

May 10, 2010

The Honourable Ross Landry
Chair, Law Amendments Committee
c/o Legislative Counsel Office
1690 Hollis Street
Halifax, Nova Scotia
B3J 2X

Re: Bill 64 (Electricity Act)

Dear Mr. Chairman,

With respect to Bill 64, Nova Scotia Power recommends clarification on two matters.

Section 3 provides for an expanded net metering program, permitting customers' generation of electricity for their own use and sale of excess electricity to the public utility at a rate equivalent to the rate paid by the customer for electricity supplied to them by the public utility.

As drafted and presented, owners of multiple meters are able to combine (aggregate) their excess electricity and sell it back to the public utility as if coming from a single meter. The treatment of multiple meter customers may be unfair when compared to single meter customers vis-à-vis the principle that all public utility customers should bear an equitable share of fixed costs for the provision of distribution services. We urge that this issue be addressed.

The second matter relates to Section 4, and the proposed amendment relating to the procurement of renewable low-impact electricity from independent power producers.

Proposed Section 4B provides that "where a renewable electricity administrator has selected one or more independent power producers for the supply of renewable low-impact electricity to a public utility, the public utility shall enter into the agreements necessary to evidence the procurement."

The new administrator will adjudicate bids, and the public utility will have no input on costs. The language in the Act should clarify that under the proposed structure, the decision to award a power purchase agreement (PPA) rests solely with the administrator, and any costs associated with the PPA would be deemed to be prudently incurred costs.

Thank you for this opportunity to provide input regarding Bill 64. The utility is committed to achieving the goals, and supportive of the direction articulated in, the Renewable Electricity Plan presented in April.

Sincerely,



Peter Doig
Assistant General Counsel

DEFEATED

**Bill #64
Electricity Act (amended)**

CHANGES RECOMMENDED TO THE LAW AMENDMENTS COMMITTEE

PAGES 2 to 4, Clause 4 - add the following proposed Section

4C (1) The Governor in Council may make regulations to enable a renewable energy producer to sell electricity directly to a customer.

(2) The exercise by the Governor in Council of the authority contained in subsection (1) is regulations within the meaning of the *Regulations Act*.

**SUBMISSION TO LAW AMENDMENTS COMMITTEE
BILL 64, ELECTRICITY ACT
MAY 10, 2010**

The Halifax Regional Municipality is pleased to see the legislative follow through on the recent policy announcements by the Premier within the Renewable Electricity Plan.

HRM is not new to wind projects and in fact, explored the acquisition of 40% of its total corporate energy supply through 2 contracts in 2007 with 2 Nova Scotian wind developers. This would have enabled 13 MW of wind power construction to be financed through HRM contractual support. This did not materialize because of the need for supporting Electricity Act amendments, so we are very excited by the opportunities presented by Bill 64.

HRM would recommend two changes to Bill 64:

- ▶ The deletion of 3A(2)(b) relating to NPSI ownership of carbon credits and green attributes generated by these projects. The financing of these projects is very challenging and to be forced to turn the project carbon credits to NPSI negatively impacts the financing of the project.
- ▶ The amendment of s.3A(4) to allow customers to be able to generate up to 2 MW versus 1MW as part of a net metering program. This would improve the economics of single turbine projects which are challenging to finance. Increasing the net metering provision from 1MW to 2 MW would create little or no technical issues at the distribution level.

Thank you for the opportunity to submit our comments on Bill 64.

Respectfully submitted,

M.E.Donovan QC
Director of Legal Services & Risk Mgt