

Please refer to: Michael Murphy
Email: mmurphy@pinklarkin.com
Assistant: Heidi Day
Assistant's email: hday@pinklarkin.com

October 23, 2026

VIA WEB PORTAL & EMAIL

Crystal Henwood, Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Dear Ms. Henwood:

**Re: M12916 - IESO Nova Scotia - 10-Year System Outlook Report for 2026
Submission by Parties**

Please accept the following submissions on behalf of the Consumer Advocate ("CA") in respect of the above-noted matter.

Background

IESO Nova Scotia ("IESO NS") filed its inaugural 10-Year System Outlook Report (the "Report") with the Nova Scotia Energy Board (the "Board") on June 26, 2026. The Report assesses the province's resource adequacy and transmission planning requirements over the 2026-2036 horizon. Previously, the Nova Scotia Power Inc.'s ("NS Power") System Operator ("NSPSO") was responsible for filing this report, pursuant to Market Rule 3.4.2.1, which states:

3.4.2.1 The NSPSO system plan will address:

- (a) transmission investment planning;
- (b) DSM programs operated by EfficiencyOne or others;
- (c) NS Power generation planning for existing Facilities, including retirements as well as investments in upgrades, refurbishment or life extension;
- (d) new Generating Facilities committed in accordance with previous approved NSPSO system plans;
- (e) new Generating Facilities planned by Market Participants or Connection Applicants other than NS Power;
- (f) requirements for additional DSM programs and / or generating capability (for energy or ancillary services); and
- (g) load transitioning to non-NSPI supply

On May 15, 2026, IESO NS confirmed that it had assumed responsibility for the development and submission of the Report.

The Report addresses a number of system planning issues, including with respect to load forecast, generation resources and changes in capacity, environmental and emissions regulatory requirements and compliance forecasts, and a discussion of transmission planning considerations.

A number of intervenors have participated in this matter, and have filed Information Requests with IESO NS.

Submissions

The CA has reviewed the Report, as well as IESO Nova Scotia's responses to Information Requests.

On review of the materials filed, and in consultation with its consultant, John Wilson of Grid Strategies, the CA provides the following comments.

A. Scope of the Report

As an inaugural report, IESO NS has re-assessed the content and scope of the report as compared to the reports that have been filed by NS Power. IESO NS explains:

The Market Rules prescribe the provision of the 10 Year System Outlook report and certain minimum requirements, but does not otherwise prescribe the contents of the report. IESO Nova Scotia, in taking over the responsibility of the report, 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. There are also areas where no material update is required or available, and so some sections have been merged. 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. For example, sections related to specific generating units, their utilization, and certain transmission related information is the responsibility of NSPI— information like this can be found in NSPI's Annual Capital Expenditure Plans.¹

It is for this reason that the Report does not include several sections that were covered in the 2025 Report, including "Generation Resources," "Resource Adequacy," "Transmission Planning," "Transmission Development," and "Clean Energy Regulations."

The narrower scope of the Report raises questions as to how these matters should be properly coordinated and reported upon by IESO NS and NS Power.

For example, with respect to transmission planning, IESO NS states that responsibility for planning capital transmission projects related to "asset condition, operational requirements, compliance with reliability standards, reliability improvement programs, vegetation management programs, right of way alterations, or new customer connections" remains the responsibility of NS Power, as the transmission owner.² IESO NS states that it "is responsible for identifying necessary transmission investments driven by system planning requirements through its forward-looking

¹ Exhibit N-7, SBA RIR-22.

² Exhibit N-2, CA RIR-9(a).

system planning activities.”³ However, it remains unclear where and how IESO Nova Scotia’s transmission plans might be reviewed. IESO NS makes reference to a Western Valley Load Study in Table 9 of the Report, and in a response to an information request. IESO NS states that these projects “have been shared with NSPI.”⁴ It is unclear whether these projects are also being reviewed through filings with the Board. Furthermore, there seems to be some misalignment between IESO NS and NS Power. IESO Nova Scotia states that it “has not cross-checked the list of transmission projects in the 2026 10 Year System Outlook report with NS Power’s 2026 ACE Plan.”⁵ This can lead to misunderstandings about the purposes of transmission projects that IESO NS must consider when optimizing customer investments in forward-looking system planning. This lack of coordination could negatively impact system planning generally.

