

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

October 16, 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: M13008 - NSPI - RtR Market Elements Updates Letter re Interruptible Tariff
Written submissions from Intervenors**

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

Background

On July 31, 2026, Nova Scotia Power Inc. ("NS Power") filed an application seeking approval for updates to Renewable to Retail ("RTR") Market Elements, which were developed in consultation with Renewall Energy Inc. ("Renewall" or "REI"). The Application followed a directive from the Board in M12339, where the Board ordered the following:

- (1) NS Power must engage with interested parties, as contemplated under s. 22(1) of the *Electricity Act*, to develop or amend any tariffs, procedures or standards of conduct necessary to enable distribution-connected generation and net billing, while adhering to the requirements of s. 22(2).
- (2) The Board directs NS Power to file an application for the approval of the necessary tariffs, procedures or standards of conduct by April 1, 2026.

As noted in the Application, subsequent to the Board's order NS Power and REI engaged an expert consultant and "worked collaboratively through the stages of the workplace to assess RtR market tariffs and associated processes and determine the changes required to comply with the Board's directive." Through that process, NS Power has proposed changes to the following RtR Market elements:

- Standby Service (SS) Tariff;
- Energy Balancing Service (EBS) Tariff;
- Distribution Tariff; and
- Licensed Retail Supplier (LRS) Terms and Conditions.¹

¹ Application, Exhibit N-1, p. 2 of 5

NS Power explains in its Application that the changes to the existing tariffs are “limited and focussed primarily on the requirement to segregate LRS customer load imported from the NS Power system for consumption by the retail customer and distribution-connected generation exported to the NS Power system for sale in the RtR market.”² According to NS Power, other notable revisions include:

- Additions to the SS Tariff to recognize that beyond the physical/operational capacity values of a resource as determined by the resource’s Effective Load Carrying Capability (ELCC), there is a commercial commitment required of the LRS to allow NS Power to recognize this resource as providing long-term capacity value to the Nova Scotia system. The additions are based on terms previously approved for inclusion in the Wholesale Market Backup/Top-up Tariff for the same purpose.
- Changes proposed for the LRS Terms and Conditions primarily to incorporate reference to the DAS Tariff, among a number of minor administrative-related updates to align with recently approved definitions in related tariffs (e.g. addition of Storm Cost Recovery Charge definition from the DT to the LRS Terms and Conditions).³

In addition, NS Power has also proposed a new RtR tariff, the Distribution-connected Aggregation Service (“DAS”) Tariff, “to establish the terms under which NS Power will provide distribution-connected generation aggregation service to LRSs.”⁴

NS Power and REI also determined that no changes were required to the following RtR Market elements:

- Code of Conduct for Renewable Low-impact Electricity Sales in Nova Scotia;
- Distribution-connected generation interconnection processes;
- Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules;
- Open Access Transmission Tariff (OATT); and
- Renewable to Retail Market Transition Tariff.

NS Power has committed to undertake a review of the operation of the DAS Tariff and the broader RtR construct at the end of 2028. Issues identified for review to date include:

- The effect of distribution-connected generation on system losses. It is understood that, in general, generation closer to load may reduce system losses; however, this is a function of system generation characteristics, distribution system configuration, local customer load profiles across the day and throughout the year, etc. In light of the significant estimated cost to incorporate this element, it is proposed this be considered as part of the post-2028 review;
- Alignment between distribution-connected generation and load across the day and throughout the year;
- Alignment between customers currently approved for net metering and new RtR customers;
- Capacity contribution factors applicable to LRS generation under various configurations;
- Ongoing administration costs;

² Application, Exhibit N-1, p. 3 of 5

³ Application, Exhibit N-1, p. 3 of 5

⁴ Application, Exhibit N-1, p. 2 of 5

- Development of the IESO Nova Scotia role in relation to the RtR market; and
- Evolution of the Nova Scotia electricity system.

