

File Reference: SM002557-00285

Nancy G. Rubin, K.C.
Direct Dial: 902.420.3337
nrubin@stewartmckelvey.com

October 23, 2026

Delivered by Email

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
PO Box 1692, Unit M
Halifax, NS B3J 3S3

Dear Ms. Henwood:

Re: M12916 – IESO NS– 10-Year System Outlook Report

These submissions are filed on behalf of the Industrial Group ("IG").

IESO-NS filed its inaugural 10-Year System Outlook ("**10YSO**") Report on June 26, 2026, having assumed responsibility for this work from NSPI. The Report represents IESO-NS's resource adequacy and transmission planning assessment. From the IG's perspective, there are several areas that require greater clarity on a go-forward basis or continued Board oversight to improve the usefulness of the 10YSO as a planning and accountability tool.

The IG offers comments and recommendations regarding the following:

1. The Planning Reserve Margin ("**PRM**") is forecast to fall below the 20% target in the final two years of the 10-year horizon, and no PRM re-study is currently planned;
2. The Report's resource adequacy conclusions for the near term depend materially on the in-service timing of third-party projects and procurement-dependent resources — the NS-NB Reliability Intertie, the second Green Choice wind procurement, new fast-acting generation, and battery storage capacity — for which IESO-NS has limited visibility and, in some cases, no developed contingency plan;
3. 2030 Renewable Electricity Standards ("**RES**") compliance shows only a 3 GWh forecast surplus, and is dependent on an Early Completion Incentive for wind generation that has not yet been contracted;
4. IESO-NS has not yet incorporated most large-load interconnection requests into its load forecast or PRM analysis, and has not committed to a timeline for doing so;
5. IESO-NS has not cross-checked its own Transmission Development Project List against NSPI's Annual Capital Expenditure ("**ACE**") Plan, and has outlined that it has no formal role in reviewing NSPI's transmission capital projects notwithstanding the Board's existing direction that NSPI coordinate and report on engagement with IESO-NS; and

[4130-9486-4752](tel:4130-9486-4752)

6. IESO-NS has not yet developed independent demand and resource adequacy forecasting capability contemplated by its enabling legislation, nor set out a timeline for doing so.

1. PLANNING RESERVE MARGIN

The PRM is important for ensuring sufficient resources to reliably serve firm customers and is particularly important for interruptible customers who may be called upon for interruption to address any inadequacy in that margin. NSPI has historically used a 20% PRM based on NPCC requirements. IESO-NS has stated it plans to continue to use 20% as its target but acknowledged that a re-assessment of the PRM was recommended within the most recent 2026 Effective Load Carrying Capability ("ELCC") study, completed by Energy+Environmental Economics ("E3").¹ In that report, E3 noted that the "growing penetration of variable renewable resources... and energy-limited resources... is challenging the traditional planning reserve margin approach long used to ensure resource adequacy." E3 recommended that Nova Scotia consider refreshing its PRM "target using the same LOLP modeling framework, along with the latest load forecasts, as part of a future IRP."² IESO-NS has indicated it anticipates undertaking a refreshed PRM study in the future, but has provided no clear timeline for that review.³

Table 4 of the 10YSO Report shows the PRM declining from 22% in Winter 2026/2027 to 19% in Winter 2034/2035, and 18% in Winter 2035/2036. This means that IESO-NS is anticipating the PRM to fall below the 20% target in the final two years of the outlook horizon. IESO-NS committed to procuring resources "as required to maintain the 20% PRM".⁴ It reasoned that "where these two years are at the end of the ten-year horizon, any such resources will be identified in the 2026 IRP and included in future 10-Year System Outlook reports."⁵

The IG agrees with IESO-NS regarding the timeline and recommends that IESO-NS confirm, in its next 10YSO filing or the 2026 IRP (whichever is filed first), a specific timeline for undertaking the recommended PRM re-assessment.

2. CONTINGENCY PLANNING FOR KEY RESOURCE ADDITIONS

The 10YSO Report confirms that overall, "the Nova Scotia system is anticipated to see a net increase in installed capacity of 2,804 MW over the next 10 years, providing a net increase of 370 MW of firm capacity", which takes into account the anticipated 1,599 MW of firm capacity being added and the 1,229 MW being retired.⁶ The next 10 years will represent a significant transformation in the generation mix and capacity portfolio serving the electricity system in Nova Scotia.

