

FREQUENTLY ASKED QUESTIONS (FAQ)
Greenhouse Gas Emissions from the Electricity Sector
Canada and Nova Scotia Draft Equivalency Agreement

Q: What is the draft equivalency agreement?

A: Canada and Nova Scotia have released a draft equivalency agreement for coal-fired electricity that will ensure the province's greenhouse gas emissions (GHG) regulations apply in Nova Scotia instead of Canada's new coal-fired electricity regulations. Under the agreement Nova Scotia's current GHG regulations will apply until 2020, and we will create/amend this regulation to require increased GHG reductions to 2030.

Q: What does it mean for Nova Scotians?

A: Nova Scotia will achieve the same reductions in GHG emissions at a much lower cost to rate payers. The equivalency agreement gives us the flexibility to continue with the province's approach to reducing greenhouse gas emissions, saving Nova Scotians up to \$1.3 billion in avoided costs to meet the federal regulation.

Q: What does the draft equivalency agreement say?

A: Under the equivalency agreement, Nova Scotia will match federal GHG reductions, and will add regulated GHG reductions for 2020 to 2030 to meet the federal time line (currently Nova Scotia GHG regulations are til 2020). Nova Scotia will share GHG reporting information from the electricity sector with Environment Canada to ensure targets are being met. The agreement will also be reviewed and renewed every five years, as required by federal legislation.

Q: Why can't we just sign an equivalency agreement right away?

A: The federal process requires equivalency agreements to go through the same approval process as a new regulation. This includes the requirement to publish it for public comment and to gain federal cabinet approval.

Q: When will we have a final equivalency agreement?

A: The formal process to have binding agreement will take between 12 to 18 months.

Q: How can I comment on the draft equivalency agreement?

The draft equivalency agreement is available for public comment for 60 days at <http://www.ec.gc.ca/lcpe-cepa/default.asp?lang=En&n=1ADECEDE-1>

Q: What coal units will be closed and when under the equivalency agreement?

A: Under the equivalency agreement, our provincial regulation would supersede the federal regulations. Our approach does not dictate when units need to close, but we expect that the higher renewable energy and stricter GHG emission requirements will lead to coal unit closures. The difference is that this will be done when it makes the most economic sense to Nova Scotia ratepayers.

Q: Why not shut down coal-fired electricity units sooner?

A: The province supports the closure of coal-fired electricity units in a way that minimizes the financial burden on Nova Scotia rate payers. Under the equivalency agreement, Nova Scotia will achieve the same reductions in GHG emissions at a much lower cost to rate payers. The agreement gives us the flexibility to continue with the province's approach to reducing greenhouse gas emissions, saving Nova Scotians up to \$1.3 billion in avoided costs to meet the federal regulation.

Q: What about Muskrat Falls? Won't that solve all of our problems?

A: Muskrat Falls is a key piece of the puzzle, but it's not the only answer. The energy from Muskrat Falls is just a little bit more than one coal unit. Other renewable energy and clean energy options are still needed.