Following the filing of the Application, Information Requests were filed by the Board⁵, Board Counsel Consultant, Synapse,⁶ as well as the CA⁷ and SBA.⁸

Submissions

In consultation with the CA's consultant, Andrew McLaren of InterGroup Consultants Ltd., the CA wishes to provide brief comments on the following issues:

1. Distribution Tariff charges for distribution-connected generation
2. Standby Service Tariff and Capacity Contribution Factor
3. DAS Administration Charge

Our comments follow below.

1. Distribution Tariff Charges - Distribution-connected Generation

As noted in the Application materials, the Distribution Tariff and the associated Distribution Tariff Rates "relate to the provision of Distribution System Access to RtR Customers to enable the connection of the RtR Customer to the Distribution System."⁹ This Tariff is the only tariff to be paid directly by the RtR customers, as opposed to the LRS. At present, there remains some uncertainty regarding potential incremental system costs resulting from permitting RtR supply to include distribution-connected generation and surplus net billing. According to a jurisdictional scan prepared by Power Advisory, charges for standalone distribution-connected generators are implemented "very rarely" in Ontario and "Elsewhere in Canada," but are "usually" implemented in Alberta.¹⁰

In CA IR-3, the CA inquired into whether there are any potential incremental system costs associated with distribution-connected generation and/or surplus net metering on either a conceptual or empirical basis. In response, NS Power described some of the conceptual circumstances that could lead to incremental distribution costs, including distribution system upgrades and distribution system losses, but provided very little detail in its response.¹¹

The CA acknowledges that NS Power has committed to conducting a review of the operation of this tariff and the broader RtR construct after 2028. However, NS power has not committed to a firm timeline, stating:

As described in the Application, the proposed review would occur following 2028 and would consider the operation of the DAS Tariff and the broader RtR construct. While the specific timing and process for that review have not been established, the Company expects the scope and timing of the review would be informed by the pace and scope of

⁵ NSPI (NSEB) RIR 1 to 11, Exhibit N-3

⁶ NSPI (Synapse) RIR 1 to 20, Exhibit N-5

⁷ NSPI (CA) RIR 1 to 4, Exhibit N-2

⁸ NSPI (SBA) RIR 1 to 5, Exhibit N-4

⁹ Application, Exhibit N-1, Attachment 2, p. 16 of 50

¹⁰ Application, Exhibit N-1, Attachment 2, Appendix, p. 32 of 50

¹¹ Exhibit N-2, NSPI (CA) RIR-3

RtR market development. Consistent with the collaborative approach that has informed the development of this Application, NS Power will engage REI and stakeholders as part of this review process.¹²

The CA is supportive of NS Power's proposal to conduct this review after 2028, and would propose that this review be conducted and completed prior to December 31, 2029. The CA would also respectfully recommend that the Board direct NS Power to consult with the stakeholders on the scope of the review, and, at minimum, ensure the review includes:

- a. An assessment of the incremental costs to allowing distribution-connected generation and surplus net billing
- b. An update to the jurisdictional scan on fees and charges for distribution-connected generation for access to the distribution system.
- c. A proposal for any fees or charges NSP sees as reasonable and necessary to ensure distribution customers are not cross-subsidizing the use of the distribution system by distribution connected-generation and use of surplus net billing.

2. Standby Service Tariff and Capacity Contribution Factor

As noted in the Application, "Standby Service is a supplemental generation capacity service provided to Licensed Retail Suppliers (LRS). The service is provided in combination with Energy Balancing Service under the Energy Balancing Service Tariff," and has two components: capacity adequacy service and top-up capacity service.¹³ The tariff includes a number of special conditions, including the following:

(5) Unless the following can be demonstrated by the LRS to the satisfaction of NS Power, the capacity contribution factor shall be attributed a value of zero in the billing demand calculation of the demand charge:

