

## ***IESO Nova Scotia***

### ***RFP for Value Framework & Business Case***

#### **Request for Proposal:**

IESO Nova Scotia is looking for an experienced partner to help lay out a **Value Framework and Business Case** for the new independent system operator in Nova Scotia, IESO Nova Scotia.

#### **Background:**

IESO Nova Scotia was formed by the More Access to Energy Act 2024 in Nova Scotia. It was created to form an independent, not-for-profit organization that would help facilitate increased competition in the NS energy landscape, help deliver the transition from coal to a predominantly renewables energy system by 2030, and provide independent advice to the Government on Nova Scotia's energy future.

IESO Nova Scotia is taking activities over from Nova Scotia Power (NSP) in a phased approach with resource & transmission planning, interconnection process, and procurement activities (Phase 1) coming across in the Winter of 25/26 and operational control (Phase 2) expected in Spring 2027. The exact scope of Phase 2 and how it will be delivered is a piece of work being undertaken in January to March 2026. IESO Nova Scotia is currently independently contracting this piece of work called **Phase 2 Transition Plan & Roadmap** (see **Appendix A** for the RFP for this work). It is planned to award this work by the end of the year and for the work to be undertaken in January to March 2026. It is anticipated that the work discussed in this document would be undertaken in parallel, is complementary, will take outputs from the Phase 2 Transition Plan & Roadmap work and should not be duplicative.

There are a range of potential approaches to Phase 2, all with different associated costs and benefits. **Appendix B** lays out some potential options with a high-level view of associated benefits, it should be noted these are just examples and the proponent for that work may help refine other options. It is expected that no more 4-5 options will be identified and refined as part of the **Phase 2 Transition Plan & Roadmap** work.

For context, Nova Scotia has a peak demand of roughly 2.5GW with light load demand under 1GW making IESO Nova Scotia the smallest IESO/ISO/RTO in North America. Also Nova

Scotia has the lowest GDP/capita of any Canadian Province or US State so affordability is incredibly important.

Forming the new IESO is expected to create increased direct costs for consumers due to the dyssynergies of scale and duplicative governance and support functions (HR, IT, Finance etc). It is therefore critical that IESO Nova Scotia is able to clearly articulate the value it is creating in both Phase 1 and Phase 2 to more than justify the incremental costs.

This **Value Framework and Business Case** piece of work is to help inform the leadership team and Board of IESO Nova Scotia, to understand the magnitude of the potential value drivers available to it in Phase 1 and similarly in Phase 2 to help it understand the potential value drivers and their potential magnitude, such these can ben used with the costs of various capabilities to help shape the best solution for Phase 2 to maximise the cost benefit of IESO Nova Scotia on behalf of the province and its electricity customers in both phases of operation. It is expected that the output of this work will be used to help articulate publicly the value proposition of IESO Nova Scotia.

Once a preferred solution is selected in the **Phase 2 Transition Plan & Roadmap** work, it will define the associated capabilities and costs. Under this **Value Framework and Business Case** piece of work, the analysis should be further refined to create a business case for the proposed solution bringing together ranges of anticipated costs and benefits.

To support this **Value Framework and Business Case** work it would be helpful to understand what this looks like for other IESO/ISO organizations are and how they collectively measure value and what are their costs. Then help clearly articulate the value proposition for IESO Nova Scotia and develop a specific and measurable Value Framework for Phase 1 and the proposed Phase 2 solution. This would need to have transparent math behind them that could be shared publicly.

There is also significant discussion around the opportunity for an Atlantic Canada IESO and so it would be helpful to expand this **Value Framework and Business Case** analysis to better understand the quantum of that opportunity and associated incremental value to electricity customers in Nova Scotia and surrounding regions.

IESO Nova Scotia is open to feedback on other ways for it to quantify and articulate the value it is providing to the province.