¹ 2026-Nova-Scotia-ELCC-Study-Report.pdf, p. 9 and p. 47:
<https://www.ieso-ns.ca/wp-content/uploads/2026/06/2026-Nova-Scotia-ELCC-Study-Report.pdf>. See also: N-04, IESO Nova Scotia (NSEB) IR-9(b).

² The 2026 Nova Scotia ELCC Study Report at p. 47.

³ N-04, IESO Nova Scotia (NSEB) IR-9(b) and (c).

⁴ N-04, IESO Nova Scotia (NSEB) IR-11(a).

⁵ N-04, IESO Nova Scotia (NSEB) IR-11(a).

⁶ N-01, 10YSO Report, pp 10-11.

With these anticipated changes, come several assumptions on projects and planning. The IG notes that the near and medium-term resource adequacy conclusions rely on a number of resources that are not within IESO-NS's direct control and whose in-service timing carries risk. These include:

The Reliability Intertie. The NS-NB Reliability Intertie, owned by Wasoqonatl Transmission Incorporated (“WTI”) and targeted for Q4 2028 in-service, is central to Nova Scotia's ability to integrate renewable generation, ensure reliability of its system, and meet the 2030 decarbonization targets.⁷ IESO-NS has confirmed that if the Intertie is not completed by Q4 2028, it anticipates dispatching the system to operate as an “electrical island,” which modelling suggests is possible but at a higher cost than if the Intertie is in service.⁸ When asked a series of questions regarding the assumptions underlying the Intertie's development, risk mitigation for late delivery, and the impacts of outages, IESO-NS directed the questions to WTI.

Respectfully, given the timing of this project, the associated risks and outage impacts, and its integral importance to the Nova Scotia system, it is difficult to see why these questions should be treated as isolated from 10YSO planning. In preparing the 10YSO, risks and mitigation tactics ought to be considered, the impact of timing on the system should be a factor in the planning process, and contingencies ought to be considered. IESO-NS should be planning accordingly, especially given the near-term resource adequacy needs tied to this project.

Fast-acting generation and battery storage. The Report includes 450 MW of fast-acting generation in the resource plan, while the related Request for Proposals contemplates individual projects of 275 to 300 MW.⁹ IESO-NS has confirmed that the 450 MW figure will be refined through the ongoing 2026 IRP process, and that if the new fast-acting generation is not anticipated in service by 2030, it will consider alternative measures including equivalency agreements to extend coal use or fuel switching at existing coal facilities, without having yet developed a specific contingency plan.¹⁰ Similarly, IESO-NS has confirmed that the target 20% PRM can still be met in Winter 2029/2030 even if the 250 MW of battery storage is not in service by that time, given the PRM forecast for that year, but it has not addressed what contingency would apply beyond that single winter.¹¹ This is now less than five years out, and the lead time for these projects is significant. IESO-NS planning should account for, and specifically consider, the real possibility of project delay and the overall impact on PRM and reliability.

Coal conversions. The Point Tupper 2 coal-to-gas conversion and the Lingan unit conversions to heavy fuel oil are reflected in the Report as firm capacity additions (as derived from the 2023 Evergreen IRP). However, IESO-NS has confirmed it does not have firm start and end dates for either conversion project, and that the Point Tupper 2 conversion, in particular, depends on an equivalency agreement under federal Regulations that has not yet been finalized.¹²

⁷ See: N-01, 10YSO Report, s 5.4.1., p 25.

⁸ N-02, IESO Nova Scotia (CA) IR-3(c).

⁹ N-06, IESO Nova Scotia (PHP) IR-3.

¹⁰ N-04, IESO Nova Scotia (NSEB) IR-6(a).

¹¹ N-04, IESO Nova Scotia (NSEB) IR-7.

¹² N-05, IESO Nova Scotia (NSPI) IR-5.

Given the number of interdependent, time-sensitive resources underpinning the 10YSO Report's resource adequacy conclusions, the IG submits that the Board should direct IESO-NS to report, in each future 10YSO filing, on the status of each of the key resource additions assumed within the near/mid term plan, against their assumed in-service dates, along with providing at least some degree of contingency planning including any change in IESO-NS's assessment of contingency measures required to maintain the target PRM and comply with NPCC reliability criteria.

3. RENEWABLE ELECTRICITY STANDARDS COMPLIANCE

Responsibility for achieving the RES target of 80% renewable generation by 2030 now rests with IESO-NS.¹³ Appendix A to the 10YSO Report forecasts a surplus of only 3 GWh of renewable energy against that 80% RES target in 2030. This leaves limited room for error in the forecasting.

