

September 11th, 2026

Clerk of the Board
Nova Scotia Energy Board
PO Box 1692, Unit "M"
Halifax, NS, B3J 3S3
Fax (902) 424-3919
Email board@novascotia.ca

Re: M13042 – Application by the Procurement Administrator For Approval of a Standard Form Power Purchase Agreement

Dear members of the Nova Scotia Energy Board,

On August 17, 2026, the Nova Scotia Energy Board ("Board") received an application from the Procurement Administrator ("PA"), pursuant to s. 37 of the Renewable Electricity Regulations, for approval of a Power Purchase Agreement ("PPA") for the purchase of renewable low-impact electricity from Independent Power Producers (Green Choice Program).

The Board has requested comments from interested parties on the PPA submitted by the PA by September 14, 2026.

Please accept the following as SWEB Development Limited Partnership's ("SWEB") comments regarding the PPA filed by the PA as part of the Green Choice Program.

SWEB is a team of renewable energy professionals **based in Halifax, NS** who are passionate about community, the environment, and shared social values. SWEB's track record in Atlantic Canada includes as follows:

- SWEB's team developed, commissioned and operates, together with partners, **40 MW of community-based COMFIT wind energy projects** throughout Nova Scotia, making it the biggest COMFIT operator in the Province.
- We are currently constructing the **94.4 MW Weavers Mountain Wind** Energy Project in Pictou County, NS in partnership with Glooscap First Nation. This project was awarded a power purchase agreement through the Nova Scotia Rate Base Procurement ("RBP").
- SWEB was awarded a power purchase agreement through the first round of the Green Choice Program ("GCP 1") for its **112 MW Sugar Maple Wind** Energy Project in Pictou County, NS. Similar to Weavers Mountain, this project is majority owned by Glooscap First Nation. The project will see start of construction in the coming months.
- SWEB developed, commissioned and operates the **18 MW Wisokolamson Wind** Energy Project in Albert County, NB. This project is majority owned by Woodstock First Nation.

SWEB has provided its initial feedback in respect to the draft PPA to the PA on April 10, 2026 and on June 25, 2026.

The team at SWEB appreciates the additional opportunity to provide its thoughts and concerns in respect to the PPA.

Having been the **only developer that has been successful in both the RBP and the GCP procurements**, our team has extensive experience in Nova Scotia's energy landscape, including its interconnection process, its transportation infrastructure and its energy supply chain.

Our team

- successfully handled international **supply-chain** issues;
- managed delays in the **interconnection process**;
- supported the challenging implementation of **new technologies** on the Nova Scotia grid;
- gained **social license** for multi-million-dollar projects;
- contributed to the necessary upgrade of **port and road infrastructure**; and
- dealt with the impact of **tariffs** – twice.

But most importantly we experienced the positive but at times challenging impact of the template Power Purchase Agreement that ultimately forms the foundation and the cornerstones of a successful energy procurement and the execution of awarded projects.

As the board will know, only two out of six projects that were initially awarded under GCP I decided to execute the offered PPA. This made a second round of the GCP necessary.

Having initially been awarded 3 projects in GCP I, SWEB is among the developers that executed a Power Purchase Agreement (for one project), but also among the developers that refrained from doing so (for two other projects).

As such, we hope to be able to provide the NSEB with very **unique insight into the challenges and opportunities of the draft PPA** as submitted by the PA.

Based on our experience, we fear that the draft **PPA does not currently strike the necessary balance** between the interests of the ratepayers/Participants and the risk-allocation between Nova Scotia Power and the Sellers. We believe that such **imbalance will ultimately lead to a lower participation** in the procurement and **offered prices that are higher than necessary**.

Our opinion was shared by the Consumer Advocate in the previous Green Choice procurement (see CA's submission dated Jan 5, 2024 in respect to M11455): *"The language in the proposed PPA generally overemphasizes the reduction of risk over seeking the lowest possible pricing. In a few instances as discussed below, this may be excessive (...)"*.

