



Green Choice Program

Stakeholder Engagement Document

This document was created to support stakeholder engagement on the proposed Green Choice Program. The intent is to provide an overview of the proposed program for the purpose of informing stakeholders and garnering informed feedback on the proposed design as part of the collaborative innovation process.

*This information should be used as a **reference resource ONLY** for understanding the program, as some aspects are likely to change pending ongoing discussions and feedback from our engagement with key stakeholders. This information is **not meant** for general distribution or to **reflect final program regulations, rules, or design**.*

Glossary of Terms

Customer: A current or new customer of Nova Scotia Power Inc. or other regulated electric utility

Energy load: Total energy consumption of the customer per year – this could be combined across multiple meters or multiple facilities expressed in megawatt hours per year (MWh/year).

Enrolled/Subscribed Customer: A customer that has completed the Expression of Interest (EOI), has paid the application fee, and has been approved to participate in the Green Choice Program.

Expression of Interest (EOI): Subscription action for enrollment to the Green Choice Program. This will be open for interested customers and an application fee will be associated with the process.

IPP: Independent Power Producers as defined by the [Renewable Electricity Regulations](#)

Large energy user: Electricity rate class 10 and above or about 16,668 MWh per year of energy consumption; visit: <https://www.nspower.ca/about-us/electricity/rates-tariffs> for more information on your rate category.

Power Purchase Agreement (PPA): A long-term commercial contract between an Independent Power Producer (IPP) and the utility that defines the terms and conditions on the production and sale of renewable energy to the grid.

Procurement Administrator: An independent, non-governmental third-party that is appointed by the Governor in Council to conduct a fair, transparent, and competitive procurement of new low-impact renewable energy.

Subscriber Agreement: The contract between customers and the utility with commercial terms and conditions for the volume of energy to be bought and the price of the energy to be paid.

Customer Survey: Interested customers are asked to complete a quick voluntary survey to help the Department of Energy and Mines and CustomerFirst Renewables better understand you, your energy needs, and your interest in the program.

UARB: Utility and Review Board; the independent regulator of all public utilities in Nova Scotia, such as electric, water and natural gas utilities. Role in setting rates and ensuring consumers receive a safe and reliable service at a reasonable price.

Overview of the Green Choice Program

Objective:

The Green Choice Program will enable large energy users in Nova Scotia to enroll and have renewable energy procured on their behalf to meet their energy needs and climate change goals. The program will also drive new renewable energy investments in Nova Scotia.

FIND MORE RESOURCES AND INFORMATION ON THE GREEN CHOICE PROGRAM WEBSITE:
www.novascotiagcp.com

Roles and Responsibilities of Energy and Mines and CustomerFirst Renewables:

Department of Energy and Mines (DEM) has retained the services of CustomerFirst Renewables (CFR), an expert with a decade of experience advising large energy buyers and designing successful green tariff programs, such as the Green Choice Program. In coming months CFR and DEM will be working together to engage with key stakeholders (IPPs, customers, and utility) to seek input and feedback as the program's regulations are drafted and finalized. DEM and CFR have divided the work and will be reaching out following two webinar sessions to schedule focused engagement with each stakeholder group.

CustomerFirst Renewables (CFR) has also been appointed by the Governor in Council as the Procurement Administrator for this program and will handle most administrative components of this program. All components of the program will be conducted in collaboration, cooperation, and coordination through ongoing engagement with key stakeholders and partners.

Task	Responsibility
Key Stakeholder and partner engagement (IPP, utility, customers, First Nations)	DEM & CFR
Customer Survey	DEM & CFR
Expression of Interest	DEM & CFR
Alignment of PPA, rate structure, RFP and Subscriber Agreements	DEM & CFR
PPA and rate (tariff)	UARB
Final decision on enrollment	DEM
RFP launch	CFR
Bid submissions and evaluation	CFR

If you are a **First Nation, utility representative or a member of the IPP community**, DEM will be leading these follow-up sessions with the support of CFR.

Where possible, members of an industry association should filter their comments and input to association representatives. If your business is not currently represented by an industry association and you have comments or input, please let us know.

