

WHAT WE HEARD FROM STAKEHOLDERS

The Department of Energy invited key stakeholders to attend informal round table meetings, and provide formal submissions for public release. The department asked that submissions be made by December 5th to ensure that the Electricity System Review report met legislated timelines. The following provides a summary of the feedback received. Not all stakeholder groups that attended sessions provided written submissions. Full submissions can be found on the Electricity System Review website.

Affordable Energy Coalition

As part of the electricity system review, the coalition recommended that a model of electricity regulation be considered that ensures all households have access to an affordable, minimum amount of electricity. Energy poverty in Nova Scotia occurs when people have unsustainable energy burdens and their access to energy is undermined. The coalition believes inadequate income is the primary reason for disconnection of electrical service. Low-income families are forced to use food banks or to stop buying medicine to pay electricity bills.

In the context of addressing the issue of affordability, the Affordable Energy Coalition (AEC) recommends the introduction of a universal service program (USP) that could be either ratepayer, or taxpayer funded. This would be a four-part program that would protect and promote low-income households' access to electricity through

- rate affordability – matching their electricity costs to their limited incomes (USP would reduce low-income electricity costs to 8 per cent of income of electrically heated homes and 4 per cent for base load electricity)
- arrears management – dealing with arrears in an affordable, predictable way (USP could forgive arrears over three years for those who consistently pay their affordable electricity bill)
- emergency relief – providing relief to deal with all genuine emergencies (low-income families facing job loss, illness, etc., so they would still have access to electricity)
- energy efficiency upgrades – upgrading tenant homes to reduce energy use, while continuing to upgrade homes owned by low-income households

Efficiency Nova Scotia

Efficiency now accounts for more than 5 per cent of the province's electricity supply. Nova Scotians are avoiding \$78 million on electricity costs in 2014 alone due to Efficiency Nova Scotia activities to date, and the production of more than 550,000 tonnes of carbon dioxide is avoided annually. There is additional potential for cost savings within the Nova Scotia market.

Performance-based regulation offers the potential to utilize incentives that reward utilities for achieving energy efficiency goals. Efficiency strongly encourages an examination of PBR where investment in efficiency is rewarded or incentivized. Efficiency Nova Scotia can play a role in the implementation of smart meter technology by ensuring that ratepayers receive the objective information required to benefit from this technology at home and at work. Efficiency and conservation currently makes a substantial contribution to reliability, competitiveness, affordability, and efficiency of Nova Scotia's electricity system.

Electricity Mobility Canada

Increased adoption of Electric Vehicles (EVs) is important to achieving greenhouse gas (GHG) emissions. Transportation is one of the biggest contributors to GHG emissions and the introduction of a new "electric fuel" will enable Nova Scotians to choose a cleaner and more affordable fuel source.

Electrification of the transport system would also create a steady increase in demand for electricity that could be met with off-peak capacity. With various advances in smart grid and other energy management technologies, EVs can become instrumental for load management and energy storage as a distributed battery to help balance the grid and deliver electricity during outages.

Municipal Electric Utilities

Nova Scotia needs to determine which assets in the electricity system should be public and which are best served in private hands. It is submitted that the transmission system should be a public asset. Electricity system infrastructure is paid for and amortized through the rates. Generation assets however are different in that there is more business risk and, therefore, it is fair that those who take on the risk should reap the rewards.

NSPI may function better as a Crown corporation where a better borrowing rate and no income taxes could see up to a 10 per cent rate reduction. In the event that nationalization is unlikely, PBR may allow for better alignment between electricity

ratepayers and utility shareholders. It would allow policy makers to delineate society's goals and structure the regulatory regime to accomplish them.

It should be a goal of the province to sponsor a more robust and available interconnection to the rest of the northeastern power pool.

Municipality of the County of Colchester – Municipal Solid Waste

The County of Colchester through its Solid Waste Department remains committed to responsible waste management; however, there remains a question of what to do with post-recycled municipal solid waste—how do we recover this material for beneficial use rather than disposal by burying?

Every tonne of municipal solid waste (MSW) processed at a waste-to-energy facility offsets one tonne of GHG emissions. The production of energy in the form of electricity, heat, or a combination of both reduces consumption of fossil fuels. Waste-to-energy facilities offer a firm (more than 90 per cent capacity) source of electricity.

The Solid Waste Department of the Municipality of the County of Colchester strongly recommends the classification of post-recycled municipal solid waste as a renewable source of energy.

