

Q1 2026/2027 Quarterly Report

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INTRODUCTION

IESO Nova Scotia's focus areas for its fiscal year 2026/2027 are as follows:

- Completing the inaugural Integrated Resource Plan ("IRP"), with completion targeted for late 2026.
- Concluding the RFP for fast-acting generation to support the existing IRP and the Government of Nova Scotia's Clean Power Plan.
- Conducting a procurement process for additional capacity in alignment with the existing IRP and Clean Power Plan.
- Supporting, where appropriate, the renewable energy procurement process being conducted by the Province of Nova Scotia in 2026.
- Developing proposed revisions to the Generation Interconnection Procedures for the NSEB's review and approval to account for the transition of certain interconnection functions from NS Power to IESO Nova Scotia, and the completion of interconnection studies for transmission-connected projects advancing through the current interconnection process.
- Completing the detailed planning and early execution of the Phase II transfer of operations under the Act.

Updates on progress made during Q1 2026/2027 (April - June 2026) on these priorities and other important initiatives are included in this quarterly report.

PHASE 2 TRANSITION STATUS UPDATE

Key activities of IESO Nova Scotia's Phase 2 transition included:

- Finalizing Phase 2 planning work, assisted by IBM consultants. This included building a recommended implementation roadmap and budget for consideration of the IESO Nova Scotia Board of Directors in early Q2.
- Early planning and preparation activities to support a timely transition to Phase II implementation, subject to securing necessary approvals and funding.

IESO Nova Scotia intends to engage the NSEB and stakeholders in relation to the Phase 2 transition in advance of any related submission to the NSEB.

INTEGRATED RESOURCE PLAN

Key activities of IESO Nova Scotia's ongoing inaugural IRP process included:

- On May 22, 2026, IESO Nova Scotia filed with the NSEB, and published on its website, the Terms of Reference (ToR) for the 2026 IRP. The ToR incorporated recommendations from Dunsky Energy and Climate Change Advisors (“Dunsky”), who completed a review of past IRP processes in Nova Scotia, as well as stakeholder feedback on the March 31, 2026 draft ToR.
- In May 2026, Dunsky began supporting IESO Nova Scotia as its technical consultant for the IRP. Dunsky was selected following a competitive procurement process initiated in April 2026.
- An updated Effective Load Carrying Capability (ELCC) study was jointly initiated by IESO Nova Scotia and Nova Scotia Power and completed by Energy and Environmental Economics (“E3”) to assess the firm capacity contributions of wind (onshore and offshore), solar, storage, and demand response to Nova Scotia's electricity system, as well as the portfolio effects, both synergistic and antagonistic, of different resource portfolios.
- IESO Nova Scotia continued extensive IRP stakeholder engagement throughout the quarter. Key sessions included:
 - **May 19, 2026:** ELCC Study stakeholder engagement session
 - **May 28, 2026:** Review of Assumption Set 1, which included IRP scenarios, reference load forecast, environmental policy assumptions, and resource cost forecasts for core technologies (wind, solar, batteries, and combustion turbines)
 - **June 25, 2026:** Review of Assumption Set 2, which included high and low load forecast scenarios, resource costs for new and emerging technologies, import assumptions, and details on how ELCC results would be represented in the modelling
- Between 40 and 70 participants joined each session. In addition to answering questions during the sessions, stakeholders were invited to provide written comments on the materials covered during the May 28 and June 25 sessions. IESO Nova Scotia received 17 submissions of written comments in response to Assumption Set 1 and 12 submissions in

response to Assumption Set 2, and is in the process of responding to these comments and updating assumptions in response to stakeholder feedback.

IESO Nova Scotia continues to work toward providing early modeling insights in Q2 2026/2027, with final results and publication of the final IRP report in Q3 2026/2027.

ENERGY PROCUREMENTS

Key activities of IESO Nova Scotia's energy procurement processes included:

- On April 15, 2026, IESO Nova Scotia entered into a definitive agreement with New Brunswick Power (NB Power) to procure approximately 100 MW of capacity from its Renewable Integration and Grid Services (RIGS) project.
- On May 28, 2026, New Brunswick's energy regulator, the New Brunswick Energy and Utilities Board (NBEUB), approved the RIGS project, including the expansion capacity related to IESO Nova Scotia's agreement with NB Power. (Matter EL-002-2025).
- IESO Nova Scotia progressed its procurement of 300+ MW of fast-acting generation, aligned to the most recent Integrated Resource Plan as required by the MAEA.
- Industry, regulatory, and community stakeholders provided over 300 comments on the draft fast-acting generation RFP and Tolling Agreement published in March 2026, each of which were reviewed by IESO Nova Scotia's retained expert advisors and considered in finalizing the procurement process and documents.
- This review resulted in changes to the RFP documentation, ensuring the final Tolling Agreement and the overall process achieved an appropriate balance between the interests of electricity customers and proponents to build these key infrastructure projects for the province.

