Application Guide for Demonstration Permits

under the *Marine Renewable-energy Act*

Nova Scotia Department of Energy
July 2026

Disclaimer

The Application Guide for a Demonstration Permit under the *Marine Renewable-energy Act* is provided for informational purposes only. It is not a substitute for the Act or its Regulations. In the event of any inconsistency between this Guide and the Act or its Regulations, the Act and its Regulations shall prevail. Permits approved through this application window will be subject to any future amendments to the Act and its Regulations.

Contents

1 Introduction

This section provides an overview of the Application Guide, along with key background information to support proponents in understanding the Demonstration Permit process.

1.1 Purpose of the Application Guide

This Guide has been developed to support prospective applicants in applying for a Demonstration Permit to construct, install, and operate grid-connected tidal stream energy generators, and to demonstrate the generator's potential or capacity to produce marine renewable electricity.

Applicants should use Section 1 to understand the nature of a Demonstration Permit, Section 2 to review eligibility criteria, and Section 3 to understand project requirements. Applicants are also encouraged to refer to Section 4 for guidance when preparing and completing the application form and associated documents. Section 5 outlines the evaluation criteria and expectations, while Section 6 details post-approval processes. Additional resources are provided in Sections 7 and 8.

1.2 Nova Scotia's Tidal Sector

The Province of Nova Scotia is located on Canada's Atlantic coast and possesses one of the largest tidal energy resources in the world. The Bay of Fundy has the world's highest tidal range as well as some of the fastest tidal currents, which can reach speeds of up to five metres per second (5 m/s). More than 160 billion tonnes of water flow through the Bay of Fundy during each tidal cycle—a volume greater than the combined flow of all the freshwater rivers and streams in the world.

To better understand how this resource can help Nova Scotia meet its clean energy targets, contribute to economic growth, and reduce reliance on imported energy, the Province has advanced a series of actions, including legislation, policy, funding, and the creation of the Fundy Ocean Research Centre for Energy ("FORCE") – North America's leading centre and test site for the research and demonstration of tidal stream technologies.

The Province of Nova Scotia proclaimed the *Marine Renewable-energy Act* in 2018: the first legislation in Canada to govern marine renewable energy projects in provincial waters. The legislation aims to protect the environment, respect community and local needs, and ensure that Nova Scotians benefit from the development of marine renewable energy. The legislation implements the Province's Marine Renewable Energy Strategy (2012), which maps out a high-level plan to continue researching, developing, and regulating how we will harness this resource in a coordinated and responsible manner.

Nova Scotia has ambitious renewable energy goals, including legislated targets of reaching 80% renewable energy generation by 2030 and net zero emissions by 2050.

The Province is committed to the safe and responsible development of marine renewable energy resources, in an incremental and adaptive manner and in the best interests of Nova Scotians. To date, project development has been guided by the following principles:

- Protecting and conserving the marine environment;
- Employing an adaptive and staged approach to development;
- Embracing collaboration and meaningful engagement;
- Recognizing and respecting other ocean users while balancing competing interests;
- Ensuring that health and safety remain top priorities;
- Developing the industry in a sustainable, responsible manner; and,
- Maintaining long-term community sustainability.

1.3 About Demonstration Permits

Under the *Marine Renewable-energy (MRE) Act*, a permitting regime has been established to facilitate the development of innovative marine renewable energy demonstration projects. A project operating under a Demonstration Permit is intended to test and showcase innovative technologies and designs, including demonstrating how the proposed project differs from other projects authorized under the MRE Act.

A Demonstration Permit authorizes an approved applicant to construct, install, and operate one or more connected tidal stream generators within the Fundy Area of Marine Renewable-energy Priority. This includes any associated subsea cables, anchors, and other equipment or structures owned by the permit holder and used, or intended to be used, in conjunction with the generators. The purpose of the permit is to demonstrate the generators' potential or capacity to produce marine renewable electricity.

The aggregate nameplate capacity of all generators operating under the Demonstration Permit Program is 10 megawatts (MW). As of July 2026, two projects hold active Demonstration Permits, representing a combined capacity of 2.3 megawatts (MW):

- **Nova Innovation**: a 1.5 MW project located in Petit Passage
- **NewEast Energy**: a 0.8 MW project located in Minas Passage

A Demonstration Permit is awarded to an approved project for an initial term of up to five years. A Demonstration Permit may be renewed for one or more additional terms, to a maximum total duration of 18 years.

Upon issuance of a Demonstration Permit, the permit holder will enter into a Power Purchase Agreement with Nova Scotia Power Inc. using the form prescribed by the Minister. For more information, refer to Section 2.6 of this Guide.

1.4 Department of Energy

The Demonstration Permit application process is designed and administered by the Nova Scotia Department of Energy in accordance with the requirements set out in the *Marine Renewable-energy Act*. Departmental staff can assist applicants throughout the application, approval, and post-approval processes.

For questions regarding the Demonstration Permit or the application process, please contact the Department of Energy's Marine Renewables Division by email at marinerenewables@novascotia.ca.

1.5 Contact Info for Inquiries

Applicants are responsible for obtaining any necessary clarification regarding the requirements of this Call for Applications. Questions should be submitted by email to mailto:marinerenewables@novascotia.ca.

Once the application deadline has passed and the evaluation phase has begun, the Department of Energy will not be able to discuss your projects or details regarding the evaluation process.

Applicants are encouraged to submit all questions before the application intake period closes.

1.6 Public Disclosure and Privacy

The Department of Energy collects the personal information on this form under the Marine Renewable-energy Act, the Marine Renewable-energy General Regulations, and the Freedom of Information and Protection of Privacy Act (FOIPOP).

We use this information to review and process your Demonstration Permit Program application, contact you about your application, assess eligibility and project requirements, and support program administration. This includes evaluating information required to administer the application process for a demonstration permit.

We disclose information from approved permits as required under the Marine Renewable-energy General Regulations on the department's website. This may include the identity and address of the permit holder, the designated permit area, permit requirements, the date the permit was issued, and a description of the activities authorized under the permit.

We may also use or disclose your information for these purposes or as allowed by law.

If your application package contains proprietary details that you consider to be confidential business information, and which you prefer to have protected in the event of a formal FOIPOP request, this information must be clearly identified, marked, and highlighted upon submission within your application.

To learn more about how the Government of Nova Scotia protects your privacy, please read our Privacy Statement. If you have questions about how your personal information is handled, you can contact us at MarineRenewables@novascotia.ca

1.7 Legal Terms and Conditions

Applicants shall not have any claim against the Government of Nova Scotia for any compensation of any kind whatsoever as a result of participating in this Call for Applications process, including, without limitation, any claim for costs of application preparation or participation in negotiations, or for loss of anticipated profits.

Regardless of any other provision in this Call for Applications, or any oral or written representation, promise, or warranty provided to the Applicant by the Government of Nova Scotia, the Government of Nova Scotia will not be liable to the Applicant in relation to any matter relating to this Call for Applications.

By submitting an Application, the Applicant agrees to indemnify the Government of Nova Scotia against any liability to any third party in relation to that third party's direct or indirect participation in this Call for Applications.

Reserved Rights

Minister shall have sole and absolute discretion to:

a) Verify with any Applicant, or with a third party, any information set out in an application and check references other than those provided by an Applicant.
b) Disqualify any Applicant whose application contains misrepresentations or any other inaccurate or misleading information.
c) Disqualify any Applicant that purports to change the terms of the PPA or makes its Application conditional upon material changes to the terms of the PPA prescribed by the Minister.
d) Modify or amend the Call for Applications, including without limitation the schedule for the Call for Applications process, the Application requirements, or any other terms, whether material or not.
e) Suspend or cancel this Call for Applications at any time.
f) Reject any or all Applications submitted in response to this Call for Applications and, in that event, at its option, to call for additional Applications.
g) Conduct post-submission discussions with any one or more Applicant(s) regarding Energy Rate, Project scope, or any other aspect of an Applicant’s submission, and such other aspects as the Minister may require and request additional information and clarification regarding any Application.
h) Accept any Application which in any manner, whether substantially or in a non-substantial or minor way, fails to conform to or comply with any of the requirements of this Call for

Applications, whether such requirements are expressed as mandatory criteria, or reject any application for any such non-conformity or non-compliance.

i) Request that an Applicant rectify any deficiency of a non-material nature in an application.
j) Reject any Application where the Applicant refuses to execute the PPA substantially in the form of the PPA prescribed by the Minister.

2 Eligibility Criteria

This section outlines the eligibility criteria for a Demonstration Permit as established under the *Marine Renewable-energy (MRE) Act*. Applicants are responsible for reviewing these criteria carefully and ensuring that all requirements are fully met prior to submitting an application. Applications that do not satisfy all of the criteria described in this section will be deemed ineligible and will not be considered for evaluation.

2.1 Entity

Entities operating in Nova Scotia that are registered and in good standing with the Registry of Joint Stock Companies may apply for a Demonstration Permit, except for current holders of licences and permits issued under the *MRE Act*.

2.2 Permitted Activities

Pursuant to Section 36(1)(c) of the *MRE Act*, a Demonstration Permit authorizes a permit holder to:

“construct, install and operate one or more connected generators, including any cable, anchor or other equipment or structure owned by the permit holder and used or intended to be used with the generators, to demonstrate to the Minister the generators' potential or capacity to produce marine renewable electricity.”

2.3 Technology

Tidal stream energy projects are eligible for a Demonstration Permit. The proposed project should have at least Technology Readiness Level 4 to be considered for this Call for Application for a Demonstration Permit. Technology Readiness Level (TRL) is a standardized framework used to assess how mature a technology is from early research (Level 1) to full commercial deployment. (Level 9). Use the Technology Readiness Level Assessment Tool to identify your project’s level and report it in the application form.

2.4 Permit Area

Projects under a Demonstration Permit can be deployed anywhere within the Fundy Area of Marine Renewable-energy Priority described in Schedule B of the *MRE Act*. The proponent may select to locate their proposed project within a designated Marine Renewable-electricity Area (MREA) except for the FORCE MREA. Other MREAs include Digby Gut, Grand Passage, and Petit Passage.

