March 31,, 2009

To Whom It May Concern:

Re: AN APPROACH TO REGULATING ELECTRICITY SECTOR GREENHOUSE GAS AND AIR POLLUTANT EMISSIONS IN NOVA SCOTIA

I would like to comment on the proposed approach to reducing GhG emissions being put forward for discussion by the Nova Scotia Department of the Environment in my capacity as a citizen of HRM, a former Member of Parliament representing the citizens of Dartmouth and a member of the Energy Issues Committee of the Ecology Action Centre.

1/ Inadequate Targets:

The plan to impose absolute caps on Nova Scotia Power GhG emissions for 2010, 2015 and 2020 is a step forward but the short and medium targets fall far short of what is needed. The UN consensus group of climate scientists tells us we have 15 years to get a handle on greenhouse gas emissions. This time frame is shrinking as new evidence of global warming occurs almost daily. The Kyoto target commits Canada to 6% below 1990 levels by 2008-2012; deadlines we have already missed. It has been six years since Nova Scotia signed the Climate Action Plan at the Conference of New England Governors and Eastern Canadian Premiers. Agreement was reached to reduce GHG emissions to 1990 levels by 2010, by at least 10% below that by 2020 and by 80% by 2050, and to establish a plan to meet these targets. And yet, to date, Nova Scotia's carbon emissions are still rising. NSPI is one of the largest GhG emitters in Canada, responsible for close to 50% of Nova Scotia's GhG emissions. Obviously an aggressive system of capping NSPI's GhG emissions is already long overdue.

The Plan outlined in the Discussion Paper seems to require no immediate action from Nova Scotia Power. In 2007, NSPI's emissions were 4.4% below the two year average of 10.6 megatonnes in 2004-5. Given current economic conditions, it is highly likely that NSPI will achieve its proposed average of 9.6 for 2010-11 – a reduction of less that 5% from 2007 – without doing much of anything. We need to put in place far more stringent short and medium term targets – yesterday. We need to rectify that today.

2/ Overall Cost Effectiveness versus "least effect on power rates"

On Page 5 of the Discussion Paper it states that the goal of the caps is to reduce electricity sector emissions in a manner that produces the greatest benefit to the environment "and has the least effect on power rates." The concern about power rates is understandable. However, economic concerns may go beyond power rates. There will also be costs to consumers, businesses, industries and perhaps government as other sectors are called upon to reduce their share of emissions in accordance with a not-yet revealed plan for those sectors. The Discussion Paper should broaden its scope to consider not just whether the plan has the least effect on power rates, but also whether the plan is the most cost-effective overall. It may, in fact, be more cost effective to find 3.5 or 4.5 or even 5 megatonnes in reductions from the electricity sector than to attempt to find reductions of that magnitude in other sectors. An outlook documents prepared by Natural Resources Canada in 1999 predicted that GhG emissions from power generation would begin to decline in 2005 and drop to 3.9 megatonnes (a reduction of nearly 6 megatonnes) by 2020 as natural gas replaced coal in power production. This did not happen, presumably because of fuel prices. The costs and benefits of fuel switching to bring about the reductions forecast in the 1999 study should be calculated and compared with the cost of bringing about the five megatonne reduction proposed by this Discussion Paper. This is not to suggest that electricity users should bear an unfair burden. It is to suggest that it is unacceptable to bring forward a plan that is advantageous to the electricity sector without reference to the possible impact of that plan on the cost of reducing emissions in other sectors.

3/ Establishment of Energy Efficiency Agency

The Establishment of a performance-based independent efficiency agency needs to happen immediately. The position of an Electric Energy Efficiency Administrator, agreed on by a major stakeholder process in 2008, has yet to be passed into legislation and implemented. This position, to oversee the implementation of aggressive DSM programs, was supposed to be in place no later than Dec.31, 2008 in order to allow for UARB approval for post- 2009 programs and expenditures. This deadline has passed and important time wasted on the efficiency front. Energy efficiency is a vital component in this proposed discussion around reducing energy demands and the costs to Nova Scotians. The stakes are high as DSM projections show that aggressively investing in energy efficiency in Nova Scotia will save megawatt hours of energy and remove the need for a new coal-fired power plant. The Energy Efficiency Administrator position needs to be passed into law without delay. The clock is ticking.

4/ Replacement of the Request for Proposals (RFP) mechanism

The province has committed to produce 25% of our electricity from renewable energy sources by 2020. Yet an effective method to support renewable energy development is absent in Nova Scotia. "The current system by which Nova Scotia Power requests proposals presents severe barriers to local community development. It results in a high degree of contract failure and a situation where farmers, rural communities and municipalities cannot compete financially with larger producers." (Pathways to a Sustainable Energy Prosperity in Nova Scotia; EAC, June 2007) In order to meet our targets for renewable energy, the province must revisit the RFP system. What is needed is a system of "Feed-in tariffs" where utilities are required to pay a set rate per kilowatt hours to anyone who produces electricity. This system has made Germany and Spain into leading alternative energy producers and it should be explored here in Nova Scotia. Ralph Surette, in a column in the Chronicle Herald on March 21, made the point that a feed-in tariff system "unlocks the energy creativity of the society right down to the household level. Farms, co-ops, municipalities, apartment buildings and households can produce energy for their own use and if there's a surplus, sell it to the utility at a fixed rate." It is this massive, social mobilization that is required for the collective challenge that we now face.

5/ Political leadership

Political leadership is needed to bring these measures into legislation. The Caps on Carbon plan could be effective in reducing our carbon emissions but only if it doesn't get mired in a regulatory black hole. The Energy Administrator position remains stalled at the political/legislative level. The plan to place stringent caps on carbon emissions for NSPI must not be stalled in the same manner or our hope of realizing the carbon reductions targets will move further and further away. All three political parties in the provincial legislature have stated their commitment to tackling climate change. We need leadership of a non-partisan nature to move this important carbon reduction plan ahead.

In closing, I support the discussion paper's method proposal to place caps on Nova Scotia Power's GhG emissions. However, the targets set and the mechanisms, regulations and political leadership required to enact them are still woefully inadequate to the task.. Nova Scotians and Canadians are already playing the environmental and economic costs of climate change and unless governments act immediately, the future impacts may be higher than anyone can imagine. It's time for action.

Sincerest regards