



Green Choice Program

Stakeholder Engagement Document

Updated 4/23

This document is intended to provide stakeholders with information about the Green Choice Program, including updates to the program which have been made as a result of stakeholder feedback.

*This information should be used as a **reference resource ONLY** for understanding the program, as some aspects may yet change before the program details and regulation are finalized. 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 10,000 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: A voluntary survey filled out by interested customers to help the Department of Energy and Mines and CustomerFirst Renewables better understand customers, energy needs, and 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. CFR and DEM have been 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.

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
Final awards-execution of PPA and subscriber agreements	CFR

CFR as the Procurement Administrator will be leading further engagement efforts with all stakeholders in the design of the RFP, PPA and Subscriber Agreements. The Department will continue to be engaged and support these efforts.

If you have any comments about the program, 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 (expected in May and June 2021), and there may be further 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 were 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. The survey closed in March 2021 and responses were considered to inform recommended program changes.

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

Customers **must enroll, at minimum, 10,000 megawatt hours per year (MWh/year)** of energy to be eligible for the Green Choice Program. See below for details on how to aggregate if you are below this threshold.

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:

Customers may enroll any percentage of their energy load up to 120% of their energy consumption into the Green Choice Program, based on actual usage over the past 12 months, but in no event less than 10,000 MWh/yr. Enrolled customers will be allocated a percentage of the nameplate capacity of the GCP asset(s) which corresponds to the MWh/year load which customers elect to enroll in the EOI process. This percentage allocation will occur once final GCP asset(s) has been identified and will reflect the selected asset's net capacity factor and any limits placed on the capacity which can be procured for the GCP program (a program cap of 500 MW exists).

*Regardless of what portion or percentage of their load 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 of \$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
 - Aggregation partners (if applicable)

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. Assessment of customers creditworthiness will be conducted and, subject to the outcomes of that assessment, security may be requested.

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 they are comfortable with the amount of energy they are enrolling in the Green Choice Program. There will 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.

Customers will have flexibility in electing contract term lengths (to 2030, 10, 15, 20 and 25-year terms). 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 an affiliate or similar eligible entity. 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.

Costs and Billing:

Customers will continue to pay their full retail energy costs, consistent with their historical tariff, for all energy consumed at their facilities. GCP will act as a rider to a customer's existing tariff, in the form of two new lines items on the bill; one for the GCP Costs and one for the GCP Credits.

The details are still being finalized. As currently contemplated, the GCP Cost will be a fixed rate at the outset of the contract, reflecting the PPA cost for the GCP asset(s) and an administrative charge. This rate will be applied to customer's share of the monthly production from the GCP asset(s) to calculate the GCP Cost that will be added to customer's bill.

The GCP Credit will reflect the value of the energy delivered by the GCP assets to the grid. The timing of the refresh of this rate (e.g. annually, every 3 years) is still being finalized. However, this rate will be applied to customer's share of the monthly production from the GCP asset(s) to calculate the GCP Credit that will be added to customer's bill.

Customers will be billed similarly to their current energy bill structure, continuing to pay all energy and demand fees and taxes in a business-as-usual model; however, the GCP will create two new separate line items on a customer's bill. A reduction in customer's costs, reflecting avoided carbon tax related costs is also planned, however the form of this reduction is still being finalized.

The net of GCP Costs and Credits is expected to approximately offset each other over the course of the GCP contract term. The Program will aim to communicate costs following the RFP process and will share information about the Credit components to enable customers to analyze the economic opportunity prior to entering into Subscriber Agreements.

Procurement of New Renewable Energy:

Request for Proposals Requirements:

A new Power Purchase Agreement (PPA) which considers the renewable energy generator's ability to provide ancillary services and includes a production guaranty 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
- Completed Feasibility Study
- Must consider social procurement measures

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 February 2021](#)

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 the project(s) 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 minimum of 2030 commitment up to 25-year terms. Pricing structures will 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.

Nova Scotia Power will retire environmental attributes from the GCP asset(s) on behalf of GCP Customers in an amount equal to customer's portion of production from the GCP asset, thus allowing customers to claim these environmental attributes as part of their carbon emission reduction commitments.