

July 7, 2026

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Dear Mr. Peachey:

M12859 – Nova Scotia Independent Energy System Operator – Quarterly Report

On May 15, 2026, the Nova Scotia Independent Energy System Operator (IESO Nova Scotia) provided the Nova Scotia Energy Board with the first *IESO Nova Scotia — Quarterly Report*, in response to Board directives under IESO Nova Scotia's 2025–2026 Revenue Requirement Application (Matter M12412).

The report discussed IESO Nova Scotia's phased transition of system planning, transmission interconnection, energy and capacity procurement, and real-time dispatch operations from Nova Scotia Power Inc. IESO Nova Scotia said it established a Joint Transition Committee with NS Power to facilitate coordination between the two organizations. It said the Joint Transition Committee meets regularly to facilitate the coordinated transfer of responsibilities as required under the *More Access to Energy Act*.

IESO Nova Scotia's Phase 1 involved the transfer of system planning, generation interconnection, and energy resource procurement functions from NS Power to IESO Nova Scotia. The report noted that IESO Nova Scotia has taken responsibility for key activities under the Standard Generation Interconnection Procedures, including processing interconnection requests and conducting system studies. It transitioned system planning and interconnection employees from NS Power effective December 1, 2025. At the date of this quarterly report, IESO Nova Scotia had a staff of 31 full-time employees, including those transferred from NS Power and newly hired employees. Phase 2 will involve the transfer of real-time dispatch operations, including control centre operations. Phase 2 transitions are planned to begin in Q2 2026/2027, subject to timely completion of the required pre-works and certain sections of the *Act* being proclaimed.

The report noted that IESO Nova Scotia, in collaboration with NS Power and the Northeast Power Coordinating Council, Inc. (NPCC), transferred responsibility for compliance with the North American Electric Reliability Corporation (NERC) and NPCC reliability standards related to Phase 1. The Board notes, however, that neither NERC nor NPCC have direct jurisdiction over compliance with reliability standards in Nova Scotia. The Board approves reliability standards and has authorized NPCC to undertake compliance functions on its behalf.

The report noted that IESO Nova Scotia began preparatory work for its inaugural Integrated Resource Plan (IRP) in Q3 2025/2026 and expects completion of the IRP supporting studies in May and June 2026, early modeling insights in mid-2026, final IRP results in Q2 2026/2027, and publication of the final IRP report in December 2026.

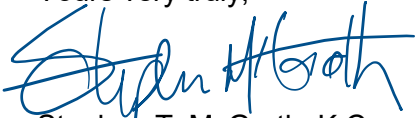
The report noted that on April 15, 2026, IESO Nova Scotia entered into a definitive agreement with New Brunswick Power Corporation to procure about 100 MW of capacity from its Renewable Integration and Grid Services project.

The report stated that IESO Nova Scotia is also advancing procurement of 300+ MW of fast-acting generation in line with NS Power's most recent IRP. It further plans to initiate additional procurement for more capacity and/or storage in the second half of 2026/2027.

Finally, IESO Nova Scotia advised it is also advancing the development of a cost recovery mechanism for its services, with an application to the Board targeted at the end of Q2 2026/2027.

The Board accepts IESO Nova Scotia's quarterly report as filed.

Yours very truly,



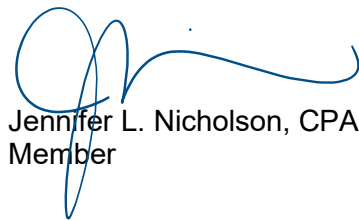
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