Subsequent to Q1, IESO Nova Scotia launched the RFP and Draft Tolling Agreement on July 10, 2026.¹ IESO Nova Scotia plans to commence a procurement for additional capacity additions and/or energy storage beginning in the second half of 2026/2027, as defined by the IRP and consistent with the Clean Power Plan.

¹ <https://www.ieso-ns.ca/procurement/>

OTHER REGULATORY MATTERS

Standard Generation Interconnection Procedures

Key activities of IESO Nova Scotia's Standard Generation Interconnection Procedures (SGIP) revisions included:

- IESO Nova Scotia has assumed responsibility for key activities under the SGIP, including processing interconnection requests and conducting system studies.
- Interim roles and responsibilities will be governed by an agreement between IESO Nova Scotia and NS Power, in advance of further recommendations to the Board by IESO Nova Scotia for more enduring amendments to its approved form of SGIP.
- SGIP amendments continued to be drafted in response to Concentric's FERC Order 2023 report.

Subsequent to Q1, IESO Nova Scotia filed an update on August 14, 2026, which provided a timeline for the SGIP revision process leading up to the December application and the status of the interim interconnections administration agreement with NS Power. Stakeholder engagement is expected to begin with respect to these recommendations in Q2 2026/2027.

Fee Recovery Mechanism

Key activities of IESO Nova Scotia's fee recovery mechanism included:

- IESO Nova Scotia engaged consultants FTI Consulting Inc. ("FTI") and Power Advisory LLC ("Power Advisory") to develop a fee recovery mechanism recommendation and fee calculation model, respectively.
- On May 5, 2026, FTI's report on its jurisdictional scan of independent system operator fee recovery mechanisms was provided to stakeholders.
- On May 13, 2026, a presentation slide-deck regarding FTI's jurisdictional report was provided to stakeholders.
- On May 14, 2026, IESO Nova Scotia held a group stakeholder engagement session to review FTI's jurisdictional findings.

- On May 26, 2026, IESO Nova Scotia responded to stakeholder feedback by email regarding FTI's jurisdictional report and presentation.
- On June 16, 2026, a presentation slide-deck regarding FTI's proposed fee recovery mechanism and analysis was provided to stakeholders.
- On June 18, 2026, IESO Nova Scotia held a group stakeholder engagement session to review FTI's proposed fee recovery mechanism and analysis.
- On June 24, 2026, IESO Nova Scotia distributed a draft form of settlement agreement to stakeholders for discussion.

Subsequent to Q1, on July 2, 2026, stakeholders provided feedback on the proposed fee recovery mechanism; IESO Nova Scotia provided responses to that feedback and held a stakeholder session on July 9, 2026; IESO Nova Scotia submitted its Fee Recovery Mechanism Application (M13007) on July 31, 2026; and on August 11, 2026 the NSEB initiated a written hearing proceeding in connection with this application (M13007).

NSEB Compliance

Key activities of IESO Nova Scotia's regulatory compliance included:

- Provided draft accounting policies and financial controls in response to Undertaking U-7 in M12633.
- IESO Nova Scotia's competitively procured external auditor, BDO, completed its review of the accounting policies and financial controls as part of the annual financial statement audit. No issues were noted.
- Continued drafting of the guidelines for the deferral and variance mechanism.

COST UPDATE

There were no new or unexpected costs, or material changes to costs, in Q1 2026/2027.

STAFFING UPDATE

At the end of the quarter, and consistent with the discussion in the 2026/2027 Revenue Requirement proceeding (M12633), IESO Nova Scotia had 31 full-time employees with 13 vacancies in the process of being filled.

CONCLUSION

Q1 2026/2027 was IESO Nova Scotia's second full operational quarter since taking on transmission and resource planning activities from Nova Scotia Power in December 2025.

Beyond the critical work the organization continued to advance for the procurement of urgently needed capacity resources and its inaugural IRP, a significant focus for the organization during the quarter was participating in the Oral Hearing process as part of its 2026/2027 Revenue Requirement proceeding (M12633).

Progress on IESO Nova Scotia's many important initiatives continues at pace, and the team looks forward to continuing to engage with stakeholders on the work being progressed, including finalizing the plans for the transition of transmission system operations from Nova Scotia Power.

This volume and pace of work underscore both the scale of the mandate under *the More Access to Energy Act* and IESO Nova Scotia's commitment to delivering meaningful value for Nova Scotians in a timely, transparent, and effective manner.