



Energy
Office of the Minister

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April 30, 2026

Nova Scotia Energy Board
3rd Floor, Summit Place
1601 Lower Water Street
Halifax, Nova Scotia B3J 3P6

Email: crystal.henwood@novascotia.ca

RE: Approach to Assessment of Electricity System Resource Applications

Dear Members of the Board,

I am writing further to my letter of April 15, 2026, which provided interim guidance regarding competitive procurement and the respective roles of the Independent Electricity System Operator – Nova Scotia (IESO-NS), utilities, and the Board in the assessment of new electricity system resources.

Subsequent to that correspondence, IESO-NS has provided advice on how this guidance may be applied in practice, including with respect to the synchronous condenser equipment currently being advanced by Nova Scotia Power and the transition toward IESO-NS-led planning and procurement of future system resources. I am writing to outline how this advice should be reflected in the Board's review of upcoming applications.

In keeping with the Province's focus on transparent system planning and competitive energy resource procurement, supported by strong regulatory oversight, and for the benefit of electricity customers amid broader affordability pressures facing Nova Scotians today, the Board is asked to continue to ensure that proposed utility investments are supported by a clearly articulated system need, informed by IESO-NS planning.

Additionally, I have asked the IESO-NS to incorporate clear descriptions of the scope and priority elements, scale, and performance requirements of the required equipment, together with an assessment of costs and benefits, sufficient to support meaningful regulatory scrutiny and comparison of alternatives.

Consistent with this approach, the Board is also asked, when reviewing capital applications from utilities, to fully assess the prudence and effectiveness of the procurement processes employed, including whether those processes were appropriately competitive and delivered value for ratepayers. This assessment remains an important component of the Board's oversight role, particularly as procurement responsibilities evolve.

Looking forward, future system needs, including ancillary capacity and similar resources are expected to be planned and procured through IESO-NS-led competitive processes, consistent with the Province's transition to an independently planned and competitively supplied electricity system. The Board's review of future applications should be undertaken with this transition in mind.

Taken together, this framework is intended to ensure that reliability is managed, while reinforcing a consistent and transparent approach to system planning, procurement, and regulatory review. The forthcoming Ministerial Policy Guidelines will build on this interim guidance and provide further clarity on expectations and roles.

Thank you for your continued work in support of a reliable, affordable, and transparent electricity system for Nova Scotians.

Yours truly,

A handwritten signature in blue ink that reads "Tim Houston". The signature is written in a cursive style with a large initial "T".

Honourable Tim Houston
Minister of Energy