IESO-NS has confirmed that 2030 compliance is dependent on completion of planned wind procurements, and that the Department of Energy has incorporated an Early Completion Incentive into the second Green Choice Wind procurement (issued September 10, 2026) to encourage commercial operation before December 31, 2029.¹⁴ This round of procurement is targeting 350 MW of capacity, capable of generating 1200 GWh of energy annually.¹⁵ That procurement remains ongoing, and IESO-NS has confirmed it will continue to monitor progress and incorporate updated timelines into future planning analyses, but has not identified what alternative compliance measures would be available if the procurement's commercial operation date extends beyond December 31, 2029.¹⁶

Given the limited compliance buffer anticipated for 2030 and the dependency on a procurement process that remains ongoing, the IG recommends that the Board direct IESO-NS to provide a status update within its next 10YSO filing, addressing the progress of the second Green Choice wind procurement, any other renewable programs relied upon or steps taken to achieve the 80% target by 2030, and IESO-NS's assessment of RES compliance risk.

4. LARGE-LOAD INTERCONNECTION REQUESTS

Table 8 of the 10YSO Report identifies several large-load interconnection requests under study, representing a potentially significant impact on peak demand, especially when combined. IESO-NS has confirmed that only one of the listed projects, IRL04, representing a 10.5 MW peak demand, is reflected in the load forecast underlying the Report's Forecast System Peak and Net System Requirement.¹⁷ Otherwise, "IESO-NS has not studied the potential impacts on the load and resource outlook from the other projects", and it is confirmed that any such analysis is dependent on whether the relevant load is ultimately served on a firm or interruptible basis. IESO-NS suggests that the 2026 IRP high load scenario will provide an opportunity to analyze the

¹³ *Electricity Act*, SNS 2025, c.18, as amended, s. 23.

¹⁴ N-02, IESO Nova Scotia (CA) IR-6(b)-(c).

¹⁵ N-01, 10YSO Report, p 12.

¹⁶ N-05, IESO Nova Scotia (NSPI) IR-6.

¹⁷ N-03, IESO Nova Scotia (IG) IR-2(a), (e).

impact of adding representative large loads to the system but has not provided any commitment to a more granular or project-specific assessment timeline.¹⁸

Given the scale of the large loads under study relative to the existing PRM projections, and potential impacts on system reliability, the IG submits that the Board should direct IESO-NS to report, in future 10YSO filings, on the status of each large-load interconnection request, including whether and when it has been or will be incorporated into the load forecast and PRM analysis, and (when able) the resulting impact on the system.

5. COORDINATION WITH NSPI'S TRANSMISSION CAPITAL PLANNING

The 10YSO Report's Table 9 includes the Transmission Development Project List, which identifies transmission projects that IESO-NS has determined must be completed over the 10YSO horizon, which were originally identified through an NSPI analysis predating IESO-NS's formation.¹⁹ IESO-NS has confirmed that it does not have a formal role in the development, review, or approval of NSPI's transmission projects under its ACE Plan, and has not cross-checked the Table 9 project list against NSPI's 2026 ACE Plan.²⁰

In response to CA IR-9(b) regarding IESO-NS's critical analysis of the listed projects in Table 9, IESO-NS noted the Board's direction in Decision M12619 on NSPI's 2026 ACE Plan, which required, to the extent feasible, that NSPI engage and coordinate with IESO-NS and report on that coordination in future ACE Plan filings.²¹ IESO-NS further indicated that it expects NSPI to engage with it regarding this direction in the near future. This update suggests that such coordination had not yet occurred as of October 2026 and underscores the importance of ensuring that the Board's direction for collaboration applies to both organizations.

Where the transmission capital planning forms an important part of system planning, IESO-NS should also be directed to work collaboratively with NSPI when completing its 10YSO Reports into the future, and most effectively, at the same time as the ACE plan collaboration previously directed. As IESO-NS's role in system planning matures, clear visibility into how its own identified transmission needs are being tracked against, and reconciled with, NSPI's capital plan will be important to avoid duplication or gaps in transmission investment.

In addition, the IG submits that the Board should direct IESO-NS to confirm, in its next 10YSO filing, its coordination with NSPI, and to cross-reference its Transmission Development Project List against NSPI's most recent ACE Plan, noting any discrepancies or updates needed.

6. INDEPENDENT DEMAND AND RESOURCE ADEQUACY FORECASTING

The *More Access to Energy Act* provides that one of IESO-NS's objects is to "forecast electricity demand and the adequacy and reliability of electricity resources for the Province for the short, medium and long terms."²² For its first 10YSO, IESO-NS relied instead on NSPI's 2026 load

¹⁸ N-03, IESO Nova Scotia (IG) IR-2(c), (f).

