

# How well do you know Nova Scotia's energy system?

Why should Nova Scotians care how we get our electricity?
When you know the system, you can advocate for a better one.

Use this guide to learn how the system works so you can help us strive for a better energy future for all Nova Scotians.





# **Knowledge is powerful**

Look at all the things informed citizens can do.



Argue for better rates.



Advocate for friends and neighbours. Ensure no one in the community gets left behind.



Encourage your province to act on climate change.



Share in the benefits of a net-zero grid—good jobs, economic prosperity, clean air, and most of all, an electricity system that serves our energy needs.

# What's in Nova Scotia's energy system?

Here are some important components of Nova Scotia's energy system.



Want a transition to renewable energy



# Wind Turbines

Our more than 300 turbines generating wind power across Nova Scotia make us a national leader in wind energy



## 15,000+ Green Jobs

Could be created every year through energy reform and a clean energy transition





#### **Utilities**

You've heard of Nova Scotia Power, but did you know we have 5 other utilities?



#### Coal-Fired **Plants**

Powering 60% of the grid, straining our health system by emitting harmful pollutants in the air, and cutting lives short



#### Maritime Link

A major transmission transporting additional hydro power from Newfoundland & Labrador to Nova Scotia

#### For more information

Clean energy and related industries of Atlantic Canada - Government of Canada Poll: Atlantic Canadians Overwhelmingly Want Shift from Fossil Fuels, Support for Workers and Equity-Seeking Groups - The Council of Canadians

**Green Jobs Report** - Ecology Action Centre

Wind Power - Nova Scotia Power

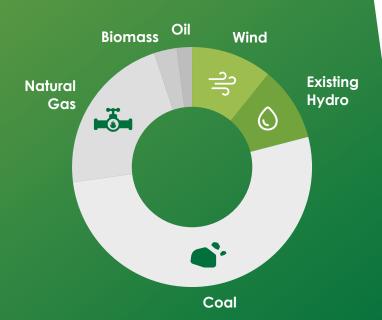
List of Utilities - Electricity - Nova Scotia Utility and Review Board



# Where does our energy come from?

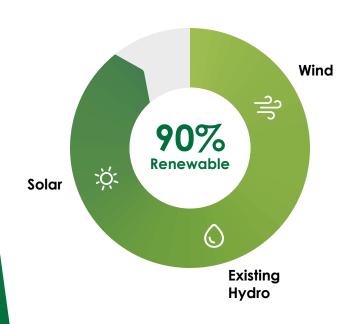
## What's in the mix today?

Most of our power is generated from burning the world's dirtiest, and worst-polluting fuel source: coal. But Nova Scotia's grid is also powered by a mix of oil, natural gas, hydro, wind, and biomass.



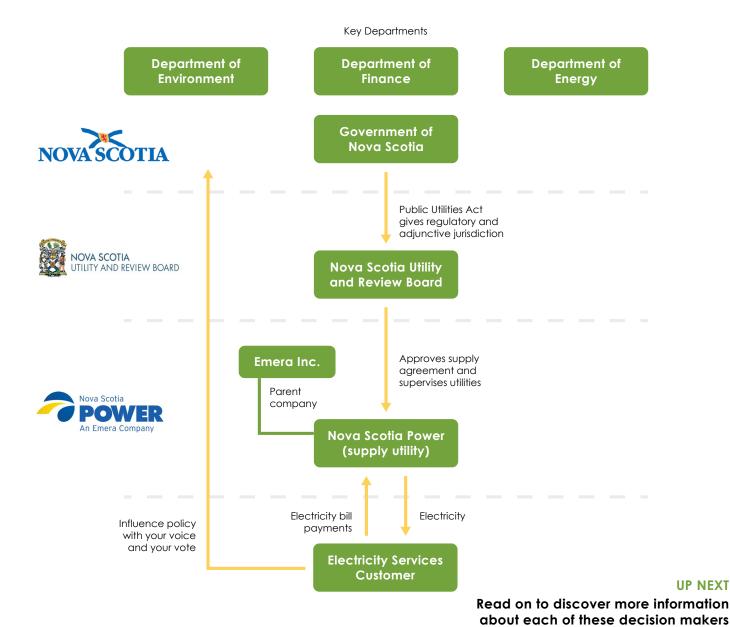
## One big goal for tomorrow

The Intergovernmental Panel on Climate Change says it's now or never to save our planet from catastrophe. We must decarbonize. The good news? We can do it. We know 90% of Nova Scotia's electricity needs can be met with renewable energy by 2030.



# Who makes decisions about Nova Scotia's energy system?

Institutions and governments follow legislative frameworks governing our electrical system, but they're not the only key players.



## Nova Scotia Department of Natural Resources and Renewables



#### Who or what is the Nova Scotia Department of Natural Resources and Renewables?

Formerly the Department of Energy and Mines, Nova Scotia's Department of Natural Resources and Renewables is tasked with developing the programs and policies governing our energy resources, including strategies and programs to increase the province's renewable energy mix.

