

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF THE *ELECTRICITY ACT***

**- and -**

**IN THE MATTER OF a hearing to determine RENEWABLE ENERGY COMMUNITY  
BASED FEED-IN TARIFFS**

**BEFORE:**



Peter W. Gurnham, Q.C., Chair  
Roland A. Deveau, Q.C., Acting Vice-Chair  
Murray E. Doehler, P.Eng., CA, Member

**ORDER**

**WHEREAS** the Nova Scotia Utility and Review Board (the “Board”) held a hearing to determine Renewable Energy Community Based Feed-in Tariffs (“COMFIT”), pursuant to recent changes to the *Electricity Act* and the *Renewable Electricity Regulations*;

**AND WHEREAS** the Board sets the COMFIT tariffs, but the *Regulations* provide that it is the Minister who approves the applications by electricity generation facilities to participate in the feed-in tariff program;

**AND WHEREAS** the Board issued a Notice of Hearing and an Order on October 22, 2010, setting the timetable for this proceeding and 35 formal intervenors

responded to the Notice of Hearing. The hearing was held over five days from April 4-8, 2011 in Halifax, Nova Scotia;

**AND WHEREAS** the Board issued its Decision on the 4<sup>th</sup> day of July, 2011, and in its Decision, the Board directed Synapse Energy Economics, Inc. ("Synapse") to provide, through a Compliance Filing, revised Feed-in-Tariff model calculations for each class of generation facility canvassed in its Decision, as well as draft Terms and Conditions for each of the tariffs, by August 2, 2011;

**AND WHEREAS** Synapse filed its Compliance Filing with the Board on August 2, 2011, and parties were advised that they could provide comments on the Compliance Filing. Four intervenors provided comments to the Board.

**IT IS HEREBY ORDERED** that the tariffs and terms and conditions, attached hereto as Schedule "A" be approved effective September 7, 2011;

**IT IS FURTHER ORDERED** that:

- a) The Board will conduct a review of all the tariffs in three years;
- b) Nova Scotia Power Inc. ("NSPI") and the municipal electric utilities are directed to develop and maintain a resource of publicly available information which identifies available capacity for generation interconnection at each substation throughout the province. This information is to be submitted for Board review by September 30, 2011.
- c) In order to monitor the level of activity by participants in the COMFIT program, NSPI and the municipal electric utilities are directed to file an annual report with the Board by January 31st each year which provides a

listing of, and details regarding, each COMFIT generator that is at any stage of the application or interconnection process.

**DATED** at Halifax, Nova Scotia, this 7<sup>th</sup> day of September, 2011.

  

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Clerk of the Board

**SCHEDULE "A"**

**RENEWABLE ENERGY COMMUNITY-BASED FEED-IN TARIFF – WIND POWER  
PROJECTS 50 KW OR LESS**

**ENERGY PAYMENT**

The tariff for wind generators 50 kW or less consists of an energy payment only, undifferentiated by time of generation. The energy payment is \$499 per MWh.

**AVAILABILITY**

The tariff is available to electricity generating facilities that:

- (1) have been approved by the Nova Scotia Department of Energy as eligible for this tariff;
- (2) are interconnected at distribution voltage level (i.e., less than 69 kV);
- (3) have signed a Power Purchase Agreement (“PPA”) with the utility;
- (4) will not generate more than the minimum load on the substation transformer serving the feeder to which the generators would connect, minus the capacity of the generators already connected to the substation transformer.

**POWER PURCHASE AGREEMENT**

The power purchase agreement between the renewable low-impact electricity generator and the utility will have a term of 20 years. The energy rate in the PPA will be the rate in effect at the date the PPA is deemed effective. Generators will only be paid for the energy delivered to the utility system, as measured at the metering point, including any adjustments identified in the PPA.

**TARIFF TERM**

A generating facility is eligible to receive payments for a period up to 20 years from the date on which the Power Purchase Agreement is deemed effective.

**SPECIAL CONDITIONS**

This tariff is available to a maximum of 5 MW of generating capacity summed across the province. Once 5 MW of total capacity has been approved for this tariff, it will be available to no other projects.

