

Eleven firms to help draft N.S. renewable electricity market rules

JOANN ALBERSTAT BUSINESS EDITOR

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But several of the firms participating in proposal unsure about retail role



Wind turbines spin in the breeze in the Tantramar marsh area near Amherst in 2012. Eleven energy companies will help draft the rules for a renewable energy market in the province although many won't say yet whether they plan to get into retail business. (TIM KROCHAK / Staff / File)

Eleven energy companies have signed up to help draft the rules to create a renewable electricity market in Nova Scotia.

But several of them aren't saying yet whether they plan to get into the retail business.

Nova Scotia Power was directed by the province last fall to develop a possible market structure, in consultation with stakeholders. The proposed tariffs and procedures must be approved by the Utility and Review Board.

Scotian WindFields of Dartmouth is among the firms that want to be involved in shaping the market from the outset.

"It's a little too early to talk about (projects) until we know what the rules are going to look like," Dan Roscoe, chief operating officer, said in an interview. "We're looking for this to be as market-based as possible."

Roscoe did say Scotian WindFields has had inquiries from potential customers, including industries, commercial operations, developers and other public entities.

Other wind developers contacted Monday also said they want to talk about the process, not potential projects, at this stage.

The province has said it expects electricity customers to be able to buy green power directly from suppliers starting in late 2015.

Most of the 11 green-energy companies that have told the provincial regulator they want to help draft market rules are already involved in wind development. But there are also firms that have interests in other technologies, including tidal, hydro, biogas and biomass.

Dana Morin, director of business development for **Fundy Tidal** of Westport, said it may be some time before tidal power can be competitive in an open marketplace.

"But we believe it is important to participate in the process so that we are fully aware of potential opportunities that may arise as this unfolds," Morin said.

Independent power producers sell electricity to Nova Scotia Power under long-term contracts, with energy costs recovered in rates. The new plan would allow renewable operators to sell directly to customers via the power company's grid, which the generators have to pay to use.

One municipal official whose town is getting involved in renewables said it remains to be seen how much it will cost to be involved in retail.

"I think it's going to be a very difficult market to achieve anything in," said Don Regan, Berwick's chief operating officer. "The addition of a distribution tariff to the cost of the wind energy — and maybe, in some cases, a transmission tariff as well — is going to make it a challenging price point to reach for people. But we'll see how that plays out."

Berwick, Mahone Bay and Antigonish have formed the Alternative Resource Energy Authority, which will oversee a proposed \$24-million, 16-megawatt wind farm in Ellershouse, Hants County.

The towns, which operate municipal electric utilities, could expand the venture to supply customers in other areas. But Regan, who also runs Berwick's electric utility, said it remains to be seen whether that would be economical.

Financing is another potential obstacle, because potential lenders want projects to have firm commitments from long-term customers up front, Regan added.

Even though it remains to be seen how the market will work, Energy Minister Andrew Younger said he's not surprised that several companies are getting involve

"It shows the level of interest in the process and the market opening," Younger said. "We've actually heard from quite a few parties that are interested in the opportunities that 'renewable to retail' will provide."

Whether projects proceed will depend on what the rules end up being, and whether they work for a particular company, he said.

Younger said other municipalities — beyond the handful that operate electric utilities — are interested in buying power from potential new suppliers, who will need a licence. The retail plan may also appeal to new industries coming to the province, he added.

[About the Author >](#)

JOANN ALBERSTAT BUSINESS EDITOR

E-Mail: jalberstat@herald.ca
Twitter: [@CH_JAlberstat](https://twitter.com/CH_JAlberstat)

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honker1 • 7 hours ago
Oh this will be interesting. Since the current wind producers receive a highly subsidized rate of 13 to 15 cents per KWH selling into a 6 cent KWH market, they aren't going to jump at the unsubsidized retail market. No thanks they will say, we want the guaranteed long term subsidized wholesale market, thank you very much. The apparent subsidy for wind producers in Nova Scotia is in the range of 7 to 9 cents per KWH, one of the highest if not the highest rate payer subsidies in North America. In contrast the US federal wind power subsidy is approx 2.5 cents per KWH.

1 ^ | v • Reply • Share

Dale → honker1 • 5 hours ago
Only those qualifying as a community project qualify for the high rate. The vast majority of wind projects in NS are not qualifying for those rates.

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GoodCheer → honker1 • 5 hours ago
The large non-COMFIT wind generators are getting PPAs well below \$0.10/kWh. The more recent installations, more in the \$0.07-8/kWh range, as technology continues to improve and costs drop.

While the PPAs of specific projects are considered trade secrets here, these numbers can be compared to publicised wind PPAs elsewhere in North America (closer to manufacturing and with other cost advantages) that are down below \$0.05/kWh (in some cases below \$0.03/kWh), though for comparison you should add the \$0.021/kWh Production Tax Credit back in:

US Dept of Energy:
http://emp.lbl.gov/sites/all/f...

American Wind Energy Association
http://www.awea.org/Resources/...

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Menachem Began → honker1 • 4 hours ago
The future projects will have to be cost competitive with the \$0.40/kWh that the Labrador hydro power is probably going to end up costing after the project inevitably goes south.

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Menachem Began • 4 hours ago
If this goes the same way as the Time-of-Day Metering tariffs, then Nova Scotia Power will ensure that the rules are set so that about 95% of any possible benefits accrue to them.

Do consumers even have a seat at the table? The entire process and the URB are about as useful as a chocolate teapot.

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