Refer to APPENDIX A, which shows the Fundy Area of Marine Renewable-energy Priority and MREA.

When selecting your project site and permit area, you must consider other existing marine resource uses in the area.

To ensure that your proposed project does not overlap or conflict with existing aquaculture licences or leases, utilize the following two provincial planning tools:

- **Aquaculture Coastal Classification System (CCS):** This framework provides centralized, science-based spatial data to help identify and manage compatible coastal uses; and
- **Aquaculture & Rockweed Map Viewer:** This interactive platform provides updated spatial information on marine areas currently leased for active aquaculture and rockweed operations.

Applicants must also refer to the provincial **Geographic Data Directory** to identify and verify the locations of existing Crown Land leases.

2.5 Project Size

Under Section 35(9) of the *Marine Renewable-energy (MRE) Act*, the Minister may establish eligibility requirements for applicants, specify the maximum capacity for each generator, and set limits on the total available megawatts.

Demonstration Permit Program Aggregated Capacity:
Under the *MRE Act*, issuance of Demonstration Permits must not result in the total aggregate capacity of all generators operating under all Demonstration Permits to exceed 10 megawatts (MW). As of July 2026, there are two active Demonstration Permit holders, with a total nameplate capacity of 2.30 megawatts (MW) combined. Accordingly, under this Call for Applications, Demonstration Permits may be awarded for a combined total capacity of up to 7.70 megawatts (MW).

Per-permit Aggregated Capacity:
For the 2026 Call for Applications, the aggregate nameplate capacity of all generators authorized under a single Demonstration Permit must be less than 2.0 megawatts (MW). However, the actual allowable project size may be capped based on the chosen permit area due to the limited remaining capacity allocated to an applicable Marine Renewable-electricity Area (MREA).

MREA capacity limit:
If a generator is wholly located within one of the following three Marine Renewable-electricity Areas, the project capacity size should be under the allocated 1.999MW per each MREA. Given the existing permit holders, remaining available capacity in each area is as follows:

- Petit Passage: 0.499 MW
- Digby Gut: 1.999 MW
- Grand Passage: 1.999 MW

2.6 Energy (Power Purchase) Rate

Upon issuance of a Demonstration Permit, the permit holder and Nova Scotia Power Inc. will enter into a power purchase agreement using the prescribed form by the Minister of Energy.

Proponents propose the energy rate at the time of the application, informed by their project financials. Energy rate is not to exceed five hundred Canadian dollars per megawatt-hour ($500 CAD/MWh), with no escalator for this Call for Applications.

The term of the PPA shall end earlier on (i) the date on which the Demonstration Permit expires or is revoked, and (ii) the date that is 15 years after the Commercial Operation Date.

Refer to APPENDIX B to review a standard Template Power Purchase Agreement that will be awarded to the successful applicant.

2.7 Fees

Pursuant to the *Marine Renewable-energy Fees Regulations*, all Applications must pay an application fee of **two-thousand Canadian dollars (CAD 2,000.00)** for the application to be considered complete. Payment must be made by electronic funds transfer ("EFT") or cheque. Applications submitted without an application fee payment will not be evaluated.

1. General Questions & Payment by EFT

For general instructions on how to pay an application fee, and specifically for payment via Electronic Funds Transfer ("EFT"), please contact:

Liz Seeton
Coordinator, Operational Accounting
Province of Nova Scotia
Service Nova Scotia
1505 Barrington Street, Halifax, NS B3J 3K5
6 South Maritime Centre
liz.seeton@novascotia.ca
(902) 221-2644

Electronic Funds Transfer ("EFT") is made to **Province of Nova Scotia**. Please note, the Province of Nova Scotia is not set up to accept e-transfers.

2. Payment by Cheques

Cheques made out to **Minister of Finance** are to be sent to:

Department of Energy
Marine Renewables
ATTN: Sylvie Lepine
11th Floor, 1690 Hollis Street
PO Box 2664
Halifax, NS B3J 3P7

3 Project Requirements

This section describes the requirements that must be considered when applying for a Demonstration Permit, as well as the obligations proponents must meet after a permit is awarded to maintain compliance and successfully implement their project. It is important to understand these requirements early in the process, prior to applying, as they should inform project design, the development of the Project Plan, and preparation of Project Financials.

3.1 Rent

A permit holder is required to pay annual rent for the authorized use of their designated permit area as detailed below:

Type of Fee	Rent Payment Amount per Calendar Year	Rent Payment Deadline
Rent[1]	amount equal to the greater of • $2500.00 per megawatt of installed capacity under the permit and • $20.00 per hectare in the permit area	no later than 60 calendar days after the date the permit is issued, and every January 31 during the term of the permit

3.2 Interconnection

Access to FORCE-owned subsea cables and substations is strictly limited to projects located within the FORCE test site and is subject to separate commercial agreements. Demonstration projects located elsewhere within the Minas Passage, but outside of the FORCE Marine Renewable-energy Area (MREA), must make independent arrangements for their electrical interconnection.

Therefore, all distribution-connected projects operating under a Demonstration Permit must follow Nova Scotia Power Inc.'s (NSPI) Distribution Generator Interconnection Procedures (DGIP). Applicants are encouraged to familiarize themselves with this process and evaluate interconnection feasibility at the earliest stage of project planning, particularly when selecting the project site and designated permit area.

For specific requirements regarding interconnection at the time of application, please refer to Section 4.4 of this Application Guide.

[1] Marine Renewable-energy General Regulations s 23(3)

3.3 Regulatory Compliance

Receiving a Demonstration Permit under the *Marine Renewable-energy Act* is one of several approvals that a project will require prior to undertaking activities within the Fundy Area of Marine Renewable-energy Priority. A successful Applicant will be required to engage with all the applicable federal and provincial regulatory agencies to assess the requirements under their respective mandates. A successful applicant will be required to adhere to all environmental, health and safety, and engineering best practice guidelines and standards where they exist for the deployment and operation of tidal stream devices.

For a list of permits and regulations, refer to APPENDIX C.

Adaptive Environmental Effects Monitoring Programs

Fisheries and Oceans Canada (DFO) has established a staged installation approach[2] for tidal stream energy development under the *Fisheries Act* following the work of the federal Task Force on Sustainable Tidal Energy Development, led by DFO and Natural Resources Canada. This approach is part of a broader adaptive regulatory framework designed to support responsible project development while ensuring the protection of fish and fish habitat.

The staged approach enables proponents to proceed incrementally, beginning with a single device deployment and associated monitoring activities, followed by subsequent phases that may include additional turbines. Advancement between stages is contingent on the collection, interpretation, and analysis of environmental monitoring data, allowing regulators to evaluate potential impacts and adjust requirements as needed.

All tidal energy proponents in the Bay of Fundy are expected to engage early with DFO. A *Fisheries Act* authorization is not automatically required for every project, but DFO will determine whether one is needed based on risk to fish and fish habitat and aquatic species at risk.

3.4 Permit's Terms and Conditions

The permit holder must adhere to the Demonstration Permit's Terms and Conditions (T&C) throughout the permit period, which may include, but are not limited to:

- Performance or other requirements that must be satisfied by the permit holder within a specific period;
- Quarterly activity reports;
- Reports and data related to the activities to be carried out under the permit, including specified timing, format, and content;
- Development of and adherence to plans relating to the activities to be carried out under the

[2] Guide to environmental monitoring for tidal energy devices, Bay of Fundy, Nova Scotia Guide to environmental monitoring for tidal energy devices, Bay of Fundy, Nova Scotia

permit, including plans for public consultation and engagement, environmental protection, research, monitoring, risk management, generator decommissioning, and site restoration;
- Compliance with the requirements of the environmental monitoring plan;
- Incident reporting;
- Milestone notification; and,
- Press release notification.

Refer to the Terms and Conditions Template included in the APPENDIX D to understand the requirements in detail.

3.5 Security and Insurance

Under the *Marine Renewable-energy Act*, a permit holder shall, in respect of the authorized activity, provide financial or other security, carry insurance, or do both, as required by the Minister.

Financial Security Obligations
The Minister determines the manner and conditions under which any provided security may be forfeited or returned, in whole or in part. Such conditions are detailed in the Terms and Conditions Template (APPENDIX D).

Insurance Requirements
The applicant is solely responsible for obtaining insurance for installation, operation, and decommissioning activities. The successful applicants will be required to name the Province of Nova Scotia as an additional insured, and proof of coverage must be provided to the Province by the successful applicant prior to any marine or installation activities. For more details, refer to the Terms and Conditions Template (APPENDIX D).

The applicants must indicate in its application that it understands the insurance and security provisions and explain how it will comply with them.

3.6 Environmental Monitoring Plan

The permit holder shall not construct or install a generator, cable, or other equipment or structure in the permit area until the permit holder has submitted, and the Minister has approved an Environmental Monitoring Plan.

Applicants are required to submit a draft Environmental Monitoring Plan at the time of application. Upon issuance of a Demonstration Permit, the permit holder must comply with the requirements set out in the Terms and Conditions to implement the Environmental Monitoring Plan.

The contents of the Environmental Monitoring Plan are prescribed in the *Marine Renewable-energy General Regulations*, and guidance is provided in Section 4.4 of this Guide.

3.7 Risk Management Plan

The permit holder shall not construct or install a generator, cable, or other equipment or structure in the permit area until the permit holder has submitted, and the Minister has approved a Risk Management Plan. The permit holder shall implement and adhere to the Risk Management Plan following approval. The Risk Management Plan shall be updated and resubmitted annually by the permit holder.

The Applicant is required to assess the project risk and submit the Risk Management Plan at the time of the application. The contents of the Risk Management Plan are prescribed in the *Marine Renewable-energy General Regulations*, and guidance is provided in Section 4.4 of this Guide.

3.8 Decommissioning, Abandonment and Rehabilitation Plan

The permit holder shall not construct or install a generator, cable, or other equipment or structure authorized by this Permit until the permit holder has submitted, and the Minister has approved, a Decommissioning, Abandonment, and Rehabilitation Plan.