We agree with this statement. The **attempt to protect ratepayers/Participants by allocating the significant risk** deriving from events our industry has recently experienced (tariffs, federal change in law, availability of CIB and SREP funding, delays in the interconnection process) **to developers** might be tempting and appear promising at first sight. But in reality, this approach is misleading and **will ultimately be to the detriment of ratepayers/Participants**. Risk that is allocated to the Seller typically is reflected by a higher Energy Rate (that is, provided that Lenders are even willing to finance such a risk). And this irrespective whether such risk ultimately materializes or not.

We would like to reiterate our comments included in response to the most recent RFP, submitted on August 26 to the PA in that a **final** draft of the **PPA** in a form that may be executable **should be released** to interested Proponents **prior to the respective Registration Deadline** and issuance of a Registration Fee (currently planned on September 17). This will allow prospective proponents an opportunity to assess risks deriving from the GCP II PPA and result in a more refined list of proponents.

Please find below the details of where our team believes that the imbalance should be corrected – for the benefit of developers and ratepayers/Participants alike.

We hope our honest feedback is helpful for the Board’s analysis and decision.

Sincerely,

SWEB Development Limited Partnership, by its general partner SWEB Development Inc.

A handwritten signature in black ink, appearing to read "Stefan Karkulik", written over a dotted line.

Stefan KARKULIK

CFO

stefan.karkulik@sweb.energy

Green Choice Program Procurement RFP II – PPA Feedback

Section 2.1 – Design and Construction of the Project

Section 2.1 (f) requires that Seller submits a Cybersecurity Plan to the IESO and NSP no later than six months prior to the Scheduled Commercial Operation Date. Section 2.1 (f) as well as Section 2.4 state that the Facility shall not achieve Commercial Operation until the IESO is satisfied with its content.

We appreciate the importance of this Section, but would like to state, that this **section does not clarify by which date the IESO needs to review the Cybersecurity Plan**. The IESO may be delayed in the review of the Cyber Security Plan. Should this be the case, **Commercial Operation would be delayed due to no fault of Seller**. In this scenario the Seller might risk running into default on several levels, most importantly under its financing agreements.

Consequently, we suggest the following changes:

Add the following at the end of Section 2.1 (f): *"The IESO shall review and approve or reject the Cybersecurity Plan and each submitted revision thereof within 10 Business Days. In the case of a rejection the IESO shall provide detailed comments as to why the submitted Cybersecurity Plan does not comply with the NERC Critical Infrastructure Protection cybersecurity standards. Should the IESO not respond in accordance with this Section 2.1 (f), the Cybersecurity Plan shall be deemed approved."*

Change Section 2.4 (a) (v) to read as follows: *"The IESO has approved or is deemed to have approved the Cybersecurity Plan; and"*

Section 2.7 – Local Benefits Shortfall

We would like to highlight that the new local benefits requirement in Section 2.8 is not feasible for the following reasons:

Proponents are subject to confidentiality obligations especially in terms of pricing. Suppliers will question why a private offtaker like NSPI should have access to and benefit from such information.

Further, existing and standard Non-Disclosure Agreements would not allow Seller/Proponent to share information about prices with NSPI.

The PA's suggestion that *"Proponents can draft any NDA to provide for the release of the information to NSPI"* does not address the following concerns:

- 1.) There is **no guarantee that the counterparties accept such NDA language**; and
- 2.) the development of the submitted projects has been ongoing for years. Proponents have already spent significant amounts of money to obtain good and services from the Nova Scotia

Supply Community. The PA's suggestion would require that Proponents amend all existing NDA's for good and services already obtained.

Further, and most importantly, **certain goods and services are due and payable well after COD**, especially in case of dispute. Having to deliver a Local Benefits Report to NSPI BEFORE and as a condition to Commercial Operation would mean leaving important gaps in the Local Benefits.

