

LAW AMENDMENTS COMMITTEE

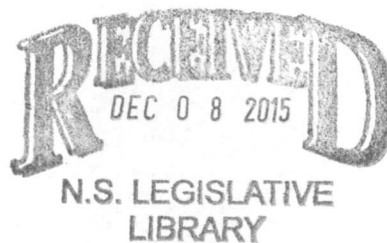
Red Room, Province House

Monday, December 7, 2015

4:00 p.m.

Bill #141 - Electricity Plan Implementation (2015) Act

1. Wayne Groszko
Ecology Action Centre
2. Babak Farsi
Doctor Solar
3. Barry Zwicker, President
Scotian WindFields Inc.



Bill #143 - Regulatory Accountability and Reporting Act

1. Michelle Raymond
2. Max Rastelli, Owner
Segway Nova Scotia
3. Jordi Morgan, Vice-President, Atlantic Canada
Canadian Federation of Independent Business

December 7, 2015

To: Law Amendments Committee of the Nova Scotia Legislature.**RE: Concerns about the Electricity Plan Implementation Act**

I am writing on behalf of the Ecology Action Centre to express three concerns about the Electricity Plan Implementation Act (2015). Our concerns relate to Chapter 23, which if enacted will reduce the ability of Nova Scotia Power customers to install their own renewable electricity generators and connect them to the electricity distribution system, in an arrangement commonly known as "net metering".

(1) Concern about severe limits placed on the size of customer's renewable generators:

Our first concern relates to Section (4) of Chapter 23, in particular this clause that limits project size:

(b) in respect of a customer's generator first connected to the public utility's electrical grid on or after the date that this subsection comes into force, a nameplate capacity of twenty kilowatts.

The twenty-kilowatt (kW) limit in this clause represents a 50-fold reduction in the allowable maximum size for customer-connected renewable electricity generators, from the previous limit of one megawatt (1 MW). This severe decrease would exclude significant net metered renewable electricity projects by a wide range of communities and organizations, including Mi'kmaq communities, municipalities, universities, volunteer fire departments, non-profit organizations, churches, and small-to-medium enterprises. Some of these projects are already in the planning stages.

For example, the Municipality of the County of Kings recently (2015) commissioned a feasibility study for net metered photovoltaic (PV) generators for its wastewater treatment plants. The results of the study recommended a 100 kW solar PV array for the Canning Wastewater Treatment Plant (WTP). This array will provide 100% of the amount of electricity consumed by the WTP on an annual basis, reduce greenhouse gas emissions by over 1200 metric tonnes in its lifetime, and provide a net financial savings to the Municipality. This project is allowed under the previous rules, but would be severely limited to 20% of its appropriate size under the new legislation. This is only one example of the kinds of progressive green projects across Nova Scotia that would be stifled by this legislation.

We must ask the Nova Scotia government: Why should municipalities and other organizations be restricted by this legislation from investing in renewable energy for their own buildings at a scale that is appropriate to the size of their electricity consumption? This proposed change is a step backward, at a time when we all need to be ramping up our efforts to address climate change.

The existing legislation, prior to this Act, allows customers to connect renewable generators up to the size that will produce an amount equivalent to their annual electricity consumption, with an upper limit of 1 MW. We believe that the existing limit is appropriate and does not need further restriction.

We are working with municipalities and community organizations who want to join the renewable energy transition by installing solar PV panels and/or wind turbines. This legislation would put an arbitrary and unreasonably low limit on their ability to take meaningful action to reduce their greenhouse gas emissions by investing in renewable energy for their buildings.

(2) Concern about the rate change for net metering:

In the existing legislation, the rate offered to customers for the surplus electricity that they generate is equivalent to the rate the customer pays for that electricity. This offers, in our view, a reasonable approach to giving credit for the contribution that the customer makes to supplying renewable energy to the system. The new legislation proposes to change that by requiring the public utility to develop a tariff for the electricity that net metering customers contribute, based on the net value of the electricity to the electrical system. We see four issues that concern us with this new approach:

- a) A tariff developed by the public utility itself (in other words Nova Scotia Power) is very unlikely to take into account the full socio-economic and environmental benefits of the customer's renewable energy contribution, and is likely to undervalue this electricity.
- b) Developing a single tariff, if it applies to all kinds of renewable electricity, will not take into account the fact that different renewable energy sources have different value. For example, solar photovoltaic produces only in daytime, when the value of electricity is higher. If a tariff is proposed, it should distinguish between and assign different values to different renewable sources of electricity.
- c) This change is very likely to result in a decrease in the rate paid to customers for their net metered surplus electricity, significantly reducing the return on investment in renewable energy and discouraging growth in the renewable energy industry in Nova Scotia, when we need to be building a green economy.
- d) The legislation is not clear on the length of the period over which the calculation of how much electricity has been "sold" by the customer to Nova Scotia Power will be made. If these amounts are calculated for each billing period, this will dramatically decrease the return that the customer receives for their surplus renewable electricity, because it will credit the surplus energy in one billing period at a reduced rate, rather than at the retail rate in a future billing period over a twelve month period.

