Application for Approval of the Green Choice Program Power Purchase Agreement Under the Renewable Electricity Regulations

Prepared for: Nova Scotia Energy Board

August 17, 2026

Power Advisory · 55 University Avenue Suite 700, PO Box 32 · Toronto, Ontario M5J 2H7
416.528.6365 · mkilleavy@poweradvisoryllc.com




Application for Approval of the Green Choice Program Power Purchase Agreement ("PPA") Under the Renewable Electricity Regulations

Prepared for: Nova Scotia Energy Board

August 17, 2026

Submitted by:
Procurement Administrator
c/o
Power Advisory
55 University Ave, Suite 700, PO Box 32
Toronto, ON M5J 2H7
www.poweradvisoryllc.com

Cover Image: Nova Scotia Department of Energy

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The Procurement Administrator is making this filing ("Application") to the Nova Scotia Energy Board ("the Board") to seek its approval for the standard form power purchase agreement ("PPA") for the Green Choice Program set out in Appendix A of this Application ("GCP PPA"). The GCP PPA is similar to the PPA the Board approved in its decision and order for Matter M11455, dated May 28, 2024. A blackline of the GCP PPA noting changes from the Board-approved PPA in Matter M11455 is included as Appendix B to this Application.

1. INTRODUCTION

The Green Choice Program is established under Section 30 of the *Electricity Act*, SNS 2004, c 18("Act") was established to provide a means for electricity consumers to purchase renewable low-impact electricity and to promote the responsible, efficient and effective development of renewable low-impact electricity in Nova Scotia[1]. Under section 27(1)(c) of the Act, where the Governor in Council directs a procurement of renewable low-impact electricity in relation to the Green Choice Program, the Governor in Council may appoint a procurement administrator to conduct a procurement for renewable low-impact electricity.

By Order in Council 2026-45, dated February 17, 2026, the Governor in Council appointed Power Advisory LLC ("Power Advisory") as the PA for a two-year term for the procurement of renewable energy by means of one or more Requests for Proposal ("RFP").

Under Section 37(1) of the *Renewable Electricity Regulations*, Power Advisory, as part of its responsibilities as the PA is obligated to apply for approval of the GCP PPA by the Board before any procurement. In this filing, Power Advisory is requesting the Board to approve the GCP PPA that is attached as Appendix A.

All capitalized terms in this Application have the meanings ascribed to them in the GCP PPA unless otherwise defined herein.

[1] Section 30 of the Act

2. OVERVIEW OF THE PPA

The GCP PPA is based on the Green Choice Program PPA approved by the Board in Matter M11455, dated May 28, 2024 ("2024 Board-approved PPA"). Draft #1 of the PPA ("PPA Draft #1") was posted to the PA procurement website on June 2, 2026 and a webinar for interested parties was held on June 18, 2026. Interested parties were asked to provide feedback on or before June 25, 2026. Appendices C and D of this Application contain PPA Draft #1, and a summary of the comments received on PPA Draft #1, respectively. The feedback received from stakeholders on PPA Draft #1 was used to inform the GCP PPA that is the subject matter of this Application contained in Appendix A.

Nova Scotia Power Inc ("NSPI") will be the counterparty for the PPA. The PPA term is for 25 years following the achievement of Commercial Operation of the Project. The PPA pays the Seller, i.e., a Selected Proponent in the RFP, an Energy Rate (i.e., $/MWh) for energy production over the term of the PPA. The Seller is responsible for developing, obtaining relevant approvals and permits, constructing, and operating the Facility.

The Seller will be required to assign all Renewable Energy Credits created by the Facility to NSPI. NSPI is obligated to purchase and take delivery of all energy production, except where specifically excused in the PPA, from the Facility.

The GCP PPA attached as Appendix A is similar to 2024 Board-approved PPA, however several changes were made to conform to the requirements of the RFP and stakeholder feedback received on PPA Draft #1:

1. Wind Power Only – Both solar and wind energy resources were eligible for the 2024 Green Choice Program. The current Green Choice Program procurement will only be open to wind energy resources. Nova Scotia has a Community Solar Program in place to promote the development of solar resources in the province[2]. The province needs the RFP target of 350 MW of wind to meet the 1000 MW of new onshore wind goal in Nova Scotia's 2030 Clean Power Plan[3]. Furthermore, we received no comments from stakeholders requesting expanding the eligibility for the procurement to include solar projects.

