

Green Choice Program (GCP)

Participant Frequently Asked Questions (FAQ)

Updated 5/2/2023

Regulations

Question	Answer
What has changed between GCP 1.0 and GCP 2.0?	There are a handful of changes in the GCP program. Most notably: <ul style="list-style-type: none">- An EOI (expression of Interest) is no longer required to participate in the program, although it is encouraged.- An application is required.- Aggregation of multiple participants (customers/buyers) is acceptable if the separate participants are public institutions with subscription of minimum 1,000MWh per year (previously was 2,000 MWh)- The Power Purchase Agreement price will support all customers in the rate base including participants and non-participants in the program.- Minister has the ability to set costs and fees in Regulation. Previously NSP was required to bring the rate to the Board.
Is regulatory approval required from the UARB for this program design or is that avoided by specifying the program design under Government Regulation?	The Board will need to review and approve the Power Purchase Agreements through the procurement process. The Board may need to review and approve the fees as stated under the Public Utilities Act.
Is there an anticipated amount of MW that will be sought after in the upcoming RFP that Coho will be soliciting bids for? Was this amount chosen based on anticipated participant	The Program capacity is 350 MW and it is anticipated that the upcoming RFP will seek a total portfolio off 350MW. This is based on estimates for expected enrollment in the program.

consumption, or is it a set limit based on something else?	
As I understand the Province has a goal of reaching an 80% clean grid by 2030, what percentage of the green choice will contribute to that goal?	The additional renewable energy sourced will contribute to approximately 10% of the 80% goal.
If the PPA tender process comes back with prices that are higher than anticipated, will the Participant Agreement be amended?	The Request for Proposals (RFP) process will seek to provide best value to rate payers through the competition by ensuring that the heaviest weighted score in the RFP is price. Previously, a price cap was set. It is possible a price cap will be set for the GCP RFP as well.

RFP

Question	Answer
Where do the renewables come from? Do they come from private generation? For example, I have solar panels on my house. Is someone re-selling my power at a premium because its green?	Renewables assets will be sourced from new build projects in the province. As the procurement administrator, Coho will solicit bids for projects in development. Coho will then develop criteria to evaluate bids and select the top performers, who will then sign a power purchase contract with Nova Scotia power. Residential solar is part of the net-metering program in Nova Scotia and is a separate process and program from Green Choice.
How is the price between NSPI and the developer under the PPA determined?	Proponents will submit an Energy Rate in their RFP project proposal bid, this price will then be built into the PPA executed between successful proponents and NSPI. It is a fixed price over the duration of the 25 year contract.

Program Mechanics

Question	Answer
What is the timing of knowing the green power costs and the	The cost of the program will be a fixed \$1 / MWh up to a cap of \$100,000 per participant per year. The avoided cost of carbon will likely be known sometime later this year.

<p>application acceptance by the Minister</p>	<p>A decision has not yet been made about when applications will open for participants; however, the anticipated timeline is the fall of 2023. Notice will be given to interested participants of the opening of the application process in advance of the opening dates. Following the close of the application window, the Minister will have 45 business days to make a decision and notify applicants.</p>
<p>Will the general rate base be subsidizing GCP participants?</p>	<p>No, all ratepayers, not just GCP participants, will benefit from the cost savings anticipated by the addition of RE on the NS grid. Program costs and benefits will be netted in the background to participants:</p> <ul style="list-style-type: none"> - \$1 / MWh cost capture administrative costs and system costs to run the program - The avoided pressure from carbon compliance also benefits the rate base - Only participants pay a fixed fee and get the direct carbon compliance avoidance
<p>Is there a current range for the carbon avoidance cost, ex. Cents per MWh or \$/MWh or any ballpark number as this is needed to understand directional economics?</p>	<p>The output-based pricing system will replace Nova Scotia’s cap and trade system; it follows the Government of Canada’s backstop pricing; however, the exact cost per rate class (i.e., NSP customer) is unknown and will not be known until later this year following a Fuel Adjustment Hearing with the Utility and Review Board. The costs set will be anticipatory for the next calendar year. The cost set for 2024 will be different than the cost set for 2027.</p> <p>Costs and credits to participants are not applicable until renewable energy projects are operational likely between 2026-28. More information regarding how to address the credit should be released in December of this year.</p>
<p>Is the fee capped or the production volume also, ie. can a party use 120,000 MWh and the fee is only \$100,000?</p>	<p>The administrative fee is capped at \$100,000 per participant per year, but production is not. A participant with 120,000 MWh would pay the capped fee of \$100,000, but receive 120,000 MWh of green electricity. The fee is meant to capture the administrative costs associated with the utility in delivering the program.</p>
<p>Is subscription to the GCP expected to be essentially cost neutral compared to standard rate payers?</p>	<p>Whether or not the program is cost neutral will depend on the carbon avoidance costs which will not be announced until later this year.</p>

Can you share the reasoning behind the \$100,000? Is this just because administrative costs aren't expected to exceed this amount?	Administrative costs are not expected to exceed this amount.
Is the GCP credit able to exceed the GCP cost	Yes, the GCP credit is able to exceed the GCP cost.

EOI

Question	Answer
Do we need to include all property owned in the province (on the EOI) or just what we are interested in obtaining green energy?	Please include all property owned in the province you plan to apply for under the program, if there are properties you do not wish to enroll, then please exclude them from the EOI. Please also specify how much green energy you plan to obtain in the following question on what percentage of load you plan to enroll.
What are the advantages and disadvantages of participating in the program from 5 - 25 years.	Participants may extend the term of their subscription every 5 years but may not exceed 25 years. Participants may terminate subscription as long as they provide 90 days' written notice of the termination to NSPI and the Minister of Natural Resources and Renewables. The benefit lies in the long-term climate change or greenhouse gas reduction targets of the participant and aligning those goals with the 25-year Power Purchase Agreements of the renewable energy projects built to meet the needs of participants. It provides a long-term solution for Scope 2 emission reduction targets.
Do participants submit the MOA with the EOI?	No, the MOA will be submitted at a later date. The MOA is in the process of being updated. Please submit the EOI by May 12 th .
If a participant is submitting the EOI for more than one entity, what should they put down for the legal name of the organization?	If the entities are all owned by the same organization, please submit the EOI as the master organization (i.e. Province of Nova Scotia, Michelin North America (Canada) Inc). If entities will be aggregating, please submit an EOI for every entity and note that each will be aggregating. If the entities do not intend to aggregate, please submit separate EOIs.