Applicants are required to submit a draft Decommissioning, Abandonment, and Rehabilitation Plan at the time of application. Upon issuance of a Demonstration Permit, the permit holder must comply with the requirements set out in the Terms and Conditions to implement and maintain the approved Decommissioning, Abandonment, and Rehabilitation Plan.

The contents of the Decommissioning, Abandonment, and Rehabilitation Plan are prescribed in the *Marine Renewable-energy General Regulations*, and guidance is provided in Section 4.4 of this Guide.

3.9 Engagement Plan

At the time of the application, two sets of plans are required: the Mi'kmaq Engagement Plan and the Stakeholder Communication and Engagement Plan. Guidance to develop these plans is provided in Section 4.4 of this Guide.

The Government of Nova Scotia prioritizes the continued development of a relationship with the Mi'kmaq of Nova Scotia. This includes creating greater opportunities for Mi'kmaw communities to participate in social and economic development and ensuring meaningful consultation with the Mi'kmaq on decisions that impact land and natural resources. Experience has shown that early engagement by applicants with the Mi'kmaq of Nova Scotia during the planning and design phases of a proposed project offers significant benefits.

Additionally, the Province is committed to meeting its legal obligations to consult with Mi'kmaw communities regarding potential impacts on Aboriginal or treaty rights. Early engagement by applicants provides an opportunity to better understand Mi’kmaw interests and concerns and to identify ways to avoid or mitigate potential impacts early in project development. Addressing these considerations at an early stage can improve project design and reduce the risk of future delays and increased costs.

The duty to consult rests with the Crown. The Department will work with the Office of L’nu Affairs to identify the need for, and to inform, the duty-to-consult process. Non-confidential information provided in an application may be shared with the Mi’kmaq of Nova Scotia and may be used to facilitate Crown consultation in relation to the project.

Successful applicants are expected to continue engaging with the Mi’kmaq of Nova Scotia throughout the duration of their projects in accordance with the approved Mi’kmaq Engagement Plan.

4 Application

This section describes the procedures and timeline that must be followed when preparing and applying for a Demonstration Permit, as well as the evaluation criteria the Department of Energy will use to evaluate project proposals. It is important to review these submission protocols early in the process as they explain the mandatory formatting, requirements for technical and other accompanying documents, and submission methods for a successful submission.

4.1 Application Period

The application window will open on July 31, 2026, and close on September 30, 2026.

4.2 Application Submission Method

To begin preparing an application package, applicants should visit the program website at https://novascotia.ca/programs/tidal-demonstration-permit/ to download the following required documents:

1. **Application Guide**: This document provides comprehensive information on the Demonstration Permit, including eligibility criteria, project requirements, application procedures, and evaluation criteria.
2. **Application Form**: A fillable PDF containing the questions that applicants must complete and submit.
3. **Financial Template**: An Excel workbook used to describe the project's financial details. This document must be submitted alongside the application form.
4. **Final Checklist**: A required Word document used to confirm that the application package is complete, including all supporting and supplemental materials.

All applications must be submitted electronically through the NS Form. Applicants must follow the document naming conventions outlined in the Application Form when submitting supplemental documents. For submission of *Plans* (e.g., Environmental Monitoring Plan), include relevant dates and version numbers where applicable. Applications submitted through any other method of delivery will not be considered for evaluation.

As required under the *Marine Renewable-energy Act*, an application will only be processed once all required information, including the prescribed fee, has been provided. Applicants will be notified by the Department once their application has been deemed complete.

4.3 Application Fee Payment

The Department of Energy will not evaluate applications submitted without an application fee. Please refer to Section 2.7 of this Guide for accepted payment methods.

4.4 Guidance on Completing the Application Form

This subsection provides guidance to applicants on completing each question of the application form and preparing all required supporting documents.

Applicants are encouraged to refer to this section while completing the application form and assembling supplemental materials. Depending on the stage of the project and the maturity of the proposed technology, applicants may not have all the information required to fully respond to every question in this section. In such cases, applicants must clearly explain the reasons for any gaps in information or missing documents. Any unanswered questions or missing required supplemental materials without an explanation may result in the application being deemed incomplete.

This guidance is provided for informational purposes only and does not constitute advice or guarantee approval under this permitting process.

Applicants are also encouraged to refer to the evaluation criteria included in this Guide, as they will clarify the expectations for a strong application.

Section 1: Executive Summary

In this section, applicants should provide a concise overview of the project. The summary should clearly outline the project's objectives, scope, and level of readiness, along with the information requested in the question. Applicants should use full terms before introducing acronyms and explain any technical terminology, where appropriate, to ensure clarity for a broad audience, including evaluators, program staff, and decision-makers.

Section 2: Applicant Information

In this section, applicants are asked to provide basic information about the applicant and to list all project owners holding a 10% or greater stake in the project. Where there are multiple owners, applicants are required to establish a single legal entity, such as a Special Purpose Vehicle (SPV), for the project. The name of the SPV should be listed in the "Applicant Name" section. This is required when entering into a Power Purchase Agreement with Nova Scotia Power Inc.

The Department of Energy may contact the applicant's primary and/or secondary contact at various stages of the evaluation process to clarify submitted information and/or request additional information.

As the evaluation process is subject to specific timelines, it is important that applicants promptly notify the Department of any changes to their contact information during this period.

Applicants are also required to submit supplemental documents, which will be used to understand the project structure and the roles and contributions of each party involved. Applicants should follow the document format specified in the question.

Section 3: Project Experience

This section requires applicants to describe the project owner's (or owners') experience in marine renewable energy and to provide detailed information on the project team. Applicants should outline relevant expertise, past projects, as well as the roles and responsibilities of key team members.

The Department of Energy may contact the professional references provided to obtain additional information and to support the assessment of the applicant's experience with respect to the project.

Section 4: Project Description

Applicants must carefully read each question and ensure that all requested information is thoroughly addressed, as this section is a core part of the application form. Applicants should follow the specified requirements for submitting supplemental documents, including file types and naming conventions. Where materials are available in alternative formats (e.g., videos or web-based interactive maps), applicants may include links within the response field or provide them as part of the supplemental attachments.

As noted above, depending on the stage of the project and the maturity of the proposed technology, applicants may not have all the information required to fully respond to every question in this section. **In such cases, applicants must clearly explain the reasons for any gaps in information or missing documents.**

Project Title

The project title provided in the application form will serve as the official project name used in any public communications.

Technology Readiness Levels (TRL)

Applicants are encouraged to refer to Section 2.3 of this Application Guide for more information on Technology Readiness Levels (TRL). To be eligible under this call, the proposed device must have achieved a minimum TRL of 4.

References for Previous Projects and Past Financial Contracts

Applicants are also required to provide contact information for organizations or individuals that have conducted independent monitoring or evaluation of previously deployed technologies, as well as references related to past financial agreements.

Land Survey and Site Map

Accurately describing the location of your project is important for determining if your project is eligible for a permit. It is important to keep in mind that the footprint of the proposed permit area may be used to determine the rent payments under Section 23(3) of the *Marine Renewable-energy General Regulations*.

- **Land Survey**: A legal survey prepared by a Nova Scotia Land Surveyor depicting the permit area and its coordinates (i.e. longitude/latitude using the international standard representation in degrees, minutes, seconds) must be provided.
- **Site Map**: The site map should be produced at an appropriate scale to clearly illustrate the proposed location of all connected generators, cables, anchors, or other equipment and structures intended to be constructed, installed, or operated under the authority of the permit.

Section 5: Interconnection

All projects under Demonstration Permits are required to connect to the electricity grid. Applicants must familiarize themselves with Nova Scotia Power Inc.'s (NSPI) *Distribution Generator Interconnection Procedures (DGIP)* and reflect the proposed interconnection pathway and plan within their Project Plan.

As part of the Demonstration Permit application, applicants are required to complete and submit the results of a **Pre-Application Assessment**, which is the initial step in NSPI's DGIP process. The Pre-Application Assessment provides a high-level review of the supply substation, distribution zone, and distribution feeder serving the proposed generation facility site. The Pre-Application Assessment is required for this Call for Applications because it is a critical component of site selection and supports applicants in proactively identifying and planning their interconnection approach.

IMPORTANT: Applicants are strongly encouraged to submit a Pre-Application Assessment request as early as possible, as it may take several weeks to receive the results. Initiating this process early will help ensure that application deadlines can be met.

For more information on the Pre-Application Assessment process, or to submit a request, please refer to NSPI's website and the "Pre-Application Assessment" section within the *Distribution Generator Interconnection Procedures (DGIP)* document.

Section 6: Innovation

The Demonstration Permit Program was established to foster innovation and support new technology development. We are looking for projects that will test new ideas and concepts for generating marine renewable energy. The extent to which your generator is based on innovative technology or design will be considered in the evaluation process.

Describe how your project is innovative and differs from marine renewable energy projects under development in Nova Scotia; and if the project addresses any technical and/or non-technical obstacles(s) facing the marine renewable energy sector. Some aspects in which a project may be innovative include, but are not limited to:

- Developing and deploying effective solutions to sector-wide challenges, including but not limited to, technical, operational, environmental, and social issues;
- Cross-sector collaboration involving community organizations, universities, research groups, non-profit societies, government and/or the private sector;

- Low risk approach to the operation and maintenance of marine renewable energy devices;
- Deployment of new methods or concepts that will lower the cost of producing marine renewable energy; and,
- Integration with storage and/or other renewable energy technologies.

Section 7: Project Plan

Applicants should provide a Project Plan with **a schedule (date or period) and description** of the activities to be carried out under the permit, from construction to decommissioning of any generator, cable, anchor or other equipment or structure. The Plan should also reflect the proposed approach and process, and demonstrate the applicant's ability to meet the Final In-Service Date. The Plan should also address measures to avoid or minimize risks to public safety and the environment within the permit area during all stages of the project.

