

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **NOVA SCOTIA POWER INCORPORATED**
for approval of CI C0053699 Renewable to Retail Implementation \$5,644,468

BEFORE: Stephen T. McGrath, K.C., Chair

APPLICANT: **NOVA SCOTIA POWER INCORPORATED**
Lana Myatt, Manager, Regulatory Capital

INTERVENORS: **CONSUMER ADVOCATE**
David J. Roberts, Counsel
Michael Murphy, Counsel

SMALL BUSINESS ADVOCATE
Melissa P. MacAdam, Counsel
Rebekah Powell, Counsel

**NOVA SCOTIA INDEPENDENT ENERGY SYSTEM
OPERATOR**
David A. Luther, Counsel
Mark Peachey, Director Regulatory Affairs

RENEWALL ENERGY INC.
Nancy G. Rubin, K.C.
Brianne Rudderham, Counsel

BOARD COUNSEL: William L. Mahody, K.C.

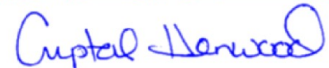
FINAL SUBMISSIONS: March 31, 2026

DECISION DATE: **June 26, 2026**

DECISION: **The application is approved.**

I CERTIFY THAT THE WITHIN IS A TRUE
AND CORRECT COPY OF THE ORIGINAL

DATED THIS 26 DAY OF June, 2026



Crystal Henwood, Clerk of the Board
Nova Scotia Energy Board

TABLE OF CONTENTS

1.0	INTRODUCTION	3
2.0	BACKGROUND	5
2.1	The Renewable to Retail Market.....	5
2.1.1	Legislation	5
2.1.2	Market Development	8
2.2	The Proposed Project	9
2.2.1	Project Costs.....	9
2.2.2	NS Power's Engagement with Renewall	13
2.2.3	The Project Pause.....	15
3.0	DISCUSSION	17
3.1	Project Justification	17
3.1.1	Findings	17
3.2	Reasonableness of Project Costs	18
3.2.1	Cost Transparency	18
3.2.1.1	Findings	20
3.2.2	Delay Costs	23
3.2.2.1	Findings	24
3.2.3	Cybersecurity Breach Impacts	26
3.2.3.1	Findings	27
3.2.4	Reporting and Business Intelligence Costs	27
3.2.4.1	Findings	29
3.2.5	Scalability and Future Market Costs.....	29
3.2.5.1	Findings	30
3.2.6	Customer Information System Replacement Project.....	31
3.2.6.1	Findings	32
3.2.7	Stranded Costs from Market Evolution.....	32
3.2.7.1	Findings	33
3.3	Reporting and Approval Conditions	33
3.3.1	Data Readiness Milestones	33
3.3.1.1	Findings	34
3.3.2	Annual Certification	34
3.3.2.1	Findings	35
3.4	Cost Recovery	35
3.4.1	Findings	36
4.0	SUMMARY OF BOARD FINDINGS	37

1.0 INTRODUCTION

[1] On December 1, 2025, Nova Scotia Power Incorporated asked the Nova Scotia Energy Board to approve a capital project to develop and implement updates and enhancements to existing software solutions to facilitate the “renewable to retail” market. The project includes enhancements to technology solutions such as NS Power’s Customer Information System and Meter Data Management System, and the development of new and enhanced business processes and procedures. These updates and enhancements relate to several functions, including:

- customer billing;
- customer information management;
- metering;
- interval data collection and aggregation;
- tariff maintenance;
- reporting;
- settlement; and
- final reconciliation.

[2] NS Power has a statutory obligation to maintain tariffs, procedures and standards of conduct necessary to facilitate the sale of renewable low-impact electricity from retail suppliers to retail customers in the renewable to retail market in Nova Scotia. NS Power’s justification for the work covered by the capital project is its need to comply with this obligation.

[3] Work on this capital project began in the first quarter of 2023, around the time when Renewall Energy Inc. became the first (and currently only) licensed retail supplier in the renewable to retail market. The project is expected to be in service before

the end of this year, when Renewall currently expects to begin selling renewable electricity to customers.

[4] The estimated cost of the proposed project is \$5,644,468. When it filed its application, NS Power had already incurred about \$4.4 million of these costs. Overall, none of the intervenors in this proceeding argued that the project was unnecessary. However, the Consumer Advocate and the Small Business Advocate raised concerns about cost transparency and the potential for these costs to be recovered from NS Power's customer base, rather than from the renewable to retail market as required by the *Electricity Act*.

[5] Renewall, who stands to bear full responsibility for these costs through its market activities (unless new market entrants emerge) was critical of several aspects of the project, including NS Power's claims about project cost increases associated with delay. However, the Board finds much of these concerns are speculative. The concerns lack the detail the Board would have expected from a party who has been as heavily involved with the project through development as Renewall. The Board finds no basis for the cost disallowances urged by Renewall.

[6] The Board finds the proposed project is necessary and approves the estimated cost of \$5,644,468. The Board also directs NS Power to confirm each year that the cost of this work is not being used or leveraged for the benefit of anyone other than those participating in the renewable to retail market.

2.0 BACKGROUND

2.1 The Renewable to Retail Market

2.1.1 Legislation

[7] Section 18 of the *Electricity Act*, SNS 2025, c 18, Schedule, establishes the renewable to retail regime in Nova Scotia:

Retail customer and renewable low-impact electricity

18 (1) A retail supplier who meets the requirements in Section 19 may sell renewable low-impact electricity generated within the Province and a retail customer, other than a customer of a municipal utility, may purchase that electricity from that supplier.

(2) In any sale pursuant to subsection (1), the retail supplier shall transfer or assign all emission credits or allowances arising from the use of renewable energy sources to the retail customer.

(3) Nova Scotia Power shall not refuse to provide service to a retail customer on the basis that the customer purchases renewable low-impact electricity from a retail supplier.

(4) The Board has all the power and authority necessary to implement this Section.

[8] The terms “retail customer” and “retail supplier” are defined in s. 2:

Interpretation

2 (1) In this Act,

...

“retail customer” means a person who uses, for the person’s own consumption in the Province, electricity that the person did not generate;

“retail supplier” means a person who is authorized to sell renewable low-impact electricity in accordance with this Act and the regulations, but does not include a wholesale customer;

[9] A retail supplier is not a public utility unless deemed to be so by the regulations (*Electricity Act*, s. 17).

[10] The product or service that may be sold by a retail supplier to a retail customer is renewable low-impact electricity that is generated within the province. “Renewable low-impact electricity” is not defined in the *Electricity Act*, but it is defined in s. 3(1) of the *Renewable Electricity Regulations*, NS Reg 155/2010:

Definitions for the Act and these regulations

3 (1) In the Act and these regulations,

...