1. Performance Security Required at GCP PPA Execution – Section 3.10 of the RFP now requires a Selected Proponent to provide the Performance Security in the Pre-COD Amount upon execution of the PPA. The 2024 Board-approved PPA required the Performance Security within 10 Business Days of the Effective Date. Requiring the

---

[2] https://novascotia.ca/programs/community-solar/

[3] https://www.novascotia.ca/sites/default/files/documents/1-3582/nova-scotia-clean-power-plan-presentation-en.pdf

Performance Security upon execution provides better security for NSPI since the security is in place at the outset of the PPA and aligns with practice we have observed in other jurisdictions, e.g., Ontario[4], British Columbia,[5] . The draft RFP is included as Appendix E to this Application.

2. Pre-COD Amount Reduced – We have reduced the Pre-COD Amount of the Performance Security from $125,000/MW in the 2024 Board-approved PPA to $35,000/MW. This was done to align the security requirements with other jurisdictions that Nova Scotia is competing with for development capital. The Post-COD Amount of Performance Security is maintained at $20,000/MW.

3. Pre-COD and Post-COD Indexing of the Energy Rate – The 2024 Board-approved PPA only provided for escalation of the Energy Rate due to changes in CPI for a specified adjustment period[6]. The GCP PPA provides for pre-Commercial Operation Date escalation based on the relative change in CPI and then after the Commercial Operation Date allows for 20 percent only of the Energy Rate to be escalated based on annual changes in CPI. This 20 percent of the Energy Rate is the amount attributable to ongoing operation and maintenance ("O&M") costs over the term of the PPA. When developers are forced to lock in their Energy Rate during operation of the Facility, they must try to estimate future macroeconomic conditions and their impact on O&M costs. Unforeseen spikes in inflation can negatively impact project economics and threaten the continued financial viability of the Facility. To protect themselves against unexpected inflation, developers will add a conservative risk premium to the Energy Rate. In allowing for expanded pre-Commercial Operation Date escalation and then escalating a fixed portion of the Energy Rate thereafter, we remove the incentive to inflate the Energy Rate and reduce the risk of project attrition. Adjusting a portion of the Energy Rate for inflation is common in other jurisdictions, such as Ontario[7], Québec[8], and , British Columbia[9].

---

[4] https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/energy/LT2e-1-20250627-RFP.pdf

[5] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/independent-power-producers-calls-for-power/call-for-power/2025-cfp-request-for-proposals.pdf

[6] The adjustment period commenced on the earlier of (a) the Effective Date and (b) December 6, 2024 and ended on the earlier of (a) December 31, 2027 and (b) Commercial Operation Date

[7] https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/energy/LT2e-1-20250627-Contract.pdf

[8] https://www.hydroquebec.com/data/achats-electricite-quebec/pdf/contrats/eol-pedgi-contrat.pdf

[9] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/independent-power-producers-calls-for-power/call-for-power/2025-cfp-schedule-7-specimen-epa.pdf

4. Early Completion Incentive – There is a limited Early Completion Incentive to encourage the Seller to achieve Commercial Operation in a timely fashion. If the Scheduled Commercial Operation Date and Commencement Date occur before December 31, 2029, the Energy Rate for any output from a Facility, excluding Excess Energy, will be multiplied by 1.25 until December 31, 2030. For clarity, the Early Completion Incentive will be discontinued after December 31, 2030. We have discussed this with the Department of Energy and the IESO, they believe that there is merit to providing such an incentive in order to meet Nova Scotia's 2030 Clean Power Plan[10]. Providing an incentive for early completion has recently been provided for in Ontario[11].

5. Removal of the Requirement for Equipment Certification – The 2024 Board-approved PPA had an equipment certification requirement in place along with equipment certification security. We have removed the requirement for equipment certification from the GCP PPA.. We believe that onshore wind technology is mature and as such the risk is low of a Seller using technology that cannot produce the production in the Seller's Energy Bid. Section 4.1(d) requires the Seller to pay liquidated damages if there is a production shortfall of more than 20 percent of the Energy Bid. We also acknowledge that that project lenders will have their own technology-related requirements that they may wish to see, and we think that this risk is best managed by the parties involved in the lending transaction. For these reasons we decided to eliminate the equipment certification requirement.

6. Local Benefits Requirement – In the previous Green Choice Procurement, points were awarded in the evaluation of proposals for commitments to expend development and construction dollars locally. The 2024 Board-approved PPA did not enforce any commitment to make local expenditures. The GCP PPA now requires a report from the Seller to achieve Commercial Operation, a Local Benefits Report, prepared by an independent third party stating the level of Local Benefits expenditure. If the Local Benefits expenditure is less than what was claimed in its Proposal, the Seller must pay the difference to NSPI within 20 Business Days of the date of Commercial Operation.