The Plan should include at least the following activities:

a) Project design
b) Federal and Provincial Permitting
c) Physical site preparation
d) Fabrication of the tidal stream equipment and other necessary assets
    - Types of vessels and equipment to be used
    - The sequence of activities
    - Plans to secure the required vessels, equipment and specialized services
    - Contingency plans to address partial, delayed or unsuccessful operations
e) Installation and commissioning of the tidal stream equipment, or units in an array, and other necessary assets
    - Reflect staged installation if applicable
f) Installation of submarine cabling
g) Date of interconnection with the NSPI grid
h) In-service Date
i) Operation and maintenance phase
    - Routine inspection and maintenance schedules
    - Procedures for responding to equipment failures and unexpected events
    - Vessel and equipment requirements for maintenance activities
    - Spare parts strategy, including critical components and availability
    - Approaches to managing and minimizing operational downtime
j) Monitoring and compliance
k) Decommissioning and site rehabilitation activities

Section 8: Draft Environmental Monitoring Plan

Applicants are required to prepare and submit a draft Environmental Monitoring Plan detailing the processes and activities to be undertaken to measure effects of the project on the natural environment. The Environmental Monitoring Plan should be designed to describe the existing state of the environment and to monitor changes and/or trends in valued environmental components that may be caused as a result of carrying out the project.

Applicants should engage qualified individuals and/or organizations to support the project's pre-installation and post-installation environmental monitoring and compliance requirements.

An environmental monitoring plan must include all the following:

1. A description of the physical and biological setting, including the physical and biological components in the area that may be adversely affected by the project (e.g., marine and terrestrial ecosystems that may be affected);
2. Baseline data for the permit area that is publicly available at the time of submission;
3. An assessment of the effects on the environment of any generator, cable, anchor or other equipment or structure to be constructed, installed or operated under the permit and how that infrastructure will interact with the environment, considering all of the following:
    - the physical characteristics of the permit area,
    - the distribution and behavior of the species in the permit area, considering:
        - fish and lobster;
        - marine birds;
        - marine mammals;
        - acoustics;
        - physical oceanography;
        - currents and waves; and,
        - benthic environment.
    - any existing information on the interaction between similar and marine life;
4. A description of the monitoring methods, technologies, and equipment to be used for collecting environmental effects monitoring data before installation and ongoing environmental effects monitoring to evaluate any changes in the marine environment over time related to the activities carried on under the permit.
5. Parameters to be monitored, monitoring schedules and locations, data collection procedures and technologies, quality assurance protocols, and reporting requirements.
6. Evidence that the most appropriate and reasonably practicable science, technology, and resources will be employed to achieve the monitoring objectives and support compliance with Marine Renewable-energy Act requirements.
7. Measures to avoid and mitigate identified environmental effects and the methods and processes for implementing and monitoring those measures.
8. Contingencies to be implemented as alternative courses of action in the event avoidance, mitigation and/or monitoring measures cannot be implemented, are not functioning as designed, or do not provide expected results.

    Please note that successful applicants will be required to submit a final Environmental Monitoring Plan and obtain Ministerial approval before installing any generator, including any cable or any other equipment or structure owned by the permit holder and used or intended to be used with the generator. Refer to the Terms and Conditions Template for information on requirements following the award of a Demonstration Permit.

Section 9: Draft Risk Management Plan

Applicants are required to prepare and submit a Risk Management Plan that describes known and potential environmental, social, and financial risks of the proposed project, as well as the measures you propose to take to anticipate, avoid, prevent, mitigate, or manage the risk.

A complete risk management plan must, as a minimum, include the following:

1. A description of the steps that have been taken to identify, analyze, and evaluate any risks relating to the activities to be carried on under the permit, including any of the following:
    - risks to the environment and public safety;
    - operational or technical risks;
    - risks posed to activities that are or may be undertaken by other people in the proposed permit area;
    - financial risks;
    - health and safety risks.
2. A description of any risk identified by the applicant, an assessment of the probability that the risk will occur and, for each risk identified,
    - a qualitative and quantitative assessment of the probability that the risk will occur,
    - a qualitative and quantitative assessment of the consequences of the risk occurring, and
    - a description of the measures that the applicant proposes to take to anticipate, avoid, prevent, mitigate, or manage the risk;
3. A description of how the applicant will inform all individuals directly affected by any identified risk of the risk and the measures that the applicant proposes to take to anticipate, avoid, prevent, mitigate, or manage the risk;
4. A description of how the applicant will monitor compliance with the risk management plan, including any audits, inspections, data collection, and analysis.

Please note that successful applicants will be required to submit a final Risk Management Plan and obtain Ministerial approval before installing any generator, including any cable or any other equipment or structure owned by the permit holder and used or intended to be used with the generator. Refer to the Terms and Conditions Template for information on requirements following the award of a Demonstration Permit.

Section 10: Draft Decommissioning, Abandonment and Rehabilitation Plan

Applicants are required to prepare and submit a Decommissioning, Abandonment and Rehabilitation plan by including all of the following:

1. The steps that will be taken and the procedures that will be used to remove any generator, cable, anchor or other equipment or structure constructed, installed or operated under the permit;
2. Anticipated length of time for full recovery of site;
3. Estimated cost of decommissioning and environmental restoration;

4. If it is proposed that any generator, cable, anchor or other equipment or structure constructed, installed or operated under the permit be abandoned in place,
    a. evidence that doing so would be less harmful to public safety and the environment than removing the generator, cable, anchor or other equipment or structure, and
    b. the manner in which ongoing monitoring, maintenance and liability for the generator, cable, anchor or other equipment or structure that is proposed to be abandoned in place will be addressed;
5. The steps that will be taken and the procedures that will be used to rehabilitate any sub-aquatic lands that compose the licence area or permit area.

Please note that successful applicants will be required to submit a final decommissioning, abandonment and rehabilitation plan and obtain Ministerial approval before installing any generator, including any cable or any other equipment or structure owned by the permit holder and used or intended to be used with the generator. Refer to the Terms and Conditions Template for information on requirements following the award of a Demonstration Permit.

Section 11: Draft Engagement Plan

As part of your application, you must submit draft versions of two distinct engagement strategies: a Mi'kmaq Engagement Plan and a Stakeholder Communication and Engagement Plan.

Mi'kmaq Engagement Plan

It is recommended that all Applicants read the *Proponents' Guide: The Role of Proponents in Crown Consultation With The Mi'kmaq Of Nova Scotia* at https://novascotia.ca/abor/docs/proponents-guide.pdf. The Applicant's plan should be aligned with the recommendations in this guide.

Provide the following information to the extent that it is available. However, if you have not undertaken any engagement activities, indicate that in the Plan.

1. A description of the completed, ongoing and proposed engagement activities with the Mi'kmaq of Nova Scotia, including:
    a. a list of the specific committees, communities or organizations engaged, and summary of the information shared;
    b. the date(s) of engagement or discussion(s); and,
    c. the means of engagement or discussion (e.g., community meetings, mail or telephone, etc.).
2. An overview of the key comments and concerns expressed, as well as any responses provided to each comment or concern, and where applicable, a summary of any changes made to the proposed project.
3. A description of all steps taken, or proposed to be taken, to address any concerns expressed.

Please note that successful applicants will be required to submit a final Mi'kmaq Engagement Plan and obtain Ministerial approval before installing any generator, including any cable or any other equipment or structure owned by the permit holder and used or intended to be used with the generator. Refer to the Terms and Conditions Template for information on requirements following the award of a Demonstration Permit.

Stakeholder Communication and Engagement Plan

In your application, provide the following information to the extent that it is available. However, if you have not undertaken any engagement activities, you must indicate this in your application.

1. An overview of ongoing or proposed stakeholder engagement activities, including:
    a. specific committees, communities and/or organizations engaged to date with regard to the project and a summary of the information shared;
    b. date(s) of engagement or discussion(s); and,
    c. means of engagement or discussion(s) (e.g., community meetings, mail or telephone, etc.).
2. An overview of key comments and concerns expressed to date by stakeholders and any responses that have been provided.
3. A description of all steps taken or proposed to be taken by the applicant to address any concerns

Please note that successful applicants will be required to submit a final Stakeholder Communication and Engagement Plan and obtain Ministerial approval before installing any generator, including any cable or any other equipment or structure owned by the permit holder and used or intended to be used with the generator. Refer to the Terms and Conditions Template for information on requirements following the award of a Demonstration Permit.

Section 12: Financial Information

Applicants must provide the following financial information to support the calculation of an appropriate rate for the Power Purchase Agreement (PPA).

Financial Template

Please download the Financial Template from the program website. To begin, follow the instructions located in the "Financial Info" tab.

Using the best available information at the time of application, please complete as many sections of the template as possible. You will be asked to detail the project's:

- Capital expenses (CAPEX)
- Annual operating expenses (OPEX)
- Proposed energy (power purchase) rate
- Funding sources and financing structure

Project Financial Model (Pro Forma)

Applicants are also required to submit a comprehensive Project Financial Model in the form of an unlocked Microsoft Excel spreadsheet. The model must illustrate the projected cash flows over the entire lifespan of the project

The Financial Model must indicate the timing and amount of estimated revenues based on the proposed Energy Rate, which must not exceed CAD 500/MWh, as well as projected energy production, development expenses (DevEx), capital expenditures (CAPEX), operating expenditures (OPEX), financing costs, government grants or loans, and taxes.

The Financial Model must be accompanied by a narrative description that explains how the model operates and clearly sets out all assumptions used in its preparation.

Section 13: Final Checklist

Ensure you have prepared all additional required documents listed under the applicable questions in the Application Form. Use the provided Final Checklist to confirm your materials and submit the completed checklist as part of your application package.

Section 14: Regulatory Approvals

Applicants must obtain all necessary approvals, permits, or authorizations required by municipal, provincial, and federal acts, regulations, and bylaws prior to the construction, installation, operation, and decommissioning of any device in a permit area. Please refer to APPENDIX C for a list of relevant provincial and federal permits and approvals.

In the application form, list all applicable permits and approvals for your project to demonstrate your understanding of these regulatory requirements.

5 Evaluation

This section describes the formal evaluation process, timelines, and evaluation metrics used by the Department of Energy to assess applications for a Demonstration Permit. It is important to understand these assessment mechanisms early in the process, prior to finalizing your application package, as they indicate how your project proposal will be evaluated.

