



Blackburn Law Inc.

October 23, 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: M12916 – Nova Scotia IESO – 2026 10-Year System Outlook Report

Following its establishment under the *More Access to Energy Act*, IESO Nova Scotia is now responsible for the province's power supply planning and resource adequacy assessments, as well as transmission planning and new energy resource procurement. In accordance with the Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules (Market Rules), IESO Nova Scotia filed its first 10-Year System Outlook report (the "System Outlook") on June 26, 2026¹. The Small Business Advocate (SBA) has reviewed the System Outlook and IESO Nova Scotia's responses to Information Requests (IRs) and has the following comments.

Overall, the SBA finds that the System Outlook provides a generally reasonable forecast of loads and resources required to meet system needs in the near term. The SBA notes that there are areas in which the resource outlook presented in the System Outlook differs from prior planning documents from Nova Scotia Power Incorporated (NSPI), however, the System Outlook provides a good foundation for future planning overall.

Notwithstanding it providing a good foundation, the SBA respectfully submits that some areas in the System Outlook highlight potential risks to IESO Nova Scotia's planning for future resource adequacy and system coordination. While these risks may not require immediate changes to the System Outlook, the SBA has summarized these topics for additional consideration by IESO Nova Scotia and the Board:

1. Division of Responsibilities and Collaboration with NSPI

The System Outlook and IESO Nova Scotia's responses to IRs highlight that the transition of responsibilities from NSPI to IESO Nova Scotia, with regards to assessing the province's resource

¹ M12916, Exhibit N-1, IESO Nova Scotia – 10 Year System Outlook Report for 2026 (the "System Outlook"), June 26, 2026.

adequacy and transmission planning, could and has resulted in potential issues related to the coordination of information and resources, as well as transparency as to the post transition ownership of certain planning responsibilities.

For example, IESO Nova Scotia notes in multiple places that the information requested through IRs is the responsibility of NSPI or another party, even when the topic is pertinent to the System Outlook, including the NS-NB Reliability Interconnection, Trenton and Lingan unit costs, ECC Dynamic Line Rating Project, and Community Solar Projects.² IESO Nova Scotia has also omitted several System Outlook sections which were previously included in the system outlooks filed by NSPI. In response to an IR asking about the missing sections, IESO Nova Scotia explained that it “examined which sections were no longer applicable under IESO Nova Scotia’s mandate, or which may be more appropriately provided by NSPI in other proceedings... As such, information from the sections that were previously included and not in this year’s report were either a) merged into other sections of the report or b) are the responsibility of NSPI.”³ As a result, the SBA respectfully submits that the 2026 System Outlook does not provide as comprehensive an assessment as found in prior reports.

The SBA acknowledges that IESO Nova Scotia is early in its transition to full responsibility for the province’s power supply planning and resource adequacy assessments and that the division of responsibilities with NSPI mean that certain aspects of the System Outlook that were previously included in the past “were no longer applicable under IESO Nova Scotia’s mandate.”⁴ As an example of an item that does not fall within its mandate, IESO Nova Scotia noted that “NSPI is responsible for upgrades or changes to the NSPI-owned transmission system.”⁵ However, , the SBA respectfully submits that IESO Nova Scotia, as the entity responsible for system planning, cannot simply rely on stating that a topic is not its responsibility when that topic is pertinent to the development of the system. Where information relevant to the System Outlook is not available internally, IESO Nova Scotia should obtain it from the appropriate party and include it in its System Outlook to ensure it provides a comprehensive assessment.

Transmission planning is a particular concern and an example of how coordination of information and inputs to the System Outlook is important during this transition. IESO Nova Scotia has no formal role in reviewing NSPI’s ACE Plan transmission projects,⁶ and has not cross-checked its Transmission Development Project List against NSPI’s 2026 ACE Plan.⁷ Investments in the existing system, which is the responsibility of NSPI, can impact the analysis of future transmission needs, which is the responsibility of IESO Nova Scotia. The SBA respectfully submits that if NSPI and IESO Nova Scotia plan in parallel but without close coordination, there is a higher risk that

² M12916, Exhibit N-2, IESO-NS Response to CA, IR-3(a-b); Exhibit N-2, IESO-NS Response to CA IR-4; Exhibit N-2, IESO-NS Response to CA IR-8; and Exhibit N-7, IESO-NS Response to SBA IR-11.

³ M12916, Exhibit N-7, IESO-NS Response to SBA, IR-22, page 1 of 1, lines 13-15 and lines 17-18.

