

Green Choice Program (GCP)

Proponent Q&A's for Nova Scotia's Energy Reform Act

Updated March 15, 2024

Question	Answer
<p>What is the Energy Reform Act?</p>	<p>The <i>Energy Reform Act</i> implements the first and largest recommendation provided by the Nova Scotia Clean Electricity Solutions Task Force in the Modernizing Energy From Transition to Transformation Report to government.</p> <p>Recommendations provided by the Task Force 2-12 will require further consideration and may take a measured approach for implementation. The competition of generation and batteries from recommendation #7 is also part of the proposed <i>Energy Reform Act</i>.</p> <p>Government accepted the recommendations of the Task Force and introduced the Energy Reform Act (Bill 404) on February 27, 2024 which splits up the current Utility and Review Board into two separate regulators:</p> <ul style="list-style-type: none"> - Energy Board which will hear all energy related matters; and - NS Regulatory and Appeals Board for all other matters. <p>The Act also creates the non-profit, NS Independent Energy System Operator (NSIESO). The NSIESO is based on the Ontario IESO model with some modification for Nova Scotia's energy system. The changes bring more transparency and accountability to system operations, planning, and procurement.</p>
<p>What is the timeline to implement the proposed changes to the Board and System Operator?</p>	<p>Sections of the Legislation may be proclaimed independently, and no regulatory timelines are proposed; however, the anticipated timeline for the transition to the System Operator is 12-18 months.</p>

<p>What role does Nova Scotia Power Inc (NSPI). play in the transition and moving forward?</p>	<p>NSPI will remain as the largest privately owned utility, retaining its current assets including transmission and distribution lines, with opportunity to compete in NSIESO procurements where the utility may provide best value to ratepayers.</p>
<p>What is the mandate of the new IESO?</p>	<p>The NSIESO broadly will operate like other independent system operators across North America.</p> <p>The mandate for the energy sector is to:</p> <ol style="list-style-type: none"> 1) increase competition and innovation. 2) Provide safe, secure, reliable, and economical energy supply. 3) Ensure a transparent, efficient, and coordinated energy-supply planning process through such processes as the Integrated Resource Plan (IRP). 4) provide for competitive procurement for energy-system resources. 5) Support the provincial Environmental Goals and Climate Change Reduction Act.
<p>How will new generation and other system assets be procured moving forward?</p>	<p>The province retains the ability to appoint a Procurement Administrator under the Electricity Act to procure renewable electricity.</p> <p>Government may choose to appoint a Procurement Administrator to procure renewable electricity to meet program goals or to support the Clean Power Plan timelines.</p> <p>The NSIESO will procure energy-system resources which are: electricity supply, electricity capacity, energy storage, ancillary services, and hybrid peaking resources.</p> <p>Government and the NSIESO are anticipated to work collaboratively for procurements moving forward.</p>

	<p>No decisions have been made to date on the next wind or battery procurements for Nova Scotia to meet anticipated timelines in the Clean Power Plan.</p>
<p>What are the proposed changes regarding curtailment and what is the rationale behind these amendments?</p>	<p>Reducing risk, speed up processes for electricity procurements, interconnection studies, and provide greater clarity regarding wind curtailment and compensation for wind curtailment for projects procured under section 23 (formerly 4B) of the Electricity Act. As current models indicate the potential for high levels of wind curtailment, but the renewable electricity resource is required to meet provincial climate change targets. A cap of 5% of IPP risk is accepted, and the remaining 95% will be paid at the energy bid under curtailment scenarios regardless of congestion management or if the IPP has elected for Network resource Interconnection Service (NRIS) or Energy Resource Interconnection Service (ERIS).</p> <p>This also allows Green Choice projects in the current interconnection feasibility studies queue to shift to ERIS and provides certainty on risk for curtailment.</p>
<p>How will the Energy Board and NSIESO integrate new mandates, such as sustainability, into their processes and decision-making?</p>	<p>These updates to processes, procedures and impacts to decision-making will be a key part of the transition and the transition task force appointed to assist with these large undertaking.</p>
<p>With the removal of the prohibition on NSPI owning nuclear power generators, does this mean the Province is planning to build nuclear power?</p>	<p>The prohibition of NSPI operating a nuclear power plant was part of the sale of the utility in 1992. Allowing open competition across all sources is best practices across most energy jurisdictions and limiting one potential source of clean energy was not in line with current best practices.</p> <p>No plans are underway to build nuclear power in Nova Scotia. The plan to achieve our 2030 targets are outlined in the Clean Power Plan. Any energy system needs beyond 2030 to support the provinces' net-zero goals need to be explored further to determine what may be in the best interest of rate payers.</p>

<p>How will this impact the Green Choice Program?</p>	<p>The transition of the Board and creation of the NSIESO will take some time; however, the transition team, NSPI, Government of NS and the Utility and Review Board are committed to minimal disruptions to customers and processes that are key to progressing and advancing government climate change commitments. The Green Choice Program is part of our strategy to reduce greenhouse gases, achieve 80% renewable energy by 2030 and are action items within the Climate Change Plan.</p> <p>The RFP and PPA will need to be updated to reflect changes to legislation. Updates are in progress.</p>
<p>Back up/top up changes</p>	<p>The back up/top up spill changes are administrative changes to reflect the process already occurring at NSPI and the Board. This should not have any substantial changes to processes or projects.</p>
<p>Executed PPA's with NSIESO?</p>	<p>Future PPA's will be executed with the NSIESO and this will be true of Green Choice if the portion of the Act is proclaimed by fall of 2024.</p> <p>The previously executed PPA's are being explored from a legal and financial perspective to ensure there are no unintended impacts to the contracts, IPP's, NSPI or the IESO.</p>