5.1 Evaluation Process

The Department of Energy will carry out the evaluation process. When considering the issuance of a permit, the Department of Energy may consult with any department of the public service of the Province or of Canada, as well as with any government agency of the Province or of the Government of Canada that exercises regulatory authority over any aspect of the activities to be carried out under a permit. In fulfilling this mandate, the application, including all supporting documents, may be shared with relevant government departments and agencies.

5.2 Incomplete Applications

If the submitted application is incomplete, the Minister will reject the application and notify the applicant of the rejection within 30 business days after the close of the application window.

5.3 Timeline

As per the *Marine Renewable-energy Act*, the applicant will be notified of the outcome of your application within 90 business days after the close of the application window, with notice of approval or denial of your application, unless there are exceptional circumstances as prescribed in the regulations.

5.4 Evaluation Matrix

Stage 1 – Completeness Check The Department of Energy staff will review each Application for completeness. Only complete Applications will be advanced to the next stage of the evaluation process.			
All questions, other than those marked as "if applicable", are answered with relevant response in the provided application form.	Yes	No	*If 'no', the Applicant is required to resubmit a completed application.*
A completed Financial Template is submitted using the provided template.	Yes	No	*If 'no', the Applicant is required to resubmit a completed financial template.*
A completed Final Checklist is submitted using the provided template.	Yes	No	*If 'no', the Applicant is required to resubmit a completed Final Checklist using the provided template.*
All the required attachments are submitted and complete.	Yes	No	*If 'no', the Applicant is required to submit all the required yet missing attachments.*
The applicant is registered in the Joint Stock Companies and maintains active status at the time of the application	Yes	No	*If not provided, the Department may ask a clarifying question, however, this will be required as a condition of Marine Renewable-electricity permit issuance*
Can the Application proceed to Evaluation Stage 2?	**Yes**	**No**	

Stage 2 - Mandatory Criteria Each of the Stage 2 requirements will be evaluated on a pass/fail basis only. All Stage 2 requirements need to be successfully passed for the Application to be advanced to Stage 3 of the evaluation process.			
Application submitted on or before the Application Submission Deadline.	Pass	Fail	*If 'Fail' to any of these questions, Application will not be evaluated further.*
Application fee was paid ($2,000 CAD).	Pass	Fail	
Energy rate no higher than $500 CAD/MWh, and no escalator and separate Energy Rates applied.	Pass	Fail	
The proposed permit area is within the Fundy Area of Marine Renewable-energy Priority, excluding the FORCE Marine Renewable-electricity Area.	Pass	Fail	
The proposed tidal stream energy technology has at least a Technology Readiness Level of TRL 4, according to the European Marine Energy Centre Technology Readiness Level.	Pass	Fail	
The proposed tidal stream project's nameplate capacity is less than 2 MW for each proposed permit area.	Pass	Fail	
The applicant is not an active permit or licence holder under the Marine Renewable-energy Act.	Pass	Fail	
Can the Application proceed to Evaluation Stage 3?	**Yes**	**No**	

Stage 3 - Scored Criteria		
Project Ownership and Project Experience	**15 points**	• **Project ownership structure** is designed to strengthen project design and implementation feasibility, based on the expertise each party brings, as well as the ownership and governance framework. • **Demonstration of relevant project experience** of the proponent and project partners, including the experience of the Project Manager and project team members. • **Demonstration of relevant experience** in managing projects, navigating regulatory systems, and conducting marine operations related to renewable energy development, particularly in marine environments.
Technology	**15 points**	• **Demonstration of the maturity or current state of the proposed technology** using the Technology Readiness Level (TRL), including clear and sound justification for the selected TRL. • **Demonstration of understanding of the technical specifications** of the proposed technology, including its operational characteristics and expected performance at the selected site. • **Demonstration of understanding of site interface considerations and potential array interactions**, including how multiple units will operate together at the proposed location.
Site Selection	**5 points**	• **Demonstration of understanding of the site characteristics** within the proposed permit area. • **Demonstration of informed and sound site selection**, including evidence that multiple site alternatives were considered. • **Demonstration of understanding of access requirements** for land-based infrastructure between the generation facility and the electrical grid connection point. • **Demonstration of understanding of interconnection feasibility** in site selection, informed by the NSPI Pre-Application Assessment.
Innovation	**15 points**	• **Demonstration of how the proposed project advances innovation** relative to currently permitted or licensed tidal energy projects in Nova Scotia. • **Demonstration of how the proposed project contributes** meaningfully to advancing the tidal energy sector by addressing technical or non-technical barriers to marine renewable energy demonstration or commercialization.

Project Plan	**20 points**	• **Demonstration that the proposed Project Plan is feasible and comprehensive**, including all key project tasks, the In-Service Date, required resources, and the critical path to project completion. • **Demonstration that the Project Plan addresses all stages of the project lifecycle**, including planning, regulatory applications and approvals, construction (including staged installation of generator(s), if applicable), grid interconnection, operation, monitoring, decommissioning, and site rehabilitation. • **Demonstration of realistic scheduling**, including the applicant's ability to achieve the proposed In-Service Date.
Draft Plans • Environmental Monitoring Plan • Risk Management Plan • Decommissioning, Abandonment and Rehabilitation Plan • Mi'kmaq Engagement Plan • Stakeholder Communication and Engagement Plan	**20 points**	• **Demonstration that each draft Plan reflects the available data and information,** showing a genuine effort to develop a draft that establishes a foundation for future refinement as additional information becomes available, supporting project implementation, risk mitigation, and overall feasibility.
Project Financials	**10 points**	• **Demonstration that the proposed project costs (CAPEX and OPEX) are reasonable.** • **Demonstration that the proposed power purchase rate appropriately reflects project costs**, supported by clear justification. • **Demonstration of how the applicant will secure sufficient financing** to develop and operate the project, including the ability to achieve financial close in a timely manner to meet the In-Service Date. • **Demonstration that projected revenues are sufficient** to service any project-related debt obligations. • **Demonstration of efforts to explore diverse financing options and mechanisms**, such as investment tax credits or other applicable funding sources.
Total Possible Score	**100 points**	
Minimum Required Score	**60 points**	*An Application must receive a 'passing score' of 60 points out of 100 points to be considered for a Demonstration Permit.*
Total Applicant Score		*Based on the competition, the Applicants with the highest passing scores will be recommended to be issued a demonstration as a result of this Call for Applications.*

6 Post-Approval: Information for Successful Applicants

This section describes the post-approval steps and ongoing operational milestones that successful applicants must navigate after receiving notice of approval for a Demonstration Permit.

6.1 Demonstration Permit

Successful applicants will receive a Letter of Approval from the Department of Energy by email to your primary contact indicated in the application form.

The successful applicant will be granted a Demonstration Permit by the Minister of Energy under the *Marine Renewable-energy Act.*

A Demonstration Permit may be issued subject to any Terms and Conditions prescribed by the Minister. This may include establishing performance and reporting requirements, permit area, nameplate capacity of generator(s), the aggregate amount of electricity to be produced under the Marine Renewable-electricity permit, and requirements for public consultation and engagement, research and monitoring, risk management, and project decommissioning.

6.2 Power Purchase Agreement

Upon being awarded the Demonstration Permit, you will enter a Power Purchase Agreement (PPA) with Nova Scotia Power Inc. at the rate approved by the Minister. A standard PPA prescribed by the Minister will be used; the terms and substance of this Agreement are final and not subject to further negotiation.

6.3 Public Notice of Approval

As per Section 12 (1) of the *Marine Renewable-energy General Regulations*, and as described in Section 1.6 of this Guide, the date of the permit issuance and description of the activities to be carried out under the awarded Demonstration Permit will be made available in a public notice on the Department's website.

6.4 Additional Approvals and Agreements

It is the sole and exclusive responsibility of the permit holder to identify, secure, and maintain all necessary federal, provincial, and municipal permits, licenses, and approvals required to construct, install, and operate the project. The issuance of a Demonstration Permit under the *Marine Renewable Energy (MRE) Act* does not exempt the permit holder from compliance with other applicable legislation, nor does it guarantee that other regulatory authorities will grant approval.

To maintain valid standing and ensure project continuity, the permit holder must comply with all conditions set out in the *MRE Act*, its Regulations, and any ancillary authorizations.

Failure to obtain or maintain any required third-party approvals may result in the suspension or cancellation of the Demonstration Permit.

7 Relevant Resources

7.1 Legislation and Regulation

- ***Marine Renewable-energy Act***. Available online: https://nslegislature.ca/sites/default/files/legc/statutes/marine%20renewable-energy.pdf
- ***Marine Renewable-energy Fees Regulations***. Available online: https://novascotia.ca/just/regulations/regs/mrefees.htm
- ***Marine Renewable-energy General Regulations***. Available online: https://novascotia.ca/just/regulations/regs/mregen.htm
- ***DFO's approach to assessing risk of death of fish from collision with tidal energy devices*** *(2024).* Available online: https://www.dfo-mpo.gc.ca/publications/pnw-ppe/tidal-energy-energie-maremotrice/fish-risk-monitoring-risque-surveillance-poisson-eng.html
- ***DFO's guide to Adaptive Environmental Effects Monitoring Programs*** *(AEEMP) for tidal energy devices in the Bay of Fundy (2024).* Available online: https://publications.gc.ca/collections/collection_2024/mpo-dfo/Fs23-751-2024-eng.pdf