“renewable low-impact electricity” means electricity produced from any of the following:

- (i) solar energy,
- (ii) wind energy,
- (iii) run-of-the-river hydroelectric energy,
- (iv) ocean-powered energy,
- (v) tidal energy,
- (vi) wave energy,
- (vii) biomass that has been harvested in a sustainable manner,
- (viii) landfill gas,
- (ix) any resource that, in the opinion of the Minister and consistent with Canadian standards, is able to be replenished through natural processes or through sustainable management practices so that the resource is not depleted at current levels of consumption;

[11] A public utility obligated to serve customers in its service territory typically expects a degree of exclusivity, or monopoly, in providing those services. This is reflected in s. 54 of the *Public Utilities Act*, RSNS 1989, c 380, which prohibits a public utility from constructing facilities in an area already served by a public utility of like character without Board approval.

[12] Section 18 of the *Electricity Act* operates counter to this general expectation and gives a retail supplier the right to sell to retail customers who would otherwise be customers of a public utility. Since this right does not extend to customers of a municipal utility, it only applies to NS Power’s customers. Further, while NS Power’s customers may have the option to purchase renewable low-impact electricity from retail suppliers, NS

Power retains an underlying obligation to serve those customers, even when they obtain service from a retail supplier (s. 18(3)).

[13] Sections 19 and 20 of the *Electricity Act* require a retail supplier to be licensed by the Board unless they are exempted from this requirement by the regulations. Because a retail supplier is, by default, not a public utility, the Board's authority over retail suppliers is limited to these licensing requirements. The Nova Scotia Utility and Review Board described the Board's authority over retail suppliers:

[4] The Board's authority over retail suppliers is quite different from its authority over public utilities, such as NS Power, under the *Public Utilities Act*, R.S.N.S. 1989, c. 380. The Board licenses retail suppliers and oversees their marketing and sales activities. Significantly, the Board's role in regulating retail suppliers is not that of an economic regulator. The Board does not approve the electricity rates charged by retail suppliers.

[5] Retail supplier rights, responsibilities and obligations are set out in the *Electricity Act*, the *Board Electricity Retailers Regulations*, N.S. Reg. 246/2016 and the Board-approved *Code of Conduct for Renewable Low-Impact Electricity Sales in Nova Scotia*. The *Retailers Regulations* and the *Code of Conduct* include provisions that apply specifically to small-volume customers.

[6] Retail suppliers must use a Board-approved form of contract for sales to small-volume customers. Small-volume customer contracts must be verified following certain procedures set out in the *Retailers Regulations*. A retail supplier must also provide Board-approved disclosure statements and rate comparisons to small-volume customers.

[2024 NSUARB 66]

[14] The Board has "all the power and authority necessary" to implement the renewable to retail regime under s. 18(4). This matters because, although s. 18 enables the renewable to retail regime, it is largely silent on implementation. Subsection 18(4) therefore provides the Board with the authority, and the flexibility, to make things work as appropriate, consistent with the intent of the statute.

[15] Section 22 of the *Electricity Act* also imposes an obligation on NS Power (or the Nova Scotia Independent Energy System Operator (IESO Nova Scotia)) to facilitate the purchase of renewable low-impact electricity under the renewable to retail regime:

Nova Scotia Power obligations

22 (1) Notwithstanding Section 77 of the Public Utilities Act, Nova Scotia Power, or IESO in relation to matters falling under its scope of authority pursuant to the More Access to Energy Act, shall maintain in consultation with stakeholders, and file with the Board for approval, any tariffs, procedures and standards of conduct and any amendments to existing tariffs, procedures and standards of conduct that are necessary to facilitate the purchase of renewable low-impact electricity as provided for in Section 18, including

- (a) a new or amended open access transmission tariff;
- (b) a distribution tariff;
- (c) a new or amended backup or top-up service tariff;
- (d) a new or amended non-dispatchable supplier spill tariff;
- (e) new or amended interconnection procedures;
- (f) new or amended market rules; and
- (g) any other tariffs, procedures or standards of conduct prescribed by the regulations or that the Board requires Nova Scotia Power to develop or amend in order to facilitate the purchase of renewable low-impact electricity as provided for in Section 18.

(2) In reviewing and approving the tariffs, procedures and standards of conduct required to be maintained or amended pursuant to this Section, the Board must be guided by the following principles:

- (a) customers of Nova Scotia Power and persons who, as of March 18, 2014, were independent power producers or hold feed-in tariff approvals within the meaning of the regulations are not to be negatively affected if some retail customers choose to purchase renewable low-impact electricity from a retail supplier; and
- (b) retail suppliers and their customers are to be responsible for all costs related to the provision of service by retail suppliers to their customers that would otherwise be the responsibility of Nova Scotia Power and its customers.

2.1.2 Market Development

[16] The renewable to retail market amendments to the *Electricity Act* received Royal Assent on December 12, 2013, and came into force on March 18, 2014. As required by s. 22 of the *Electricity Act*, NS Power developed tariffs to facilitate the purchase of renewable low-impact electricity. After a public hearing, the Board approved these tariffs on June 10, 2016. On that same date, the Board also approved the *Code of Conduct for*

Renewable Low-impact Electricity Sales in Nova Scotia and the Board Electricity Retailers Regulations, NS Reg. 246/2016.

[17] Despite these developments, the renewable to retail market remained dormant until Renewall (originally identified as a numbered company) applied for and was granted a retail supplier licence in October 2021. To date, Renewall is the only licensed retail supplier.

[18] When it applied for its licence, Renewall expected to begin to sell electricity to retail customers in the third quarter of 2023. That timing proved to be optimistic and this target was extended more than once. This is not surprising or unreasonable. The company is at the vanguard of a nascent market, charting a path through an evolving regulatory and commercial landscape and confronting the challenges of first adoption.

[19] In September 2025, Renewall advised the Board that it expected sales to begin in the third quarter of 2026. In a letter dated March 31, 2026, the Board directed Renewall to file an updated forecast of purchases and generation of renewable low-impact electricity before any generation or sales occur in 2026. As of the date of this decision, Renewall has not filed an updated forecast.

2.2 The Proposed Project

2.2.1 Project Costs

[20] In February 2023, NS Power began work on the project that is the subject of this application. More than three quarters of the forecast costs for the project had already been incurred by NS Power by the time it filed this application in December 2025.

[21] Section 35 of the *Public Utilities Act* contemplates that a utility will seek Board approval before proceeding “with any new construction, improvements or

betterments in or extensions or additions to its property.” NS Power’s explanation for not seeking Board approval earlier was set out in its response to NSEB IR-10:

- (i) A capital application was not brought forward sooner as project scope continued to evolve through meetings with [Renewall] indicating their desire to initially onboard a small number of customers through external purchase of energy from a third party generator, followed by a subsequent indication from [Renewall] estimating large volumes of customer information requests and subsequent expected customer onboarding to the [licensed retail supplier] along with shifting [commercial operation dates]. Also contributing to the delayed filing were related efforts by NS Power to understand the mechanisms for cost recovery of expenditures made by NS Power in developing software systems and business processes in support of the [renewable to retail] market, including the proceeding brought before the Board requesting that [Renewall] be required to provide security for costs incurred (Matter M11874).

