

## Re: Project Transition Rules for Projects Already Underway

**1. PURPOSE.** The following directive has been administered in order to clarify the transition rules regarding distribution level renewable electricity projects already underway, i.e., have received a Power Purchase Agreement (PPA) or Renewable Electricity Approval through the Community Feed-in Tariff (COMFIT) program.. This policy replaces *COMFIT Guidance Note: COMFIT Project Transition Rules for Projects Already Underway* (December 2010), and comes into effect March 12, 2014 at which point the Guidance note will no longer be in effect.

**2. POLICY RATIONALE.** As described in the *Preliminary Guide on Renewable Electricity in Nova Scotia*, the COMFIT program is designed to bring on new sources of renewable electricity to the provincial distribution grid. As such, generating facilities that have moved beyond the planning stages do not qualify for COMFIT.

The Nova Scotia Utility and Review Board (UARB) set the original COMFIT rates September 7, 2011, and will review the rates within 3 years of that date. To ensure the integrity of the original COMFIT rates set by the UARB, the original rates will apply to those projects that receive COMFIT Approval before the UARB review. Unexecuted COMFIT approvals cannot be transferred to rates set after the review. Only projects submitted after the rates have been reviewed will receive the new rate pending COMFIT Approval.

**3. LEGAL AUTHORITY.** Under Subsection 28(1) of the Renewable Electricity Regulations, the Minister of Energy (Minister) may approve or reject an application for a Feed-in Tariff approval that satisfies the requirements of the Act and the regulations. This directive provides guidance regarding what stage of projects the Minister will consider eligible for COMFIT Approval.

### 4. DIRECTIVE.

Because the COMFIT program has been designed to encourage and support the development of new renewable electricity projects, some projects are not eligible for participation. The following criteria outline projects that are not eligible for the COMFIT program:

- Projects that have already been connected to the grid;
- Projects participating the Enhanced Net Metering Program; and/or
- Projects that have received a Power Purchase Agreement (PPA).

If there is no contract in place and an applicant intends to qualify under the COMFIT, they must first go through the COMFIT application process and receive approval from the Minister. Projects in planning or construction may be eligible for COMFIT Approval, but there is no certainty about eligibility until the generator receives COMFIT Approval from the Minister. The Department must be satisfied that all COMFIT requirements have been met, including community support, regardless of the stage of the

project. These are not the only eligibility requirements of the COMFIT program; eligibility includes all information set out in the *Renewable Electricity Regulations*.

COMFIT applications that have been submitted to the Department of Energy and projects that have received COMFIT Approval during the period before the UARB rate review will be subject to the COMFIT rate at the time of approval. COMFIT applicants wishing to receive a new rate must cancel their existing PPA, forgo their space in the distribution queue, and wait 30 days before re-applying. No COMFIT projects will be accepted or reviewed during the UARB review. Only those projects submitted after the rates have been reviewed and/or changed will be eligible to receive the new COMFIT rates.