

CI C0082195

LIN2 2025/26 Capacity Requirement

NON-CONFIDENTIAL

July 13, 2026



NSEB APPROVAL SHEET

Project Title: LIN2 2025/26 Capacity Requirement

CI Number: C0082195

Date: July 13, 2026

Expenditure Profile			Type of Filing	
Year	Budget Amount	Project Estimate	☐	Capital Project Authorization
2025	2,862,725	4,392,251	☐	Unforeseen and Unbudgeted (U&U)
2026	299,478		☐	Planned & Advanced (P&A)
			☒	Subsequent Approval Item
			☐	Authorization to Overspend (ATO)
			☐	Scope Change
			☐	Final Cost (FIN)
Total	\$3,162,203	\$4,392,251		

COMMENTS

Submitted on behalf of NOVA SCOTIA POWER INCORPORATED



Authorized Signatory
Dave Pickles
Chief Operating Officer

DATE

July 10, 2026

Approved on behalf of NOVA SCOTIA ENERGY BOARD

DATE

CI Number: C0082195**Title: LIN2 2025/26 Capacity Requirement**

Start Date: 2025/01
In-Service Date: 2026/03
Final Cost Date: 2026/09
Function: Steam
Forecast Amount: \$4,392,251

DESCRIPTION:

This project was for the refurbishment of Lingan Unit 2 (LIN2) to safely operate and provide firm capacity required for system security through 2025 into winter 2026. Capital work was completed on critical plant equipment to ensure the unit could be operated safely for this period.

Capital refurbishment or replacements were completed on the following systems:

- Boiler – Boiler components were inspected, and those that were found to be below minimum allowable thickness for the operating temperature and pressure were refurbished.
- Bottom Ash System – The bottom ash refractory collection hopper was inspected, and the boiler seal water system, ash removal chain conveyor and incline ash belt were refurbished.
- Fly Ash System – The fly ash collection system and electrostatic precipitator were inspected and refurbished.
- Electrical and Control System – The control and electrical protection equipment and instrumentation were inspected, and refurbished or replaced where necessary.
- Coal System – The Unit 2 coal mills and feeder equipment were inspected and refurbished.
- Valves – The passing valves impacting heat rate and safety were inspected and refurbished or replaced as required.
- Water Systems – The low- and high-pressure feedwater systems were inspected for pipe thinning from flow assisted corrosion, and any piping found below the minimum allowable thickness was replaced to ensure safe operation. The cooling water system was inspected and refurbished as required.

The Board's direction in its Decision letter dated August 28, 2025 pertaining to CI C0067023 – LIN2 2024/25 Capacity Requirement provided as follows:

... the Board directs NS Power to continue to submit for Board approval any LIN2 CI projects, collectively, as a Winter Capacity Requirement project application, until directed otherwise.¹

In accordance with the Board's direction, NS Power confirms that this application encompasses and combines all LIN2 projects required to safely operate the unit through to the end of the 2025/2026 winter.

Summary of Related CIs +/- 2 years:

Pursuant to Section 11.2 of the Detailed CEJC, related CIs for Steam projects includes "work completed on the same asset (turbine, boiler, etc.) and on the same unit (Lingan Unit #3, for example)."

- 2023 – CI C0059283 – LIN2 2023/2024 Winter Capacity Requirement - \$1,661,834
- 2024 – CI C0067023 – LIN2 2024/25 Winter Capacity Requirement - \$1,287,091
- 2026 – CI C0084426 – LIN2 2026/27 Capacity Requirement - \$ TBD
- 2027 – CI TBD – LIN2 2027/28 Capacity Requirement - \$ TBD

Depreciation Group: Steam Production Plant - Lingan 2

Estimated Life of the Asset: 30 years

¹ M12316, NS Power Capital Work Order, CI C0067023 – LIN2 2024/25 Capacity Requirement, Board Decision, August 28, 2025, page 3.

Retirement Information:

- Categorization of Retirement: Accounting Policy 6420 - Retirement and Disposal of Capital Assets
Percentage of Asset Pool: 0.41%

JUSTIFICATION:**Justification Criteria:** Thermal**Sub Criteria:** Equipment Replacement/Refurbishment**Why do this project?**

This project was completed to allow Lingan Unit 2 to operate safely through 2025 and early 2026. Lingan Unit 2 is required to meet the demands of the NS Power system per the 2025 10-Year System Outlook (10YSO), which continues to demonstrate the need for this unit to maintain reliable supply for firm customer load.

As outlined in the 2025 10YSO for Lingan Unit 2:

Effective August 15, 2022, Lingan Unit 2 was no longer made available for economic dispatch. The unit was placed into cold reserve and available to be recalled on two weeks' notice. Over the 2024/2025 Winter period the unit was recalled to service four times by the NSPSO to support firm customer load, generating a total of 128 GWh.