[Exhibit N-3, NSPI (NSEB) IR-10, p. 2 of 2]

[22] The project appeared in NS Power’s 2023 Annual Capital Expenditure (ACE) Plan filing, as a project that would be submitted for later approval. In that filing, in February 2023, NS Power estimated the total project cost to be \$2,833,093, with most of that cost planned for 2023. Based on information Renewall filed with the Nova Scotia Utility and Review Board in October 2022, sales by Renewall to customers were, at that time, expected to begin by the end of 2023.

[23] In its 2024 ACE Plan, filed on December 7, 2023, NS Power provided an update on the project, which it still expected would be filed later for approval. At that time, NS Power estimated the project cost to be \$3,094,652. It had spent less than \$1,000,000 on the project in 2023 and anticipated most of the remaining cost would be incurred in 2024. Information Renewall had filed with the Nova Scotia Utility and Review Board in November 2023 suggested that its sales would begin in September 2024.

[24] In its 2025 ACE Plan, filed on December 9, 2024, NS Power provided a further update on this project, indicating again that the project would be filed for subsequent approval. By that time, NS Power had spent about \$2.5 million and expected

the final cost to be \$5,062,652. In November 2024, Renewall filed information with the Nova Scotia Utility and Review Board suggesting that sales would begin in May 2026.

[25] NS Power's projected cost, as noted in this proceeding, is now \$5,644,468. This is consistent with its 2026 ACE Plan filing, which was also filed in December 2025. In the 2026 ACE Plan filing, NS Power indicated that approximately \$4.4 million has already been spent with a further \$1.2 million expected to be spent in 2026.

[26] The projected cost is broken down as noted in the following table (which is a summary the Board prepared from a more detailed breakdown that NS Power provided in Exhibit N-1, p. 4 of 6):

Cost Category	Subcategory	Dollars	Dollars
Labour			\$ 447,692
	Regular	\$ 283,650	
	Overtime	\$ 5,525	
	Term	\$ 133,527	
	Term (Overtime)	\$ 24,990	
	Subtotal	\$ 447,692	
Software			\$ 6,461
Contracts			\$ 3,562
Consulting			\$ 4,033,190
Contingency			\$ 224,545
AFUDC			\$ 653,657
Administrative Overhead			\$ 275,362
	Labour	\$ 274,789	
	Contractor	\$ 573	
	Subtotal	\$ 275,362	
Total			\$ 5,644,469

[27] In response to an information request from Board staff, NS Power provided the following breakdown of incurred and projected costs, by year:

RtR Set Up Project	Actuals			Estimates to Complete	Totals
	2023	2024	2025		
Labour	\$122,016	\$94,397	\$49,552	\$265,965	\$179,511
Contracts		\$7,124	\$73,227	\$80,351	\$0
Consulting	\$516,561	\$1,943,858	\$956,768	\$3,417,187	\$490,711
Software	\$0	\$6,461	\$13,777	\$20,238	\$0
Overheads	\$101,978	\$43,833	\$38,952	\$184,763	\$108,795
Interest	\$27,286	\$114,093	\$284,350	\$425,728	\$232,899
Contingency				\$0	\$224,545
Total	\$ 767,841	\$ 2,209,766	\$ 1,416,626	\$ 4,394,232	\$1,236,461

Note: There may be slight variances due to rounding.

[Exhibit N-3, p. 1]

[28] NS Power provided the following explanation for the variance in project cost from its 2025 ACE Plan filing (\$5,062,652) and this application (\$5,644,468):

The increase of the estimated \$581,816 from the 2025 ACE Plan subsequent submittal estimate of \$5,062,652 is primarily due to increased Administrative Overheads and the requirement to ramp up resources a second time to accommodate extended project timelines to align with [Renewall's] revised [commercial operation dates] and to a lesser extent, an increase in technical requirements for data integration of forecasted generation data as well as additional testing complexity that was previously not considered.

[Exhibit N-1, pp. 2-3 of 6]

In response to SBA IR-1(a) [Exhibit N-5], NS Power said this statement would have been clearer if it was worded, “the increase is due to the requirement to ramp up resources a second time to accommodate the [commercial operation date] change, and associated Administrative Overhead and AFUDC [allowance for funds used during construction].”

[29] In addition to this costing information, NS Power provided detailed scoping and requirements documents for the project in response to CA IR-1 [Exhibit N-2]. In developing these, NS Power said it used “detailed business process mapping to elicit business requirements under the Project Management Institute Professional Business Analysis methodology as well as the Project Management Body of Knowledge (PMBOK), both of which are industry standard project management methodologies.”

[30] In response to NSEB IR-7 [Exhibit N-3], NS Power outlined its work with web forms to initiate customer transfers in the renewable to retail market and in response

to REI IR-2 [Exhibit N-4], provided process maps for customer onboarding and offboarding processes for the renewable to retail market. NS Power's response to NSEB IR-7 [Exhibit N-3] also outlined the objectives of its enhancements to its Customer Information System and Meter Data Management System for the renewable to retail market through the project under review in this application.

2.2.2 NS Power's Engagement with Renewall

[31] NS Power's evidence in this matter suggests that Renewall had considerable involvement in the development of this project to date, including the ability to influence project timing, sequencing and resource allocation. NS Power said it reviewed function design at each stage of system development with Renewall.

[32] In response to NSEB IR-10 [Exhibit N-3], NS Power noted it first discussed the development of the renewable to retail market with Renewall (or an affiliated company, Roswall Developments Inc.) in 2021. These discussions continued through 2022, when NS Power began preparing high level scope requirements and estimates to facilitate setting up an implementation project to serve this new market. A dedicated project team was established by the NS Power system operator in early 2023 to work on implementation activities with Renewall.

[33] In May 2023, the system operator's project team initiated bi-weekly meetings with Renewall. NS Power said that shortly after this, Renewall indicated it planned to commence operations with a small number of customers in the summer of 2023 and asked the system operator to expedite the development of interim and manual business processes to support this plan. NS Power said it then paused work on the technical solution component of the project to work on this request (identified as "Phase 1"). After Renewall advised NS Power in August 2023 that its plans for small-scale

operation were not moving forward, NS Power said it then “re-focussed efforts on the development of technology-enabled and scalable business processes, procedures, software tools, and staffing requirements (Phase 2) to meet [Renewall’s] expected commercial operation date of November 2024, their expected customer volume, and the potential for additional [licensed retail suppliers] in the market.”