7. Cybersecurity Plan – The GCP PPA now requires that a Cybersecurity Plan be submitted to the IESO to achieve Commercial Operation. Electricity infrastructure in Nova Scotia has been recently attacked[12]. We think that requiring a plan on how the Seller is planning on

---

[10] https://www.novascotia.ca/sites/default/files/documents/1-3582/nova-scotia-clean-power-plan-presentation-en.pdf

[11] https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/energy/LT2e-1-20250627-Contract.pdf

[12] https://www.nspower.ca/about-us/articles/details/articles/2026/03/25/our-commitments--office-of-the-privacy-commissioner-of-canada-investigation

protecting the Facility from cyberthreats is a prudent addition to the GCP PPA. The plan will be submitted to, and approved by, the IESO. The Facility cannot achieve Commercial Operation without an IESO-approved Cybersecurity Plan.

8. Elimination of the Congestion Management Alternative and Forego Network Upgrade Reimbursement – The 2024 Board-approved PPA provided for the construction of certain network upgrades if Proponents in the last Green Choice procurement selected the Congestion Management Alternative or to Forego Network Upgrade Reimbursement options. If a Proponent selected the Congestion Management Alternative, projects would apply for interconnection as both an Energy Resource Interconnection Service ("ERIS") and Network Resource Interconnection Service ("NRIS"). If the cost of the contemplated Network Upgrades were above a threshold value, then the Seller would need to connect as ERIS, otherwise the Seller has the option to be connected as ERIS or NRIS. If NRIS were selected, the Seller would not be responsible for any Network Upgrade costs. The Seller can opt out of this arrangement by indicating in its proposal that it was foregoing Network Upgrade Reimbursement and proceed with Network Upgrades and agree to reimburse NSPI for the Network Upgrade costs.

   The RFP now provides for deliverability testing as the last stage of the evaluation process. The deliverability testing will be done by the IESO and will screen out projects that are not deliverable under the current transmission system configuration without Network Upgrades. Having projects using ERIS only will allow IESO to do system-wide planning and determine where Network Upgrades are needed to benefit the system as a whole rather than investing in project-specific Network Upgrades. Accordingly, projects will connect as ERIS only. We think this is also beneficial to the Proponents in the RFP because they will obtain much earlier indication from the IESO on the viability of their project, thereby avoiding development expenditures on projects that are not capable of being connected without Network Upgrades. This process does not impose any additional costs on ratepayers.

2. Reciprocal Tariff Protection - Tariffs have recently been an issue in electricity supply procurements across the country. This became an issue for the last Green Choice procurement. In November 2025, the federal government announced new measures to "protect and transform" the steel and lumber sectors, including a 25 percent global tariff on steel-derivative products such as wind towers[13].Nova Scotia has no domestic wind tower manufacturing and therefore must rely on US, European or Asian suppliers, all of which are exposed to this tariff. Canada has one domestic wind tower manufacturer.

[13] https://www.canada.ca/en/treasury-board-secretariat/news/2025/12/minister-ali-announces-new-measures-to-protect-and-transform-canadas-steel-and-lumber-industries.html

Given the small size of the Nova Scotia market, developers here have little bargaining power with suppliers to get them to absorb some or all the increased costs. In February 2026, the federal government provided automatic remission relief for projects that had signed a turbine supply agreement before the tariff came into effect. The imposition of this tariff could add upwards of tens of millions to a project's capital cost, potentially making the project financially unviable. Many stakeholders commented on the need to provide some sort of tariff relief given recent experience. The Seller represents in the GCP PPA that any Tariffs or similar duties applicable as of the Proposal Submission Deadline are incorporated into its Energy Rate. If Tariffs or similar duties are imposed after the Proposal Submission Deadline, we have provided a process in Section 16.9 of the GCP PPA whereby a Seller can provide notice of the need to adjust the Energy Rate for any Tariff or similar duty imposed that increases the Capital Cost more than 7.5 percent[14]. If the parties cannot agree on the revised Energy Rate, an Independent Expert can be appointed by the parties to resolve the matter. Section 16.10 of the PPA provides for the case where tariffs are reduced or eliminated and NSPI can request of the Seller the impact on the Capital Cost and for a revised Energy Rate. If the parties cannot agree on a revised Energy Rate, this dispute can be referred to a determination by an Independent Expert, as with disputes dealt with by Section 16.9 of the GCP PPA. We note that Ontario[15] and British Columbia[16] have introduced similar tariff protection into their energy purchase contracts.

Power Advisory has consulted NSPI, as the counterparty to the Seller, and IESO regarding the GCP PPA.

