

File Reference: SM002557-00290

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September 14, 2026

Delivered by Email

Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Energy Board
3rd Floor, 1601 Lower Water Street
PO Box 1692, Unit M
Halifax, NS B3J 3S3

Dear Ms. Henwood:

**Re: M13042 – Application for Approval of a Green Choice Power Standard Form
Purchase Agreement (PPA) Under the Renewable Electricity Regulations**

These comments are submitted on behalf of the Industrial Group ("IG"), from the perspective of NSPI's ratepayers who bear the costs and risks of these PPAs.

PRICE AND COST TERMS

- **Post-COD indexation of 20% of the Energy Rate to CPI**

This is a new, open-ended cost pass-through that did not exist in the 2024 Board-approved PPA. The 2024 Board-approved PPA only escalated the Energy Rate for CPI during a fixed adjustment period ending by December 31, 2027, or COD, whichever was earlier, whereas the current GCP PPA now provides pre-COD escalation plus ongoing escalation of 20% of the Energy Rate for CPI for the full 25-year term (PPA, Exhibit "H" – Calculation of Adjusted Energy Rate¹). This converts a portion of what was previously a fixed, long-term price into a variable cost that ratepayers bear indefinitely.

The IG recommends that the PA provide (or the Board direct) an analysis of the expected ratepayer cost of extending CPI indexation to the full 25-year term and demonstrate why 20% of the Energy Rate is the appropriate portion to escalate rather than a lower or capped amount. Failing that, the IG recommends that the Board direct that the post-COD CPI indexation be limited to a fixed adjustment period (as under the 2024 Board-approved PPA) rather than applying for the full 25-year term.

- **Early Completion Incentive**

This is a new 25% Energy Rate premium that ratepayers fund with no corresponding value-for-money test. If Scheduled COD and Commencement Date occur before December 31, 2029, the Energy Rate for all output (excluding Excess Energy) is multiplied by 1.25 until December 31,

¹ Application, Section 2 (Overview of the PPA), item 3, "Pre-COD and Post-COD Indexing of the Energy Rate" (p. 4).

2030 (PPA, Section 5.1(a)(iv²)). The IG infers that it is possible there is some system-planning value in earlier wind capacity, but the Application does not quantify the expected ratepayer cost of this premium or demonstrate that the value of early delivery exceeds the incremental payment. The only justification offered is generic ("meet Nova Scotia's 2030 Clean Power Plan") rather than a cost-benefit analysis. The Application states this was discussed with the Department of Energy and IESO and that they believe there is merit, but again, there is no supporting analysis³. Before committing to higher payments for early delivery, the IG recommends that the PA provide (or the Board direct) the economic analysis to justify this incentive.

RISK ALLOCATION PROVISIONS

- **Tariff pass-through mechanism (new Sections 16.9 and 16.10)**

If tariffs or similar duties imposed after the Proposal Submission Deadline increase Capital Cost by more than 7.5%, the Seller can trigger a process to increase the Energy Rate, resolved by an Independent Expert if the parties disagree (PPA, Section 16.9⁴). The Independent Expert's tariff determination is final, binding, non-appealable, and expressly excluded from the ordinary dispute resolution process under Article 14 (PPA, Section 16.9(g)(I)). This means that ratepayers absorb tariff-driven cost increases through a rate adjustment in a process in which they have no say. This is a new and potentially material cost pass-through mechanism that did not exist in the 2024 Board-approved PPA at all.

- **Curtailment compensation**

The PPA contains an unresolved drafting note stating curtailment payments will be delayed an undetermined number of months, with NSPI "currently working with the System Operator on determining the amount of time needed" (PPA, Section 5.1(b⁵)). The Application itself acknowledges NSPI has not yet determined the frequency of curtailment payments and asks the Board to pre-authorize non-substantive changes to reflect whatever process NSPI eventually adopts⁶.

The effect is that the Board is being asked to approve a PPA with an incomplete curtailment payment mechanism and to delegate to Power Advisory the discretion to finalize it post-approval without further Board (or Intervenor) review. The proposed process limits the Board's (and ratepayers') visibility into a term that directly affects when and how curtailment costs affect rates. The IG recommends that some boundaries be put on that process if this term is to be left open.