Example: A local construction services provider might issue its last time and material-based (T&M) invoice only long AFTER the date of Commercial Operation of a Project. Any amount shown on this invoice could not be included in the Local Benefits Report, which would have to be prepared weeks before the anticipated Commercial Operation Date in order to be ready for submission in time for the anticipated commercial operation date.

However, the Local Benefits Report is defined as a "*report setting out the Seller's Local Benefit expenditure at COD*". At the same time the delivery of such report is a requirement to achieve COD. The chicken and egg problem here is evident.

The **requirement to provide the Local Benefits Report within the timeframe as currently drafted within the PPA is simply out of touch with the reality** of a project worth hundreds of millions of dollars.

Last but not least, obtaining the services of a third party to provide the report, will increase the capital costs of projects.

Consequently, we strongly advise deleting this newly introduced local benefit requirement in its entirety or at the very minimum to delay the requirement to provide such report to the day that is 12 months after the date of Commercial Operation.

Section 4.2 – Acceptance of Energy

Section 4.2 (b) states that "*The compensation for foregone Expected Output resulting from curtailment shall be made annually pursuant to Section 5.3*".

We would like to note that an annual payment is in stark contrast to Seller's financial obligations and could in a worst-case scenario lead to default under its financing agreements. In fact, **we question whether an annual payment** in Section 4.2 (b) **would be** considered **financeable** by potential lenders, especially considering that the extent of future curtailment is not known.

We suggest changing this section as well as Section 5.1 (b) to provide for monthly payments.

Section 5.1 – Energy Payment

We appreciate the inclusion of the Early Completion Incentive and the reason for doing so. However, we would like to highlight that the incentive created in Section 5.1 (iv) also includes the obligation to commit to a Scheduled Commercial Operation Date on or before December 31, 2029. If such date is not met, Seller is facing significant Liquidated Damages per Section 2.5 (d).

Having experienced the interconnection process for a RBP and a GCP Project, we would like to point out to the PA and the NSEB that the interconnection timeline in Nova Scotia alone would almost certainly prevent every project in the province from achieving Commercial Operation on

or before December 31, 2029. This is due to the delivery timelines for certain long lead interconnection equipment that would have to be ordered by NSPI and in connection with the contractual commitment that NSPI takes in respect to the In-Service Date as outlined in the Generator Interconnection Agreement.

Adding the current delivery timelines for this equipment of up to 24 months to the expected PPA signature Date mid 2027, and including the time necessary to conduct the System Impact (typically commencing after PPA execution) and Facilities Study, it is **highly unlikely that any Proponent or NSPI would be willing to commit to a 2029 Scheduled Commercial Operation Date/In-Service Date within the PPA/the Generator Interconnection Agreement (GIA).**

In order to allow ratepayers/Participants and the Seller to potentially benefit from an earlier interconnection of an awarded project, we therefore suggest tying the Early Completion Incentive exclusively to an early Commencement Date. We propose the following changes to the second sentence within Section 5.1 (iv) so that it reads as follows:

"If the Commencement Date occurs before December 31, 2029, the Energy Rate shall be multiplied by 1.25 from the Commencement Date until December 31, 2030 ("Early Completion Incentive").

Section 11.1 – Definition of Force Majeure

There is a formatting error in section 11.1 (a) (v). There should be a subsection 11.1 (vi) before "*action or non-action (...)*".

Section 13.1 – Change in Law

The Change in Law provision excludes protection in respect to a change in FEDERAL law.

The requests to include changes in federal law were made by CANREA, individual proponents and the Consumer Advocate (see CA's submission dated Jan 5, 2024 in respect to M11455) in previous procurements in Nova Scotia.

Unfortunately, and to the undeniable detriment of the ratepayers/Participants, the previous PA chose to reject this request by arguing that "***there is limited evidence of federal law changes negatively impacting renewable energy development in a significant manner***" (see PA's submission dated January 22, 2024 in respect to M11455).