[34] In response to CA IR-4 [Exhibit N-2] and REI IR-21 [Exhibit N-4], NS Power noted that it informed and collaborated with Renewall throughout the implementation of the project. In May 2024, the parties informally agreed on a “decision request/change request” process for scope, schedule or cost impacting items related to those areas that had not previously been included in the project cost estimate. NS Power said that scope change drivers that were noted through this process included the following:

- outcomes of the Large Industrial Interruptible Rider Pilot;
- Fuel Adjustment Mechanism balance reconciliations for customers joining the renewable to retail market;
- activities related to identifying renewable to retail customers for EfficiencyOne and associated work to establish billing systems;
- additions/updates to renewable to retail customer transaction request application forms (e.g., Billing inquiry);
- force majeure support for a licensed retail supplier; and
- licensed retail supplier behind the meter generation and licensed retail supplier net billing customers (as directed in M12339).

[35] The last item on this list was the subject of a Board decision in November 2025 just before the present application was filed, NS Power noted in its response to REI IR-22 [Exhibit N-4] that costs for the work contemplated in that matter are not included in this application. NS Power said once these costs are known, to the extent this work affects

the current capital application, NS Power will follow the change request process noted in its response to REI IR-21 [Exhibit N-4] to incorporate this work into the overall project implementation and costs.

[36] NS Power also provided specific examples of the aspects of the work that it reviewed with Renewall during the course of the project to date. In response to NSEB IR-6 [Exhibit N-3], NS Power said it reviewed the high-level function designed interfaces for the exchange of data between NS Power and licensed renewable retailers with Renewall and provided outputs from testing phases for review and awareness. NS Power also noted it reviewed a web form customer application for retail supplier service and a functional model for tariff billing calculations with Renewall.

[37] Configurations and internal integrations for NS Power's Customer Information System and Meter Data Management System were developed by NS Power staff and consultants with a technical understanding of its core business systems. NS Power said it also designed interfaces for exchanging data with Renewall and reviewed the high-level function and design of these with Renewall. However, as Renewall's information technology systems had not been developed at that time, it is anticipated that final testing for the NS Power to Renewall interfaces will be completed in future work.

2.2.3 The Project Pause

[38] NS Power, by way of this project, is taking steps to ensure that its systems and processes are ready for the renewable to retail market when needed by Renewall. But this date is a moving target and, at this point, is at least three years later than Renewall had originally indicated. While this is not unreasonable given Renewall's pioneering role in the market, the Board finds it reasonable to conclude that this also posed challenges

for NS Power's management of the work and its cost. In response to REI IR-9 [Exhibit N-4], NS Power provided a summary of project plan changes between 2023 and 2025.

[39] In its response to SBA IR-1 [Exhibit N-5], NS Power said that in February 2025, its team began to review approaches that could potentially reduce the cost impact of an additional and extended change in the commercial operation date, given that its costs for consultants and vendor solution resources to support the project were approximately \$130,000 per month. NS Power said it decided to approach Renewall with a proposal for a "pause" on implementation efforts to avoid the cost of continuing to retain these resources. NS Power engaged with Renewall about this in April 2025, and said Renewall agreed with this approach in May 2025. NS Power said its project team then moved all technical development computer code into production and rendered it dormant but intact. It said this ensured that any changes to impacted systems during the pause period would have the renewable to retail development work incorporated, mitigating the risk of re-work when the project resumed.

[40] Under this approach, NS Power said the parties agreed that NS Power's project team would resume efforts seven months before Renewall's first sales date to complete the final implementation steps to be ready for Renewall to begin sales. NS Power advised that, during the pause, it continued monthly meetings with Renewall to provide support and updates, as required. NS Power advised that Renewall asked it to resume the project in March 2026 anticipating its first retail sales in November 2026.

3.0 DISCUSSION

3.1 Project Justification

[41] As already noted, NS Power must take steps to facilitate the development of the renewable to retail market and this project is required to do that. As noted in its application, NS Power worked with Renewall to align its work on this project with the start of Renewall's sales to its customers. NS Power noted that its internal systems and business processes must be fully operational to enable renewable to retail market transactions to occur and its goal was to provide as seamless a transition as possible for customers wishing to take renewable to retail service.

[42] No intervenor in this matter argued that the project was not justified. However, Renewall submitted that NS Power's evidence provided no alternative analysis (even though the project involves multiple IT applications and integration paths), offered no comparison of cost-minimizing sequencing, and provided no assessment of potential use of lower-cost vendor services or reuse of existing configurations.

3.1.1 Findings

[43] The Board finds that the project is necessary to meet NS Power's statutory obligation under s. 22 of the *Electricity Act* to maintain any tariffs, procedures and standards of conduct necessary to facilitate the renewable to retail market. No party suggested otherwise and only Renewall appeared to question whether NS Power had appropriately considered alternative ways of completing the work that was necessary to meet the statutory obligation.

[44] In the circumstances, the Board finds it reasonable for NS Power to develop enhancements to its existing systems rather than building entirely new systems and then integrating them with its other systems and processes. The Board finds NS Power

undertook a thoughtful, thorough and appropriate approach to this project. This is supported by the detailed scoping and requirements assessment provided in response to CA IR-1 [Exhibit N-2].

[45] Furthermore, Renewall was actively engaged by NS Power from the outset, approximately three years ago, and influenced progress of the project. As noted, NS Power tried to ensure that the timeline for the development of this project matched Renewall's expectations around when it would begin sales to customers, including the adoption of a phased approach when Renewall anticipated beginning to sell to a small number of customers in the summer of 2023. Given Renewall's involvement during the development of the project to date, if there was a viable alternative to the project that would have fundamentally changed NS Power's approach, the Board would have expected Renewall to be much more specific about that in this proceeding. Instead, Renewall simply commented on the requirements in NS Power's Capital Expenditure Justification Criteria. As it is, Renewall's submissions did not actually rise to the level of overall project development, but instead focussed on specific project elements, discussed in more detail below. These included reporting and business intelligence development costs, scalability and interactions with NS Power's anticipated work to replace its Customer Information System.

3.2 Reasonableness of Project Costs

3.2.1 Cost Transparency

[46] In closing submissions, the Small Business Advocate noted that the costs identified in this application represented a \$581,816 increase from the estimated cost that NS Power included in its 2025 ACE Plan. The Small Business Advocate also noted that,

when asked to reconcile the changes in cost categories, NS Power was not able to do so.

