



## Clean Electricity Regulation FAQ

In August 2023, the federal government released the long-awaited Clean Electricity Regulation (CER). We've put together a short fact sheet to help you learn more about the regulations!

### What is the Clean Electricity Regulation?

The Clean Electricity Regulation is a set of federal regulations aimed at reducing pollution from greenhouse gas emissions in the electricity sector. The CER regulates all oil and gas units which are connected to the electricity grid and requires that they meet an emissions performance standard (of 30 t/GWh) by 2035. This helps to support development of new wind and solar to meet our electricity needs as it is much more cost effective to build new renewables than to run old gas and oil plants at such a low emissions level.

### Why do we need the CER in Canada?

The Intergovernmental Panel on Climate Change (IPCC) has said that for us to be able to meet global targets and stay below 1.5 degrees of warming, all developed countries need to set and meet a target of net-zero in the electricity sector by 2035. Canada has committed to this, and our electricity system is currently decarbonizing with reductions up to 2030 – largely due to coal phase out in Alberta, Saskatchewan, Nova Scotia and New Brunswick. However, existing policies aren't expected to drive emissions down past this point, with emissions from the electricity sector actually expected to increase after 2030! We need this additional set of regulations to help us continue to reduce emissions in the electricity sector beyond 2030, and to get to and stay at net-zero by 2035.

### Why is getting to net-zero in the electricity system by 2035 important to reaching our 2050 target of net-zero emissions across all sectors?

Our best bet at reducing emissions from buildings and transportation is electrification. By electrifying aspects of daily life like heating, cooling and transportation, we stand a better chance of meeting our climate goals and lowering our dependency on fossil fuels. However, in order for electrification to make a real difference, we need to ensure that the electricity used is coming from clean, renewable sources. As the dependency on electricity increases, achieving a net-zero electricity system by 2035 ensures that the switch can provide clean, affordable and reliable energy for all Canadians and allow other sectors to decarbonize more quickly.

## **How does this impact Nova Scotia?**

Increasing renewables will create new green jobs, reduce air pollution, help us avoid the worst effects of the climate emergency and can help Nova Scotians and their families save money. For heating and cooling, efficiency measures like heat pumps mean that households will use less energy, so even as electricity rates increase, bills will be lower overall. Similarly, the costs of maintaining and powering an electric vehicle (EV) are much lower than those for gas-powered vehicles, allowing Nova Scotians to save more in the long term. These benefits will of course depend on government stepping up efforts to support citizens through the transition with measures like increased training programs for green jobs, implementing EV mandates to increase supply and providing more incentives and standards for energy efficiency and the switch to heat pumps.

## **What still needs to happen in order to successfully implement the CER?**

Nova Scotia is well on its way to reaching its goal of 80 per cent renewables by 2030 and phasing out coal by the same date. However, more will need to be done to meet net-zero, and continuing to add wind, solar and battery storage while investing in energy efficiency is crucial to meeting this goal. The Atlantic Loop can help us get there by allowing us to displace oil and gas with hydro power from Quebec and helping us take better advantage of our wind and solar resources, selling extra when we have it instead of curtailing or discarding extra power. Conversations are still ongoing relating to the Atlantic Loop between provincial and federal governments and utilities and we hope that they come to an agreement soon.

To ensure that Nova Scotians and their families benefit from the CER, government at all levels must also ramp up efforts to support citizens through the transition with measures like increased support for switching from oil heating to heat pumps, electric vehicles and training for green jobs.

## **What rules does the draft CER actually include?**

Here is a quick summary:

- It sets a limit to how much a gas or other fossil fuel plant will be able to emit per year after 2035: 30 tonnes of CO<sub>2</sub>/GWh.

There are three proposed exceptions to this new limit:

- A unit can emit up to 150 kilotonnes of CO<sub>2</sub> in a calendar year as long as it operates for less than 450 hours per year.
- A unit is exempt if it is designated for emergency use.
- If a unit starts operating before the regulation comes into force on Jan 1, 2025, it doesn't have to meet the standard until the end of its expected lifetime or 20 years from date of commissioning, whichever comes first.

If a unit doesn't meet the standard, or falls into one of these exceptions, it will have to pay the carbon tax on all additional emissions. This is meant to promote building new renewables, minimize how much fossil fuels are burned from existing units and detract from building new ones.

**It is projected that the regulation will help reduce emissions in the electricity sector from 62 megatonnes in 2020 to 2 megatonnes in 2035.**



