



Green Choice Program



Q&A Key Messages for General Stakeholder Webinars

February 17 and 25, 2021

Question	Answer
<p>Why isn't the Province mandating the overall electrical grid to become 100% renewable?</p>	<p>The Province is examining options to achieve the legislated greenhouse gas reduction goals outlined in the Sustainable Development Goals Act – 53% by 2030 and net-zero by 2050. Consultation on these goals have been ongoing with the Nova Scotia Department of Environment.</p> <p>In response to questions about Premier designate Rankin's commitment to off coal by 2030, the Department is preparing to assist the incoming Premier and his cabinet in meeting his campaign commitments. At this time, we have no further information to share.</p>
<p>When will the Province procure new renewable energy for all customers?</p>	<p>A Procurement Administrator, CustomerFirst Renewables (CFR), has been appointed for a term of three years, and new renewable energy that serves all customers is expected within this timeframe. However, the quantity and timing is still uncertain. Discussions are ongoing and the Province will make a public announcement when this occurs.</p>
<p>How will Nova Scotia Power (NSP) participate in the program?</p>	<p>CFR, the Procurement Administrator, and the Department of Energy and Mines are engaging with NSP on the key components of the regulation and program design, especially as it relates to customer enrollment, billing, and contract negotiations. It is expected that NSP will act as the intermediary between program participants and the renewable energy project owners, rolling program costs/benefits into participants' retail electric bills.</p> <p>We are also seeking other key stakeholder feedback on these topics as well.</p>

Question	Answer
Will NSP be allowed to bid into the RFP?	<p>NSP's role as a bidder in the RFP process is yet to be determined. Input from key stakeholders will also be considered in this matter. Clarity on this issue will be provided in advance of the RFP process.</p> <p>We are seeking key stakeholder feedback on how they feel the utility should participate in this process. We encourage stakeholders to reach out with any ideas or concerns.</p>
Can I sign up for a portion of my energy load (e.g., 80%) instead of 100%?	<p>Customers can enroll between 1% – 60% of their electrical load into the program, provided the enrolled quantity exceeds the minimum requirement of 10,000 MWh/year. This means a customer who enrolls for the maximum 60%, should have a total annual energy load of no less than 16,667 MWh.</p> <p>Approximately 40% of the current electrical system in Nova Scotia is met by renewable energy; therefore, this program only targets the remaining portion of the electrical system that is not currently met by renewable energy (effectively 60%).</p>
How does the new Renewable Energy Standard of 80% by 2030 impact the program?	<p>We are open to interested customer feedback on this item as it is new to us as well, and understandably may need to pivot our current thinking for this program.</p> <p>We are considering allowing a tiered pricing structure that encourages a subscription to 2030 and allowing customers to renegotiate the volume of the energy required (perhaps from 60% to 20%) to meet their needs at that time OR allowing subscribed customers to terminate their contract without penalty. Options will still exist for any customers who wish to continue to participate beyond 2030.</p>
Why does the Minister have decision making authority over the enrollment process?	<p>The Province may wish to review Expression of Interest (EOI) submissions for grid upgrade requirements and timelines to reduce administrative burden and complexities during the procurement process. It is possible some interested customers may be rejected for not meeting submission requirements or deferred to other intake processes in the future.</p> <p>The Province is also working on other climate change and emission reduction policies, programs and initiatives where the customer may be better suited.</p>

