

BILL NO. 263

(as passed, with corrections)



*1st Session, 65th General Assembly
Nova Scotia
5 Charles III, 2026*

Government Bill

Performance-based Regulation Review Act

CHAPTER 14 OF THE ACTS OF 2026

The Honourable Tim Houston
Minister of Energy

[First Reading](#): September 9, 2026 (LINK TO BILL AS INTRODUCED)

Second Reading: September 10, 2026

[Third Reading](#): September 18, 2026

Royal Assent: September 18, 2026

An Act to Review Performance-based Regulation for Nova Scotia Power Incorporated

Be it enacted by the Governor and Assembly as follows:

1 This Act may be cited as the Performance-based Regulation Review Act.

2 In this Act,

"Board" means the Nova Scotia Energy Board;

"intervenor" has the same meaning as in the Board Regulatory Rules made under Section 20 of the Energy and Regulatory Boards Act;

"Minister" means the Minister of Energy;

"performance-based regulation" means performance-based rate-making, charges, terms, conditions or regulatory mechanisms for a public utility that are designed to link utility revenues, earnings, incentives or penalties to service quality, reliability, affordability, efficiency, emissions reduction, customer outcomes or other performance measures prescribed by the regulations;

"proceeding" means a proceeding initiated under Section 4.

3 The purpose of this Act is to establish the process for the Board to evaluate whether and how performance-based regulation may be used in the Province in a manner that is just, reasonable and consistent with the public interest.

4 (1) Within 30 days of the coming into force of this Act, the Board shall initiate a proceeding to investigate and develop performance-based regulation for Nova Scotia Power Incorporated.

(2) The Board shall conduct the proceeding in accordance with this Act and the Energy and Regulatory Boards Act.

(3) In conducting the proceeding, the Board may consider

(a) the protection of ratepayers and the maintenance of just and reasonable rates;

- (b) performance metrics related to meeting and exceeding environmental, decarbonization and sustainability targets and which support the sustainable development, sustainable prosperity, energy efficiency and greenhouse gas emissions reduction goals of the Province articulated in the Environmental Goals and Climate Change Reduction Act;
- (c) the financial integrity of Nova Scotia Power Incorporated and the opportunity to earn a fair return;
- (d) performance metrics for efficiency, cost-effectiveness, safety, reliability, resilience, innovation, customer service quality and engagement, quality in the generation, transmission and distribution of electricity and management of Nova Scotia Power Incorporated;
- (e) the interaction of performance-based regulation with capital spending, cost recovery, risk allocation and existing regulatory frameworks;
- (f) the circumstances of different classes of customers, including residential, commercial and industrial;
- (g) performance metrics that encourage and reward growth of efficient third-party procurement, including obtaining prices below benchmark price, openness of procurement processes and speed of interconnection requests;
- (h) metrics that encourage and reward growth of the procurement of aggregated grid services; and
- (i) any other matter the Board considers relevant or that the Minister directs.

(4) The Board shall make such recommendations to the Minister as will, in its judgement, protect the interests of the public and Nova Scotia Power Incorporated and provide those recommendations to the Minister.

5 (1) For the purpose of conducting the proceeding, the Board may exercise any power of the Board under the Energy and Regulatory Boards Act.

(2) The expenses of the Board incurred in conducting the proceeding must be assessed and recovered in accordance with Sections 15 and 16 of the Public Utilities Act and Sections 19 and 34 of the Energy and Regulatory Boards Act.

(3) Within its discretion set out in Sections 20 and 34 of the Energy and Regulatory Boards Act, the Board may approve an award of costs for a non-profit intervenor.

(4) The Board may appoint a consumer advocate and a small business advocate to participate in the proceeding in the same manner as provided for in Sections 91 and 92 of the Public Utilities Act, and Sections 91 to 94 of that Act apply to such an appointment with necessary changes.

6 (1) Upon receiving recommendations from the Board under subsection 4(4), the Minister shall make the recommendations public within 60 days after receipt, except for such information as the Board determines is confidential.

(2) Any intervenor whom the Board approves for access to confidential information shall be provided with a copy of the recommendations that includes any confidential information to which they were granted access during the proceeding.

7 (1) The Governor in Council may make regulations

(a) prescribing performance measures for the purpose of the definition of "performance-based regulation";

(b) respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act.

(2) The exercise by the Governor in Council of the authority in subsection (1) is a regulation within the meaning of the Regulations Act.

8 This Act comes into force on such day as the Governor in Council orders and declares by proclamation.

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