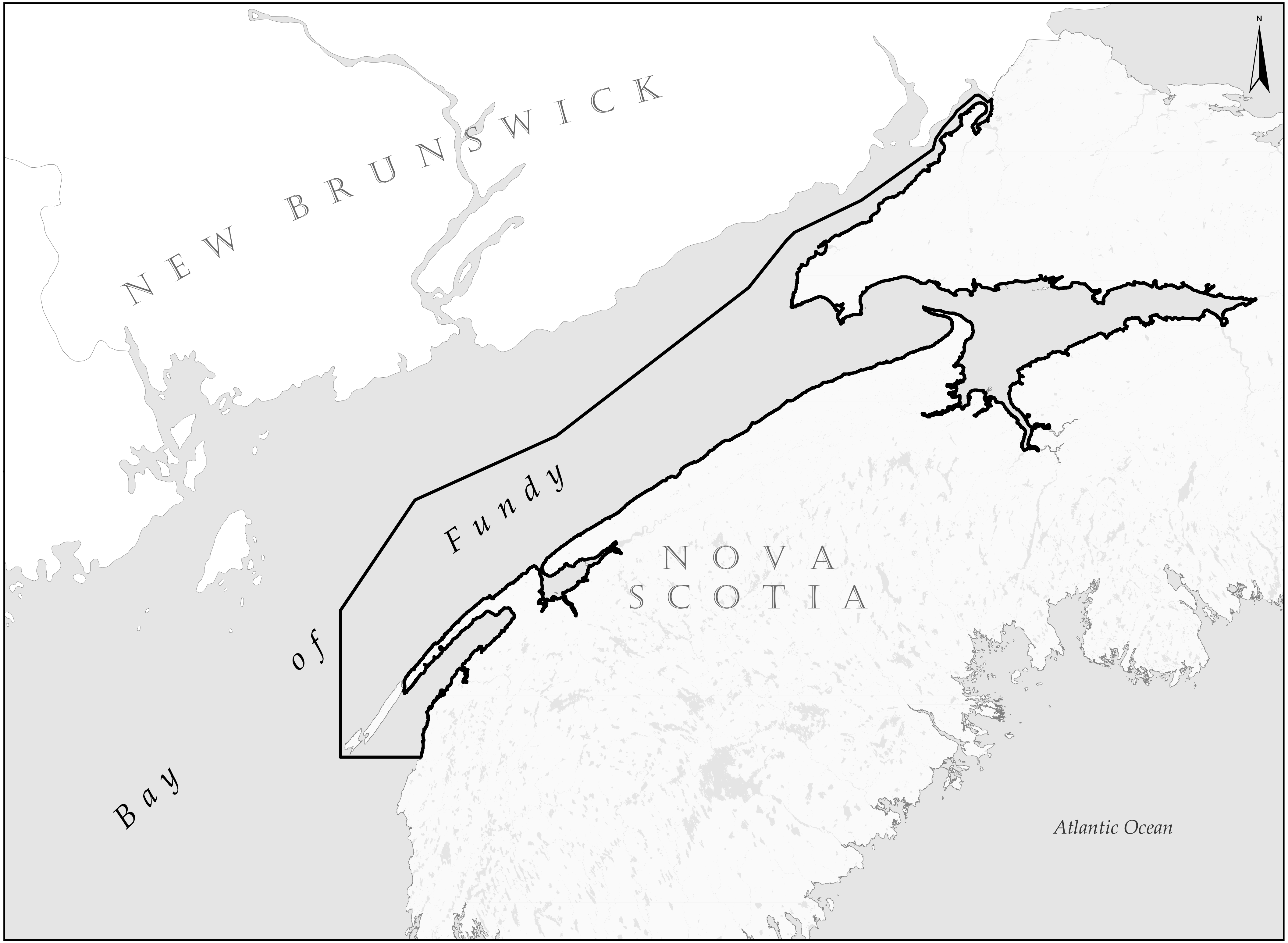
7.2 Additional Reading

- ***Task Force on Sustainable Tidal Energy Development in the Bay of Fundy Final Report***. Available online: https://www.dfo-mpo.gc.ca/publications/pnw-ppe/tidal-energy-energie-maremotrice/fundy-tidal-final-report-baie-fundy-marees-rapport-final-eng.html
- ***The Fundy Ocean Research Centre for Energy (FORCE) website***: *https://fundyforce.ca/*
- ***FORCE Environmental Effects Monitoring Program reporting***. Available online: https://fundyforce.ca/document-collection/environmental-effects-monitoring-program-annual-report-2023
- ***Marine Renewable Energy Strategy (May 2012)*****.** Available online: https://energy.novascotia.ca/sites/default/files/Nova-Scotia-Marine-Renewable-Energy-Strategy-May-2012.pdf
- ***Mi'kmaq-Nova Scotia-Canada Consultation Terms of Reference (2010)*****.** Available online: https://www.rcaanc-cirnac.gc.ca/eng/1100100031918/1529422910174
- ***Proponents' Guide: The Role of Proponents in Crown Consultation with the Mi'kmaq Of Nova Scotia (November 2012)*****.** Available online: https://novascotia.ca/abor/docs/proponents-guide.pdf

8 Appendices

Appendix A — Maps of Available Permit Areas
Appendix B — Relevant Provincial and Federal Permits and Approvals
Appendix C — Template Demonstration Permit
Appendix D — Standard Template Power Purchase Agreement

APPENDIX A — Maps of Available Permit Areas



Plan Showing

Fundy Area of Marine Renewable Energy Priority

Province of Nova Scotia

0 30 60

Kilometres

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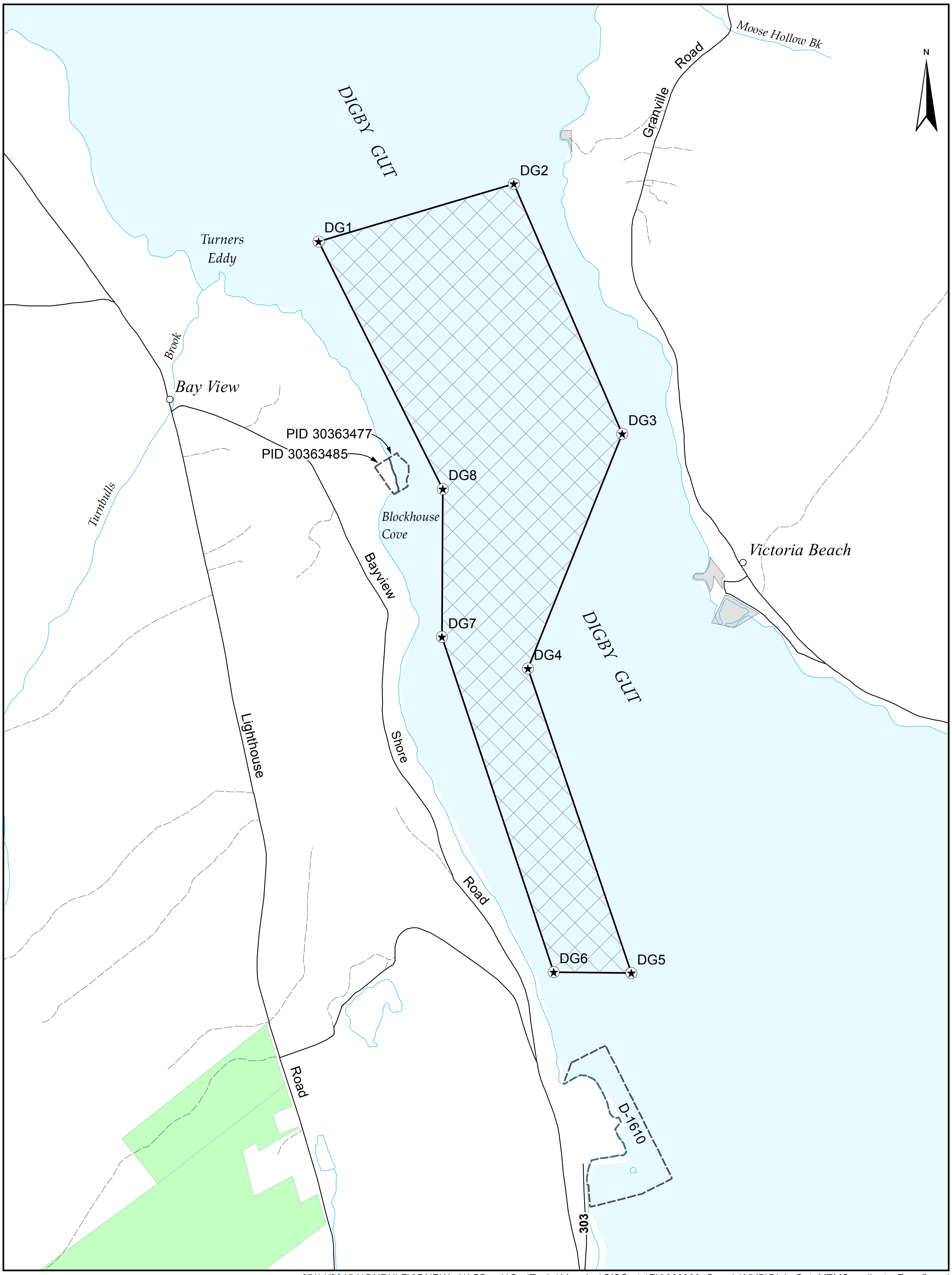
Surveys Division

GIS/Cartography Section



05/11/2015 I:\DNRHLFX\DNRWork\LSBrnch\CartTasks\Mapping\GISCarto\FH\000000_Coords\MXD\DigbyGut_MTMCoordinatesZone5.mxd