The department sits atop the pyramid of energy generation and decision-making. And while they grant regulatory oversight of the energy system to the Nova Scotia Utility Review Board, they can intercede by bringing forward legislative or regulatory frameworks to do things like protect ratepayers or meet environmental and climate change reduction goals.

#### **Quick Facts**

- The NRR's role is to legislate through Acts that define how our electricity can and should be generated, how utilities function, and how the Nova Scotia Utility and Review Board should regulate.
- The recently-amended Electricity Act includes the province's rules for renewable electricity.
- The NRR is also drafting net-metering, community solar and green choice regulations as part of this Act, with an aim to give customers access to renewables and choice around how their electricity is generated.
- Delivery standards for all the province's utilities, like environmental or outage-related performance, are also set by the NRR. Currently, the Public Utilities Act requires Nova Scotia Power to ensure 40% of the electricity it sells to customers is generated from renewable sources, and if the utility isn't in compliance with this rule, it could be fined. The target for 2030 is 80%.
- The province launched its largest request for proposals (RFP) to date in 2022 for wind and solar energy projects to supply 10% of the province's electricity.
- The NRR's budget and agenda are set by the current, elected government.





#### **UP NEXT**

Find out how your rates get set



## The Nova Scotia **Utility Review Board** (NSUARB)



#### What is the NSUARB?

Some Nova Scotians may be surprised to learn the NSUARB doesn't just regulate utilities. The Board was created in 1992 after Nova Scotia Power—then a public utility—was privatized, and today the tribunal covers everything from auto insurance to gaming, from bridge commissions to gas prices. The NSUARB answers and reports directly to the Nova Scotia House of Assembly through the Minister of Finance.

#### **Quick Facts**

- The Minister appoints members of the Board.
- New appointees can't have a financial stake in Nova Scotia Power, or any regulated utility.
- Members of the Board serve until they're 70-years-old.
- There are 9 current members of the NSUARB.
- Hearings are usually open to the public and also recorded (some are up to 2 days in length or longer).
- The Board's decisions with their rationale are always available in writing for the public to review.





**UP NEXT NSUARB** continued





#### How do rates and rate increases work?



The Utility files an application to the NSUARB. They have to provide evidence to support their request.



The Board sets a hearing date, and lets the public know (usually there's a three-to-four month buffer between the application and the hearing). Hearings are advertised in local newspapers, on the NSUARB website, and on Twitter, and conducted in NSUARB offices and via Zoom.



An intervener can choose to give an informal presentation to the Board. An intervention can also be more formal, like a trial, where evidence is filed and an intervener may even be represented by a counselor.



In the lead-up to a hearing, the Board may ask the utility for additional info (sometimes, up to several hundred written requests!).



During this time, anyone interested in the hearing may give notice of their intention to intervene.



The Board is tasked with ensuring rate increases are always just and reasonable.



The Board can only make its ruling based on evidence filed or presented during the hearing. This is why intervenors are vital. Without their direct engagement, the Board wouldn't have additional evidence to consider.



According to the NSUARB, a utility is entitled to earn a 'just and reasonable' annual return on the investment it makes in equipment to deliver electricity.



The rate of return must be roughly equal to similar rates for similar utility services elsewhere—but according to provincial legislation, Nova Scotia Power is guaranteed a rate of return set at 9.5% or above, which means rate increases have to fall within a revenue-to-cost range of 0.095 - 0.105.



#### What's an intervener?

Anyone can be an intervener—even you. Any person or organization (like the Ecology Action Centre!) can apply to intervene. By hearing from different perspectives, the NSUARB can make more informed decisions. Intervenors play an important role. They make sure Nova Scotia ratepayers have effective representation in a process that often favours the party with the most resources (the utility). While anyone can apply, the NSUARB can choose to accept or disallow an intervention application.



If you caught that last point, yes, you read that right. Nova Scotia Power is legislated by the province to earn a return of 0.95, no matter what.

**UP NEXT** 

Are rate increases based on cost of service really fair and just? Or is there a better way?





#### How can Nova Scotians make sure privately-owned utilities work for them, instead of just for their shareholders?

As home or community renewable energy projects become more and more affordable, Nova Scotians have more control over their own energy. It's time to extend that control to the way we pay for electricity, by tying our rates to collective goals for the province.

Today, Nova Scotian utilities recoup a reasonable return on infrastructure built to keep energy flowing at an affordable cost. Performance-based regulation instead ties rates to metrics we want to achieve together as a society, like transitioning to clean energy. Performance-based regulation means we pay for what we want in the future, not for what we got in the past.