If you are **an interested customer or a person(s) representing interested customer(s)**, CFR will be leading the follow-up engagement sessions.

Please contact us at:

- DEM email: GreenChoice@novascotia.ca
- CFR email: novascotia@customerfirstrenewables.com

When:

The subscriber enrollment intake process will be open for a designated window of time, and there may be multiple intake processes over the next few years. A notice will be issued in advance of the program launch to allow interested customers time to gather the necessary information required for application.

Customers:

Interested customers will be asked to complete a voluntary survey about their motivations and interests in the program to help ensure the program is designed to address those needs. Find the survey at <https://novascotiagcp.com/for-buyers>.

Eligible Customers:

Public institutions, and commercial and industrial customers such as:

- Governments (federal, provincial, and municipal)
- Government agencies and crown corporations
- First Nations
- Education institutions (universities, colleges, education centres)
- Health authorities or other medical facilities (hospitals, clinics, medical facilities)
- Corporate, industrial, or commercial entities
- Non-profit or social enterprises

All interested customers **must enroll, at minimum, 10,000 megawatt hours per year (MWh/year)** of energy to be eligible for the Green Choice Program.

10,000 MWh = 10 GWh = 10,000,000 kWh

This program is generally available for electricity [rate class](#) of 10 and up (small business, general, industrial).

A single meter (one facility) may meet this requirement OR the same institutional or corporate entity may own multiple meters and facilities at multiple locations across Nova Scotia, where the combined (aggregated) load of those facilities to be enrolled in the program equals 10,000 MWh/year.

An eligible public institution with an intent to individually purchase at least 2,000 MWh/year through the Green Choice Program, may aggregate with other public institutions to combine each of their total energy loads, at multiple facilities throughout the province, to meet the 10,000 MWh/year requirement. As an example, public institutions, like universities in Nova Scotia, may aggregate their load to meet the 10,000 MWh/year requirements. A Memorandum of Understanding (MOU), Letter of Intent (LOI), or similar structure must be in place aligning the institutions' participation in the enrollment process. A single representative should be chosen to represent the partnership (aggregate), where that representative is authorized to speak on behalf of the aggregated organizations and have the ability to enter into contractual negotiations on behalf of the aggregated entities. Contractual terms and conditions will need to be aligned among aggregate groups. One Subscription Agreement template is intended to be used for all aggregated participants (i.e., one Subscriber Agreement template where terms and conditions are agreed upon by all in the aggregate). Ultimately, each customer in the aggregate will individually sign the same template Subscriber Agreement reflecting their entity's portion of the aggregated purchase. This is to reduce administrative burden.

CFR has a long history of helping interested customers undergo analysis and learn about the key benefits of green tariff programs such as Green Choice Program. Understanding what key terms and conditions for aggregation your organization may wish to consider can be a part of the ongoing discussion with interested customers.

Energy Load Eligible to be Enrolled:

Approximately 40% of the current electrical system in Nova Scotia is powered by renewable energy; therefore, this program only targets the remaining portion of the customer's energy load that is not currently met by renewable energy (effectively 60%). This means customers may enroll 60% of their energy consumption into the Green Choice Program. To meet the requirements of enrolling 10,000 MWh/year in the Green Choice Program, a customer's energy load may look like the following:

Total energy load of the customer must equal approximately: 16,668 MWh/year

- 6,668 MWh currently met by renewable energy already on electrical system = 40%
- 10,000 MWh* available to enroll into the Green Choice Program = 60%

16,700 MWH PER YEAR IS APPROXIMATELY \$1.7 MILLION PER YEAR IN ENERGY BILLS
(DEPENDENT ON YOUR RATE CLASS)

**The Minister of Energy and Mines may consider permitting the enrollment of a customer's energy load that is greater than 100% of customer's current energy needs (up to 115%) if a significant new load is anticipated (e.g., through the addition of new facilities/expansions or electrification measures at current facilities.)
If this is important to you, please let us know!*

A customer may enroll any portion (%) of their energy load up to the 60% maximum requirements.

