

Community Feed-In Tariff Program

Facts

Context

The Community Feed-in Tariff (COMFIT) program is part of Nova Scotia's 2010 Renewable Electricity Plan, which sets out a detailed path to move Nova Scotia away from carbon-based electricity toward sources that are greener and closer to home.

In the past, nearly 90 percent of the province's electricity supply came from fossil fuels—most of it coal. This over-reliance on a single fuel source weakens our energy security, binds us to the volatile and upward trend of international prices, and drains wealth away from the province. It also has a negative impact on both our health and our environment.

Recognizing that we have to make a profound shift in our energy economy, the province has committed to 25% renewable electricity by 2015, and 40% renewable electricity by 2020. COMFIT is one of the ways the government will meet these targets.

Program Description

COMFIT is the world's first feed-in tariff for locally-based renewable energy projects. A "feed-in tariff" (FIT) is a rate per kilowatt hour that small-scale energy producers are guaranteed for a fixed period of time. This provides them with enough economic certainty to invest in renewable energy projects. "Feed-in" means that energy produced by these projects will be fed in to the province's electricity grid.

Small-scale producers typically cannot compete successfully against much larger developers in a competitive bidding process. More than forty-five jurisdictions around the world, including Spain, Germany, and Ontario, have established FITs that support small-scale and community ownership. These programs let newcomers participate in the renewable electricity industry, and encourage the development of projects over widely-dispersed rural areas.

The COMFIT program supports the development of local renewable energy projects by municipalities, First Nations, co-operatives, universities, community economic development investment funds (CEDIFs) and non-profit groups. Projects will be connected to the grid at the distribution level, serving the needs of local communities. The size of the projects will require technical study on a case-by-case basis, and will have to fall within the capacity of the local distribution grid. Most will be between 2 and 4 megawatts (MW). The government hopes to add 100 MW of renewable electricity capacity through COMFIT—enough to power about 100,000 homes.

The rates for each technology type have been set by the Nova Scotia Utility and Review Board after extensive public consultation. These rates include consideration of basic cost recovery, including the cost of capital, and a reasonable return on investment. Nova Scotia Power will pay these rates for a twenty-year period.

The government will review the COMFIT program in 2012 as part of a commitment to undertake an 18 month program review. It will evaluate the effectiveness of the program structure and progress in meeting the province's objectives for community-scale renewable electricity development.



Benefits of the COMFIT program

Economic

- More local benefits than imported energy
- \$1 invested = 3x multiplier within the community
- Geographic distribution of industry across the province
- Less reliance on energy imports
- More predictable costs
- Provides jobs
- Promotes Nova Scotia industry

Social

- Empowers people at the local level
- Promotes sustainability initiatives
- Encourages “socially responsible investing”
- Creates employment and spurs investment in communities
- Utilizes and develops community-based expertise

Environment and Energy

- Offsets use of fossil fuel with clean energy
- Reduces greenhouse gas emissions
- Supports cleaner technologies in Nova Scotia
- Diversifies supply of energy
- Improves electrical grid efficiency
- Potential to produce 100 MW of renewable electricity by 2020

Eligibility

COMFIT is open to community-based organizations to ensure that projects are rooted in communities and that investment returns remain there. Eligible entities include municipalities or their wholly-owned subsidiaries, community economic development investment funds (CEDIFs), co-operatives, Mi'kmaw band councils, not-for-profit organizations, universities, and combined heat and power biomass facilities.

COMFIT Rates

The following technologies are eligible for the COMFIT program:

- Wind power, 50 kilowatts (kW) or less – 49.9¢ per kWh
- Wind power, over 50 kW – 13.1¢ per kWh
- Small-scale in-stream tidal – 65.2¢ per kWh
- Run-of-the-river hydroelectricity – 14.0¢ per kWh
- Combined heat and power (CHP) biomass – 17.5¢ per kWh



Timeline

September 19, 2011

Application process opened.

December 16, 2011

First approvals announced.

Winter/Spring 2012

Application processing continues; all approvals announced.

Spring/Fall 2012

Proponents complete any required environmental and technical studies, conduct public consultations and raise capital.

Timing for construction and in-service dates depends on how quickly proponents secure financing and complete environmental, technical and other requirements, which vary according to technology and project size. Smaller projects may be able to begin producing electricity early in 2012.

Further Information

For more information or to sign up for our newsletter, please visit www.nsrenewables.ca. Questions and feedback can be directed to comfit@gov.ns.ca.