

Re: Community Feed-In Tariff Run-of-the-River Hydroelectricity Definition

1. PURPOSE.

The following directive has been established to provide direction on qualifying technologies and systems for use in run-of-the-river hydroelectricity projects for the Nova Scotia Community Feed-In Tariff Program.

2. POLICY RATIONALE.

The COMFIT program is designed to assist in the development of renewable energy sources present in Nova Scotia. Qualifying sources of energy must clearly demonstrate that they are able to be replenished either through natural processes or through effective sustainable management practices. The Nova Scotia Utility and Review Board set Community Feed-in Tariff rates in September 2011, one of which applies to run-of-the-river hydroelectricity.

Currently, the *Renewable Electricity Regulations* stipulate that COMFIT-eligible hydroelectric projects must be supplied by flowing water from a river. Outside of traditional run-of-the-river projects there are opportunities to develop renewable micro-hydro power projects, which originate from river systems but have been incorporated into an industrial process. This directive outlines the qualifications for a variety of river sourced hydroelectric projects applying for COMFIT approval.

3. LEGAL AUTHORITY.

According to Section 43(1-2) of the *Renewable Electricity Regulations*, the Minister reserves the right to issue directions in order to provide interpretation of these regulations. This allows the Minister to provide clarification regarding the Community Feed-in Tariff requirements to ensure that the program's intent and purpose are maintained.

Further, subsection 3(1)(ix) of the *Renewable Electricity Regulations* provides the Minister with the ability to provide Feed-in Tariff approval to any resource that is able to be replenished through natural processes or sustainable management practices.

This directive provides guidance on the definition and use of hydroelectric systems applying for COMFIT approval.

4. DIRECTIVE.

For a hydroelectricity project to qualify for Ministerial COMFIT Approval, an entity must demonstrate that the resource meets the definition of renewable low-impact electricity.

Hydroelectric project applicants must clearly demonstrate that the water used to generate electricity comes from a renewable water source that is maintained through natural processes or sustainable practices. This determination of eligibility will be made at the discretion of the Minister.

For those entities seeking to use water for a hydroelectric project, only the renewable energy portion of the project generated from the natural hydraulic head will be credited and evaluated in the COMFIT application process. Proponents will not receive credit for any generated electricity that can be attributed to the mechanical intervention of waterways/water sources. COMFIT approval in terms of overall electricity generation will be granted for only the demonstrated renewable electricity portion of power generation (i.e., attributable to the energy generated by the gravity-based flow and not a mechanical pumping process).

If the resource is determined by the Minister to be in line with the definition of run-of-the-river hydroelectricity as outlined in this directive and the *Renewable Electricity Regulations*, the entity may be eligible for COMFIT approval. This approval will not be granted unless the rest of the entity's COMFIT application is determined to be complete and accurate by the Minister.

5. DEFINITIONS.

"Industrial purposes" means the use of water for mechanical purposes, including the recovery of energy from water transmission/distribution systems or downstream systems.

"Renewable low-impact electricity" (as outlined in subsection 3(1) of the *Renewable Electricity Regulations*) means electricity produced from any resource that is able to be replenished through natural processes or sustainable management practices.

"Renewable portion" means the portion of recoverable energy attributed to natural hydraulic head without mechanical intervention (i.e., pumping).

"Hydroelectricity" means a form of renewable low-impact electricity generated from flowing water with minimal environmental effects on the water course.

"Sustainable management practices" means the management of a renewable resource that ensures the resource will not be depleted at current levels of consumption.