Plan Showing

Digby Gut
Digby County, Nova Scotia
96 hectares (237.2 ac) +/-

Legend

★ Calculated Point

Disposed Crown Boundaries

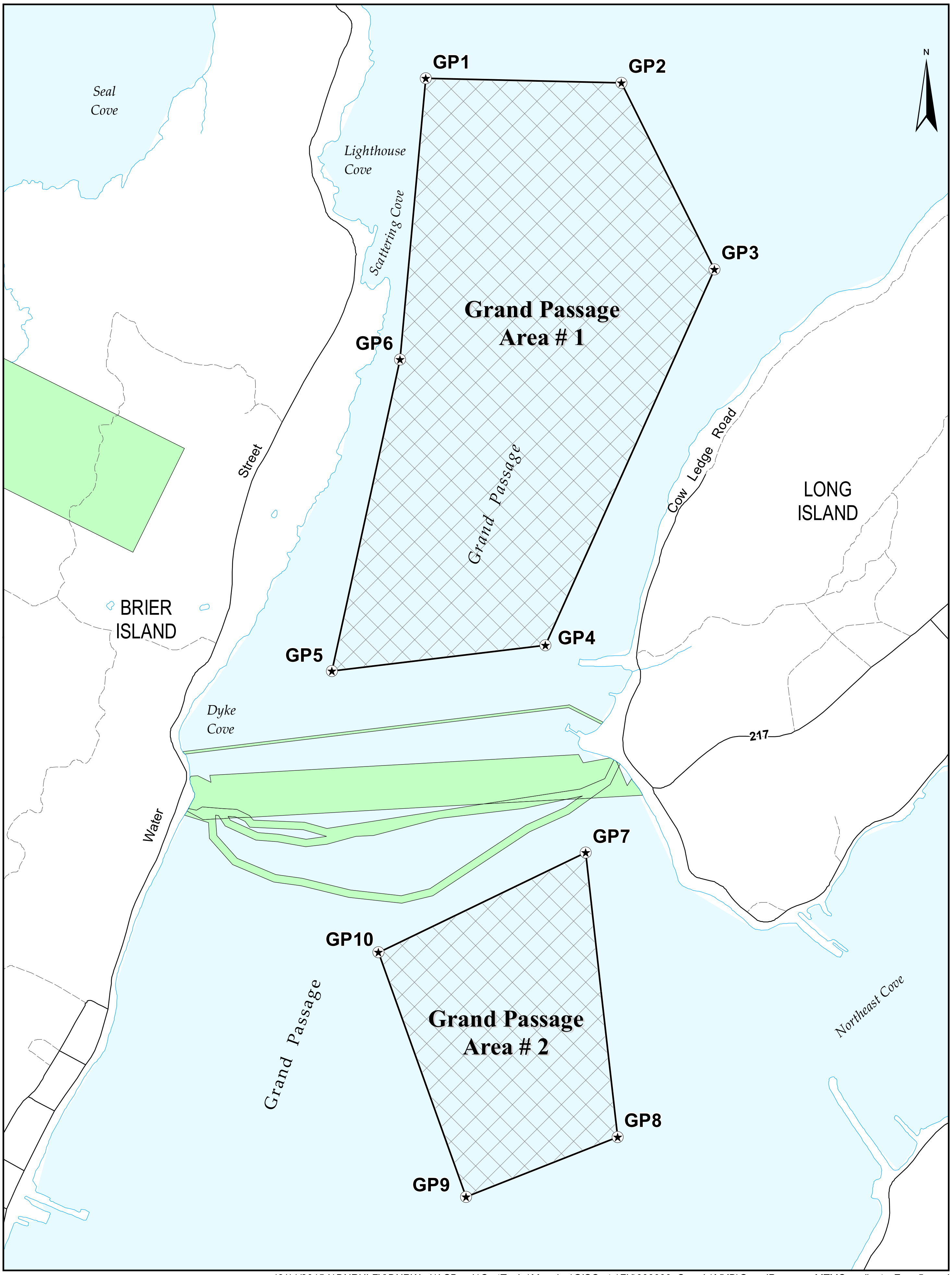
Crown Lands (DNR)

Federal Lands

Surveys Division
GIS/Cartography Section

0 0.5 1
Kilometres

NOVA SCOTIA



12/11/2015 I:\DNRHLFX\DNRWork\LSBrnch\CartTasks\Mapping\GISCarto\FH\000000_Coords\MXD\GrandPassage_MTMCoordinatesZone5 .mxd

Plan Showing

Grand Passage
Digby County, Nova Scotia
Area # 1 - 60 ha (148.3 ac) +/-
Area # 2 - 22 ha (54.4 ac) +/-

Legend

★ Calculated Point

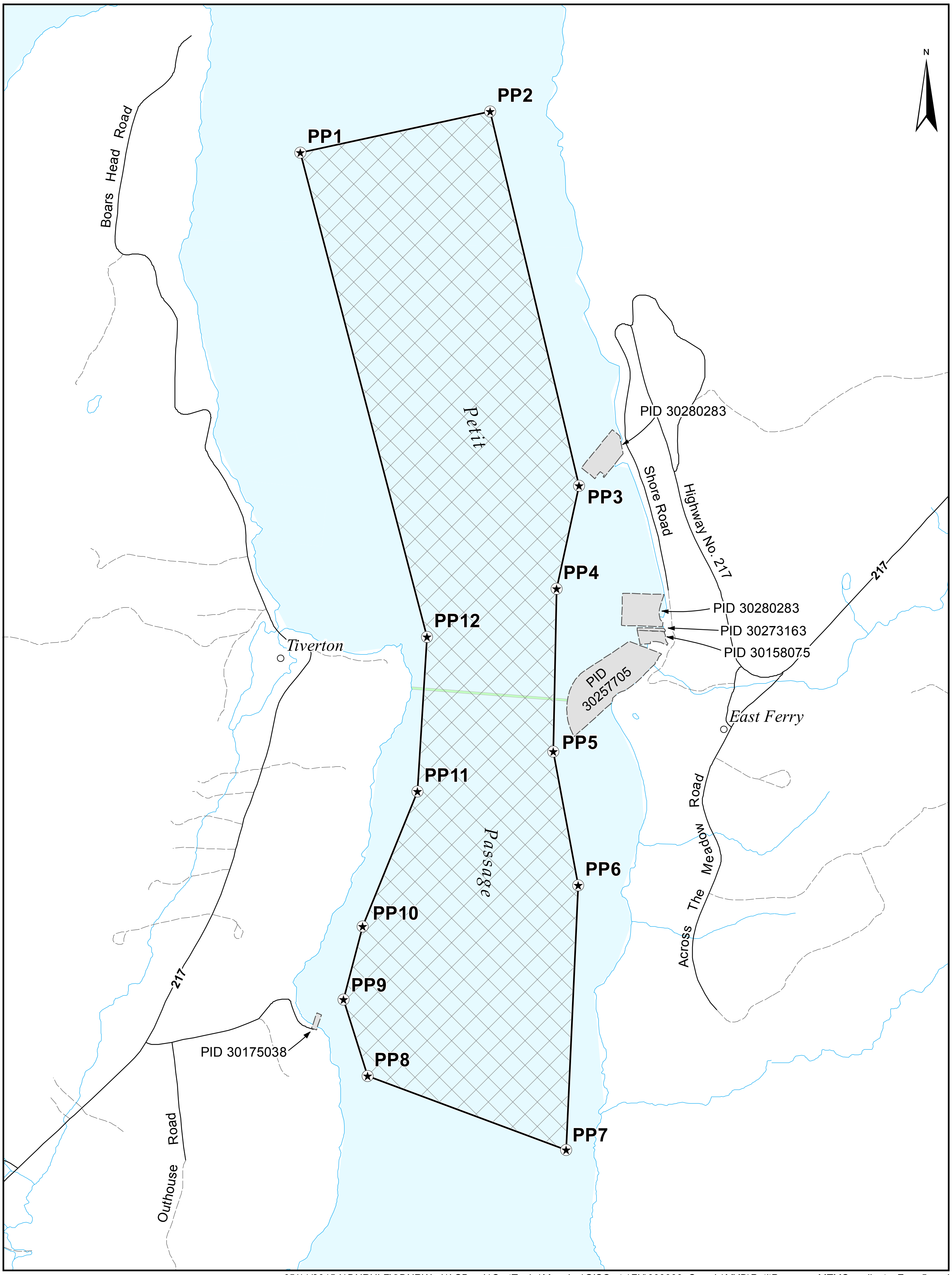
Crown Lands (DNR)

0 0.25 0.5

Kilometres

Surveys Division
GIS/Cartography Section

NOVA SCOTIA



05/11/2015 I:\DNRHLFX\DNRWork\LSBrnch\CartTasks\Mapping\GISCarto\FH\000000_Coords\MXD\PetitPassage_MTMCoordinatesZone5.mxd

Plan Showing

Petit Passage
Digby County, Nova Scotia
74 hectares (182.9 ac) +/-

Legend

★ Calculated Point

Crown Lands (DNR)

Surveys Division
GIS/Cartography Section

0 0.25 0.5
Kilometres

NOVA SCOTIA

APPENDIX B — Standard Template Power Purchase Agreement

MARINE RENEWABLE-ENERGY ACT DEMONSTRATION PERMIT

POWER PURCHASE AGREEMENT

This Power Purchase Agreement (the "Agreement") is entered into as of the following date: ______________. The parties to this agreement are the following:

Nova Scotia Power Incorporated ("NSPI") and **Insert Name of Seller** ("Seller")

	Utility		Seller
Notices:	Nova Scotia Power Incorporated P.O. Box 910 Halifax, Nova Scotia B3J 2W5 Fax: (902) 428-6171 Attention: Corporate Secretary	**Notices:**	
Payments:	Nova Scotia Power Incorporated P.O. Box 910 Halifax, Nova Scotia B3J 2W5 Attention: Fuels Planning and Performance Department	**Payments:**	

For good and valuable consideration, the Parties agree to the following Commercial Terms:

1. **SUMMARY OF COMMERCIAL TERMS**

a) Effective Date: Upon issuance
b) Final In-Service Date: 3 years after the effective date
c) Term: The earlier of the date on which the Demonstration Permit expires or is revoked and; 15 years after the Commercial Operation Date
d) Site: Permit Area as shown in Schedule E;
e) Aggregate Name Plate Capacity of the Generating Facility: xx
f) Energy Rate: xx ($/MWh);
g) Annual Net Output: xx (MWh/year);
h) Energy Source: Tidal Stream Energy Array

2. DESCRIPTION OF SCHEDULES

Each of the following Schedules form part of the Agreement:

Schedule "A" – General Terms and Conditions. This Schedule sets out the terms and conditions that are binding on the Parties and govern the sale and delivery of Energy under this Agreement.

Schedule "B" – Glossary of Terms. This Schedule summarizes the key terms and technical phrases that are used in this Agreement to assist the Parties in the interpretation and application of this Agreement.

Schedule "C" – Project Description. This Schedule sets out a technical description of the Generating Facility and related assets.