A couple of months after submitting this statement to the UARB, the previous PA stood corrected, being confronted with all six awarded projects refusing to sign the offered PPA due to looming federal elections and the announcements of one candidate to dissolve the federal Canada Infrastructure Bank (CIB). As a reminder, developers used favorable financing offered by CIB to lower their prices offered to ratepayers/Participants.

Because of this insecurity and the months of procurement delay deriving from it, **only 2 out of 6 awarded GCP projects decided to execute the offered PPA.** By not being able to benefit from the low-cost renewable energy that these 4 projects would have provided by 2028, the ratepayers/Participants are now paying the price for this mistake for the next 25+ years.

A couple of months after that, the previous PA stood corrected yet again, when the federal government introduced tariffs on wind steel towers. **Lacking any change in federal law**

protection, the financial viability of four previously awarded projects was under serious threat for months. This included 174.4 MW of Rate Base Procurement Projects under construction at the time as well as 262 MW of previously awarded Green Choice Projects. Thanks to the foresight, understanding and support of provincial and federal decision-makers, those projects were ultimately able to move forward.

Having experienced the negative consequences of this mistake multiple times, we caution the PA and the NSEB against creating the same situations all over. It will ultimately be **ratepayers/Participants that pay the price**, should developers decide not to bid, bid at a higher price to account for potential changes in law, or default before commercial operation, due to the lack of change in federal law protection.

The request to include federal law in the Change in Law Provision stands and is more important than ever. The statement and belief that a federal change in law has no impact on these projects is wrong, as the past has shown us. The potential for change in law at the federal level is well understood by other utilities or system operators in the Canadian market. The risk to project feasibility and widespread benefits to First Nation communities/owners; as well as other direct and indirect benefits associated with projects is too critical to ignore and not protect.

We acknowledge that the additional protection added in Section 16.9 of the PPA attempts to limit a part of the risk. However, Section 16.9 only covers the risk of new tariffs. Yet, these projects are submitted assuming the benefit provided by the current regime of **federal Investment Tax Credits which make up close to 30 % of a project's capital stack**. Should a change in federal law reduce or abolish such benefit or change the requirements to obtain it, projects would immediately become financially unviable.

We urge the new PA, the NSEB and the Nova Scotia Government **not to allow the repetition of**

- **the exact same mistake, that is the very reason why a second phase of the GCP became necessary** in the first place.
- The exact same mistake, **that costs ratepayers/Participants the benefit of cheap and clean power deriving from 363 MW of wind generation starting from 2028.**
- The exact same mistake, the negative effects of which the new PA now tries to mitigate by offering an Early Completion Incentive within the Power Purchase Agreement.

Previous Section 16.9 – Inability to Secure CIB or SREP Funding

In Section 1.5 of the draft RFP, Proponents "*are encouraged to explore all federal funding opportunities to make their Energy Rate more competitive, including investment tax credits, Canada Infrastructure Bank (CIB) financing and Natural Resources Canada's Smart Renewables and Electrification Pathways Program (SREP) funding.*" Information about both, SREP and CIB funding, will be made available to Proponents later in time.

Similar to the previous Rate Base Procurement and Green Choice Procurement, Proponents will use these funds in their modelling **to lower the Energy Rate for the benefit of ratepayers/Participants**. Should, after the PPA has been executed, either the offered SREP or CIB funding fall away, awarded projects would almost certainly and immediately become financially unviable.

The consequences of this would not just be a negative financial impact on developers and their first nation partners. It would also mean that projects will not achieve commercial operation,

ratepayers/Participants would not benefit from the lower electricity prices offered by these projects and the Province of Nova Scotia would not meet its renewable energy targets.

In order to properly account for this risk, **Section 16.9 of the PPA Draft #1** (submitted by the PA to the NSEB as Appendix C) previously allowed Sellers to terminate the PPA in case CIB or SREP Funding could not be obtained.

While the wording of Section 16.9 in the initial draft needs a multitude of changes in order to provide the intended protection, we appreciated that such concept was taken into consideration by the PA.