#### This new goal-based business model can be good for the utility too.

**Example:** Hawaii, the first US state to move to a performancebased regulation in 2018. People and utilities welcomed the move, after the state set a goal to generate 100% renewable energy by 2045, while keeping utilities profitable and customer costs low. Today, Hawaii's utilities are able to earn reasonable revenue while being highly motivated to rapidly integrate renewable energy resources and keep customer costs low.

**UP NEXT** 

So how is our utility currently structured, why is it private, and how do we advocate for change?





#### Who or what is Nova Scotia Power, and how is the utility structured?

Nova Scotia Power generates and provides electricity to 520,000 residential, commercial and industrial customers across the province. Although provincial law recognizes an additional six smaller municipal utilities, Nova Scotia Power is by far the largest, with a fundamental monopoly.

#### **Timeline**

1992

The corporation was privatized in 1992, when the province was in deficit and losing an estimated \$90 million dollars annually running the public utility.

1998

Later in 1998, Nova Scotia Power's then-new shareholder owners restructured, creating its publicly-traded parent company, Emera, as a holding company. Nova Scotia Power is still owned by Emera, but remains publicly regulated by Nova Scotia's Electricity Act and Public Utilities Act and the NSUARB.



In 2021, Emera Inc. hit record profits.

#### **PRESENT** DAY

34B

Today Emera owns more than \$34 billion in assets (which includes Nova Scotia Power) with subsidiaries (and ratepayers) across North America. Still, in 2022, Nova Scotia Power submitted an application to the NSUARB to increase rates.

10%

This application to increase its rates by 10% over three years, and shift millions in renewable energy infrastructure and distribution costs directly onto ratepayers.

**UP NEXT** 

**Nova Scotia Power continued** 







#### Why is Nova Scotia Power a private company today?

With new models improving utility/ratepayer relationship potential, now is the time to demand a better answer to this question.

Reversing Nova Scotia Power's privatization may seem like a distant possibility—but tying its revenues to a green transition shouldn't be a far-fetched idea.

Others agree. The Nova Scotia New Democratic Party tabled a bill in March of 2022 to require Nova Scotia Power's rate of return be determined by measures like reliability, decarbonization, customer satisfaction, energy efficiency and a reduction in energy poverty and power bills.

And most government representatives in our House of Assembly today believe the relationship between Nova Scotia Power and ratepayers needs to be "rebalanced," so we can all use less power, get greater access, and transition our grid to renewable sources.

#### Why can't we make Nova Scotia Power a public utility again?

Good question.

Nova Scotia Power's privatization at a guaranteed rate of return attracted private investment from some of the largest—and most influential—private and institutional investors and investment funds in Canada, if not the world. This means a lot of powerful investors and institutions who now enjoy a capital return on this guaranteed growth scheme aren't likely to endorse reversing privatization.

To change this, we need a government willing to upend the status quo by granting competitor access to Nova Scotia's energy market, or by performancebased regulation policy—or all of the above.

**UP NEXT** 

Read on for your role in the energy transition



# You, the Electricity Services Customer



#### Whether you install solar or simply make your home more efficient, you have more home energy agency than you think

Utilities don't have the final word on where your energy comes from. Homeowners have choices. Nova Scotia is also one of the best places in Canada to install your own solar PV system. With more than enough sun, a rebate available, and a Net Metering policy helping homeowners earn credits for the energy they produce, Nova Scotia is a solar PV hot spot.

Making your home more energy efficient is another option that saves you money and makes your space more comfortable.



## But some Nova Scotian ratepayers need community support

Solar PV is affordable for some, but not all. Many Nova Scotians experience energy poverty. People at an economic disadvantage struggle to meet energy needs for basic necessities. This can mean choosing between groceries or heating their home. We know people experiencing energy poverty are those who are also more likely to deal with higher rates of heart and lung diseases or mental health challenges. In extreme cases, energy poverty leads to hypothermia, eviction and homelessness. In a healthy community, we'd all share the peace of mind that comes with energy security.



#### And it can't come soon enough

A sustainable future is on the line. According to UN climate scientists, we need "rapid, deep and immediate" cuts in carbon dioxide (CO<sub>2</sub>) emissions, and a transition to clean, renewable energy if we want to turn things around. At stake is a habitable Nova Scotia for our kids, and generations to come—a utility's shareholders shouldn't be the only ones in control of that future.



## We need your help to make sure our government leads the charge

The seated provincial government writes the policies that protect ratepayers.

Our provincial leadership has to take a revolutionary stand to build a better energy future.

Letters and emails to your MLA on energy issues can help as they make energy decisions that affect us all.

**UP NEXT** 

But the biggest thing you can do? Stay engaged to stay informed.



# Let us be Your **Voice for Energy** Systems Change

Sign up and support the **Ecology Action Centre.** We're advocating loudly for energy policies to make Nova Scotia 90% renewable energy-powered.

Click below to stay informed and help us make the case for an inclusive, and environmentally sustainable energy future.

Sign-up

#### Contact Us

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