[47] In its response to SBA IR-1(a) [Exhibit N-5], NS Power noted that it no longer has access to the original estimate details for this project provided in the 2025 ACE Plan due to the 2025 cyber incident. It also pointed out that the 2025 ACE Plan estimate and the costs outlined in this application were developed at different times and that the 2025 ACE Plan estimate, being a matter for subsequent submittal, “did not have the level of detail around project requirements and costing where a detailed variance by account would be appropriate.” NS Power went on to say that the reason for the increase in cost from that projected in the 2025 ACE Plan was due to the requirement to ramp up resources a second time to accommodate the change in Renewall’s commercial operation date and associated administrative overhead and allowance for funds used during construction (AFUDC).

[48] While acknowledging NS Power’s explanation for the increase from the 2025 ACE Plan estimate, the Small Business Advocate submitted this explanation was largely narrative and did not quantify the cost impact from the delay and the costs that were avoided by pausing the project. The Small Business Advocate recommended that, to ensure consistent review of projects, when schedule shifts occur, NS Power should file standardized information identifying potential cost impacts and measures taken to mitigate them.

[49] NS Power, in its reply submissions, noted that although it was unable to reconcile costs to the projection in the 2025 ACE Plan at a driver level, actual cost progression by year was provided in the application:

... While a driver-level view of estimates is unavailable, NS Power has filed year-by-year actuals by major cost element, including Labour, Contracts, Consulting, Software, Overheads, Interest, and Contingency. This information provides transparency into how these cost categories have evolved since 2023, as well as the estimates to complete for 2026.

[NS Power, Reply Submissions, p. 3]

[50] In terms of avoided costs, NS Power reiterated that it paused work in May 2025 to reduce costs estimated at that time to be \$130,000/month. It said this amount was primarily related to labour and consulting costs and was the extent of avoided costs that could be reasonably estimated at the time.

[51] Regarding standardized filings, NS Power said:

With respect to the suggestion of a standardized schedule change report, NS Power considers existing processes to provide appropriate reporting. Where a schedule change gives rise to cost impacts, those impacts are addressed through the established capital approvals framework by bringing forward any required Authorization to Overspend (ATO) or, where the project is complete, a Final Cost (FIN) application, supported by explanatory commentary and relevant detail. This framework provides the Board and stakeholders with a consolidated and comprehensive review of both schedule and cost impacts in a single filing, and additional parallel reporting would not add incremental value.

[NS Power, Reply Submissions, p. 3]

3.2.1.1 Findings

[52] The Board's consideration of capital projects should be undertaken before a utility proceeds with any capital work that requires an expenditure above the relevant statutory thresholds in the *Public Utilities Act*. The reasonableness of the estimated costs for such work is considered in these applications. If approved, the utility is still required to undertake the capital project prudently.

[53] NS Power frequently identifies planned capital work in its ACE Plan filings with the Board that are identified as projects for "subsequent approval." These projects are understood not to be developed well enough to seek approval when the ACE Plan is filed, but they are generally expected to be filed soon after that.

[54] The Board accepts NS Power's evidence that cost estimates for projects identified for subsequent submittal might not be as developed as cost estimates for projects actually submitted for capital approval. However, marked variances in cost estimates between ACE Plan filings and capital project approval filings may raise questions about the reasonableness of the estimates requiring an explanation. Assessing the reasons for changes in cost drivers between the estimates may also be helpful in demonstrating reasonableness. At this time, however, given the differences in timing and the rigor in which the estimates are developed, the Board declines to direct NS Power to file, as a matter of course, reconciliations between estimated costs for projects identified for subsequent submittal in ACE Plans and the subsequent capital applications. The need for such information should be assessed on a case-by-case basis.

[55] In the present case, the cost estimate for the project is about 11.5% higher than the estimated amount in the 2025 ACE Plan. The Board finds that NS Power has sufficiently explained this difference in this case. As discussed below, the Board accepts that delays have caused project costs to increase.

[56] The reasonableness of the forecast project cost is generally expected to be a focus of capital approval applications. In somewhat unusual circumstances in this case, this focus has been largely overtaken by the fact that more than 75% of the costs for the project have already been incurred. In circumstances such as these, NS Power's reference to the Authorization to Overspend and Final Cost processes seems somewhat beside the point. When a capital application is based on costs that have largely already been incurred, it is unlikely that these processes, which operate based on variances to estimated costs, will be triggered.

[57] In this context, the review might focus more on the prudence of the costs incurred, rather than on the reasonableness of the estimate (although 25% of the costs are still estimated in this case, this is a highly developed Class 1 estimate as noted in the Project Cost Estimate Input Checklist and Maturity Matrix included in the application). The test for prudence was discussed in detail by the Board in its decision in NS Power's last Fuel Adjustment Mechanism Audit proceeding (2025 NSEB 10). It is a two-part test under which NS Power's costs are initially presumed to be prudent, although that presumption may be rebutted. If so, then NS Power bears the burden of demonstrating that the costs were prudently incurred.

[58] The fact that capital costs have been incurred without the necessary prior approval under the *Public Utilities Act* is a factor the Board may consider in determining whether the presumption of prudence has been rebutted. In this case, however, the Board finds this should be given less weight. The Board accepts that the changing nature of Renewal's business plans and anticipated commercial operation dates made marshaling an application for a capital approval more difficult than usual. Additionally, in its ACE Plan filings since 2023, NS Power disclosed its intention to bring this project to the Board for approval, and the amount of costs actually being incurred, as outlined earlier in this decision.

[59] Aside from specific areas of costs, considered in more detail in the remaining parts of this decision, the parties did not question the costs that were incurred, and NS Power provided a breakdown of these costs, by category, which was reproduced earlier in this decision. The Board is not satisfied that the presumption of prudence has

been rebutted in this case. The reasons for this are discussed in more detail below where intervenor concerns about specific costs are addressed.

3.2.2 Delay Costs

[60] Renewall noted NS Power's evidence that costs relating to delays due to changing commercial operation dates accounted for nearly \$1,000,000 of the proposed project costs. NS Power said approximately \$460,000 in delay costs were incurred as of May 2024 and a further approximately \$500,000 is estimated for delay costs after that to the completion of the project. Renewall submitted that this evidence lacked detail about the labour costs and tasks impacted by delay. It noted NS Power was unable to reconcile costs to its earlier estimates due to the cyber-attack and did not demonstrate that these delay costs were prudent or indicate whether the delay was attributable to Renewall, NS Power or third parties.

[61] Renewall noted that NS Power did not consider pausing the project until February 2025 and did not actually implement a pause until May 2025. It submitted that there was no information before the Board to assess whether a more aggressive pause or scope reduction should have been implemented, or whether those monthly costs were entirely or partially avoided, or avoidable, during the delay periods.

[62] Renewall also noted that NS Power's AFUDC and administrative overhead costs amounted to about 15% of project costs. Renewall submitted that NS Power did not provide project-specific reconciliation schedules and was unable to demonstrate the portion of these costs included in the original project scope and timeline and what portion is attributable to the delay periods.