In its 2026 ACE Plan Decision, the Board reviewed evidence regarding coordination between NS Power, IESO NS and the Province regarding required “annual updates specifically focused on how the plan to decarbonize ... was progressing” in updates to *The Path to 2030* report.⁶ Most of the Board’s discussion in this section related to synchronous condenser and coal plant fuel conversion projects. But the Board was clear in its September 2, 2026 statement that it is imperative “that NS Power, the IESO Nova Scotia, and the Province of Nova Scotia, work together as closely as possible so there is no duplication of effort or delay caused by misunderstandings, given the new framework created by the *More Access to Energy Act* and the transitioning of responsibilities.”⁷ According to IESO NS, NS Power has not yet engaged with IESO NS in response to this directive.⁸

It would appear that with respect to transmission as well as both supply and demand resources, there may be gaps in execution of planning and implementation actions that are necessary to meet the 2030 deadlines as well as to maintain system reliability.

B. Other Comments

In addition to concerns regarding the scope of the Report, and potential for lack of adequate coordination between IESO and NS Power on the matters identified above, the CA raises the following points for the Board’s consideration:

A. Energy Efficiency

The Report references both DSM and demand response in various places, including in Table 4 (see rows 2 and 4),⁹ as well as Section 3.2.6, which discusses demand response assumptions and sources, and includes contributions from DSM programs.¹⁰

While IESO NS reasonably comments that the Report is “is not a medium for assessing varying investment levels of DSM, but rather reflects current planning assumptions and outcomes developed in other processes,” there are two issues with its presentation in this year’s Report.

³ *Id.*

⁴ Exhibit N-1, 2026 10-Year System Outlook, p. 26; Exhibit N-4, NSEB RIR-19(d).

⁵ Exhibit N-4, NSEB RIR-19(b).

⁶ NSEB Decision (September 2, 2026), 2026 ACE Plan, M12619, para 207.

⁷ NSEB Decision (September 2, 2026), 2026 ACE Plan, M12619, para 206.

⁸ Exhibit N-2, CA RIR-9(a).

⁹ Exhibit N-1, 2026 10-Year System Outlook, p. 18.

¹⁰ Exhibit N-1, 2026 10-Year System Outlook, p. 14.

First, IESO Nova Scotia's descriptions appear to indicate double-counting of demand response by both reducing the firm system peak and then including demand response in both existing and additional firm resources (see rows 12 and 26). If double-counting is occurring, Table 14 should be updated and the Report's findings reviewed to identify any necessary adjustments (e.g., whether planning reserve margins or RES compliance targets are materially affected).

Second, the demand response section does not review the energy savings assumptions from DSM programs. If "demand response" is intended to indicate the firm capacity contribution of all DSM programs and savings induced by adoption of optional rate schedules (e.g., TOU and CPP), the Report should be clarified to explain that scope and perhaps utilize more inclusive language.

These issues should be addressed with clarifications from IESO Nova Scotia and modest enhancements to next year's report. Future reports should identify the energy savings assumptions included in the resource plan, including forecast impacts of E1 and NS Power programs as well as anticipated building code and government incentive programs, and identify relevant action plan steps, including coordination and tracking implementation of resource plan recommendations on these topics.

B. Trenton and Lignan Retirements

With respect to the Trenton and Lignan coal units, the Report states:

Previous 10-year load and resource outlooks presented retirements of Trenton 5 and Lignan 2 in Winter 2027/2028. Based on the current expected in-service dates for fast-acting generation, IESO Nova Scotia finds that these units will be required through Winter 2029/2030 in order to maintain adequate PRM. Trenton 5 and Lignan 2 can only be retired once new fast-acting generation needed to replace the firm capacity they provide is in service and reliable operation of the new units has been established.¹¹

IESO NS further notes that, "If one or more of the in-service dates for the identified projects is delayed the corresponding unit retirement will similarly need to be delayed until replacement capacity is online and reliable operation is established."¹²

Based on this discussion, the appropriate level of maintenance effort by NS Power is not well defined. While investments targeted at maintaining reliable availability of these units through early 2030 appear reasonable, it is unclear whether NS Power should plan its investments to include a margin for schedule delays.

It also appears that IESO NS could improve its coordination with NS Power on this topic. Despite the usefulness of forecast fixed O&M cost data for its ongoing integrated resource plan, IESO NS states that it does not have information related to the cost of maintaining Lignan and Trenton coal units in service through the forecast retirement date.¹³

C. Sufficiency of Transmission Planning

In addition to the coordination issues with NS Power discussed above, the Report suggests that IESO NS has not taken a sufficiently broad view of its role in driving cost-effective transmission

¹¹ Exhibit N-1, 2026 10-Year System Outlook, p. 17.