This change to the tariff for net metering represents another step backward. It will in all likelihood result in slower growth in renewable generators at buildings across Nova Scotia, at a time when we need to be increasing, not decreasing, the rate of uptake of renewable energy.

The clauses in question that relate to the net metering tariff are as follows:

- (8) The public utility shall develop a tariff for the electricity sold to it pursuant to this Section and apply to the Board for approval of the tariff to be implemented on such date as may be prescribed by the regulations.
- (9) A rate in a tariff developed and approved pursuant to subsection (8) must be based on the net value of the electricity to the public utility's electrical system, and any other factors that may be prescribed by the regulations.
- (10) Upon the implementation of the tariff developed and approved pursuant to subsection (8), excess electricity sold by a customer to the public utility pursuant to this Section must be sold at the rate established in the tariff approved pursuant to subsection (8) instead of the rate established by subsection (1) or (1A).

(3) Lack of Consultation

Our third concern relates to the fact that there appears to have been virtually no consultation, or even notification, of affected parties about these significant changes in legislation that will affect their projects, community energy planning processes, and businesses.

The intention to make these specific changes to the rules regarding net metering was not mentioned in the publicly-available reports on the new electricity plan. We can find no evidence that the provincial government consulted with or even informed those who will be directly affected by these proposed changes before writing them into legislation.

First Nations, municipalities, universities, community organizations, individual Nova Scotians, and companies that work in the renewable energy industry, all will be negatively affected by these proposed changes. We have not been able to find anyone in the affected sector who was made aware of these changes or given the chance to comment on them by the government before they were included in this legislation.

Request to the Province of Nova Scotia:

We ask that:

- 1) The clauses referred to in this letter be struck from the proposed legislation, leaving the project size limits and rates of the renewable net metering program the same as they were previously.
- 2) An open and transparent set of meetings be held in 2016 between the Province of Nova Scotia and municipalities, organizations, First Nations, renewable energy companies, and individuals with an interest in renewable energy, to determine the next stage for the net metering program. This would include the discussion of how to properly account for the full benefits of net metering projects to meeting provincial sustainability goals.

Thank you for your time in considering these concerns.

Sincerely,



Wayne Groszko
Renewable Energy Coordinator
Ecology Action Centre



Submission to Law Amendments Committee – Dec. 7, 2015

Subject: Proposed Changes to Netmetering Program - Bill 141

Member of the Legislative Assembly,

I am writing to express my concerns about the proposed changes to the Enhanced Netmetering program in Bill 141. In Section 23 4(b) it is proposed to reduce the nameplate capacity of such project to from 1 MW to 20kW. This 50 fold decrease in the size of such projects, limits the ability of businesses, municipalities, universities and non-profit groups from adopting renewable energy projects that would allow them to reduce their energy usage and carbon footprint.

For example, Kings County is planning to build a net-zero energy municipal complex that would need a 100 kW Solar Photovoltaic (PV) system to be able to generate all the energy it uses. If the proposed changes go through, they will be limited to a 20 kW Solar PV system which will only generate 20% of their energy instead of 100%.

Further, under Section 23 (8)-(11), it is proposed that a new tariff structure is created for the Netmetering Program. Current rate structure allows the user to be compensated for the energy generated by their renewable energy system equal to the rate that they are paying on their power bill and use the grid as temporary energy storage to store the excess energy resulting in an annual net zero excess energy production. The new tariff structure proposes to apply a different rate for any excess energy put back on the grid at any point in time which could dramatically impact economic viability of these projects.

For example, currently any excess solar electricity energy production during the summer will be credited at the same rate as the energy is purchased. This credit is then used during winter, resulting in an annual net-zero excess energy to the grid. However, if a lower energy tariff is applied to the excess energy, the economic viability of such projects are significantly affected.

It is important to strongly consider the detrimental and unintended consequences and impacts of this decision. This proposed limitation also does not support the mandate of Greener Economy Strategy to develop the clean technology sector and accelerate the greening of companies, product and services (<https://www.novascotia.ca/nse/dept/docs/Greener-Economy-Strategy.pdf> - Page 5).



As a board member of Solar Nova Scotia and a manager of a renewable energy company, I do not believe that adequate stakeholder consultation was carried out to enable the government to make this policy decision on limiting the ability of businesses, municipalities, universities and non-profit groups to adopt renewable energy for their facilities. It is in fact surprising to see this type of legislation being proposed on the heels of the COP 21 Paris where new target are being set for the future and when we need all the tools to enable us to make more efforts to reduce our carbon footprint.

I request that further consultation with stakeholders should be carried out prior to any changes regarding the nameplate capacity and rate structure of renewable energy project under Enhanced Netmetering program in Bill 141.

Regards,

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Notes for Law Amendments Committee Dec. 7, 2015 re Bill 141

My name is Barry Zwicker and I am the President of Scotian WindFields and a few other associated renewable energy companies. SWFI is generally the parent of the others.

I have been directly involved with the renewable energy sector since 1999 and actively through SWFI since Jan. 2007.

I am here today to draw your attention to several very serious concerns related to the current drafting of Bill 141.