In the 2024 10-Year System Outlook, NS Power identified a need to continue to retain Lingan 2 in cold reserve to provide firm capacity due to an increase in forecast firm peak demand (Section 2.0). The 2025 10-Year System Outlook continues to identify a requirement for this firm capacity. Lingan 2 will therefore continue to be held in cold reserve to maintain planning reserve margin until new firm fast acting generation resources, procured by the NSIESO, are online and have demonstrated reliable operation. See Section 6.2 for additional details.

As new firm capacity resources are added to the system, retaining existing thermal units in cold reserve can support commissioning, testing and establishment of reliable operations without compromising the planning reserve margin requirements. This will be considered and assessed as plans for new resources are progressed.²

The IESO Nova Scotia filed its inaugural 10YSO report on June 26, 2026, which provides the following:

The thermal retirement schedule complies with the 2030 coal phase-out targets. Previous 10-year load and resource outlooks presented retirements of Trenton 5 and Lingan 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 Lingan 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.³

Why do this project now?

This project was completed to allow Lingan Unit 2 to operate through 2025 and the winter of 2026. NS Power has continued to minimize investment in Lingan Unit 2 in line with expected utilization using short-term alternative mitigation strategies. These mitigations were no longer acceptable to sustain the safe operation of the unit beyond 2025, leading to this project. Lingan Unit 2 was required for capacity throughout 2025 and winter 2026 and is expected to be required in the same manner going forward. This investment allowed the unit to be available to support firm load requirements for the 2025/2026 season.

² M12386, NS Power 2025 10-Year System Outlook, July 14, 2025 page 18, lines 4-18 and page 19, line 1.

³ M12916, Exhibit N-1, IESO Nova Scotia 2026 10-Year System Outlook, June 26, 2026, page 18.

Why do this project this way?

NS Power is obligated to maintain sufficient firm capacity to meet its reliability obligations. Lingan Unit 2 was required for firm capacity for customers during the 2025/2026 season and is expected to be required in the same manner until new firm capacity resources are in place. Refurbishing this critical equipment on Lingan Unit 2 to a safe and reliable condition was the only option feasible option to support the firm load requirements of the system over the 2025/2026 season.

Given the absence of near-term firm import options from the New Brunswick or Newfoundland interconnections, any replacement capacity must be located within Nova Scotia. In this context, sustaining Lingan Unit 2 in cold reserve is the most feasible and cost-effective option.

NS Power focused on refurbishing only the critical systems necessary to ensure safe and reliable operation. This targeted approach minimized capital investment while maintaining system reliability. Retaining Lingan Unit 2 also supports the integration of new firm capacity resources by providing operational flexibility during future commissioning and testing phases, without further reducing the planning reserve margin.

In its Decision dated February 8, 2022 with respect to the approval of the Maritime Link Project costs and the 2022 cost assessment filed by NSP Maritime Link Incorporated, the Board stated as follows:

In the ordinary course the issue whether Lingan 2 was prudently operated would be subject to a FAM Audit, however, the FAM Audit for 2022 will not be completed for another two years. That being the case the Board advises NS Power that it will not permit recovery of operating costs of Lingan 2 beyond August 15, 2022, without further order of the Board. In other words, if NS Power proposes to operate Lingan 2 beyond August 15, 2022, it will need to seek specific approval if it wants to recover those operating costs.

In its Decision dated June 28, 2024 with respect to the approval of CI C0059283 – LIN2 2023/2024 Winter Capacity Requirement, the Board stated as follows:

The Board approves the inclusion of operating expenditures for LIN2 from 2022 to and including Q4 2024 as regulated operating expenditures for the year 2024. However, this approval only applies for operating expenses up to the end of 2024. NS Power will be required to seek Board approval of any LIN2 operating expenses beyond that date, if any.⁴

Pursuant to the Board's directions set out above, NS Power is now requesting approval for recovery of operating costs of \$1,331,000 for 2025 as follows:

Quarter	Operating Costs Incurred (\$)
2025 Q1	382,000
2025 Q2	169,000
2025 Q3	655,000
2025 Q4	125,000
Total 2025	1,331,000

Reason for Variance

The increase of \$1,230,048 from the 2026 ACE Plan subsequent submittal estimate of \$3,162,203 is primarily due to the project scope being unknown until equipment could be brought offline to open and inspect for condition, and refurbishment and replacement requirements identified. The utilization of LIN2 has increased over prior years and has been greater than anticipated to keep up with demand on the grid. As LIN2 is run up more, maintenance requirements for the unit increases as well.

⁴ M11706, NS Power Capital Work Order , CI C0059283 – LIN2 2023/2024 Winter Capacity Requirement, Board Decision, June 28, 2024.

Execution Year: 2025

Note 1: The labour figures noted above are an average of salaries across a variety of jobs within similar classifications including fringe, and are used solely for budgeting purposes.

Note 2: Small differences in totals are attributable to rounding.



Instructions: Select option in Column B.
Columns C through G will auto-populate.