[63] NS Power argued:

The [renewable to retail] implementation is a complex and non-standard undertaking, involving the development of new systems, processes, and integrations to support an emerging market and a retail supplier with a developing business model and evolving commercial timelines. In this context, delay-related cost impacts cannot always be isolated with the same level precision as in more conventional capital projects. The level of detail provided reflects the integrated and developmental nature of the work and should be considered in assessing the concerns raised by [Renewal].

[NS Power, Reply Submissions, p. 4]

[64] NS Power submitted that there was a clear relationship between the delay-related costs associated with this project and extensions to Renewal's anticipated commercial operation date. It noted the nature of these delay-related costs were specifically discussed with Renewal in 2024. NS Power noted it was working under some uncertainty due to the shifting nature of Renewal's estimated commercial operation dates but would not assume that previously agreed upon and communicated implementation schedules should be adjusted without a specific request from Renewal. NS Power argued that there is no basis to conclude that additional delay-related costs for labour, consulting, or overhead associated with Renewal's changing requirements were imprudent or inappropriate. NS Power submitted that Renewal has not presented evidence to support a reduction or disallowance.

3.2.2.1 Findings

[65] The Board finds it entirely reasonable that the shifting business plans and commercial operation dates anticipated by Renewal would have posed challenges for NS Power's management of the project and increased costs. The Board fully accepts NS Power's evidence on these points. Renewal's suggestion that delays may have been caused by NS Power or unidentified third parties is largely speculative and, the Board finds, insufficient to rebut the presumption of prudence in this case in respect of the costs

that have already been incurred. Given Renewall's active engagement with this project since 2023, the Board would have anticipated much more specificity about the sources of delay and costs to support such an assertion than Renewall advanced in the present application.

[66] Regarding the costs already incurred by May 2024, Renewall provided no details at all about its reasons for questioning the legitimacy of these claimed delay costs.

[67] Regarding the costs incurred to the point when the project was stopped, Renewall's submissions largely ask the Board to draw an inference that NS Power did not pause the project soon enough to control ongoing costs because it did not consider pausing the project until February 2025 and did not actually pause the project until May 2025.

[68] Since NS Power's efforts were aimed at making sure its work was completed in time for Renewall to begin commercial operations, the Board agrees that it was appropriate for NS Power to have sought Renewall's agreement before pausing the project. NS Power noted that it took Renewall about a month to respond to NS Power's proposal to pause the project, which itself demonstrates a lack of urgency if costs were being incurred without any work being done. However, on the balance of probabilities, the Board finds that the most likely reason for this apparent lack of urgency was because work was still being undertaken while the pause was being contemplated.

[69] As NS Power noted in its closing submissions, its objective was to complete the business and technical setup work that could be finalized ahead of Renewall's commercial operation date, and move any developed code into the production environment in a dormant state to protect it during the pause and minimize rework if there

were system changes in the meantime. NS Power's Deliverables Listing, provided in response to REI IR-16, shows a number of deliverables updates being completed on April 25, 2025, including updating its Stakeholder Register; Communications, Disaster Recovery and Change Management Plans; process flows; forms; and business process and procedure development updates. The movement of code to the production platform is also noted. Further, the project plans provided in response to REI IR-9 [Exhibit N-4] show progression in completion percentages even between the two updates in April 2025 (Plan 6 and Plan 7).

[70] Regarding the estimated future costs for standing up the resources that have been paused, it is reasonable to expect extra costs would arise due to remobilizing these resources. Renewall has not suggested otherwise and agreed to pause the project because of its deferred commercial operation date to later in 2026.

3.2.3 Cybersecurity Breach Impacts

[71] Renewall submitted that NS Power should be required to demonstrate with evidence that no cyber-recovery costs were charged to this capital project. Renewall also said "it requires confirmation that the [renewable to retail] software code and system configurations already developed and within NSPI's production environment have not been corrupted, degraded, or lost as a result of the cyber incident."

[72] In its closing submissions, NS Power reiterated that the cyber incident did not affect the project scope or actual costs, no work was lost, and no cyber-recovery costs were charged to this capital project. NS Power noted that it used a dedicated project code for work on this project to ensure project costs were segregated, consistent with its standard accounting practice.

[73] Regarding the integrity of the project work, NS Power noted that renewable to retail system work completed to date has been preserved. It said the project was paused shortly before the cyber incident and after the team had completed all business process and technical setup work that could be finalized ahead of Renewall's commercial operation date. It also said the project work was moved to its production environment in a dormant state, incorporating it into its systems but not activated for processing. NS Power said this approach ensured that routine system changes made during the pause in project work would include the renewable to retail development, thereby mitigating the risk of rework when the project resumed.

3.2.3.1 Findings

[74] Renewall's concern about cyber-recovery costs is understandable, but speculative. Given NS Power's standard use of project codes, the Board is satisfied that the capital costs for this project do not relate to other work. The Board is also satisfied with NS Power's assurances that the work it developed was not impacted by the cyber-attack. However, if it becomes apparent that rework is necessary because of the cyber-attack, the Board will address the disposition of any incremental costs arising from this at that time.

3.2.4 Reporting and Business Intelligence Costs

[75] NS Power said its current reporting catalog needs to be enhanced to accommodate the anticipated transactional reporting for the new tariffs to support the renewable to retail market and the new settlement process that will be undertaken between NS Power and licensed retail suppliers. It said this is required because this market is new, with no pre-existing reports for it, and due to the complexity of information needed to support the renewable to retail market.

[76] While Renewall acknowledged the need for new reporting infrastructure, it submitted that costs for the reporting and business intelligence workstream were not tied to minimum required outputs and least cost alternatives were not considered. Renewall submitted that NS Power's deliverables to it were limited to four encrypted files submitted via a secure file transfer server and any work outside of this should be deferred or funded outside of this capital item.

[77] In its closing submissions, NS Power said its reporting and business intelligence workstream was designed to meet minimal functional requirements to implement and operate the renewable to retail framework on an ongoing basis. It said this included the ability to reliably generate, validate and reconcile the four required tariff deliverables.

[78] NS Power advised that lower cost or more limited options were considered early in the project "before the volume and complexity of data processing and reconciliation requirements were determined through information provided by [Renewall] and fully understood." NS Power submitted that it became clear that tariff invoicing would require hourly aggregation of interval meter data for each licensed retail supplier customer, making managing reporting through manual processes not sufficiently sustainable or reliable.

[79] NS Power argued that the reporting and business costs included in the project do not exceed the required technical scope and disagreed that they should be deferred or funded outside of this capital item. It said the reporting and business intelligence development reflects the minimum practical configuration needed to meet

operational requirements, without introducing manual effort, increased risk of error or rework.

