

## **Resolution 13A**

### **NS RENEWABLE ELECTRICITY PLAN (FEED-IN TARIFF) (PASSED)**

⇒ Halifax Regional Municipality

**WHEREAS** the NS Renewable Electricity Plan sets a legislated target of achieving 25% of the Province's electricity supply from renewable sources by 2015; and

**WHEREAS** the Plan reserves 100 megawatts to be supplied by Community Based Feed-In Tariff (COMFIT) systems run by municipalities, First Nations, co-operatives and non-profit groups, but does not enshrine those 100 megawatts in legislation; and

**WHEREAS** there are several benefits to municipalities in having access to the reserved 100 megawatts, including economic development, increased expertise and access to revenue; and

**WHEREAS** in the opinion of HRM staff it is not feasible for municipalities to build their capacity and expertise in energy generation by the 2015 deadline;

**THEREFORE BE IT RESOLVED** that the Union of Nova Scotia Municipalities request that the Province entrench the 100 megawatts reserved for COMFIT systems run by municipalities, First Nations, co-operatives and non-profit groups, in the Plan regulations, so that they are available once municipalities and groups build energy generation capacity.

### **BACKGROUND**

The Province's new Renewable Electricity Plan establishes through legislation a commitment to achieve 25% of the Province's electricity supply from renewable sources by 2015. While the bulk of this will come from large-scale industrial projects, the Plan sets aside 100 megawatts to be supplied by smaller-scale energy producers using a Community-Based Feed-In Tariff (COMFIT) system ( For the sake of comparison, 2300 megawatts of electricity are generated and consumed annually in Nova Scotia). The Feed-In Tariff guarantees those participating in the program a fixed price for the renewable energy they produce over a fixed period of time. The price usually reflects the cost of generating the electricity plus a reasonable return for the producer. In other words, the municipality/community group would generate and supply NSPI with electricity and NSPI would be required to pay the supplier the fixed rate, set by the UARB. Groups eligible to participate in the COMFIT program include municipalities, First Nations, cooperatives and non-profit groups.

The benefits of the 100 megawatt COMFIT program are:

- Support for community ownership and smaller scale projects that accommodate the electricity needs of specific communities
- Expanding municipal energy expertise, diversity and security
- Economic development in local/rural communities
- Potential revenue source for municipalities/groups supplying power

The Plan says that COMFIT projects will be connected to the power grid at the distribution level. Drafting of the Electricity Plan regulations is underway, and a review of COMFIT is planned for 2012 to allow the government to adjust the program if necessary. In explaining the potential issues with COMFIT, the Plan compares the energy distribution system to the highway network:

The transmission functions like a major 100-series highway, while the distribution system operates more like a network of small, local roads. Just as a sudden influx of unexpected traffic onto local roads can produce gridlock, the introduction of intermittent electricity at many different points around the province could overwhelm the distribution system.

HRM has reviewed the proposal to give 100 megawatts of power to municipalities and other local groups, and concluded that it is unworkable by the initial 2015 deadline. As outlined in the August 3, 2010 Council report, there are issues of risk, available funds, and capacity building. However the potential benefits of the COMFIT program are significant. HRM strongly supports entrenching the 100 megawatts for municipal and non-profit groups into the Electricity Plan regulations to ensure it remains available once municipalities have strengthened their capacity

HRM has made efforts to increase the number of innovative energy efficiency projects it undertakes in recent years, such as the District Energy, geothermal systems, etc. As it builds capacity and available expertise, it would be useful to have the potential to take advantage of the COMFIT program, particularly as it represents revenue-generating opportunities. HRM is asking UNSM to support entrenching the 100 megawatts available for municipal and non-profit use in the Renewable Electricity Plan regulations.

Forwarded to:  
*Minister of the Department of Energy*

**RESPONSE:**

*Thank you for sharing Resolution 13A - Nova Scotia Renewable Electricity Plan (Feed-In Tariff) as it relates to the 100 MW estimated to be available to renewable energy developments under the Community Feed-In Tariff (COMFIT) program.*

*One of the goals of the COMFIT program is to provide community groups, as defined in the Renewable Electricity Regulations, the opportunity to develop distribution-connected projects. We have seen great interest from communities who wish to play a role in the renewable electricity market, and the Regulations have been developed through stakeholder engagement to represent a unique opportunity for Nova Scotia.*

*Government understands that not all communities may have access to the same energy resources, nor the necessary technical capacity to fully develop a project. The Nova Scotia Department of Energy is in development of materials and processes to groups interested in developing COMFIT projects.*

*Groups eligible under the COMFIT program are also able to partner with renewable energy developers who have developed their own expertise in project development.*

*As outlined in the Renewable Electricity Plan, the COMFIT program will be reviewed in 2012 to evaluate the success of the program.*

*Until we learn more from our experience with the COMFIT program over the coming year, we do not contemplate the need for any changes in the existing legislation or regulations at this point in time.*

*The Honourable Bill Estabrooks, M.B.*

*Minister*

*December 7, 2010*