

Re: Timing for CEDIF's to Demonstrate Eligibility for COMFIT

1. PURPOSE. The following directive is being administered to establish a process to ensure Community Economic Development Investment Funds (CEDIFs) are able to meet government requirements for CEDIFs as well as COMFIT applications.

2. POLICY RATIONALE. The Renewable Electricity Plan contemplates Community Feed-In Tariffs as a tool to enable communities to benefit from the development of renewable electricity projects at the local level. The policy intent of government is that community based entities, including a Community Economic Development Corporation operating as a CEDIF, participate in the production of renewable energy. A CEDIF needs to demonstrate that it meets the requirements of the *Renewable Electricity Regulations*, including having 25 members in the municipality where the project is to be located. They also need to demonstrate community support for their project.

In addition to the COMFIT Program requirements, the Securities Commission has requirements with respect to the operation of a CEDIF, and these requirements may make it difficult for a project-specific CEDIF to raise equity for a specific project in advance of receiving approval for that project. Accordingly, it may be necessary for a project-specific CEDIF to make commitments with respect to legal formation and membership prior to receiving approval rather than having all the qualifications in place in advance. Some CEDIF structures may have other projects or a broad enough purpose that this issue may not arise.

3. LEGAL AUTHORITY. Under Subsection 28(1) of the *Renewable Electricity Regulations*, the Minister may approve or reject an application for a Feed-In Tariff approval that satisfies the requirements of the Act and the Regulations.

4. DIRECTIVE.

The Department of Energy has laid out conditions under which a project specific CEDIF application should be considered if the legal status of the CEDIF has not yet been established and the shares from the community are yet to be sold. CEDIFs that are in the process of being formed are required to identify the 25 community members that will allow them to meet this Regulation requirement at the time of application for COMFIT approval. Subsequently, CEDIF's are expected to meet all timelines and milestones as set by Nova Scotia Securities Commission and the Department of Finance and to submit the proposed capital and equity structure with their COMFIT application. A CEDIF must be properly established and demonstrate that they have 25 community members as required under regulations prior to construction of the project, or within

one year of COMFIT approval.

Murray Coolican, Deputy Minister
Nova Scotia Department of Energy