3.2.4.1 Findings

[80] It is not apparent to the Board that the scope of the reporting and business intelligence development work has changed through the project. The Board is satisfied with the information provided by NS Power that this work was necessary to meet operational requirements. Again, given Renewall's involvement with the project over the past few years, if there were concerns about the scope of the project in this area, the Board would have expected them to have been raised earlier and more specifically.

3.2.5 Scalability and Future Market Costs

[81] Renewall expressed concern that the project included costs for potential future requirements if the renewable to retail market expands, rather than being limited to the immediate market development contemplated by Renewall's pending sales to its customers. It noted that while NS Power claimed that scalability costs were considered low and not material, no specific evidence about this was provided in this proceeding, including sizing models, capacity analysis or allocation methodology. Renewall noted that NS Power acknowledged that work related to Meter Data Management System Extended Functional Support and portions of Meter Data Management System Module Updates would require additional computational capability to accommodate future licensed retail suppliers. Renewall submitted that the recovery of consulting costs for these items should be disallowed unless NS Power confirms with filed documentation that no scalability uplift attributable to future market entrants is embedded in those amounts.

[82] Related to this, Renewall submitted that NS Power should be required to file a "Scalability Costing Protocol" identifying the triggers, cost drivers and allocation

methodology for onboarding future licensed retail suppliers and expressly holding Renewall harmless from costs attributable to future market entrants.

[83] In its closing submissions, NS Power argued that its scope of work enabled the functionality needed to support renewable to retail operations, and did not expand its underlying system capacity. It said the capabilities developed are required to administer the renewable to retail tariffs for the initial participant and do not depend on whether additional licensed retail suppliers enter the market in the future.

[84] NS Power went on to say:

Statements regarding the scope and sizing of this implementation were intended to provide assurance that the functionality was appropriately scaled to support [renewable to retail] operations without creating unnecessary cost exposure. The objective was to ensure that the implementation would be sufficient to support either a single [licensed retail supplier] with a higher volume of customers or multiple [licensed retail suppliers], without requiring repeated incremental upgrades. Had the implementation not been appropriately sized, it is likely that additional work or future enhancement projects would have been required even to support the initial [licensed retail supplier], resulting in higher overall costs.

[NS Power, Reply Submissions, pp. 8-9]

[85] NS Power also argued that establishing a formal protocol for any costs arising from the appearance of additional licensed retail suppliers in the future was premature. It said if incremental scalability is required, any resulting costs would be brought to the Board for review through the appropriate regulatory process at that time.

3.2.5.1 Findings

[86] While building unnecessary capacity through this project would be inappropriate, the Board expects NS Power's work in developing system enhancements to facilitate the commencement of operations in the renewable to retail market by Renewall would have been undertaken with an eye to avoiding problems and unnecessary costs if Renewall's customer base or the complexity of its operations were to expand, or if new participants were to enter the market. Based on the information

provided by NS Power in this proceeding, the Board is satisfied that NS Power has not built unnecessary capacity into the project at this time. Once again, given Renewall's involvement with the project, if there was more than just speculation about this, the Board would have expected Renewall to have provided more information.

[87] The Board appreciates Renewall's interest in determining, in this application, the disposition of any incremental costs arising due to the entry of new licensed retail suppliers in the market. However, the Board agrees with NS Power that it would not be appropriate to pre-determine this issue. The disposition of such costs must consider the circumstances in which they arise, and would, at that time, include other parties who should be given an opportunity to present their own views about this.

3.2.6 Customer Information System Replacement Project

[88] Renewall noted that NS Power plans to replace its Customer Information System and expressed concern about the potential for rework associated with any of the development undertaken in the current project. It submitted that, when NS Power files its future Customer Information System application, the Board should require a specific attestation that no renewable to retail functionality funded through the current application was rebuilt or remapped for that project. Further, Renewall submitted that if there are costs associated with such work, these should be borne by NS Power's larger customer base and not the renewable to retail market.

[89] NS Power, in its closing submissions, said it was standard practice to include core functionality (which it considers the renewable to retail development to be) in future upgrades or replacements. It said it does not anticipate that its Customer Information System replacement will require incremental rebuilding or remapping of the developed renewable to retail functionality. However, it noted that if such costs were to

arise, they would be identified at that time and addressed through the appropriate regulatory process.

3.2.6.1 Findings

[90] Once again, the Board believes it would be inappropriate to predetermine this issue. If rework is needed, despite NS Power's assurances, whether the costs for that should be borne by the renewable to retail market, NS Power's broader customer base, or NS Power itself, would be best determined when the circumstances in which these costs arise become apparent.

3.2.7 Stranded Costs from Market Evolution

[91] Renewall submitted that if the Nova Scotia Independent Energy System Operator (IESO Nova Scotia) assumes the administration of the renewable to retail market, it is unclear whether assets developed under the current project would be retained by NS Power or transferred to IESO Nova Scotia. Renewall argued that this uncertainty raised a risk of stranded or redundant costs due to a market structure change outside of its control. Renewall submitted that the Board should "protect the interests of [Renewall] and any subsequent [licensed retail supplier] by confirming in this proceeding that any transfer of the capital asset, and any associated cost recovery, will not result in duplication of costs."

[92] In its closing submissions, NS Power said:

NS Power acknowledges that, depending on the timing of market implementation and the role ultimately assigned to IESO NS in administering the competitive market, the approach to cost recovery could evolve. As noted above, should administration of the [renewable to retail] market transition to IESO NS, the associated cost recovery approach would be determined as part of the market administration and regulatory framework applicable at that time. In all cases, the regulatory framework does not permit duplicative recovery of the same costs.

[NS Power, Reply Submissions, p. 10]

3.2.7.1 Findings

[93] The Board understands Renewall's concern to be, if IESO Nova Scotia takes over the administration of the renewable to retail market, Renewall may be left in a position where it must repay NS Power for the costs associated with the current capital project and, potentially, have to pay costs to IESO Nova Scotia for the development of a system that has essentially the same functionality and serves the same purposes as the current project.

[94] The Board agrees that this would be a highly undesirable outcome for any transition of the administration of this market from NS Power to IESO Nova Scotia. However, the Board also considers that this matter is best left to be determined when the circumstances around such a possibility, if it were to occur, would be better understood.

3.3 Reporting and Approval Conditions

3.3.1 Data Readiness Milestones

[95] Renewall submitted that project approval should be conditional on the satisfaction of certain data-readiness milestones before the market opening and the issuance of an initial invoice to Renewall. These milestones included:

- advanced metering infrastructure restoration;
- Meter Data Management System aggregation capability;
- file delivery test completion, including file package validation with exception flag testing;
- successful end-to-end test passes covering hourly determinants;
- loss factor application; and
- Customer Information System posting and invoice generation.

[96] In its closing submissions, NS Power said all project implementations follow established technical and quality assurance processes, including system testing, training, business readiness confirmation and internal approvals before they go live.