Unfortunately, in the most recent version of the PPA filed by the PA with the NSEB (Appendix A), Section 16.9 - Inability to secure CIB or SREP Funding and thus the **protection** provided by such section **has been deleted in its entirety**.

We refer to our comments in respect to Article 13.1 to illustrate **how crucial CIB and SREP Funding are** to the viability of these projects. Not providing this protection **will ultimately lead to a lower participation** in the procurement and **offered prices that are higher than necessary**.

Proponents do not benefit from CIB or SREP Funding. All benefit is directly passed on to ratepayers/Participants. This is why we fail to understand why the risk of a potential unavailability of such funds should be covered by the Seller.

Consequently, we kindly ask the PA and the NSEB to re-instate this protection in the PPA, with the following changes, that would guarantee that developers can rely on the protection that this section is supposed to provide.

Previous Section 16.9 – Inability to Secure CIB or SREP Funding

Section 16.9 of the PPA Draft #1 does not define what it means to "obtain CIB or SREP Funding". This should be clarified as it has an important impact on the applicability of this Section.

We suggest that "*obtain SREP Funding*" should be defined as "*Seller having executed a binding Non-repayable contribution agreement with His Majesty the King in Right of Canada represented by the Minister of Natural Resources Canada, whereby such contribution agreement reasonably reflects all terms and conditions offered by Natural Resources Canada as part of the RFP.*"

We further suggest that "*obtain CIB Funding*" shall be defined as "*Seller having satisfied or received a waiver for all conditions precedent for financial close under a loan agreement with the CIB in respect to the Project, whereby such loan agreement reasonably reflects all the terms and conditions offered by the CIB as part of the RFP.*"

Previous Section 16.9 – Inability to Secure CIB or SREP Funding

Section 16.9 of the PPA Draft #1 grants Seller a window of 20 Business Days to make the decision whether it wants to terminate the Agreement, after the initial 120 Business Days have lapsed.

If Seller still believes that such **funding might be obtained** on or after the 141st Business Day (120 days + 20 days + 1 day) after the Effective Date, **Seller will nevertheless be forced to make the decision** whether or not **to terminate the PPA**. We question why Seller should be subject to a time limited termination right that might be to the detriment of ratepayers/Participants.

Further, connecting the termination right to a certain start and end date seem arbitrary when analysing the current plans for execution of the PPA. Example: Following the current draft RFP, the PPA execution date cannot occur earlier than June 2027. 120 Business Days from June 4, 2027 (Friday) would bring us to November 25, 2027. 140 Business Days would bring us to December 23, 2027. Subject to the definition of "having obtained funding" (see previous comment) and based on previous experience (SWEB has already financed one RBP Project and is about to finance another GCP Project) and general industry knowledge it is **unlikely if not impossible that financial close with CIB** (and executing a contribution agreement with NRCAN) **can be achieved that early** in a project with a Scheduled Commercial Operation Date end of 2030.

We would like to support this argument by inviting the PA and NSEB to review the theoretical standard timeline for the interconnection process (as outlined in the Generator Interconnection Procedures, but that typically take longer) as well as the usual permitting timelines in a development environment within which several projects are being permitted and constructed over this span of time.

Further, it would theoretically be possible that CIB or SREP communicates BEFORE the date that is 120 Business Days after the Effective Date that their programs got cancelled, or that they do not plan to support the project anymore. In such an instance, Seller should not be obliged to wait until 120 Business Days to be allowed to terminate the PPA.

Consequently, we suggest deleting the any reference to a start and end date that limits the rights under this Section.

Previous Section 16.9 – Inability to Secure CIB or SREP Funding

Section 16.9 c) of the PPA Draft #1 requires NSPI's consent for Seller to use its termination right. Such a consent requirement significantly limits the protection granted under this Section. Termination rights are typically not subject to the consent of the counter party and requiring such a **consent requirement deprives a termination right of its meaning and purpose**. Further, a consent by NSP should definitely not be required in the case of not receiving funding that was a condition for Seller to enter into the PPA.

