

Nova Scotia Power Compliance Plan for RES 2020

Recognizing delays related to the delivery of energy from the Muskrat Falls project, compounded further by additional delays related to COVID-19, the Minister of Energy and Mines is providing an alternative compliance plan for Nova Scotia Power Inc. If the company is unable to meet the Renewable Energy Standard of 40% in the calendar year 2020, Nova Scotia Power Inc. is directed to undertake the following immediately:

- Nova Scotia Power shall supply customers with renewable electricity in an amount equal to or greater than 40% of the total amount of electricity supplied to its customers over the three calendar years of 2020, 2021, and 2022. For greater certainty, the total amount of electricity supplied over the three years shall be at least 40% renewable.
- Nova Scotia Power shall also maximize the use of dispatchable renewable electricity from its own facilities, as well as those of renewable electricity power producers in Nova Scotia (excluding COMFIT generation sources). Recognizing this additional dispatch will be burdensome on producers, Nova Scotia Power shall acquire such electricity at prices exceeding current contracts by \$30/MWh. Nova Scotia Power should nonetheless make an efficient use of dispatchable generation resources, including by dispatching the facilities in a manner that enables them to operate in such a way that each unit of fuel provides the most electricity, while accommodating the operational constraints of each facility. Additionally, if the renewable electricity power producer uses biomass as a fuel source, Nova Scotia Power shall only pay the additional \$30/MWh where the electricity is generated using biomass by-products produced from harvesting or processing primary forest products. However, this plan does not require any biomass-fired renewable electricity generator to make itself available to produce electricity if biomass is not sufficiently available for economic generation. Nova Scotia Power shall not spend more than \$7 million to comply with this provision.

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May 15, 2020

Log 8285

Mr. Wayne O'Connor
President and CEO
Nova Scotia Power Inc.
Wayne.OConnor@nspower.ca

Dear Mr. O'Connor:

Thank you for your May 11, 2020 email and letter regarding Nova Scotia Power Inc's obligations under the *Renewable Energy Regulations*.

I understand that the extraordinary circumstances which we are all experiencing will make it impossible for Nova Scotia Power to meet its obligations under 6A of the regulations while maintaining the rate stability that Nova Scotians expect, and I thank you for bringing this to my attention in a timely manner.

As you have indicated that relief under section 7(1) of the regulations will not be sufficient to address the problem, and I am satisfied that the evidence supports this, I have decided to use my authority under section 7(2) of the regulations to direct Nova Scotia Power to make up the shortfall, detailed in an alternative compliance plan that you should find attached.

I ask that you please keep me informed of progress on compliance with the alternative plan as work progresses and include the status of plan elements in your annual reporting to the Department while the alternate plan is in effect.

Sincerely,



Derek Mombourquette
Minister

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