

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT AND ELECTRICITY ACT

- and -

IN THE MATTER OF an application by **NOVA SCOTIA POWER INCORPORATED** for approval of its Community Solar Energy Credit Rider

BEFORE: Stephen T. McGrath, K.C., Chair
Roland A. Deveau, K.C., Vice Chair
Richard J. Melanson, LL.B., Member

APPLICANT: **NOVA SCOTIA POWER INCORPORATED**
Mollie Morris, Counsel

INTERVENORS: **CONSUMER ADVOCATE**
David Roberts, Counsel
Michael Murphy, Counsel

SMALL BUSINESS ADVOCATE
Melissa MacAdam, Counsel
Rebekah Powell, Counsel

INDUSTRIAL GROUP
Nancy G. Rubin, K.C.
Brienne Rudderham, Counsel

NOVA SCOTIA NATURAL RESOURCES AND RENEWABLES
Daniel Boyle, Counsel

SWEB DEVELOPMENT LP
Rory Cantwell
Stefan Karkulik
Jason Parise
Mason Baker

BOARD COUNSEL: William L. Mahody, K.C.

FINAL SUBMISSIONS: January 21, 2025

DECISION DATE: February 12, 2025

DECISION: The application is approved.

1.0 INTRODUCTION

[1] On October 1, 2024, Nova Scotia Power Incorporated (NS Power) applied for approval of the Community Solar Energy Credit Rider. This application supports the community solar program under s. 3AF of the *Electricity Act*, S.N.S. 2004, c. 25, and the *Community Solar Program Regulations* (N.S. Reg. 60/2024) (*Program Regulations*).

[2] The Board determined that this application would be reviewed in a paper hearing. Notices of Intervention were received from the Nova Scotia Department of Natural Resources and Renewables, the Small Business Advocate, the Consumer Advocate, the Industrial Group and SWEB Development. Information Requests (IRs) were issued on November 19, 2024, and NS Power filed responses on December 10, 2024.

[3] Section 3AF of the *Electricity Act* required the development of a community solar program. This is achieved under the *Program Regulations* and program guidelines issued by the Minister of Natural Resources and Renewables. Under the program, any NS Power customer, group of customers or third party may generate solar energy for their use. Any excess electricity is sold to NS Power under the conditions and requirements and at the rate prescribed by the *Program Regulations*.

[4] The sale of electricity to NS Power is governed by a power purchase agreement. The Department of Natural Resources and Renewables (now the Nova Scotia Department of Energy) submitted a standard form power purchase agreement for the community solar program to the Board for review and approval. The submission, made under the *Program Regulations*, details the program's terms and conditions for selling electricity to NS Power. The Board approved a standard form agreement on January 30, 2025 (M11903).

[5] Under the *Program Regulations*, a project owner approved by the Department of Energy will engage subscribers to a community solar garden through a subscription agreement. NS Power must provide an on-bill credit of 2 cents/kWh to offset the community solar garden subscribers' energy consumption and oversee the management of any renewable energy certificates (RECs). In this application, NS Power proposed a Community Solar Energy Credit mechanism and that RECs be managed using guidelines from the existing approved matters: Solar Garden Pilot Rate Rider (M10176) and Commercial Net Metering Program (M10872), to align with the *Electricity Act* and *Program Regulations*.

[6] The Board received submissions from the Department of Energy, the Consumer Advocate, the Industrial Group, and the Small Business Advocate on January 7, 2025.

2.0 COMMUNITY SOLAR ENERGY CREDIT RIDER

[7] Sections 5 and 30 of the *Program Regulations* address NS Power's obligation under the regulations to provide a bill credit to a community solar garden subscriber:

Subscriber receives bill credit for solar energy generated

5 A subscriber is billed by NSPI for their electricity consumption but will receive a bill credit for the amount of solar energy generated from their subscription.

...

Subscriber bill credits

30 (1) A subscriber must receive a bill credit for solar energy generated in proportion to the size of their subscription.

(2) A subscriber's bill credit is calculated by multiplying a subscriber's attributable share of the net production of solar energy delivered by a project to the grid calculated in subsection 29(2) by the bill credit rate specified in clause 3(h).

(3) A subscriber's attributable share is based on the number of kilowatts they are subscribed to for that project as a percentage of the approved nameplate capacity of the project, in kilowatts.

[8] Section 3(h) notes that the bill credit rate for a subscriber's share of solar energy generated from a project is \$0.02/kWh.