## **RENEWABLE ENERGY COMMUNITY-BASED FEED-IN TARIFF – WIND POWER PROJECTS GREATER THAN 50 KW**

### **ENERGY PAYMENT**

The tariff for wind generators greater than 50 kW consists of an energy payment only, undifferentiated by time of generation. The energy payment is \$131 per MWh.

### **AVAILABILITY**

The tariff is available to electricity generating facilities that:

- (1) have been approved by the Nova Scotia Department of Energy as eligible for this tariff;
- (2) are interconnected at distribution voltage level (i.e., less than 69 kV);
- (3) have signed a Power Purchase Agreement (“PPA”) with the utility;
- (4) will not generate more than the minimum load on the substation transformer serving the feeder to which the generators would connect, minus the capacity of the generators already connected to the substation transformer.

### **POWER PURCHASE AGREEMENT**

The power purchase agreement between the renewable low-impact electricity generator and the utility will have a term of 20 years. The energy rate in the PPA will be the rate in effect at the date the PPA is deemed effective. Generators will only be paid for the energy delivered to the utility system, as measured at the metering point, including any adjustments identified in the PPA.

### **TARIFF TERM**

A generating facility is eligible to receive payments for a period up to 20 years from the date on which the Power Purchase Agreement is deemed effective.



**RENEWABLE ENERGY COMMUNITY-BASED FEED-IN TARIFF – RUN-OF-RIVER HYDRO PROJECTS**

**ENERGY PAYMENT**

The tariff for run-of-river hydro projects consists of an energy payment only, undifferentiated by time of generation. The energy payment is \$140 per MWh.

**AVAILABILITY**

The tariff is available to electricity generating facilities that:

- (1) have been approved by the Nova Scotia Department of Energy as eligible for this tariff;
- (2) are interconnected at distribution voltage level (i.e., less than 69 kV);
- (3) have signed a Power Purchase Agreement (“PPA”) with the utility;
- (4) will not generate more than the minimum load on the substation transformer serving the feeder to which the generators would connect, minus the capacity of the generators already connected to the substation transformer.

**POWER PURCHASE AGREEMENT**

The power purchase agreement between the renewable low-impact electricity generator and the utility will have a term of 20 years. The energy rate in the PPA will be the rate in effect at the date the PPA is deemed effective. Generators will only be paid for the energy delivered to the utility system, as measured at the metering point, including any adjustments identified in the PPA.

**TARIFF TERM**

A generating facility is eligible to receive payments for a period up to 20 years from the date on which the Power Purchase Agreement is deemed effective.



## **RENEWABLE ENERGY COMMUNITY-BASED FEED-IN TARIFF – IN-STREAM TIDAL PROJECTS**

### **ENERGY PAYMENT**

The tariff for in-stream tidal projects consists of an energy payment only, undifferentiated by time of generation. The energy payment is \$652 per MWh.

### **AVAILABILITY**

The tariff is available to electricity generating facilities that:

- (1) have been approved by the Nova Scotia Department of Energy as eligible for this tariff;
- (2) are interconnected at distribution voltage level (i.e., less than 69 kV);
- (3) consist of a tidal generating device or devices, each of which is not larger than 0.5 MW;
- (4) have signed a Power Purchase Agreement (“PPA”) with the utility;
- (5) will not generate more than the minimum load on the substation transformer serving the feeder to which the generators would connect, minus the capacity of the generators already connected to the substation transformer.

### **POWER PURCHASE AGREEMENT**

The power purchase agreement between the renewable low-impact electricity generator and the utility will have a term of 20 years. The energy rate in the PPA will be the rate in effect at the date the PPA is deemed effective. Generators will only be paid for the energy delivered to the utility system, as measured at the metering point, including any adjustments identified in the PPA.

### **TARIFF TERM**

A generating facility is eligible to receive payments for a period up to 20 years from the date on which the Power Purchase Agreement is deemed effective.