⁴ M12916, Exhibit N-7, IESO-NS Response to SBA, IR-22, page 1 of 1, line 14.

⁵ M12916, Exhibit N-7, IESO-NS Response to SBA, IR-20(c), page 1 of 1, line 23.

⁶ M12916, Exhibit N-2, IESO-NS Response to CA, IR-9(a).

⁷ M12916, Exhibit N-4, IESO-NS Response to NSEB, IR-19(b).

inefficient investments will be made, resulting in higher costs for customers, or that certain needs are not addressed appropriately.

The SBA recommends that IESO Nova Scotia track and coordinate on more topics related to system planning with NSPI and other parties and that IESO Nova Scotia should expand future System Outlooks to include information relevant to the full Nova Scotia system regardless of whether IESO-NS bears the specific responsibility for that aspect of the system's operation.

2. Resource Adequacy Risks and Contingency Planning

The System Outlook forecasts a reserve margin surplus in every year through Winter 2033/2034.⁸ However, that surplus depends on many projects being completed on schedule. A significant number of those projects are concentrated in Winter 2029/2030, including 450 MW of fast-acting generation, 250 MW of battery energy storage (BESS) projects, 350 MW of Green Choice wind, coal-to-gas conversion projects, and the retirement of coal-fired capacity.⁹

In its IR responses, IESO Nova Scotia addressed potential delays in several of these projects in isolation, concluding in each case that the forecast surplus would cover the shortfall.¹⁰ Individually, these conclusions may be correct, however, the SBA submits that the surplus does not provide enough of a buffer in the event that multiple resources are delayed. For example, if both the 100 MW New Brunswick firm import and the 99 MW BESS addition were delayed in Winter 2029/2030, the forecast 108 MW surplus would become a deficit of roughly 90 MW.¹¹

The SBA is concerned by the lack of contingency planning reflected in IESO Nova Scotia's responses to IRs. NSPI, as owner and operator of most of the generation in Nova Scotia, in its IRS, also raised questions regarding IESO Nova Scotia's contingency planning for project delays.¹²

IESO Nova Scotia's primary mitigation approach appears to be delaying planned retirements. However, it has not identified how long units would be retained or at what cost.¹³ The SBA submits that these proposed mitigation measures, including their cost and feasibility, should be understood and communicated before they are needed.

The SBA recommends that IESO Nova Scotia, in coordination with NSPI, develop contingency plans for key resource additions and retirements, including scenarios in which multiple resources are delayed.

3. Large Loads Inclusion in Forecast

The potential for incremental large load projects represents one of the most important uncertainties for Nova Scotia's grid, and accurate forecasting is an important component of planning for

⁸ M12916, Exhibit N-1, the System Outlook, Table 4, IESO-NS 10-Year Load & Resource Outlook, page 18 of 27.

⁹ M12916, Exhibit N-1, the System Outlook, Table 3, Additions and Retirements in the 10-Year System and Resource Plan, page 15 of 27 and Table 4 IESO-NS 10-Year Load & Resource Outlook, page 18 of 27.

¹⁰ M12916, Exhibit N-4, IESO-NS Response to NSEB, IR-7; Exhibit N-7, IESO-NS Response to SBA, IR-9(b.)

¹¹ M12916, Exhibit N-1, the System Outlook, Table 3, Additions and Retirements in the 10-Year System and Resource Plan, page 15 of 27 and Table 4 IESO-NS 10-Year Load & Resource Outlook, page 18 of 27.

¹² M12916, Exhibit N-5, IESO-NS Response to NSPI, IR-2.

¹³ M12916, Exhibit N-5, IESO-NS Response to NSPI, IR-2.

resource adequacy. However, as noted by IESO Nova Scotia, it “has not defined a formal criterion that large load requests would need to meet before they are included in the forecast system peak and net system requirement.”¹⁴ In its response to a question by Port Hawkesbury Paper LP (PHP), IESO Nova Scotia stated that it “would consider the completion of a System Impact Study and subscription to a rate or tariff offered by a Load Serving Entity as two relevant criteria.”¹⁵

The SBA recognizes that planning for load that may not materialize comes with its own risks and submits that using the 2026 IRP as the place to explore alternative resource strategies under a higher load scenario is appropriate. However, given that the System Outlook is largely reflective of IESO Nova Scotia’s best estimate of future conditions, and that new generation can take years to develop, waiting until a large load has completed the interconnection process may be too late to begin assessing resource adequacy impacts or deliverability concerns. The SBA recommends that IESO Nova Scotia proactively develop a clear method for incorporating large loads into its System Outlook.