While I understand the lion's share of the Bill is focused upon dealing with the recently announced rate stabilization plan there are a few very serious negative inclusions in this legislation that is not consistent with Government stated objectives and I believe they have a number of unintended consequences.

It was very clear during the election process and subsequent actions that this government seems dedicated to making changes that in some way will cut into the current energy monopoly enjoyed by NSP and make the provider more responsive to the needs and expectations of the citizens and businesses of Nova Scotia. That I clearly support in spades.

This legislation is taking several steps backwards as it related to the ability of citizens,, non-profits and yes small businesses to either get in a more sustainable situation or survive.

One of the key costs that every citizen, non-profit and business operator faces is "energy". I don't have to tell you the percentage increases we have all experienced over the last few years. From my days as an economic development officer through to helping our church to my own personal home it is the one cost that continues to climb with no sign of slowing down.

One opportunity these groups have to take positive action and attempt to control their destiny is through the net metering

program. This program enables all of the above groups to become their own power generators to some level while staying connected to the NSP grid. The essence of the net metering program lets you and me as home owners use our own resources to produce renewable energy to supply some of our energy needs. In my personal case I have 19 panels on my roof. I get almost all the hot water I need from two of the panels and the rest are Solar PV panels where in the summer I get most of my electricity I use supplied by the sun. In fact I generate more than I need on a lot of days. In the winter not so much. This is why the ability to utilize the grid as a place to put the excess I use and then get credit for it helps me as a home owner to level out my energy costs. This is the same for non-profits, municipalities and small businesses.

Now to the point:

Section 23 (4) (b) lowers the currently permitted name plate capacity of a system utilizing the Net Metering program from a potential of 1MW down to 20KW. This reduction will not impact most homes but it will impede a number of non-profits and a lot of small businesses. This is a real regressive back peddling and does not make any sense to citizens or business operators. We are currently dealing with one such business and reducing the size as proposed starts to question the economics of the project and the motives of the Government for bringing such a change forward.

Stating with Section 23 parts (8)-(11) introduces the concept of a tariff that again homeowners and small businesses and non-profits will have to pay to NSP for using the grid as temporary storage. These sections do not provide any specifics as to their intent. There has been no background as to what it is trying to achieve or what costs NSP are encountering that it might try to offset. Back to my own situation for a minute. During the summer months when I am at times generating more than I am using and pushing it onto the



grid there is no reduction in my base charge to reflect that nor is there any additional costs to NSP to have this renewable energy put on the distribution system. I suspect it is being utilized by my neighbour who has not seen the light yet to install solar. So what could it possibly be for? Worst still there is no clarity as to when this tariff might be applied. For example would it be applied at each billing period or on an annual basis. There is a huge difference. Solar energy is generally captured during our summer months and not so much when we have two feet of ice and snow on the roof. So if the tariff was to be reconciled once a year it would have a much different impact than if it were monthly or every second month. The key here is it appears just to be a money grab opportunity for NSP being put in legislation and this item never made it to any of the consultation during the development of this legislation.

I wanted to keep this to a couple of points so if there are any questions I would love to be given the opportunity to respond.

Barry Zwicker



Survival Systems Holding Limited

7 December 2015

Dear Sir/Madame,

I am writing to express my concerns about the proposed changes to the enhanced net-metering program in Bill 141. In Section 23 (4)(b), it is proposed to reduce the nameplate capacity of such projects from 1 MW to 20kW. This 50 fold decrease in the size of such projects limits my company's ability to generate power onsite and reduce our carbon footprint.

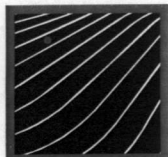
Currently, we are pursuing a proposal that would help reduce our building energy usage by the installation of solar photovoltaic modules on the roof of our building. By reducing the nameplate capacity of these projects to 20kW, our business will only be able to generate less than 10% of its annual energy usage and will lose its ability to make a substantial change to its carbon footprint beyond energy efficiency measures already implemented. This proposed limitation also does not support the mandate of the Greener Economy Strategy to develop the clean technology sector and accelerate the greening of companies, products and services.

I am requesting that an amendment to be made to this Bill by removing the noted subsection.

Regards,



Albert Bohemier



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LAW AMENDMENTS COMMITTEE

Red Room, Province House

Tuesday, December 8, 2015

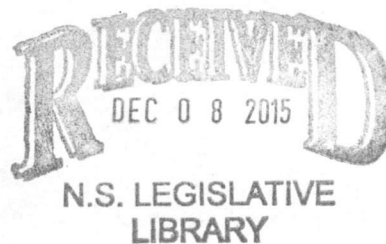
11:00 a.m.

Bill #141 - Electricity Plan Implementation (2015) Act

deferred from previous meeting

Bill #143 - Regulatory Accountability and Reporting Act

deferred from previous meeting



CARRIED

Bill #141
Electricity Plan Implementation (2015) Act

CHANGE RECOMMENDED TO THE LAW AMENDMENTS COMMITTEE
BY THE MINISTER OF ENERGY

PAGE 6, subclause 23(4) proposed clause 3A(4)(b), line 3 - delete "twenty" and substitute "one hundred".