## RENEWABLE ENERGY COMMUNITY-BASED FEED-IN TARIFF – BIOMASS COMBINED HEAT AND POWER PROJECTS

### ENERGY PAYMENT

The tariff for biomass combined heat and power plant projects consists of an energy payment only, undifferentiated by time of generation. The energy payment will be \$175 per MWh from January 1, 2012 through December 31, 2012. This rate consists of a fuel component of \$75 per MWh and a non-fuel component of \$100 per MWh. The rate may change over time pursuant to the following adjustment and review mechanisms.

### FUEL ADJUSTMENT

The fuel portion of the rate will be adjusted automatically on January 1 of each year based on a percentage of the change in the Consumer Price Index for Nova Scotia (all items excluding energy) and the full change in the price of diesel fuel over the previous 12 months. The first adjustment will become effective January 1, 2013. The adjustment will be performed using the following formulas.

$$FC_1 = FC_0 * (1+A)$$

$$A = 0.75 * P * ((CPI_1 - CPI_0) / CPI_0) + 0.25 * ((DFP_1 - DFP_0) / DFP_0)$$

Where:

- FC<sub>0</sub> = the fuel component of the biomass rate on January 1st one year ago
- FC<sub>1</sub> = the adjusted fuel component of the biomass rate, applicable for the coming year
- A = the fuel adjustment factor
- P = a productivity factor of 75%
- CPI<sub>0</sub> = the Consumer Price Index for Nova Scotia all items excluding energy on January 1<sup>st</sup> one year prior to the adjustment year
- CPI<sub>1</sub> = the Consumer Price Index for Nova Scotia all items excluding energy on January 1<sup>st</sup> of the adjustment year
- DFP<sub>0</sub> = the average prescribed minimum self-service pump price at Halifax for ultra low-sulfur diesel fuel between January 1<sup>st</sup> two years prior to the adjustment year and January 1<sup>st</sup> one year prior to the adjustment year
- DFP<sub>1</sub> = the average prescribed minimum self-service pump price at Halifax for ultra low-sulfur diesel fuel between January 1<sup>st</sup> one year prior to the adjustment year and January 1<sup>st</sup> of the adjustment year.

### FUEL COST REVIEW

In addition to the fuel adjustment outlined above, the Utility and Review Board will review the fuel portion of this tariff every two years and may make additional changes to the fuel component of this tariff. The first review will be for rates effective January 1, 2014. The review will consider, among other things, the adjusted market price of biomass fuel delivered to approved biomass CHP plants in the preceding six months. Any biomass CHP plant electing the application of the fuel adjustment mechanism shall file with the Board and the Minister, on a

quarterly basis, data showing the adjusted market price of biomass fuel delivered to that plant after its acceptance of this tariff.

Any changes the Board makes will be prospective only, and between Board reviews the fuel adjustment mechanism will be applied.

## **AVAILABILITY**

The tariff is available to electricity generating facilities that:

- (1) have been approved by the Nova Scotia Department of Energy as eligible for this tariff;
- (2) are interconnected at distribution voltage level (i.e., less than 69 kV);
- (3) have signed a Power Purchase Agreement (“PPA”) with the utility;
- (4) will not generate more than the minimum load on the substation transformer serving the feeder to which the generators would connect, minus the capacity of the generators already connected to the substation transformer. If precise real-time data is needed, the cost of such metering equipment will be at the expense of the proponent. Any available real-time data that may be required to determine compliance with this clause will be made available to the Board and the Minister.

## **POWER PURCHASE AGREEMENT**

The power purchase agreement between the renewable low-impact electricity generator and the utility will have a term of 20 years. The energy rate in the PPA will be the rate in effect at the date the PPA is deemed effective. Generators will only be paid for the energy delivered to the utility system, as measured at the metering point, including any adjustments identified in the PPA.

## **TARIFF TERM**

A generating facility is eligible to receive payments for a period up to 20 years from the date on which the Power Purchase Agreement is deemed effective.

## **SPECIAL CONDITIONS**

In order to qualify for this tariff, generating projects must agree to provide to the Utility and Review Board the same information on its biomass fuel costs that a utility regulated by the Board must provide. This condition will be a condition of the tariff and any power purchase agreement approved by the Board.