EXAMPLE:

Where a customer's energy load is already 40% renewable based on the current electrical grid, this leaves approximately 60% of the remaining energy load available for enrollment into the Green Choice Program. Of that 60% a customer may enroll any percentage to achieve their climate change goals.

For example, a customer may enroll 40% of their energy load into the program to meet a total of 80% of their total energy load to be met by renewable energy sources.

*40% renewable energy met by current electrical grid +
Customer enrolls 40% (up to 60% maximum) of their energy into Green Choice Program =
80% of energy load is met by renewable energy*

*Regardless of what portion or percentage the customer chooses to enroll, the energy **enrolled in the Green Choice Program** must still meet the **minimum 10,000 MWh/year** requirement.*

Intake Process for Customers:

1. *Submit an Expression of Interest (EOI):*
 - Non-refundable application fee; currently expected at \$500
 - Location of all facilities to be enrolled
 - All electricity meter and customer account numbers to be enrolled in the program
 - The total energy load to be enrolled in the program for each enrolled facility
 - Total quantity of energy to be enrolled in the program
 - Any other stated preferences at the time of the EOI.

The EOI's will be reviewed to ensure all requirements are met.

An EOI is required for a customer to be enrolled in the program.

The Minister of Energy and Mines will review and make final decision on enrollment in the program during each round of intake.

2. Enrollment:

In response to the EOIs, written notification will be issued to each customer by the Minister of Department of Energy and Mines for decision on enrollment in the program.

Customers will be asked to confirm and verify the information contained within the EOI and to confirm their desire to be enrolled into the program. However, note that final commitment and execution of

Subscriber Agreement will not be expected until after the competitive request for proposal (RFP) process for renewable energy supply has been completed. Additional information may be requested at this time.

Customers must be in good standing with their energy bills to participate.

If a customer is a new customer to the utility and there are no known bills to validate their energy needs, nor is there the ability to assess that the customer is in good standing; additional assurances may be required for these customer's enrollment in the program.

The amount of energy for which customers have enrolled will determine the amount of energy to be procured through a competitive request for proposals process (RFP) from the Independent Power Producer (IPP) industry.

The customer will bear all risk associated with changes to their energy load over the duration of the contract. For example, if significant energy efficiency measures are planned during the contract, or if significant growth through electrification is planned, it is the responsibility of the customer to do this analysis in advance to ensure the amount of energy they are enrolling in the Green Choice Program reflects these potential changes. There may be limited opportunity to address these changes within the Subscriber Agreement.

Enrolled Customers will be engaged as the RFP documents are designed and informed about the evaluation of project bid submissions.

An Enrolled Customer may elect to cancel their enrollment prior to the signing of contractual agreements, at any time, in writing to the Procurement Administrator. Note the application fee is non-refundable.

Contracts:

A template Subscriber Agreement will be prepared by the Procurement Administrator in consultation with all key stakeholders (IPP, utility, and customers). Subscriber Agreements will be signed between the Enrolled Customers and the utility. In other words, if you are a customer of Nova Scotia Power Inc. (NSPI), you will remain a customer of NSPI.

Contracts may include some flexibility around term length with a minimum term of five years or a maximum term that aligns with the PPA term of 25 years. Contracts with less than 25-year terms may include the option for 5-year extensions.

Contracts may also include early termination penalties that will provide protection to non-participating rate payers should an Enrolled Customer choose to terminate or default on their contract.

Contracts may be assigned, sold, or transferred to another subsidiary or similar eligible entity. The flexibility to allow this must be negotiated during the discussions for Subscriber Agreements. A fee may be required to review and approve a request to assign, sell or transfer a subscriber agreement. The replacement customer must meet the Green Choice Program requirements to be considered under this program (e.g., similar energy needs, sign the same contract, and be in good standing with the utility). This will be considered on a case-by-case basis and consistent with the terms and condition outlined in Subscriber Agreements.

We are interested in learning more from all interested participants, the vision for Nova Scotia Power Inc.'s participation and role in this program.

Costs and Billing:

Customers will only pay the Green Choice Program (GCP)-associated tariff for the portion of their load that they successfully enroll in GCP. The balance of load not addressed by GCP (no less than 40%) will continue to be billed consistently with the historical rate for the load.