¹² Exhibit N-5, NSPI RIR-2.

¹³ Exhibit N-2, CA RIR-4.

planning evaluation. According to its response to an information request, IESO Nova Scotia does not have any plans to evaluate the results of NS Power's dynamic line rating (DLR) project.¹⁴ It is using "the DLR increased capacity of DLR-equipped lines during operating studies to inform Operating Guidelines for the Transmission Operator as well as for [Remedial Action Scheme] design."¹⁵

Information filed by NS Power in the proceeding approving this project also does not include an indication of NS Power's plans to evaluate the effectiveness of its DLR project.¹⁶

As far as future implementation of DLR technology, "IESO Nova Scotia will consider DLR as an option to mitigate specific system constraints," and that DLRs could be considered for investment "if they are identified as part of a specific study."¹⁷ While IESO Nova Scotia agrees that DLR technology can deliver congestion relief, renewable integration, cost savings, and safety improvements, it does not appear to have any plans to evaluate the success of NS Power's recent DLR implementation and proactively consider additional transmission lines where it could provide benefits commensurate with costs.

The Board should consider directing IESO Nova Scotia to take a more proactive approach, with a broad view of system benefits, when fulfilling its transmission planning responsibilities.

D. Large Load Service Requests

IESO Nova Scotia has received load interconnection requests for ten proposed projects, mainly commercial and industrial, representing 855 MW of potential new load interconnected by 2029.¹⁸ Other than one 10.5 MW project scheduled to be fully in service by the end of 2028, none of this load was considered by IESO Nova Scotia in its load forecast.¹⁹

IESO Nova Scotia further states that 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. In general, IESO Nova Scotia would consider the completion of a System Impact Study and the subscription to a rate or tariff offered by a Load Serving entity as two relevant criteria.²⁰

This is concerning, as this potential scale of load growth far exceeds the capacity of the IESO Nova Scotia system to provide reliable service in 2029. As IESO Nova Scotia explains,

The only scenario prior to 2029/2030 in which capacity shortfalls could not be fully mitigated by extending the operation of Lingan 2 and/or Trenton 5 would be if load growth significantly outpaced the load forecast. IESO Nova Scotia has not developed a specific contingency plan for such a scenario but notes that one of

¹⁴ Exhibit N-2, CA RIR-8(f).

¹⁵ Exhibit N-2, CA RIR-8(g).

¹⁶ Exhibits N-1, N-2, and Board Decision, CI 47751 – ECC Dynamic Line Rating Implementation, M12592.

¹⁷ Exhibit N-2, CA RIR-8(h), (k).

¹⁸ Exhibit N-4, NSEB RIR-15. Note that the requested service demand (MW) "may not reflect the anticipated operation of the facility during the coincident system peak."

¹⁹ Exhibit N-6, PHP RIR-2 and Exhibit N-4, NSEB RIR-15.

²⁰ Exhibit N-6, PHP RIR-2.

the reasons the 20% Planning Reserve Margin is maintained is to allow for unanticipated short-term variations in system peak demand.²¹

At the end of 2029, the IESO Nova Scotia forecast reserve margin is 484 MW. This would appear insufficient to accommodate the potential new load interconnection requests

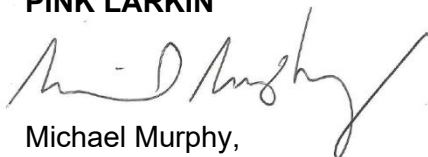
Of course, these interconnections – particularly the four projects with 95 MW - 325 MW in service requests – are likely to each require significant transmission interconnection and network upgrades. Planning and constructing those upgrades could significantly delay the impact on system's firm capacity requirement, providing more time for IESO Nova Scotia to plan for a response.

The Board should direct IESO Nova Scotia to review alternative load forecasting practices that consider both generation and network transmission upgrades that may be required by such large loads, including the use of appropriate methods to account for uncertainty and increase certainty using financial requirements during the study process.²²

The CA appreciates the opportunity to participate in this proceeding and provide these submissions.

Yours truly,

PINK LARKIN

A handwritten signature in black ink, appearing to read "Michael Murphy", written over a horizontal line.

Michael Murphy,
for the Consumer Advocate

cc. Participant List

²¹ Exhibit N-5, NSPI RIR-2.

²² *Id.*, p. 35-42.