Document No: XXX-XX-XXXX-XXXX

Project Cost Estimate Input Checklist and Maturity Matrix						
Equipment Replacement	Required fields:	Estimate Classification				
Project Name: LIN2 2025/26 Capacity Requirement	Started or Preliminary	Class 5	Class 4	Class 3	Class 2	Class 1
Maturity Level of Project Definition Deliverables	Defined or Complete	0% to 2%	1% to 15%	10% to 40%	30% to 75%	65% to 100%
General Project Data						
A. Scope						
Project Scope Work Description	Defined (D)	P	P	D	D	D
Site Infrastructure (Access, Construction Power, Camp etc.)	Defined (D)	NR	P	D	D	D
B. Capacity						
Not Applicable						
C. Project Location						
Building, Tower and/or Other Project Elements	Defined (D)	P	P	D	D	D
D. Requirements						
Codes and/or Standards	Defined (D)	P	P	P	D	D
Electrical/Instrumentation Systems	Not Applicable (NA)	NR				
Fire Protection and Life Safety	Defined (D)	NR	P	P	D	D
E. Technology Selection						
Design/Technology	Not Applicable (NA)					
F. Strategy						
Contracting / Sourcing	Defined (D)	NR	P	P	D	D
Escalation	Defined (D)	NR	P	P	D	D
G. Planning						
Supply Chain/Logistics Plan	Defined (D)	P	P	P	D	D
Integrated Project Plan	Defined (D)	NR	P	D	D	D
Project Code of Accounts	Defined (D)	NR	P	D	D	D
Project Schedule	Defined (D)	NR	P	D	D	D
Regulatory Approval & Permitting	Defined (D)	NR	P	D	D	D
Risk Register	Not Applicable (NA)	NR				
Stakeholder Consultation / Engagement/ Management Plans	Defined (D)	NR	P	D	D	D
Work Breakdown Structure	Defined (D)	NR	P	D	D	D
Startup and Commissioning Plan	Defined (D)	NR	P	P	D	D
H. Studies						
Environmental / Existing Conditions	Defined (D)	NR	P	D	D	D
Soils and Hydrology	Not Applicable (NA)	NR				
Technical Deliverables (Specifications and/or Drawings)						
Site Plan	Complete (C)	NR	P	C	C	C
Equipment Design Specifications	Complete (C)	S/P	S/P	C	C	C
General Equipment Arrangement Drawings	Not Applicable (NA)	NR				
Plot Plans / Facility Layouts	Not Applicable (NA)	NR				
Construction Permits	Complete (C)	NR	S/P	P/C	C	C
Codes and Standards Drawings	Not Applicable (NA)	NR				
Demolition Plan and Drawings	Not Applicable (NA)	NR				
Erosion Control Plan and Drawings	Not Applicable (NA)	NR				
Fire Protection and Life Safety Drawings and Details	Not Applicable (NA)	NR				
Equipment Datasheets	Complete (C)	NR	NR	P	P/C	C
Equipment Lists: Electrical	Not Applicable (NA)	NR	NR			
Equipment Lists: Process / Utility / Mechanical	Not Applicable (NA)	NR	NR			
Instrument List	Not Applicable (NA)	NR	NR			
Instrument and Control Schedules	Not Applicable (NA)	NR	NR			
Instrument Datasheets	Not Applicable (NA)	NR	NR			
Spare Parts Listing	Not Applicable (NA)	NR	NR			
Electrical Discipline drawings	Not Applicable (NA)	NR	NR			
Information Systems / Telecommunication Drawings	Not Applicable (NA)	NR	NR			
Instrumentation / Control System Discipline Drawings	Not Applicable (NA)	NR	NR			
Mechanical Discipline Drawings	Not Applicable (NA)	NR	NR			
Total Responses	Total # Deliverables for this Project	5	19	20	20	20
Percentage	% Defined/Complete towards Class Estimate	100%	100%	100%	100%	100%

Comments:

This project is largely complete and is being filed as a Class 0 estimate with no contingency required.

Legend:

The maturity level is an approximation of the completion status of the deliverable. The completion is indicated by the following descriptors:

General Project Data:

- **Not Required (NR):** May not be required for all estimates of the specified class, but specific project estimates may require at least preliminary development.
- **Preliminary (P):** Project definition has begun and progressed to at least an intermediate level of completion. Review and approvals for its current status has occurred.
- **Defined (D):** Project definition is advanced, and reviews have been conducted. Development may be near completion with the exception of final approvals.

Technical Deliverables:

- **Not Required (NR):** Deliverable may not be required for all estimates of the specified class, but specific project estimates may require at least preliminary development.
- **Started (S):** Work on the deliverable has begun. Development is typically limited to sketches, rough outlines, or similar levels of early completion.
- **Preliminary (P):** Work on the deliverable is advanced. Interim, cross-functional reviews have usually been conducted. Development may be near completion except for final reviews and approvals.
- **Complete (C):** The deliverable has been reviewed and approved as appropriate.

Note: This checklist is intended to be used for "brownfield" projects for the replacement of "end of life" equipment. In lieu of specific AACE guidelines for these types of projects, this checklist was developed by NSPI following the principles of the guidelines to demonstrate confidence in the cost estimate maturity.