3.3.1.1 Findings

[97] The Board does not agree that its approval of this project should be conditional on the requirements Renewall identified. As NS Power noted, meeting these requirements would be expected as part of NS Power's normal processes. Should unanticipated issues arise for Renewall because of a lack of readiness by NS Power in these, or any other areas, the Board would encourage Renewall to initiate a proceeding before the Board to address them.

3.3.2 Annual Certification

[98] As the (currently) sole licensed retail supplier and party responsible for the payment of costs arising from the approval of the proposed capital project, Renewall submitted that NS Power should be required to file an annual certification confirming that assets funded through this application are used solely for renewable to retail purposes and that no costs have been allocated or shifted between renewable to retail and non-renewable to retail revenue requirements. Additionally, if certification reveals the use of project assets outside of the renewable to retail market, Renewall submitted there should be a true-up mechanism in place to adjust for amounts improperly charged.

[99] NS Power argued in its closing submissions that annual certification and true-up processes are unnecessary because project costs were tracked separately and the prudence of cost recovery remains subject to Board review in the Annually Adjusted Rates process.

3.3.2.1 Findings

[100] Given the development of markets and market complexity in Nova Scotia, the Board shares Renewall's concern. If the cost of this capital project is being charged to the renewable to retail market, then any future use or leveraging of the work for other purposes should be highlighted and costs allocated appropriately. The Board therefore directs NS Power to begin the annual certification process described by Renewall in its submissions in this proceeding. This certification should begin on the first day of the month after Renewall's sales to its first customer begin and continue every year thereafter until costs for this project are fully recovered, or as further directed by the Board.

3.4 Cost Recovery

[101] The Small Business Advocate also expressed concern about a level of uncertainty around the recovery of these costs from the renewable to retail market. This concern was shared by the Consumer Advocate who noted that it appeared Renewall was "primarily if not solely responsible for the variance in costs" from the forecast in the 2025 ACE Plan. The Consumer Advocate submitted that if NS Power is unable to recover these costs from the renewable to retail market, NS Power's customers would become responsible for costs "directly caused by actions taken or not taken" by Renewall, like those resulting from changes to the commercial operation date. The Consumer Advocate emphasized the *Electricity Act* requirement that licensed retail suppliers and their customers are to be responsible for all costs related to the provision of service by retail suppliers to their customers that would otherwise be the responsibility of NS Power and its customers.

[102] For its part, Renewall submitted that the recovery of capital costs relating to this project should not be automatically tied to the project's 10-year depreciation life but

should be based on actual market use and cost causation. Renewall submitted, “[a]s the first, and currently only, [licensed retail supplier], [Renewall] should not bear costs attributable to anticipated future market participants who have not yet entered the market and whose timing and volume of entry remains uncertain.”

[103] NS Power noted it intended to bring forward its methodology for recovering these costs under the renewable to retail tariffs in its 2027 Annually Adjusted Rates application, which is expected to be filed later this year.

3.4.1 Findings

[104] The issues relating to cost recovery are matters for a future Board proceeding. As NS Power noted in this matter, the Nova Scotia Utility and Review Board initially contemplated these issues would be addressed in Annually Adjusted Rates proceedings. This Board noted this in its more recent decision relating to NS Power’s request for security for costs for development work for the renewable to retail market:

In its Order in Matter M06214, dated June 10, 2016, the Nova Scotia Utility and Review Board approved the “deferral and amortization of the [renewable to retail] Market Implementation Costs, with the recovery of such costs and the tax-effect to be included as part of a future Annually Adjusted Rate process.” To some extent, this contemplated the inclusion of some future costs, albeit perhaps not to the extent outlined in this proceeding. The Board finds these additional costs (both incurred and forecasted) should be included in the approved deferral and, subject to any consideration of prudence, recovered from [renewable to retail] suppliers and their customers as contemplated. If the deferral account cannot be recovered this way because the [renewable to retail] market fails, subject to a prudence review, any outstanding balance can be included for recovery in a general rate application. NS Power is directed to include updated estimates of these costs in its Annually Adjusted Rates filings.

[M11874, Decision Letter, April 9, 2025, p. 5]

[105] While the Annually Adjusted Rates process was the matter identified in those proceedings, at this point the Board has concerns about whether that forum is appropriate. As the Board has noted in previous Annually Adjusted Rates proceedings,

those matters are intended to proceed expeditiously. They are a mechanism for updating rates that are essentially formula-based.

[106] In light of the complexity of the concerns and issues arising in this matter, it is not apparent to the Board that the Annually Adjusted Rates process is appropriate for setting the cost recovery mechanism for the renewable to retail market. If the intent is to flow approved costs through an already established rate mechanism, it may be reasonable to rely on that process. But, if new mechanisms or tariff language would need to be developed (or amended) and approved, a separate process may be more advisable. At this stage, these comments are simply raised for guidance. If a determination on this point becomes necessary, it would be a matter for a future proceeding.

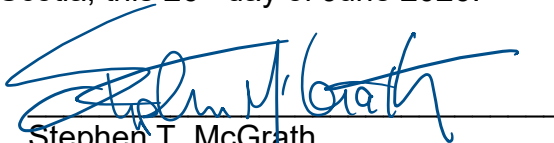
4.0 SUMMARY OF BOARD FINDINGS

[107] The Board finds the proposed project is necessary and approves the proposed cost of \$5,644,468.

[108] The Board also directs NS Power to begin the annual certification process confirming that assets funded through this project are used solely for renewable to retail purposes. This certification should begin on the first day of the month after Renewall's sales to its first customer begin and continue every year thereafter until costs for this project are fully recovered, or as further directed by the Board.

[109] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 26th day of June 2026.


Stephen T. McGrath

NSEB APPROVAL SHEET

Project Title: Renewable to Retail Implementation

CI Number: C0053699

Date: December 1, 2025

Expenditure Profile			Type of Filing	
Year	Budget Amount	Project Estimate	☒	Capital Project Authorization
			☐	Unforeseen and Unbudgeted (U&U)
			☐	Planned & Advanced (P&A)
			☒	Subsequent Approval Item
			☐	Authorization to Overspend (ATO)
			☐	Scope Change
			☐	Final Cost (FIN)
2023	767,841	767,841		
2024	2,789,086	2,209,764		
2025	1,505,726	1,437,530		
2026		1,229,332		
Total	\$5,062,652	\$5,644,468		

COMMENTS

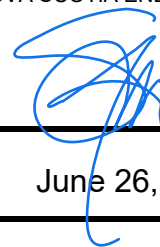
Submitted on behalf of NOVA SCOTIA POWER INCORPORATED



Authorized Signatory
Dave Pickles
Chief Operating Officer

DATE
November 28, 2025

Approved on behalf of NOVA SCOTIA ENERGY BOARD



DATE
June 26, 2026