

NOVA SCOTIA CLEAN ELECTRICITY SOLUTIONS TASK FORCE

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NEWS RELEASE – MAJOR CHANGES PROPOSED TO MODERNIZE ELECTRICITY IN NOVA SCOTIA

A new independent energy system operator and a new energy regulator are the major changes proposed by the Clean Electricity Solutions Task Force.

They are among 12 recommendations submitted to the Nova Scotia government by the Task Force that deal with electricity regulation, infrastructure, reliability and affordability.

“With Nova Scotia curtailing use of coal-fired electricity generation by 2030, our province is moving quickly to the biggest transformation in its electricity sector in a century,” said Alison Scott, Task Force Chair. “After listening to the views of interested Nova Scotians, reviewing a significant number of expert reports, and carrying out in-depth system analysis, the changes the Task Force is recommending will enable cost-effective integration of replacement renewable generation on our grid, provide stronger regulatory oversight aligned with the Nova Scotia’s climate change objectives, and address reliability and other longstanding customer issues.”

The creation of the independent energy system operator and energy regulator would come about through a proposed new *Energy Modernization Act*.

Currently the system operator is an embedded function within Nova Scotia Power’s corporate structure. The functions of the system operator are integrated energy system planning, electricity grid operations, market administration and procurement for new energy sources. It also controls grid access, with sole discretion over the interconnection and integration of Independent Power Producers. The Task Force is recommending that these functions be assigned to a new Nova Scotia Independent Energy System Operator that would operate as a not-for-profit, similar to Efficiency One, under the oversight of the province’s proposed new Energy Board.

“Independent system operators are commonplace in jurisdictions across Canada and the United States.” said John MacIsaac, Task Force member. “Moving the system operator from Nova Scotia Power to an independent, not-for-profit organization will spur increased competition for the resources necessary to replace coal. Open competition is an essential element necessary for the planned renewable transformation to ensure cost effectiveness and value for customers at each step of the energy transformation.”

All rights of employees will be protected and maintained in the transition of the system operator from Nova Scotia Power to the new independent, not-for-profit entity.

The Task Force is also recommending a standalone energy regulator, called the Nova Scotia Energy Board, responsible for electricity, natural gas, pipelines, enforcement and retail gasoline. The energy board would be separate and distinct from the Utility and Review Board (UARB), which would be renamed the Nova Scotia Regulatory and Appeals Board to reflect its non-energy mandate.

“The Utility and Review Board operates well, but the Task Force concluded that its mandate is far too broad to be effective in the long term as energy transition demands are significantly increasing as Nova Scotia moves to a net zero future,” said Scott. “Most Canadian jurisdictions, including smaller provinces like

New Brunswick and Newfoundland and Labrador have their own form of an energy regulator. It's time for Nova Scotia to have its own energy board."

Among the features of the new Nova Scotia Energy Board to be included as part of the *Energy Modernization Act*:

- Term limits for new board members;
- Stronger and expanded powers, including auditing, to drive increased accountability and enforce compliance with legislation, regulations, government policy and Board orders;
- Annual reporting on spending by the Consumer Advocate and Small Business Advocate;
- Ensuring timely decision-making is part of the duties set out for the Energy Board; and
- Directly connecting the work of the Energy Board with the sustainable development, sustainable prosperity, energy efficiency and greenhouse gas reduction goals of the province under the *Environmental Goals and Climate Change Reduction Act*.

"For the first time in Nova Scotia history, legislated climate change goals would be part of the mandate of the province's energy regulator in its work," said Scott.

The remaining recommendations of the Task Force deal with appropriate resourcing for the Nova Scotia Energy Board, the electricity grid, asset management, vegetation management, wood pole management and affordability.

Key facts:

The Clean Electricity Solutions Task Force was appointed by Premier Tim Houston and Natural Resources and Renewables Minister Tory Rushton in April 2023.

The Task Force consisted of former Nova Scotia deputy minister and federal energy regulator Alison Scott and former senior energy executive John MacIsaac.

The Task Force was mandated to examine issues around electricity infrastructure, the regulatory environment, reliability and affordability.

The Task Force met with more than 20 interested stakeholders, as well as Indigenous representatives. Following a public call for submissions in August and September 2023, the Task Force also received written submissions by more than 25 individuals and organizations.

Technical support for the Task Force was provided by Stantec, McInnes Cooper and Harbourview Public Affairs.

The final report and recommendations were submitted to the Premier and Minister on January 31, 2024.

Additional Resources:

The full report and appendices are available at www.cetaskforce.ca.

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