[14] CanREA had asked for a 5 percent increase in the Capital Cost to trigger the tariff protection

[15] https://www.ieso.ca/-/media/Files/IESO/Document-Library/long-term-rfp/energy/LT2e-1-20250627-Contract.pdf

[16] https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/independent-power-producers-calls-for-power/call-for-power/2025-cfp-schedule-7-specimen-epa.pdf

3. REQUEST FOR PROPOSALS

The PA intends to conduct the procurement in accordance with Sections 27, 28 and 29 of the Electricity Act and sections 35 (A), 35(B)(1)(2), 35(C) of the *Renewable Electricity Regulations* and will ensure the procurement is fair, transparent and competitive.

The following is an overview of the components of the RFP document:

a. The procurement is designed to favour Proposals that provide the best value for electricity ratepayers.

b. The RFP will be launched in mid-September of this year, and the Proposal Submission Deadline will be mid-January 2027, giving Proponents roughly four months to prepare Proposals.

c. Interested Proponents will be required to register their interest with the PA.

d. The GCP Portfolio Target is 1,200 GWh annually of Renewable Low-Impact Electricity, which is roughly 350 MW of projects.

e. Projects must be located physically in Nova Scotia, have a minimum Nameplate Capacity of 2 MW and maximum Nameplate Capacity of 150 MW. No portion of a project's Generating Facility can be located on Crown land, and no interconnection infrastructure can be located on Protected Land. The project cannot be interconnected anywhere in Transmission Zones 4 or 5.

f. Proponents are required to submit an Energy Rate in $/MWh and an Energy Bid in MWh/year corresponding to their P50 wind resource assessment.

g. The RFP describes the mandatory and desirable contents of a Proposal. The Proposal submission is form-driven, where a Proposal consists of the Proponent completing several prescribed forms provided as part of the RFP. These forms are then to be submitted by a Proponent in electronic format to a secure website on or before the Proposal Submission Deadline.

h. The evaluation of Proposals will occur in five stages:

   i. Stage 1 Completeness Requirements for Proposals

   ii. Stage 2 Mandatory Requirements for the RFP

   iii. Stage 3 Scored Criteria, where Proposals are scored based on best value for Nova Scotia ratepayers. Proposals will be scored on three dimensions based on: (a) Project Risk and Maturity (b) Public Engagement and (c) Social and Economic Benefits. This rated component to the scoring accounts for 50 points out of 100 available points, with the remaining 50 points being awarded for Energy Rate

   iv. Stage 4 Project Configuration Ranking, where Proposals are ranked from highest to lowest total scores, which results in a Preliminary List.

v. Stage 5 Deliverability Assessment, where Proposals in the Preliminary List will be subjected to a Deliverability Test in rank order from highest total score to lowest total score. Proposals that are determined to be deliverable will be added to the Offer List until the cumulative total Energy Bids in the Offer List exceed the GCP Portfolio Target ("Selected Proposals").

i. Proponents with Proposals in the Offer List ("Selected Proponents") will be offered the GCP PPA. A Selected Proponent must execute the GCP PPA and provide NSPI with the Performance Security in the Pre-COD Amount within 20 Business Days of being offered the GCP PPA.

4. REQUEST OF THE BOARD

In this Application, we request that the Board review and approve the terms and conditions of the GCP PPA contained in Appendix A on an expedited basis. We request authority to make non-substantive changes to the GCP PPA that we consider necessary or advisable after Board approval. We note that NSPI is still in the process of determining the frequency of curtailment payments noted in Section 5.1 of the GCP PPA and that once that process has been determined, we request that we be authorized to make changes to the GCP PPA to reflect the process that NSPI determines. We will provide notice to all parties that registered with the PA that we have filed this Application with the Board for the approval of the PPA and will post such notice on the procurement website about our Application (https://nova-scotia-gcp.com/)

5. SUPPORTING DOCUMENTATION

In support of this Application, please find enclosed a complete copy of the GCP PPA in Appendix A. A blackline of the GCP PPA to the 2024 Board-approved PPA is included in Appendix B. PPA Draft #1 is included as Appendix C and stakeholder feedback on PPA Draft #1 is summarized in Appendix D. A copy of the draft RFP is included as Appendix E.

We welcome the opportunity to provide additional information to the Board to assist it in its review of our application for the approval of this PPA.

APPENDIX A. GCP PPA

(included by reference)

APPENDIX B. BLACKLINE OF THE PPA TO THE BOARD-APPROVED PPA IN M11455

(included by reference)

APPENDIX C. PPA DRAFT #1

(included by reference)

APPENDIX D. SUMMARIZED STAKEHOLDER FEEDBACK ON PPA DRAFT #1

(included by reference)

APPENDIX E. GREEN CHOICE PROGRAM DRAFT RFP

(included by reference)