

Nova Scotia's Electricity System

OVERVIEW

JUNE 2014

Nova Scotia's electricity system supplies power to the province's population of slightly less than one million residents. Electricity is provided by Nova Scotia Power Incorporated (NSPI), as well as power utilities in six municipalities.

Electric Utilities and Independent Power Producers

Nova Scotia Power (NSPI) supplies most of the electricity in Nova Scotia and owns over 95% of the province's electricity systems. It is a vertically-integrated utility, which means that it generates, transmits and distributes electricity. NSPI serves about 500,000 residential, commercial, and industrial customers.

Municipal electric utilities in Antigonish, Berwick, Canso, Lunenburg, Mahone Bay and Riverport own and operate small electric grids. They buy electricity from NSPI and other sources, and sell directly to their customers.

These utilities can generate their own power, and buy any portion or all of their power from any competitive supplier including Independent Power Producers (IPPs). IPPs supply a large amount of the province's renewable energy, such as wind and biomass. Over 70% of the large-scale wind turbines generating electricity in Nova Scotia are independently owned.

Regulation

Nova Scotia's power utilities are regulated by the Nova Scotia Utility and Review Board (UARB) under regulations set out in the *Public Utilities Act*.

The province's wholesale electricity market (the six municipal electric utilities and NSPI) is open to competitive providers. Electricity providers can only sell to Nova Scotia Power and to the municipal utilities – not directly to retail customers.

The *Electricity Reform Act* passed in 2013 will allow customers to buy power directly from licensed renewable-energy providers. The required "renewable to retail" regulations are expected in 2015.



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Fuel Types

Fuel sources for electricity in Nova Scotia include coal, petroleum coke, oil, natural gas, biomass, wind, tidal and hydro power plants. The majority of Nova Scotia's power production still comes from imported solid fossil fuels (coal and petroleum coke), although there has been an increase in the use of renewable energy in the past decade.

Links to Other Markets

Nova Scotia is sometimes referred to as an "energy island". The province has only one limited transmission connection to another energy market – a link to New Brunswick that allows exports from Nova Scotia, but is not always available for importing energy.

The Maritime Link Project is being developed by Emera Inc., NSPI's parent company. This new connection will link Newfoundland with Cape Breton in order to bring more renewable energy to Nova Scotia. The hydropower provided through the Maritime Link will help Nova Scotia meet renewable energy targets for 2020. Construction is underway and operations are expected to begin in 2017.