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Once we have submitted an Expression of Interest (EOI) and are enrolled in the program, do we have to sign the subscription agreement?	Enrolled Customers must have submitted an EOI to be considered for the procurement of new renewable energy; however, throughout the Request for Proposals process, Enrolled Customers will be informed about bid price point and terms and conditions of the subscription for the requested offtake volume and be allowed to make a final determination before signing a Subscription Agreement (expected in Q4 2021). If an Enrolled Customer chooses not to proceed with this program, they will suffer no penalties (except forfeiture of the application fee) and will be allowed to cancel their enrollment at any time with written notice to the Procurement Administrator. However, once the Subscription Agreement is signed by the Enrolled Customers, they will be bound by the terms and conditions contained within that dictate any termination processes or penalties.
What if we have electrification plans for our facilities that will increase our energy load after we have enrolled in the program?	We are interested to learn from interested customers what amount of volume flexibility they would need. Please share your input on this question. It will be the responsibility of the customers to ensure they are enrolling the correct energy load based on current and anticipated needs for the duration of the contract term. It is possible, however, that interested customers may wish to consider other renewable energy procurement options (e.g., enhanced net-metering or purchases of unbundled Renewable Energy Credits) to meet anticipated future energy needs.
What if we have energy efficiency plans for our facilities that will decrease our energy load after we have signed up to the program?	We are interested to learn from interested customers what percent of their energy needs they may wish to enroll into this program. If significant energy efficiency measures are planned, this is anticipated to have a notable change on the overall energy needs of the customers. It is the responsibility of the customers to ensure they are enrolling the correct energy load based on current and anticipated needs for the duration of the contract term. Significant reductions in load may result in partial termination penalties under the Subscription Agreement.
What if we want to build a new facility but our energy load is not yet known?	Part of the Province and PA's cooperation and collaboration with the utility will be discussions on how best to address these various scenarios and to validate customer's energy loads.
What if the business/facility is new to the Province?	If the business is new to the Province, additional validation and assurances may be required to enroll in the program. If the business is currently located in Nova Scotia and this is a new facility, the energy modelling of that facility's energy load will need to be validated. It is the responsibility of the customers to ensure they are enrolling the correct energy load based on current and anticipated needs for the duration of the contract term.

Question	Answer
Will IPPs be rewarded for considering ancillary services as part of the renewable energy procurement?	The Province worked with the Offshore Energy Research Association (OERA) and Power Advisory LLC to create a study that reviewed how the Nova Scotia grid system could optimize integration of new renewable energy, and how new renewable energy resources can provide these grid services. A new Power Purchase Agreement (PPA) is being drafted to reflect these learnings and to quantify these service provisions within the contract. A more focused opportunity for IPPs to participate in this process will occur later in the process – likely sometime this spring.
When will the new PPA be ready for discussion? When will the RFP be launched?	We expect the PPA to be drafted and ready for focused engagement with key stakeholders this spring. The development of the RFP is planned with engagement from key stakeholders and is planned for issuance this summer.
What if a customer wants to specify the type of renewable energy/ location/ partnership or ownership structure it wants procured on its behalf?	We are interested to learn more about the value proposition valued by interested customers. A survey will be issued to interested customers to inquire on these specific questions to design the program and best meet customer needs.
Can we see a map of priority development areas based on resources and grid capacity?	A map will be made available, similar to the one that was available to support the previous wind procurement in 2012, as part of the RFP. A draft of the map will be available this spring.
What renewable energy types are currently part of the legislated Renewable Energy Standard of 40% in Nova Scotia? What oversight is in place to ensure compliance?	<p>The electrical grid in Nova Scotia is currently legislated and regulated to be a 40% renewable energy mix via a mandatory Renewable Energy Standard. This is accounted for with oversight from the independent regulator the Utility and Review Board.</p> <p>The 40% renewable energy mix is regulated in the Renewable Electricity Regulations (2010) and low-impact renewable energy is:</p> <ul style="list-style-type: none"> • Solar • Wind • Ocean-energy • Wave-energy • Run-of-the-river hydro • Tidal • Biomass (from sustainable harvest) • Landfill gas • Heritage renewable energy • Imported renewable energy <p>At the time the Renewable Electricity Regulations were drafted in 2010, they were based on the EcoLogo model; however, some heritage renewable energy sources (e.g. hydro) may not align.</p>