We suggest deleting Section 16.9 c) of draft PPA#1 in its entirety and amending the Sections 16.9 b) and d) of draft PPA#1 accordingly.

Previous Section 16.9 – Inability to Secure CIB or SREP Funding

Section 16.9 only provides a termination right to Seller. However, by the time it becomes clear that no CIB or SREP funding can be obtained, Seller has incurred significant costs. This means that this protection is of limited value to Proponents.

It would be reasonable to argue that it should be the **ratepayers/Participants** - who **benefit from CIB and SREP funding through lower electricity rates** - not the Proponents that **should bear the risk** in case the federal government is withdrawing the support initially announced after the PPA has been executed.

Consequently, we suggest adding the following at the end of Section 16.9 of draft PPA#1:

"f) if Seller has elected to terminate the Agreement, the Seller will be entitled to claim the actual, reasonable, prudent, and verifiable out-of-pocket costs of developing the Project that the Seller incurred during the period commencing on the date the Proposal was submitted and ending on the date that it notifies NSPI of its decision to terminate the agreement."

New Section 16.9 – Adjustment for Post-Proposal Applicable Tariffs

Following to the new Section 16.9 c) - Adjustment for Post-Proposal Applicable Tariffs, Seller must deliver a Tariff adjustment Notice no later than six (6) months prior to the Scheduled Commercial Operation Date. We would like to note, that **Sellers might be impacted by tariffs even after that date**. Further, it is not unreasonable to assume that the Scheduled Commercial Operation Date might not be met due to delays in the interconnection process.

Consequently, we suggest changing the last sentence of Section 16.9 b) to read as follows: "The Seller may deliver a Seller Tariff Adjustment Notice no later than the date that is six (6) months after the date Commercial Operation has been achieved".

Doing so would align the deadline of the right of the Seller with the right of NSPI to deliver a Tariff Reduction Notice, "at any time prior to, or within six months following, the Scheduled Commercial Operation Date" per Section 16.10 a). We believe there is no reasonable argument to grant one party of the PPA (i.e. NSPI) a year longer to submit its respective notice.

New Section 16.9 – Adjustment for Post-Proposal Applicable Tariffs

We suggest adding at the end of Section 16.9 d) - Adjustment for Post-Proposal Applicable Tariffs, a deemed acceptance by NSPI of the occurrence of the Seller Tariff Adjustment Event and the Proposed Revised Energy Rate after the twenty (20) Business Day period granted to NSPI has lapsed.

This is crucial **to avoid a potential default** of the Seller under its financing agreements **in case that NSPI takes longer than the prescribed twenty (20) Business Days to respond**.

New Section 16.9 – Adjustment for Post-Proposal Applicable Tariffs

The **Minimum Threshold** outlined in Section 16.9 b) - Adjustment for Post-Proposal Applicable Tariffs is set at 7.5%. Please be advised that we consider this threshold **unreasonably high**.

The **protection** granted by this section is effectively **undermined by a Minimum Threshold that Sellers will likely not meet in case that new tariffs are impacting their projects**. Or in simpler words: This section protects against extremely disastrous impacts, but leaves the Seller to pay for the impact of disastrous impacts.

Our statement that 7.5% is an unreasonably high threshold is supported by a recent Supply-Chain Study conducted by Dunskey Energy + Climate Advisors on behalf of the Canadian Renewable Energy Association ("CANREA"). The study analysed the tariff impacts of the most recent 25% steel surtax on wind energy projects and showed an impact below the 7.5% threshold. Since the study is confidential, we invite the PA to reach out directly to CANREA for detailed information.

Based on previous experience with RBP and Green Choice projects and the current political situation our risk analysis for new tariffs shows the **probability and the potential impact of new tariffs as very high**. In such a situation developers must address this risk by reflecting it in their bid-models.