### **Scope of Work:**

IESO Nova Scotia is open to alternative recommended approaches but anticipates the following work being undertaken:

- 1) Scan and data gathering of other ISO/IESO/RTOs in North America and further afield, as appropriate. This would include:
  - a. Their size and scale in terms of geography, miles of transmission, installed capacity, peak load, and total energy consumption.
  - b. The number of employees they employ and total annual costs in terms of opex and any capex. Any information around their funding & debt situation.
  - c. A summary of how they articulate their value proposition. Is there information they publish on this from time to time or regularly (e.g. [https://www.misoenergy.org/meet-miso/MISO\\_Strategy/miso-value-proposition/](https://www.misoenergy.org/meet-miso/MISO_Strategy/miso-value-proposition/))
  
- 2) Focused on the Nova Scotia context, help to define as comprehensive as possible list of the key actual or potential value drivers for IESO Nova Scotia, being clear on which are quantitative vs qualitative, and for the qualitative ones creating a forward looking forecast range and then a framework for annual target creation and then measurement of actual values. This list below is not an exhaustive list but includes areas that maybe on the list:

<b>Qualitative</b>	<b>Quantitative</b>
Independence	Value from competitive procurement
Trust as a not for profit	Timeliness of connection responses
Advice (e.g. policy, strategic initiatives, etc.)	Identifying less capital intense solutions
% of renewables deployed or carbon reduced	Finding capacity for new connections
Competition/diversity in energy supply	Improved reliability
Improved Transparency	Reduced renewables curtailment (managing overall cost of reliability redispatch)
<b>Etc.</b>	Demand response enabled reducing generation costs
	Improved transmission system utilization
	Avoided costs (eg Government direct hire of consultants/procurement process administrators)
	<b>Etc.</b>

Please lay out the key capabilities/functions that will needed to be deployed to realize each of the benefits. Then articulate if these are Phase 1, Phase 2, or benefits that would be associated with a future phase. As options are defined with the **Phase 2**

**Transition Plan & Roadmap** work, we would they might be relevant to when that information becomes available.

- 3) As 4-5 options are defined with the **Phase 2 Transition Plan & Roadmap** work. We would look for you to refine the data from section 2) and bring your experience from other jurisdictions to lay out potential value cases/opportunities for IESO Nova Scotia around each of the 4/5 options. Helping to provide a cost/benefit analysis for each option.
- 4) As a preferred Phase 2 solution is identified in the **Phase 2 Transition Plan & Roadmap** work build out a business case document for IESO Nova Scotia covering Phase 1 and Phase 2. Cost information for this work would come from IESO Nova Scotia and the **Phase 2 Transition Plan & Roadmap** work. Ideally this document would then include the Value Framework that would lay out how the benefits would be tracked and measured overtime.
- 5) While the scope of IESO Nova Scotia is clearly defined as just for Nova Scotia. If the IESO's scope were to be expanded to cover Atlantic Canada including New Brunswick, PEI, and Newfoundland & Labrador – to expand the assumptions to give a high level value case on the incremental streams of potential benefits for Nova Scotia and the provinces.

It is expected that value/benefits will be provided as ranges, but clear assumptions, methodology and calculations will be required.

**Deliverables:**

Note timelines are estimated and will need to be synchronized with the **Phase 2 Transition Plan & Roadmap**.

- 1) A Microsoft Word document/report on IESO/ISO/RTO benchmarking. – **End of January 2026**
- 2) A Microsoft Word or Excel document containing as complete a list as possible of potential benefits, with an associated range of qualitative and quantitative benefits for Nova Scotia. – **End of January 2026**
- 3) A Microsoft Word document to articulate the total benefits to Nova Scotia from Phase 1 of the IESO transition – refined from the list in Deliverable 2. – **Mid February 2026**
- 4) A Microsoft Word document detailing the anticipated benefits for the 4-5 options from the **Phase 2 Transition Plan & Roadmap** work being considered for Phase 2 – refined from the list in Deliverable 2 – **Mid February 2026**

