



Nova Scotia's Path to Clean Electricity: The Role of a Sustainability Mandate and Advocate for the NS Utilities and Review Board

Introduction

The federal government's release of the long-awaited draft of the Clean Electricity Regulation marks a significant stride towards Canada's pledge of achieving a net-zero electricity grid by 2035, furthering its broader goal of reaching net-zero emissions by 2050. For Nova Scotia, this regulation is a key motivating force for the Province to prioritize an essential transition towards cleaner energy sources while phasing out coal, gas and oil use. As the Province begins to review the Utilities and Review Board (UARB) Act with a new Clean Energy Taskforce, an opportunity emerges to integrate a sustainability mandate and advocate within the UARB to strengthen Nova Scotia's transition to a cleaner energy landscape.

Nova Scotia's energy landscape presents unique challenges. Despite making strides to phase out coal by 2030, the province's electricity grid remains one of the nation's most emissions-intensive, with 43% of emissions stemming from the electricity sector. The current regulatory landscape, shaped by the cost-of-service model, poses hurdles that may hinder the province's journey towards net-zero electricity emissions by 2035. This regulatory challenge underscores the need for a concerted effort to embrace cleaner energy sources and elevate the role of sustainability.

The prevailing sentiment in Atlantic Canada reveals strong support for the Clean Electricity Regulation, with 77% favorability – surpassing the national average of 71%. This sentiment reflects a collective understanding of the need for immediate action towards a cleaner, sustainable energy future. In Nova Scotia, the stark reality of the climate emergency, demonstrated by recent wildfires and floods, underscores the urgency for robust regulations that address climate impacts. The regulation, if harnessed effectively, can lead to transformative change, aligning Nova Scotia's trajectory with the broader vision of a net-zero future.

In the midst of these changing dynamics, the role of a sustainability mandate and advocate becomes incredibly important. Such a mandate would primarily involve setting precise and ambitious timelines, closely monitoring the progress of the provincial utility in achieving its commitment to powering Nova Scotia's grid with clean electricity. This approach would strengthen accountability measures with respect to the Province's clean energy objectives and include provisions to impose penalties if the set targets are not attained.

Learning from Other Jurisdictions

The inclusion of a sustainability mandate and advocate in the UARB Act is largely informed by the efforts of other similar jurisdictions. In Alberta, there is a requirement to include environmental considerations in decision-making powers tied to the public interest. British Columbia highlights the need to incorporate sustainability into legislated energy objectives but emphasizes the need for the language used to be clear. Similarly, New Brunswick and

Newfoundland and Labrador find value in legislated government statements about electricity objectives to guide regulators, while New Brunswick emphasizes the importance of defining terms like "environmental sustainability."

Ontario and Quebec both recognize the potential of high-level purpose statements included in electricity statutes to establish sustainability mandates. Quebec additionally emphasizes that explicitly defining the principles of sustainability aids in effective regulation. In Yukon, the indirect approach of mandating utilities to operate in line with sustainable development is considered but with potential limitations. In the U.S., Connecticut, Vermont, New Hampshire, and Rhode Island, legislated government energy policies are seen as avenues to establish high-level sustainability mandates, though the need for clear language is emphasized. These mandates can be more directly connected to regulatory roles and decisions, including through specific prioritization in decision-making processes.

Moreover, the Canadian Climate Institute recommends having sustainability mandates as part of the conditions for provinces to access the new federal Clean Electricity Investment Tax Credit. This \$25.7 billion program will support upgrades to electricity infrastructure across Canada. Having a sustainability advocate could help Nova Scotia utilities and government develop strong proposals to access this substantial funding and accelerate the Province's transition to cleaner energy.

Recommendations

Nova Scotia stands to gain from embracing a three-pronged strategy:

- Formulate a distinct provision within the legislation that highlights a dedicated sustainability mandate
- Establish a legislated statement of provincial electricity policy which incorporates sustainability considerations
- Legislate a list of relevant sustainability principles that illustrate how the sustainability mandate should be interpreted in clear and direct language

Conclusion

The nexus of sustainability, accountability, and progressive regulation emerges as the cornerstone of Nova Scotia's energy evolution. An established sustainability mandate, accompanied by a dedicated advocate, would signal the province's commitment to a cleaner, more equitable energy future. By aligning the UARB's decision-making processes with sustainability principles and accountability measures through the proposed mandate, Nova Scotia can navigate a trajectory that is not only more affordable but also resilient against the impacts of climate change. Moreover, it would aid the province in reaching its legislated target of reducing electricity system emissions by 80% before 2030 and push the Province to reach net-zero emissions by 2035.

This is an opportunity for Nova Scotia to redefine its energy landscape, placing the interests of its residents and environment at the forefront. By translating commitment into action, Nova Scotia can pave the way for a sustainable future that is both equitable and environmentally responsible. A sustainability mandate becomes the lighthouse guiding Nova Scotia's journey towards a net-zero horizon, fostering a legacy of progress and climate resilience for generations to come.