¹⁹ N-01, 10YSO Report, p 26; and N-04, IESO Nova Scotia (NSEB) IR-19(a).

²⁰ N-02, IESO Nova Scotia (CA) IR-9(a); N-04, IESO Nova Scotia (NSEB) IR-19(b).

²¹ N-02, IESO Nova Scotia (CA) IR-9(b).

²² *More Access to Energy Act*, SNS 2024, c 2, Sch B, s 9(p).

forecast as the foundation for its assessment, and did not develop independent demand forecasting in accordance with its objectives under its governing legislation.²³ In response to PHP's IR-1, IESO-NS confirmed only that it "anticipates it may begin to develop independent electricity demand forecasting" consistent with its statutory objects, but that "specific details and timing have not yet been established."²⁴

Given that independent demand and resource adequacy forecasting is a stated statutory object of IESO-NS, and that continued reliance on NSPI's load forecast has direct implications for the Board's and intervenors' ability to test the independence of the 10YSO's conclusions, the IG suggests that the Board direct IESO-NS to report, in its next 10YSO filing, on its intentions and anticipated timeline (if any) for developing independent demand forecasting capability, or to explain why it does not intend to do so.

The IG recognizes that there may be efficiencies and cost savings associated with coordination between IESO-NS and NSPI in the forecasting of electricity demand and resource needs, and does not in any way wish to thwart those efforts. However, the rationale for relying on NSPI's demand forecast while otherwise establishing independent planning and analytical capabilities is not readily apparent. If independent forecasting forms part of IESO-NS's statutory role, continued reliance on NSPI's forecast raises questions regarding the extent to which the resulting planning conclusions can be considered independently developed and tested. Conversely, if the benefits of avoiding duplication justify reliance on NSPI's work in this area, it is not clear why similar considerations would not apply to other planning functions.

Greater transparency regarding IESO-NS's intended approach would therefore assist the Board and intervenors in understanding how IESO-NS intends to balance independence, efficiency, and accountability in carrying out its mandate.

CONCLUSION

IESO-NS has the opportunity to file rebuttal submissions and may be prepared to accept the IG's recommendations. If so, the IG welcomes those commitments. In the absence of those commitments, the IG respectfully requests that the Board:

1. Direct IESO-NS to confirm, in its next 10YSO filing or the 2026 Integrated Resource Plan (whichever comes first), a specific timeline for undertaking the PRM re-assessment;
2. Direct IESO-NS to report, in each future 10YSO filing, on the status of the foundational projects, including the NS-NB Reliability Intertie, the second Green Choice wind procurement, new fast-acting generation and battery storage capacity, and the Point Tupper 2 and Langan conversion projects, against their assumed in-service dates, including any resulting change in contingency measures required to maintain the target PRM and comply with NPCC reliability criteria;

²³ N-02, IESO Nova Scotia (CA) IR-1(a)-(b); and N-06, IESO Nova Scotia (PHP) IR-1.

²⁴ N-06, IESO Nova Scotia (PHP) IR-1 (Response).

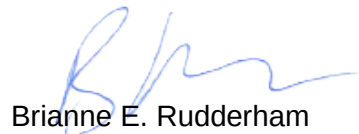
3. Direct IESO-NS to provide a status update in its next 10YSO filing, addressing its assessment of the 2030 RES compliance risk and any contingency plan contemplated or in place to address any such shortfall;
4. Direct IESO-NS to report, in future 10YSO filings, on the status of each large-load interconnection request identified within its report, including whether and when each request has been or will be incorporated into the load forecast and PRM analysis, and if available, what impact that may have on the 10YSO results;
5. Direct IESO-NS to coordinate with NSPI regarding transmission capital planning and to cross-reference its Transmission Development Project List against NSPI's most recent ACE Plan (or more up to date information that may have been available to it through coordination efforts) and discuss in its next 10YSO filing, the efforts and results of that coordination; and
6. Direct IESO-NS to report, in its next 10YSO filing on its intentions and anticipated timeline for developing independent demand and resource adequacy forecasting capability consistent with its statutory objects, or to explain why it does not intend to do so.

Thank you for the opportunity to provide these submissions.

Yours truly,



Nancy G. Rubin, K.C.



Brianne E. Rudderham

NGR/BER/cj

c. Participants in M12916