- 5) A Microsoft Word Document/Report detailing the refined business case for IESO Nova Scotia around the preferred option from the **Phase 2 Transition Plan & Roadmap** work including expected costs, benefits, and payback. This should also include the associated Value Framework defining the approach for measurement – **End of March 2026**
- 6) A Microsoft Word Document/Report detailing any incremental benefits/value that could be anticipated by a broader regional approach. – **End of March 2026**

**Next steps:**

- 1) IESO Nova Scotia to set up a 30 minute call week commencing December 1, to discuss any context and questions you might have.
- 2) By 3pm Atlantic time on Monday December 15, 2026 Proponent to provide proposal in Microsoft Word or PowerPoint format including:
  - a. Your proposed methodology & timing, giving confidence you have requisite frameworks and methodology to complete the work in the tight timeframes.
  - b. Your relevant experience and relevant references in undertaking similar work for other IESO/ISO/RTOs.
  - c. The proposed team to complete this work that could start at the beginning of January 2026.
  - d. Fixed price costing for your proposal. Including anticipated hours and rate card of the work.
- 3) IESO Nova Scotia to set up a 60-minute call week commencing December 15, to walk through proposal.
- 4) IESO Nova Scotia will score proposals based on Methodology 40%, Experience 30%, and Price 30% and look to make a final decision and contract by the successful Proponent to start work on January 5, 2026.

IESO Nova Scotia is happy for slides or word document but ask that it be no more than 25 pages long (excluding any team bios).

**Appendices:****Appendix A – RFP for Phase 2 Transition Plan & Roadmap:**

The RFP for the technical work for Phase 2 can be found at this link:

[Phase-2-Transition-Plan-and-IT-OT-Cybersecurity-Roadmap-RFP-FINAL.pdf](#)

This work is being contracted separately and is expected to be completed between January and March 2026.

Appendix B – Potential options and associated benefit areas for Phase 1 & 2

Phase 2 Potential Options (not exclusive)

Potential IESO-NS Benefits	Within anticipated scope of existing legislation			Beyond anticipated scope of existing legislation			
	1. IESO-NS does short term resource planning/merit order creation and pass to NSP to dispatch in their control room (with appropriate oversight/audit)	2. Split NSP control room (T/D/Hydro) creating physical/virtual barrier for IESO-NS to undertake Transmission.	3. IESO - NS take over NSP back up control center to take on TSO role.	4. IESO-NS builds its own primary and back up control center	5. No Phase 2	6. IESO-NS take over NSP control TSO and DSO roles	7. Nova Scotia and New Brunswick collaborate to create a new regional System Operator leveraging the NB Power control centers.
<b>Phase 1</b>	Independent & Trusted Advisor	Yes	Yes	Yes	Yes	Yes	Yes
	Optimized capex vs no-wires solutions	Yes	Yes	Yes	Yes	Yes	Yes
	Increased competition for new energy needs. (reduced price)	Yes	Yes	Yes	Yes	Yes	Yes
	Generation providers with lower WACCs	Yes	Yes	Yes	Yes	Yes	Yes
	Increased regional collaboration on planning	Yes	Yes	Yes	Yes	Yes	Yes
<b>Phase 2</b>	Perception of Independent Operation	Low/Medium	Medium	Medium	No	Medium/High	High
	Transparent Merit Order	Yes	Yes	Yes	Yes	Yes	Yes
	Transparent Marginal Price of Energy	Maybe	Yes	Yes	Yes	Yes	Yes
	Reduced renewables curtailment	Maybe	Yes	Yes	Yes	Yes	Yes
	Lower capacity costs from broader resource adequacy planning	No	No	No	No	No	Yes
	Lower energy costs from competitive energy market	No	No	No	No	No	Yes
	Estimated Total Phase 2 Costs	\$	\$	\$	\$	\$	\$
	Estimated Total Phase 2 Benefits	\$	\$	\$	\$	\$	\$
	Probability of hitting April 2027 target date	Medium	Low	Very Low	Low	Low	Not Possible