

October 23, 2026

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax NS B3J 3S3

Re: M13008 – NS Power RtR Market Elements Application – Reply Submission

Dear Ms. Henwood:

On July 31, 2026, Nova Scotia Power Incorporated (NS Power, Company) filed its application for approval of changes to the Renewable to Retail (RtR) Market associated Tariffs and Terms and Conditions, including the proposed new Distribution-connected Aggregation Service (DAS) Tariff (Application). The Nova Scotia Energy Board (NSEB, Board) issued a Hearing Order on August 26, 2026, setting out a paper hearing with written closing submissions. Information Requests (IRs) were filed by Board Staff, the Consumer Advocate (CA), the Small Business Advocate (SBA), and Board Counsel's consultant, Synapse Energy Economics Inc. (Synapse).

On September 14, 2026, the Company wrote to the Board to advise that NS Power and Renewall Energy Inc. (REI) agreed that tariff and process provisions enabling Large Industrial Interruptible Service (LIIR) in the RtR market should go ahead as a standalone application, so as not to disrupt the M13008 hearing schedule. NS Power filed its responses to Board Staff, CA, SBA, and Synapse IRs on October 1, 2026. On October 16, 2026, the CA, the SBA, and REI filed written submissions. The Nova Scotia Department of Energy (DOE) and the Industrial Group (IG) also intervened in this proceeding but did not file submissions. In accordance with the Hearing Order, the following is NS Power's reply.

Consumer Advocate

The CA's submissions address:

- (i) potential incremental costs and future distribution tariff charges associated with distribution-connected generation subject to review;

- (ii) the absence of fully developed engineering specifications, contractual provisions and decision-making guidelines relating to the capacity contribution factor under the Standby Service Tariff; and
- (iii) lack of costing information for the proposed DAS Administration Charge.

First, NS Power agrees to conduct the review of the operation of the DAS Tariff and the broader RtR net billing construct before the end of 2029. NS Power also agrees with the CA that the review should include: (a) an assessment of incremental costs associated with distribution-connected generation and surplus net billing; (b) an updated jurisdictional scan regarding fees and charges applicable to distribution-connected generation; and (c) consideration of whether any fees or charges are reasonable and necessary to ensure that distribution customers are not cross-subsidizing distribution-connected generation and surplus net billing activities with the caveat that the Company does not yet have sufficient operational experience to determine how any incremental costs associated with distribution-connected generation and net billing will present, nor the most appropriate mechanisms for capturing and tracking those costs. The review itself will provide an opportunity to assess actual program experience and develop an evidence-based understanding of whether any costs are being incurred and, if so, whether additional fees or charges are reasonable and necessary.

With respect to the CA's comments concerning the engineering specifications, contractual provisions, and documentation associated with Standby Service Tariff (SST) and the Capacity Contribution Factor, NS Power submits that these matters are principally operational and system planning considerations. They are highly dependent on the characteristics of individual resources and evolving system requirements. The CA suggests 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".¹ NS Power is not opposed to this suggestion, however, the Board should recognize that these matters are operational rather than regulatory in nature, and that responsibility for determining resource capability and planning needs has moved to the Independent Energy System Operator Nova Scotia (IESO-NS). The IESO-NS is responsible for completing future updates to the Effective Load Carrying Capability (ELCC) study on which NS Power will base the calculation of Capacity Contribution Factor. Consequently, any future reporting obligation should reflect the fact that NS Power will be relying on IESO-NS studies and planning assessments.

The CA also suggests that NS Power should be able to forecast the DAS Administration Charge at this time. The Company notes that the DAS Tariff Administration Charge will be proposed through the 2027 Annually Adjusted Rates

¹ CA Written Submissions, p 5.

(AAR) process and supported by forecast administration costs, consistent with the approach used for other AARs. Given that the RtR market has not yet commenced operation, those forecasts will necessarily be informed by assumptions including market participation, anticipated administrative requirements, and other available information. As market participation develops and operational experience is gained, future AAR proceedings will provide opportunities to assess the reasonableness of the charge and to consider refinements. This approach balances REI's desire to implement the updated RtR framework without unnecessary delay while allowing future adjustments based on market experience and better information. Any proposed DAS Administration Charge will be supported by detailed cost information and remains subject to Board review and approval.

Small Business Advocate

NS Power notes that the SBA has identified no substantive concerns with the Application. While not opposing the Application, the SBA submits that a review at the end of 2029 would be too late and that any required adjustments should be identified and addressed sooner. In NS Power's submission, given the absence of real-world experience under the proposed framework, sufficient time is needed to assess implementation, performance, and customer impacts before changes are considered. A review to be completed before December 31, 2029 will allow for a more informed and evidence-based assessment than would be possible earlier in the process. With that said, should operational experience identify adjustments that are material prior to that time, NS Power would expect to engage with REI to address potential adjustments.

With respect to the observation that engineering specifications and contractual provisions have not yet been fully developed regarding the Standby Service Tariff and capacity contribution factor, NS Power submits that this is not a concern nor a critical admission. Rather, it is simply a statement of fact. As this is a new market construct, certain operational and contractual details remain to be finalized as practical experience is gained. NS Power has been transparent regarding those unknowns and as noted above, NS Power is not opposed to notifying the Board (and intervenors) if a non-zero capacity contribution factor is arranged in the future.

Renewall Energy Inc.

NS Power thanks REI for its continued collaborative efforts in developing and implementing this new service offering. NS Power agrees that care should be taken to avoid any duplication of administrative costs and remains committed to working with REI to track incremental costs as they arise. NS Power further agrees that the review of proposed charges through the 2027 Annually Adjusted Rate process provides an appropriate safeguard to ensure transparency and avoid double recovery of administrative charges.

Regarding large industrial interruptible service, in its September 14, 2026 letter, NS Power proposed a filing date of October 30, 2026. As noted by REI, NS Power and REI continue to work collaboratively toward a resolution of the tariff and process revisions required to enable interruptible service.

Conclusion

As no intervenor raised substantive concerns with the tariff revisions underlying NS Power's Application and given REI's express support for approval of the proposed DAS Tariff and related amendments to RtR market elements as filed, NS Power respectfully requests that the Board approve the Application as submitted.

Yours truly,



Jennifer Power
Director, Regulatory Affairs