[9] NS Power's proposed Community Solar Energy Credit Rider sets out tariff language intended to implement its obligations under the *Program Regulations*, consistent with the conditions and requirements for the community solar program. This includes addressing NS Power's obligations to provide bill credits to subscribers and its responsibilities for the registration and retirement of RECs for non-residential subscribers.

[10] None of the intervenors opposed the approval of the Community Solar Energy Credit Rider. The Department of Energy advises that this application "aligns with the intent of the Community Solar Program, the *Electricity Act*, its Regulations, and Program guidelines".

[11] While not objecting to the rider, the Industrial Group recommends changing Special Provision 7 of NS Power's proposed tariff to remove "hold-harmless" language to better reflect the intent of this provision. NS Power agreed with this recommendation and filed revised tariff language adopting the language recommended by the Industrial Group.

[12] The Small Business Advocate does not oppose the rider but expressed concerns about potential unexpected capital costs related to information technology that may arise during its implementation. NS Power, in its response to Industrial Group IR-3, notes that its planned enhancements to its billing system to accommodate the community solar program "will not require a capital application as the planned enhancements are expected to be under the NSUARB-approval threshold."

2.1 Findings

[13] NS Power needs the Community Solar Energy Credit Rider to meet its obligations under the *Program Regulations*. The rider was not substantively opposed by any intervenor and the Department of Energy confirmed its alignment with the community solar program. The Board approves the rider, as revised by NS Power in response to the Industrial Group's recommendation.

3.0 REPORTING REQUIREMENTS

[14] The Small Business Advocate submits that information from NS Power about the amount of participation from the different customer classes and the amount of generation from the community solar projects would be beneficial, given the trend towards greater distribution of energy resources. NS Power does not oppose additional reporting if the Board finds it necessary but notes that it must already comply with reporting requirements to the Minister of Energy under the *Program Regulations*. It asked the Board to consider regulatory efficiency and administrative burden when determining the frequency and detail for reporting.

[15] NS Power's reporting requirements under the *Program Regulations* are as follows:

NSPI annual reporting requirements

36 On or before January 31 of each year, NSPI must report all of the following information about each project to the Minister:

- (a) the project's commercial operation date;
- (b) the project's address or location;
- (c) the project's approved nameplate capacity;
- (d) the average number of residential subscribers and non-residential subscribers, for each month of the reporting year;
- (e) the average subscription size, in kilowatts, each month of the reporting year;

- (f) the average subscription size, in kilowatts, for residential subscribers and non-residential subscribers;
- (g) the remaining nameplate capacity, in kilowatts, on December 31 of the previous year;
- (h) any other information the Minister considers necessary.

3.1 Findings

[16] The Board notes that the reporting obligation under the *Program Regulations* only requires a report to be filed with the Minister. While the Board's role under the community solar program is quite limited, the Board accepts that the information being reported to the Minister would be useful for the Board and other participants in Board proceedings. The Board therefore directs NS Power to file a copy of the report it files with the Minister with the Board at the same time. However, the Board further directs, at least for its purposes, that the report also include the following additional information for each calendar year preceding the filing of the report:

- The total amount of energy purchased under the community solar program.
- The total cost for the purchased energy under the power purchase agreements for the program.
- The total amount of credits paid to customers under the program, in both the amount of energy (kWh) and dollars, by rate class.

4.0 FAM PLAN OF ADMINISTRATION

[17] In its application, NS Power noted that it intends to file an application to propose revisions to the FAM Plan of Administration to explicitly recognize the community solar program, and other emerging customer renewable energy programs, as FAM costs. While there were information requests and comments about this in this matter, it is not presently before the Board for disposition.

5.0 CONCLUSION

[18] The Board approves the Community Solar Energy Credit Rider, as revised by NS Power in response to the Industrial Group's recommendation. The Board directs NS Power to file a copy with the Board of its annual report to the Minister under the *Program Regulations* no later than January 31 each year and to include the following additional information:


- The total amount of energy purchased under the community solar program.
- The total cost for the purchased energy under the power purchase agreements for the program.
- The total amount of credits paid to customers under the program, in both the amount of energy (kWh) and dollars, by rate class.

[19] An Order will issue accordingly.

DATED at Halifax, Nova Scotia, this 12th day of February 2025.



Stephen T. McGrath



Roland A. Deveau



Richard J. Melanson