- (i) If the LRS' resource is dispatchable, that it can start up and deliver energy contracted to, but unused by, the LRS to NS Power, if directed to do so by the NSPSO, in the event of a resource adequacy need;
- (ii) If the LRS' resource is non-dispatchable, that it makes its full output for which it is provided an ELCC value contracted to, but unused by, the LRS available to deliver energy to NS Power, in the event of a resource adequacy need;
- (iii) The LRS' resource will remain available for dispatch, if called upon by the NSPSO, by coordinating with the NSPSO and refraining from taking planned outages during certain critical times of the year, as determined by the NSPSO;
- (iv) Any export transactions utilizing energy from the LRS' resource will be recallable by the NSPSO, up to the amount contracted to the LRS, for delivery to the NS Power system in the event of a resource adequacy need;
- (v) The LRS' resource, as applicable, will perform as needed to meet NS Power's reliability requirements; and

¹² Exhibit N-5, NSPI (Synapse) RIR-8

¹³ Application, Exhibit N-1, Attachment 7, p. 1 of 5

(vi) The capacity derived based on the capacity contribution factor is procured and available to the LRS on a minimum three-year forward basis, unless this requirement is waived by NS Power.

In CA IR-2, the CA asked NS Power to elaborate on the engineering specifications, contractual provisions or other information NSP would require from LRSs to satisfy the requirements of special condition 5 (i) through (vi). In response, NS Power advised that “engineering specifications and contractual provisions have not yet been fully developed,” but that any such specifications would depend on the technical capabilities of the resource. The CA is concerned that this aspect of the tariff remains subject to future determination by NS Power, with no apparent guidelines to assist NS Power’s decision-making. The CA respectfully submits that the Board may wish to direct NS Power to notify the Board (and intervenors) in any case where a non-zero capacity contribution factor is arranged, and to provide adequate documentation to support its reasoning.

3. DAS Administration Charge

In Synapse IR-7, Synapse asked for NS Power’s current estimate of forecast administration costs under the Distribution-connected Aggregate Service (DAS) Administration Charge, and also asked NS Power to confirm “whether the DAS Administration Charge is intended to recover only costs incremental to the aggregation/export-tracking function, or whether it also recovers costs already embedded in the Distribution Tariff rates paid by the RtR Customer for Distribution System Access.” Synapse also specifically asked NS Power to explain the “safeguard against double-recovery of the same cost between the two tariffs.”

In response, NS Power advised that the DAS Administration Charge has not yet been developed, and therefore the company could not provide the requested forecast cost breakdown.¹⁴ NS Power also stated:

The DAS Administration Charge is intended to recover the costs associated with administering the DAS Tariff. The specific costs to be recovered through the charge have not yet been determined and will be developed as part of the 2027 AAR process. It is anticipated that, at least initially, the DAS Administration Charge will cover incremental costs. As the market develops, this will be subject to change. Any proposed charge will be supported by the appropriate cost information filed with that application and will be subject to the Board’s review and approval.¹⁵

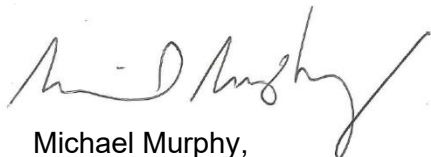
First, the CA notes that it would have expected NS Power to be able to provide at least an estimate of the proposed administrative charge, based on the forecast incremental cost of providing the LRS with the DAS service. Furthermore, the CA understands that the Administrative Charge will be for incremental administrative costs only, based on NS Power’s answer, but it remains unclear how NS Power intends to ensure there is no double recovery of costs between the DAS and the Distribution Tariff rates paid by RtR customers for Distribution System Access. In the future, when NS Power files the appropriate application for approval of these costs, it should include an explanation as to how it has ensured there has been no double counting.

¹⁴ NSPI (Synapse) RIR-7(a)

¹⁵ NSPI (Synapse) RIR-7(c)

The Consumer Advocate thanks the Board for the opportunity to participate in this matter and provide these submissions.

PINK LARKIN

A handwritten signature in black ink, appearing to read "Michael Murphy", with a long, sweeping horizontal stroke extending to the right.

Michael Murphy,
for the Consumer Advocate

cc. Participant List