4. Battery Degradation Assumptions

IESO Nova Scotia stated that “battery degradation affects storage capacity (MWh) but not maximum output (MW) of the battery, which is a product of the inverter size” and therefore it has not assumed any degradation in its assessment of BESS resources.¹⁶ While degradation does not affect inverter capacity, the Effective Load Carrying Capacity (ELCC) of an energy-limited resource reflects its ability to sustain output over multiple hours. A reduction in storage capacity is therefore likely to reduce its capacity value and is why accounting for degradation in capacity accreditation is appropriate. The SBA recommends that IESO Nova Scotia reconsider its assumption in future studies and planning and evaluate whether battery augmentation may be needed to maintain resource adequacy.

5. Environmental Policy Compliance

In reviewing the System Outlook and planned additions, the SBA has identified areas of uncertainty in the plan regarding environmental policy compliance. First, in response to an IR from the SBA, IESO Nova Scotia noted that it does not expect to know whether the new fast-acting generation will be designated as “planned units” under the Clean Electricity Regulations until the units are in service.¹⁷ If the resources do not qualify as planned units, they will be subject to emissions limitations. IESO Nova Scotia notes that the failure to obtain the designation would have no implications for its resource plan, only additional dispatch constraints.¹⁸ However, the SBA submits that if the units are subject to emissions limits, their operating hours may be restricted, which could materially affect the cost to customers and potentially the most economic long-term resource mix. This risk should be acknowledged and its potential cost impacts described by IESO Nova Scotia.

¹⁴ M12916, Exhibit N-6, IESO-NS Response to PHP, IR-2, page 1 of 1, at lines 18-19.

¹⁵ M12916, Exhibit N-6, IESO-NS Response to PHP, IR-2, page 1 of 1, at lines 20-21.

¹⁶ M12916, Exhibit N-7, IESO-NS Response to SBA, IR-15, page 1 of 1, at lines 10-11.

¹⁷ M12916, Exhibit N-7, IESO-NS Response to SBA, IR-16(a-b).

¹⁸ M12916, Exhibit N-7, IESO-NS Response to SBA, IR-16(c).

Second, IESO Nova Scotia notes that if the Reliability Intertie project is delayed, modelling analysis indicates that it can still meet 2030 decarbonization goals, but at a higher expected cost.¹⁹ In future System Outlooks, the SBA recommends that IESO Nova Scotia specifically track this uncertainty and develop additional details and cost estimates for this contingency plan if there is any risk of delayed in-service of the project.

Submissions

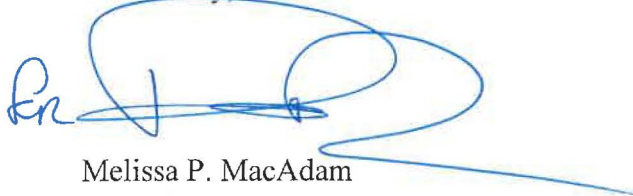
Consequently, the SBA respectfully submits that the Board should consider requiring IESO to do the following:

1. Coordinate with NSPI and other parties to obtain information relevant to system planning, rather than deferring stakeholder inquiries to those parties, and identify in future System Outlooks where information previously included in the report can be found.
2. Develop contingency plans for key resource additions, including scenarios in which multiple resources are delayed.
3. Develop clear criteria for including large loads in the load forecast, and report the potential resource adequacy implications of large loads under study in future System Outlooks.
4. Reconsider the assumption of no battery degradation in future studies.
5. Identify the risks to environmental policy compliance if new fast-acting generation is not designated as a planned unit under the CER.

The SBA respectfully submits that while the System Outlook provides a reasonable foundation for planning, many of the issues identified above arise from the ongoing transition of responsibilities between NSPI and IESO Nova Scotia. Continued Board attention to the division of responsibilities, transparency, and contingency planning will help to ensure that risks to resource adequacy and customer costs are identified and addressed in advance. The SBA thanks the Board for this opportunity to provide these submissions.

All of which is respectfully submitted this 23rd day of October, 2026.

Yours truly,



Melissa P. MacAdam
Small Business Advocate

¹⁹ M12916, Exhibit N-2, IESO-NS Response to CA, IR-3(c).