



Green Choice Program



Q&A Key Messages

Updated 4/23

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 has been ongoing with the Nova Scotia Department of Environment.</p> <p>The province has committed to getting off coal by 2030 and achieving an 80% renewable energy target by 2030. The Green Choice Program will be one of the first, early steps to allow Nova Scotia to meet the new renewable energy targets.</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; they are expected in 2021.</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>

Question	Answer
Will NSP be allowed to bid into the RFP?	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.
Is there a program cap for participants?	<p>Yes. Following discussions with stakeholders, where the program now supports 100% of a customer's energy needs to be built through this program, a program cap of 500 MW has been proposed.</p> <p>This should meet the demand of the customers and ensure the system does not get overbuilt.</p>
Can I sign up for a portion of my energy load (e.g., 80%) instead of 100%?	Customers can enroll any amount of energy load up to 120% of their electrical load into the program (based on consumption in the last 12 months), provided the enrolled quantity meets the minimum requirement of 10,000 MWh/year .
How does the new Renewable Energy Standard of 80% by 2030 impact the program?	<p>The new renewable energy built under the Green Choice Program is proposed to contribute towards the 80% compliance under the new Renewable Energy Standard for 2030.</p> <p>The shortest GCP contract term would expire in 2030 to allow customers who wish to rely on the 80% renewable grid mix to exit the GCP at that stage. 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>
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.

Question	Answer
<p>What if we have electrification plans for our facilities that will increase our energy load after we have enrolled in the program?</p>	<p>Customers will be permitted to enroll up to 120% of their load (as measured against their consumption in the last 12 months), to account for potential load increases. However, once a GCP Subscription Agreement is executed the capacity enrolled in GCP is fixed for the duration of the contract. It will be the responsibility of the customers to ensure they are enrolling the correct volume based on their current and anticipated needs for the duration of the contract term. Interested customers may wish to consider other renewable energy procurement options (e.g., enhanced net-metering, Shared Solar, or purchases of unbundled Renewable Energy Credits) to meet anticipated future energy needs.</p>
<p>What if we have energy efficiency plans for our facilities that will decrease our energy load after we have signed up to the program?</p>	<p>Significant energy efficiency measures can 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. Should a customer elect to reduce their volume enrolled in GCP, partial termination penalties under the Subscription Agreement should be expected. However, customers will not be penalized if their actual energy load through the contract term deviates from their GCP enrolled volume, provided they do not change their original GCP volume commitment. If a customer elects to reduce their GCP enrolled volume a partial termination fee may be applicable. For example, if customer enrolls 50,000 MWh/yr in GCP which equals their load in year 1, but their load drops to 40,000 MWh/yr by year 5, customer will still be required to pay GCP Costs and receive GCP Credits associated with their 50,000 MWh/yr enrollment in year 5. If they elect to reduce their GCP volume subscription during the term a partial termination payment may apply.</p>
<p>What if we want to build a new facility but our energy load is not yet known?</p>	<p>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.</p>
<p>What if the business/facility is new to the Province?</p>	<p>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.</p>
<p>Will IPPs be rewarded for considering ancillary services as part of the renewable energy procurement?</p>	<p>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.</p>

Question	Answer
When will the new PPA be ready for discussion? When will the RFP be launched?	<p>We expect the PPA to be drafted and ready for focused engagement with key stakeholders this June.</p> <p>The development of the RFP is planned with engagement from key stakeholders and is planned for issuance this summer.</p>
What if a customer wants to specify the type of renewable energy/ location/ partnership or ownership structure it wants procured on its behalf?	GCP assets will be procured for the collective subscription of all GCP customers, as opposed to dedicated assets for specific customers. The PA will run a competitive procurement seeking to identify the best value projects which meet the low-impact renewable energy definition.
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 May.
What is low impact renewable energy?	<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 and 80% by 2030. This is accounted for with oversight from the independent regulator the Utility and Review Board.</p> <p>Renewable energy in Nova Scotia may be made up of heritage renewable energy (e.g. hydro) and imported renewable energy (e.g. Maritime Link). Low-impact renewable energy as per the Renewable Electricity Regulations (2010) 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
What about carbon tax?	The GCP intends to enable subscribers to mitigate their exposure to the carbon tax. The form that this will take is still being finalized, however GCP customers will not be charged for the carbon tax on the portion of their load equal to their GCP enrollment.

Question	Answer
<p>How are environmental attributes considered?</p>	<p>Enrolled customers will be able to claim the renewable energy benefits of their portion of production from the GCP assets.</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>What about Renewable Energy Credits (RECs)?</p>	<p>RECs will be retired on behalf of customers by Nova Scotia Power. The RECs will likely be registered with the North American REC Registry (NARR), and customers will be provided an annual attestation of the retirement on their behalf. The RECs will be treated consistent with Green-e rules and compliance requirements.</p>
<p>Risk mitigation between the Subscription Agreement and PPA provisions?</p>	<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 or partial 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 their electrical load <p>However, as with all energy programs, not all risk can be mitigated.</p>
<p>Cost components for customers?</p>	<p>Customers will be required to submit a non-refundable application fee of \$500 when submitting their EOI.</p> <p>The program will be a cost-credit structure but the details are still being finalized. Once GCP asset(s) start producing, customers will need to pay the GCP Cost. The GCP Cost will be driven by a rate that reflects the GCP asset(s) PPA price and an administrative charge. This rate will be set at the outset of the contract and will be fixed through the contract term. Each month of the contract, the GCP Cost rate will be multiplied by customer's share of production from the GCP asset(s). This GCP Cost will be added to customer's retail electric bills and will be offset by the GCP Credit.</p> <p>Note that:</p> <ul style="list-style-type: none"> • Pricing to be determined by asset procurement through an RFP process. Greater clarity on pricing will occur in September, after project bids have been received, and will be shared with enrolled customers at that time • Tiered pricing, based on term selected (a longer-term commitment will have reduced costs)

Question	Answer
	<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 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>