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<p>What if a customer disagrees with the renewable energy mix or percentage of renewable accounting at 40%?</p>	<p>Where possible, we are willing to work with interested customers to provide them with the reassurances they are seeking. The regulations governing this program are being drafted, so now is the opportunity to tell us what you need.</p> <p>This program aims to meet the needs of enrolled customers but is not designed to allow for these nuances in distinctions. If interested customers disagree with some components of the renewable energy mix that the Province classifies as low impact renewable electricity in its legislation, then customers may consider other procurement options that may support their definitions of renewable energy (e.g., enhanced net-metering or Renewable-to-Retail) or Renewable Energy Credits (RECs).</p> <p>Interested participants must continue to contribute to the payments for these legacy renewable energy projects that were procured on behalf of all customers. We are seeking a balance to meet customer needs while also protecting the non-participating rate base, continuance of all customer This is an important part of an overall successful program as it protects the non-participating rate payers.</p>
<p>What about carbon tax?</p>	<p>Subject to final regulations, customers enrolling in the Green Choice Program will no longer be required to pay carbon taxes associated with the fossil fuel components of the electricity system.</p> <p>As an example, if an entity signs up for 80% of their total energy load to be met by renewable sources (40% is met by the current system) an additional 40% will be procured through Green Choice; 80% of your bill is no longer subject to carbon pricing; however, the remaining 20% of the energy load will be subject to carbon pricing.</p>
<p>How are environmental attributes considered?</p>	<p>Customers who enroll will continue to pay for the legacy renewable energy portion of the current grid system (40%).</p> <p>Enrolled customers will be able to claim the portion of renewable energy subscribed and produced through the Green Choice Program. If a customer has a goal of 100% carbon emission free electricity use, inform us about that goal and, upon approval for the Minister, we may consider enrollments of more than 60% of current annual energy load.</p> <p>The renewable energy attributes will be retired on behalf of the customer and will not be available for further market transactions.</p> <p>Customers may count the renewable attributes associated with their purchase of renewable energy under the Green Choice Program towards their Scope 2 Greenhouse Gas footprint.</p> <p>Customers enrolled in this program will no longer pay for the carbon pricing associated with total energy enrolled to the program.</p>

Question	Answer
What about Renewable Energy Credits (RECs)?	We are seeking feedback from participants about what their requirements for proof of the renewables purchase are.
Risk mitigation between the Subscription Agreement and PPA provisions?	<p>The Green Choice Program design aims to protect non-participating ratepayers from program risks:</p> <ul style="list-style-type: none"> • Tiered-pricing structure to encourage longer-term Subscription Agreements that match the PPA term • Penalties for early termination • Customers enrolled in the Green Choice Program will continue to pay for the legacy renewable energy assets through continued payment of historical tariffs for 40% of their electrical load <p>However, as with all energy programs, not all risk can be mitigated.</p>
Cost components for customers?	<p>Cost components of the program are unknown at this stage; however, customers will pay:</p> <ul style="list-style-type: none"> • Non-refundable application fee; currently expected at \$500 • Pricing to be determined by asset procurement through an RFP process • Tiered pricing, based on term selected (a longer-term commitment will have reduced costs) • Integration charge TBC (set by a UARB process assessing the costs of integrating the new renewables, including both direct and indirect costs, as well as benefits of the renewables). <p>The GCP program costs are expected to be competitive with a customer’s current electricity costs. More detailed cost information will be shared with participants as the program design is finalized and once pricing has been received from the IPP community under the Request for Proposal process. Enrolled Customers will not be expected to execute Subscription Agreements until costs are finalized and shared.</p>
My IPP is not currently represented as part of an industry association. How can I continue to be engaged?	<p>Please send us your comments directly, and if you have any questions, points of concern or would prefer a follow-up engagement session we would be happy to accommodate those IPPs.</p> <p>However, where your IPP is represented by an industry association, for ease of administration and time constraints, please direct your comments and concerns to the industry association. A follow-up session is currently scheduled for March 4, 2021 for IPP industry associations. Additional consultation and engagement on the PPA and RFP process will be conducted at a later date. The current process is focused on collecting program design feedback.</p>