Lacking reasonable protection, this likely means that the **risk of up to 7.5% will be priced in** for ratepayers/Participants when determining the Energy Rate that developers are willing to bid particularly given the substantial increase to the bid security. This in turn means that ratepayers/Participants will be asked to pay the price for a risk, that might never materialize. We do question whether this approach is preferable over a tariff adjustment that would start at a lower threshold. In such instance developers will price in a lower risk-amount and ratepayers/Participants would not have to pay for a significant risk-amount irrespective of whether such risk actually materializes.

We therefore suggest lowering the Minimum Threshold to 2.5 %.

Realizing that the PA might have analysed a recently concluded procurement in Ontario when determining the Minimum Threshold for Nova Scotia, we would like to caution to conclude that a 7.5% Minimum Threshold would be sufficiently low to attract competitive bids under the Green Choice Procurement.

This is because the bids in Ontario were due BEFORE the most recent wind steel tower tariffs were announced and BEFORE the most recent escalation in the trade negotiations between Canada and the United States of America. Having been exposed to those events, it is unlikely that developers will model the tariff risk the same way that they did in fall of 2025. We invite the PA and the NSEB to substantiate our opinion by speaking to successful bidders in Ontario. We are confident that the industry now considers a 7.5% Minimum Threshold as insufficient protection.

It is also to be noted that based on publicly available information it seems that **all developers previously awarded under the RBP, the GCP and the latest wind procurement in New Brunswick were impacted by the wind steel tower tariffs** announced in December 2026. In the absence of a reasonable Minimum Threshold, we expect this **experience to lead to unnecessary high costs for ratepayers/Participants** during the upcoming procurement in Nova Scotia.

New Section 16.9 – Adjustment for Post-Proposal Applicable Tariffs

In the new Section 16.9 g) (iii) (E) (1) - Adjustment for Post-Proposal Applicable Tariffs, Seller and NSPI shall bear equally the costs of the Independent Expert "if the Independent Expert's determination falls between the positions of the two Parties".

In order to incentivize both Parties to be reasonable when presenting their respective revised Energy Rates, we suggest that the parties shall bear the costs in proportion to the difference of their claimed/proposed amount to the amount determined by the Independent Expert. Example:

NSPI claims 50 dollars, Seller claims 100 dollars. The Independent Expert determines 80 dollars. NSPI should bear 60% of the costs, Seller 40% of the costs.

Exhibit H – Calculation of Adjusted Energy Rate

In the most current PPA draft submitted to the NSEB, the CPI adjustment in Exhibit H starts on the Effective Date (= time of execution). A target PPA Execution Date has not been communicated in the RFP.

It is to be noted that Proponents have previously experienced delays in the procurement process due to no fault of their own. In the past (Rate Base Procurement, Green Choice Program), the planned/assumed Effective Date has been delayed several months.

The Effective Date depends on the availability of CIB, SREP products, time necessary for evaluation, procurement halts due to elections, the time it takes Nova Scotia Power to execute the PPA, etc.

When submitting their Proposal, **Proponents rely on being able to execute a PPA by a certain date** previously communicated by the PA. This is also to the benefit of the ratepayers/Participants, as developers are able to properly model the exact benefit of such inflation adjustment.

Allowing for delays in executing the PPA, imposes additional unnecessary inflation and timeline risk on Selected Proponents. Such risk will be priced in and ratepayers/Participants will ultimately have to pay for it.

To properly cover such risk for the benefit of developers and ratepayers/Participants alike, we therefore suggest as follows:

Change the definition of CPI_{ED} to read as follows:

" CPI_{ED} is the earlier of i.) the CPI in the month in which the Effective Date occurs; and ii.) the CPI of **MONTH 2027**"

(NTD: the anticipated date for the execution of this Agreement as outlined in the RFP would have to be added. The final RFP should also be updated to reflect the anticipated execution date of the PPA.).

We note that the **previous PPA for Green Choice had this suggested change implemented** which found the agreement of the NS UARB and the previous PA.