- **72% reduction in Pre-COD security (from \$125,000/MW to \$35,000/MW)**

This reduction weakens ratepayer protection during the highest-risk development period. The stated rationale is "to align the security requirements with other jurisdictions that Nova Scotia is

² Application, Section 2 (Overview of the PPA), item 4, "Early Completion Incentive" (p. 5).

³ Application, Section 2 (Overview of the PPA), item 4, "Early Completion Incentive" (p. 5), referencing discussions with the Department of Energy and the IESO regarding Nova Scotia's 2030 Clean Power Plan.

⁴ Application, Section 2 (Overview of the PPA), item 2, "Reciprocal Tariff Protection" (p. 7).

⁵ PPA, Section 5.1(b), Note to Finalization.

⁶ Application, Section 4, "Request of the Board" (p. 10).

competing with for development capital,⁷ but no comparative jurisdictional security levels are actually cited or included in the Application to substantiate that this is appropriate or an over-correction. Pre-COD security is the primary financial deterrent against a Seller abandoning a project mid-development after securing a PPA award (crowding out other bidders and delaying portfolio targets); a lower amount increases the risk that walking away is a low-cost option for a marginal developer, with re-procurement costs and delay risk landing on ratepayers (PPA, Commercial Terms, item 8, and Section 6.1(a)(i)).

The IG recommends that the PA provide (or the Board direct) the comparative jurisdictional security data referenced in the Application to substantiate that \$35,000/MW is an appropriate Pre-COD Amount, rather than an under-correction that increases ratepayer exposure to development-stage abandonment.

- **Elimination of the Congestion Management Alternative/Forego Network Upgrade Reimbursement**

These options have been eliminated in favour of ERIS-only interconnection with IESO-led deliverability testing⁸. The Application states this "does not impose any additional costs on ratepayers" because system-wide planning replaces project-specific Network Upgrade cost allocation. This shifts Network Upgrade cost planning to a portfolio level, which may be more efficient, but the claim that it imposes no additional ratepayer cost is asserted rather than demonstrated with a cost comparison or economic analysis.

The PPA itself does not define a Congestion Management Alternative or a Forego Network Upgrade Reimbursement option; Network Upgrades are addressed only generally in the Facility Interconnection provisions (PPA, Section 2.2) and in the defined term "Network Upgrades." The IG recommends that PA provide of the Board direct that the evidentiary basis for the statement that this is cost-neutral be provided, as network upgrade costs can be material to ratepayers.

SUMMARY OF RECOMMENDATIONS

For the reasons set out above, the IG recommends that the Board direct the PA to provide, or that the PA otherwise provide in its reply, the following before the GCP PPA is approved:

- An analysis of the expected ratepayer cost of extending post-COD CPI indexation to the full 25-year term and justification for escalating 20% of the Energy Rate rather than a lower or capped amount, failing which the post-COD CPI indexation should be limited to a fixed adjustment period as under the 2024 Board-approved PPA;
- An economic analysis quantifying the expected ratepayer cost of the Early Completion Incentive and demonstrating that the value of early delivery exceeds the incremental 25% Energy Rate premium;

⁷ Application, Section 2 (Overview of the PPA), item 2, "Pre-COD Amount Reduced" (p. 4).

⁸ Application, Section 2 (Overview of the PPA), item 8, "Elimination of the Congestion Management Alternative and Forego Network Upgrade Reimbursement" (p. 6).

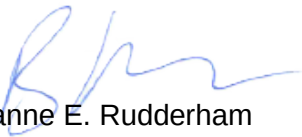
- Defined boundaries on the process for finalizing the timing of curtailment compensation payments, rather than leaving that term open to be resolved by the PA without further Board or Intervenor review;
- The comparative jurisdictional security data referenced in the Application to substantiate that the reduced \$35,000/MW Pre-COD Amount is an appropriate level, rather than an under-correction that increases ratepayer exposure to development-stage abandonment; and
- The evidentiary basis, including a cost comparison or economic analysis, for the statement that eliminating the Congestion Management Alternative and Forgo Network Upgrade Reimbursement options in favour of ERIS-only interconnection does not impose any additional costs on ratepayers.

Thank you for the opportunity to submit these comments.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Nancy G. Rubin', followed by a horizontal line.

Nancy G. Rubin, K.C.

A handwritten signature in blue ink, appearing to read 'Brianne E. Rudderham', followed by a horizontal line.

Brianne E. Rudderham

NGR/BER/lmc