Solar Nova Scotia

The growth rate in solar PV installed capacity in Nova Scotia has averaged 80 per cent per year over the past five years. It is projected that with a modest 30 per cent annual growth solar PV could reach 32MW of capacity by 2030.

An independent study of the grid integration needs for distributed solar PV has not been done in Nova Scotia, and should be done within the next few years in anticipation of continued growth in solar PV installations.

In addition to solar PV, other forms of solar energy along with smart grid technology have the potential to reduce electricity demand (such as solar hot water heating and passive solar housing) Solar Nova Scotia estimates that the installation cost of solar PV systems (in 2014) is \$3.00–\$3.62 per installed Watt.

More support is encouraged for the development of community solar gardens (collectively owned solar arrays). This would not fit into either the renewable-to-retail or net metering model. Increased access to the net metering program is needed. Solar Nova Scotia members are reporting unnecessary delays in getting interconnection agreements processed, etc. There should be a simplified and standardized approval process.

Ecology Action Centre

While Nova Scotia is a leader in setting targets for—and achieving— greenhouse gas emissions reductions from the electricity sector, the electricity system still relies heavily on GHG-emitting fuels. This makes our province particularly vulnerable to likely future scenarios in which federal climate change policy will regulate the electricity sector for deep emissions reductions.

Stationary emissions, especially electrical power generation facilities, present the second largest opportunity for easy reductions today when compared to the difficulty associated with reducing emissions from transportation or oil and gas extraction. Further, existing and potential future mercury emissions standards will make coal-fired electricity generation increasingly impractical.

The EAC believes that the following commitments are crucial to achieving fossil free by 2035.

- Pursue all energy efficiency that is cost effective and achievable.
- Make provincial energy security a top priority
- Develop a non-cost criteria for selecting energy sources

It is time to stop tackling issues one-by-one and start giving citizens the ability to feed in to large-scale, long-term energy planning on an ongoing basis. It is essential that next steps focus on how to consistently engage Nova Scotians on energy decision-making. The EAC suggests that the concept of an Energy Planning Authority for Nova Scotia be created

Port Hawkesbury Paper (PHP)

PHP believes that the province should encourage the development of all potential energy storage initiatives by including support for the introduction of pilot projects and/or competitive solicitations for energy storage alternatives.

PHP supports a performance based regulation goal that would provide the utility with incentives to increase its performance while keeping costs as low as possible. The focus on cost containment should be a key element if components of PBR are to be successful in Nova Scotia. The province should also focus on increasing inter-regional co-operation and ensure NSP has the proper incentives to enter into inter-utility arrangements with will benefit all electricity customers.

PHP also believes that the department should continue to emphasize the important role of energy efficiency in helping Nova Scotia meet its future electricity needs at the

lowest possible long term cost. The Government should seek to develop mechanisms and provide support for significant projects that assist in achieving measurable and verifiable demand and energy savings that will provide the electricity system with flexibility and growth in demand through economics development.

ELECTRICITY & AFFORDABILITY

The cost of electricity is an ongoing concern for Nova Scotians due largely to our reliance on fossil fuels as our primary source of electricity. We have seen significant increases in electricity rates over the past ten years. While shifting to more diverse sources of electricity will help mitigate some of that in the long term and bring more predictability to rates, electricity affordability continues to be a concern for Nova Scotians today.

As part of the Electricity System Review, London Economics Inc. completed a high-level cross-jurisdictional analysis of how other areas address electricity affordability. The Affordable Energy Coalition has also suggested that the province create a universal service program.

Universal service programs essentially ensure that all customers have access to electricity regardless of their ability to pay. In Maryland, eligible customers receive assistance via payments for a portion of their current electric bill. Anyone whose income is below 150 per cent of the federal poverty line is eligible. This is a ratepayer-funded program, where a small charge is added to all electric customers' bills. Maryland also has a program that installs energy conservation materials in the homes of low-income ratepayers at no charge.

Ontario also has a low-income energy assistance program that provides emergency financial assistance to low-income customers (up to \$500) for electricity bills in arrears, and energy efficient upgrades. The province also has specialized rules for qualified low-income customers such as equalized billing and disconnection grace periods. Beginning in 2016, the Ontario government will also give low-income residents discounted electricity through direct on-bill support.

The Department of Energy is currently focusing on energy efficiency upgrades for low-income homes as a way to address electricity affordability. By lowering overall consumption, we not only decrease power bills today, but also reduce the impact of future price increases. Nova Scotia Power shareholders have committed to