GCP customers will be responsible for paying the full cost of the energy produced by their share of the renewable assets sourced under the GCP program and any integration fees associated with the cost of the new renewable energy projects to the electrical grid.

Customers will be billed similarly to their current energy bill structure, continuing to pay all other applicable energy service and taxes in a business-as-usual model; however, the GCP will be a separate line item on a customer's bill. For the GCP portion, customers may no longer be subject to any non-renewable energy components of their bill or any current or future carbon taxes. These may be replaced with the price of the new renewable energy project plus the integration costs amortized over all participants for the duration of the contracts.

The GCP program costs are expected to be competitive with a customer's current electricity costs. The Program will aim to communicate costs and provide more detailed analysis as participants are ready to enroll.

Program costs will be expressed in the following form and calculated in one of the two proposed ways:

- A fixed cost (renewable energy PPA cost + integration charge) that remains unchanged for the duration of the contract term, which would replace the Fuel Adjustment Mechanism costs under the standard tariff, OR
- A cost/credit structure that reflects the costs of the actual production from the renewable energy assets associated with subscriber enrollment amount, and the value of that production on the Nova Scotia grid. These would not replace the Fuel Adjustment Mechanism but would be reflected in additional line items on customers' bills.

We are actively seeking feedback on these proposed rate structures from interested key stakeholders.

Procurement of New Renewable Energy:

Request for Proposals Requirements:

A new Power Purchase Agreement (PPA) which potentially considers the renewable energy generator's ability to provide ancillary services is being drafted. Industry will be consulted on this drafting.

The RFP requirements and timelines will be drafted in consultation with key stakeholders.

The program is technology agnostic and open to any low-impact renewable energy technology as defined by the [Electricity Act](#). However, customers may indicate a preference of technology(ies) to meet their energy needs, though there are no guarantees this will be the technology selected.

At a minimum, the following are required for submissions to the RFP:

- Project must be in Nova Scotia
- Must be low-impact renewable energy, as defined by the Electricity Act and its [Renewable Electricity Regulations](#)
- Must provide best value to ratepayers
- Must submit bid submission fee as determined in the RFP
- Registered to do business in Nova Scotia
- New build or expansion to current sites; not re-powering of current sites
- Include year of anticipated delivery
- May include components of First Nations ownership and participation yet to be determined through ongoing engagement.

The Department will provide an advanced notification of the RFP launch date, which will include the duration of the RFP, and details about the evaluation and award process.

The intent of this RFP is to follow similar best practices as seen in other recent renewable energy procurements in Canada (e.g., Alberta, Ontario) and utilize lessons learned from these procurements.

Additional resources:

- [Nova Scotia's Ancillary Service Provision by Variable Output Renewable Energy Report completed by Power Advisory](#)
- [Updated Transmission System Integration Requirements December 2020](#)

Bid Evaluation:

The bid evaluation process will be staged so only the best quality submissions will advance to the final stage of review and approval.

The Procurement Administrator will review the submitted bids for compliance and will select which ones will proceed to further review. Enrolled Customers will be kept informed about the winnowing and selection process.

A select few bid submissions will be provided the opportunity to provide a Best and Final Offer to meet customer needs. Final awards will be issued to those projects that have been determined to meet all program requirements, qualifications and are the most competitive in terms of price and other RFP selection criteria.

Awards:

Enrolled customers will be re-engaged on contractual provisions as award decisions approach to begin finalizing contracts. Customers will sign contracts for 5-year to 25-year terms (in five-year increments). Pricing structures are likely to favour and encourage longer-term commitments from customers.

IPPs will be notified of their successful participation in the process and proceed to sign 25-year PPA contracts with the utility.

A summary of these final decisions will be reported to the Minister of Energy and Mines.

Climate Change Goals Met:

New renewable energy projects will be built and come online to meet customer needs, based on the timelines stated in their bid submissions.

Customers will receive the portion of renewable energy for which they have enrolled, for the duration of the contract terms, thus allowing subscribers to meet their carbon emission reduction commitments.