind-the-
13 meter at the time it was generated is estimated at \$3.5 million.⁵ Metrics and results by
14 representative customer segment are provided in Table 1.

15
16 (c) In 2025, the total annual avoided cost of energy displaced by solar generation exported to
17 the grid at the time it was generated is estimated at \$7.1 million.⁶ Metrics and results by
18 representative customer segment are provided in Table 1.

19
20 (d) In 2025, the estimated annual incremental cost of providing energy to solar NM customers
21 during hours that are offset with energy credits is \$16.3 million.⁷ Compared to the value of
22 the avoided cost of NM customer exported energy (part (c)), the value of the credits
23 provided exceeded the system savings by \$9.2 million.⁸ Metrics and results by
24 representative customer segment are provided in Table 1.

⁵ Avoided costs are calculated at the generator and, therefore, include both transmission and distribution loss factors, reflecting energy consumed on-site.

⁶ Avoided costs include transmission loss factors only and exclude distribution losses, reflecting delivery of energy to the distribution grid. Values are based on metered hourly exports.

⁷ Hourly excess solar generation is banked as energy credits and applied to future net consumption until all banked energy credits have been applied to consumption or no net consumption remains, at which point remaining energy credits are forfeited.

⁸ \$9.2 million = \$16.3 million – \$7.1 million. Transmission and distribution loss factors are both applied to the incremental cost to serve. This calculation does not include energy displaced behind the meter.

Regulation 3.6 – 2025 Net Metering Report (NSEB M12783)
NSPI Responses to NSEB Information Requests

NON-CONFIDENTIAL

1 Table 1: Summary of NM Analysis Metrics and Results, by Representative Customer

Metric	Domestic Standard Offer	Domestic Time-of- Day	Small General	General	Small Industrial	Total
Participants	11,853	931	115	71	10	12,980
Average solar array size (kWac)	8.60	9.24	19.90	30.86	48.34	8.90*
Percent share of annual NM solar energy production	88.3%	7.4%	2.0%	1.9%	0.4%	100%
Part (b) – avoided cost of displaced energy	\$3,039,963	\$250,698	\$51,085	\$142,849	\$28,335	\$3,512,930
Part (c) – avoided cost of exported energy	\$6,335,911	\$542,117	\$159,000	\$62,129	\$16,634	\$7,115,791
Part (d) – incremental cost to serve energy that is offset with a bill credit	\$14,842,638	\$1,009,660	\$354,758	\$108,943	\$31,126	\$ 16,347,124
Incremental cost to serve energy that is offset with a bill credit (part (d)) less avoided cost of exported energy (part (c)) – total	\$8,506,727	\$467,543	\$195,757	\$46,814	\$14,492	\$9,231,334

2 Numbers may not sum due to rounding.

3 *Weighted average based on participant count.