Schedule "D" – Demonstration Permit. This Schedule attaches the Seller's Demonstration Permit.

Schedule "E" – Site Map with Surveyed Coordinates. This Schedule attaches the Seller's site map for their permit area

3. ENTIRE AGREEMENT

This Agreement, together with the Schedules attached hereto, constitutes the entire agreement of the Parties regarding the subject matter of this Agreement and supersedes all prior agreements, understandings, representations and statements (oral or written).

Capitalized terms used herein but not otherwise defined have the meaning ascribed to them in Schedule "B" (Glossary of Terms) attached hereto.

IN WITNESS THEREOF, the Parties have duly executed this Agreement, in duplicate, as of the date set forth above.

NOVA SCOTIA POWER INCORPORATED

______________________________	Per: ______________________________
Witness *(print name below)*	Name:
	Title:
______________________________	Per: ______________________________
Witness *(print name below)*	Name:
	Title:

I/We have authority to bind the Company

[INSERT NAME OF COUNTERPARTY]

Per: ______________________________
Name:
Title:

____
Witness *(print name below)*

Per: ______________________________
Name:
Title:

____
Witness *(print name below)*

I/We have authority to bind the Company

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Schedule "A"

GENERAL TERMS AND CONDITIONS

1 DEFINITIONS

1.1 Definitions

In addition to the terms defined elsewhere in this Agreement, capitalized terms shall have the meanings given to them in the attached Schedule "B" – Glossary of Terms.

2. DEVELOPMENT OF THE FACILITY

a) The Seller shall perform, or cause to be performed, all activities necessary to complete the design, construction and commissioning of the Generating Facility, at the Site, using Good Utility Practice and in compliance with Laws and Regulations and all applicable provisions of the Agreement (including the Project Description), by the Final In-Service Date. The Seller shall ensure that the Generating Facility is designed and constructed from the Commercial Operation Date until expiry of the Term.

b) The Seller agrees to obtain and maintain, or cause to be obtained and maintained, all relevant Permits required in connection with the design, development, construction, interconnection, and commissioning of the Project.

c) Prior to the Commercial Operation Date, the Seller may restate the Annual Net Output for the Project without the consent of NSPI. The Annual Net Output for the project may not be increased. Both NSPI and the Minister must be provided with written notification of the amendment at the time of restatement.

d) The Seller shall not make any material modification to the Generating Facility during the Term without the prior written consent of NSPI and written evidence of Ministerial approval if required, which consent may be given subject to conditions including the condition that any such modification be carried out using Good Utility Practice and in compliance with Laws and Regulations and all applicable provisions of the Agreement (including the requirements for Demonstration Permit). For certainty, NSPI shall not be obliged to provide any such consent if the modification could reasonably be expected to have a material adverse effect on the rights or benefits of NSPI under the Agreement or on the Annual Net Output or the Aggregate Name Plate Capacity.

The Parties agree that the Seller may not make any material modifications to the Generating Facility during the Term that would increase or would reasonably be expected to increase the Annual Net Output without the prior written consent of NSPI and the Minister. For clarity, modifications which occur as a result of regular Generating Facility repair and maintenance that do not change the Aggregate Name Plate Capacity or increase Energy production beyond 120 percent of the Annual Net Output, would not be considered material. Any modification affecting the output of a Generating Facility requires written notice to NPSI and the Minister.

e) Until the Commercial Operation Date, the Seller shall provide NSPI with quarterly progress reports in a form agreed to by the Parties describing the status of efforts made by the Seller to meet the Final In-Service Date and the progress of the design and construction work. At NSPI's request, the Seller shall provide an opportunity for NSPI to meet with appropriate personnel of the Seller during regular business hours to discuss and assess the contents of any such quarterly progress report.

3. TERM OF AGREEMENT

3.1 The Agreement shall become effective upon the Effective Date. Without prejudice to the provisions of the Agreement relating to that period prior to the commencement of the Term, the Term shall commence on the Commercial Operation Date.

4. PERFORMANCE SECURITY

4.1 Provision of Security

The Seller shall, within ten (10) days of the date of this Agreement, provide the Performance Security to NSPI. The Performance Security shall remain in full force and effect until the Commercial Operation Date. If, for any reason except a Force Majeure Event (and then only to the extent of such event), the Seller does not achieve Commercial Operation by the Final In-Service Date, then NSPI, at its sole discretion, may immediately draw upon the full amount of the Performance Security, regardless of whether NSPI has terminated this Agreement pursuant to Section 13.1(e) or not.

Each Party hereby agrees that the provision of the Performance Security is reasonable, and that, in light of the anticipated harm and the difficulty of estimation or calculation of actual damages that would be incurred by NSPI as a result of the Seller failing to achieve Commercial Operation by the Final In-Service Date, the Performance Security represents a genuine estimate of NSPI's loss. The Seller hereby waives the right to contest such payments as an unreasonable penalty or for any other reason.

Other than the ability to terminate this Agreement pursuant to Section 13.1(e), the Performance Security (and NSPI's drawing thereon) shall be the sole and exclusive remedy of NSPI for the failure of the Seller to achieve Commercial Operation by the Final In-Service Date, and all other damages and remedies are hereby waived. If Commercial Operation occurs before the Final In-Service Date, NSPI shall return the Performance Security to the Seller within ten (10) days of receipt by NSPI of all documents required to demonstrate that the Project has achieved

Commercial Operation.

5. PURCHASE AND SALE OF ENERGY

5.1 Purchase and Sale

Subject to, and in accordance with, the terms and conditions of this Agreement, the Seller shall sell and deliver to NSPI and NSPI shall purchase and take delivery at the Delivery Point, the entire Net Output of the Generating Facility (including the entire Net Output during the Interim Period). The Net Output shall be sold and delivered by the Seller free of any liens, encumbrances or adverse claims.

6. PAYMENT FOR ENERGY PRODUCED BY SELLER

6.1 Energy Payment

Subject to, and in accordance with, the terms and conditions of this Agreement:

a) for Net Output during the Interim Period and for Net Output during any period where the Marine Renewable-energy Demonstration Permit for the Generating Facility has been suspended for any reason whatsoever, but has not been revoked, NSPI shall pay the Seller the lower of:

    i. the Incremental Energy Rate; and
    ii. the Energy Rate;

b) for Net Output produced during the Term when the Seller's Demonstration Permit has not been suspended or revoked, NSPI shall pay the Seller:

    i. the Energy Rate for Net Output up to 120% of the Annual Net Output determined on a three (3) year rolling average basis; and
    ii. the Incremental Energy Rate for Net Output above 120% of the Annual Net Output determined on a three (3) year rolling average basis; and

c) notwithstanding Section 6.1(a) and Section 6.1(b), the Seller shall not be entitled to any payment for Net Output produced after the Demonstration Permit for the Generating Facility has been revoked for any reason whatsoever.

Such amounts payable shall be billed monthly in arrears in accordance with the provisions of Section 6.2.

6.2 Billing, Meter Reading and Payment

a) The amount of Energy delivered by the Seller to the Delivery Point will be determined by NSPI through "revenue class" metering installed or approved by NSPI. The Energy delivered to NSPI at the Delivery Point will be determined by adjusting for Energy losses between the Meter Location and the Delivery Point.

NSPI shall read the meters on a monthly basis, prepare an Energy Statement (including the time and date of reading) and issue payment together with the Energy Statement for the Energy supplied by the Seller during such month, under the terms of this Agreement, within 30 days following the reading of the meter. In the event that NSPI is late with the processing of any payment, and without limiting Section 13.3(c), NSPI will pay the Seller interest at the Prime Rate, compounded monthly, from the due date to the date payment is made. Seller shall have access to meters for reading and verification purposes.

b) If there is any dispute regarding the accuracy of any Energy Statement, both Parties have the right to withhold that portion of payment in dispute until resolution is reached.

c) In the event that a meter reading error has occurred, adjustments will be made accordingly.

d) Subject to Section 12(c), in the event of a failure of the metering equipment to record Energy required for the purpose of determining payment hereunder, NSPI and the Seller agree to accept a reasonable estimate of the Energy delivered during the period of meter failure based on other recognized metering or measurement equipment on site. Where a check meter or other SCADA equipment has not been installed, NSPI will use turbine supplier software and other relevant data to estimate the amount of Energy generated.

e) In the event that the metering equipment used to record Energy for the purpose of determining payment hereunder is measuring energy delivered to NSPI pursuant to two or more power purchase agreements with NSPI, NSPI and the Seller agree to accept a reasonable allocation of the Energy produced pursuant to each power purchase agreement. Such reasonable allocation shall be based on the Seller's SCADA or equivalent data for each generator being metered. The Seller shall provide NSPI with its SCADA or equivalent data immediately following the reading of the meter by NSPI.

f) Each of the Parties reserve the right to net off amounts owed to the other in any particular month. However, if there is a dispute over the amounts involved, then neither Party shall net off any disputed amounts without the dispute being resolved.

6.3 Compliance with Demonstration Program

The Seller represents and warrants to NSPI that the Seller will submit, at its cost, a

Demonstration Permit upon receipt. The Seller agrees that it will, at its cost, maintain the Demonstration Permit. The failure of the Seller to maintain the Demonstration Permit upon or effective upon the Commercial Operation Date or to maintain such Demonstration Permit for the Term, shall entitle NSPI to terminate this Agreement pursuant to Section 13.1(f) or Section 13.1(g).

6.4 Assignment of Emission Reductions and Renewable Energy Credits

a) Subject to Section 6.4(c), the Seller hereby assigns, unconditionally and absolutely, all of its right, title and interest in and to all of the Emission Reductions and Renewable Energy Credits attributable to all of the Energy purchased by NSPI from the Seller pursuant to this Agreement (including any Energy purchased during the Interim Period). The Emission Reductions and Renewable Energy Credits shall be assigned by the Seller free of any liens, encumbrances or adverse claims. The Seller shall, upon the request of NSPI from time to time, execute and deliver (or cause to be executed and delivered) all such further documents and instruments and do all acts and things as NSPI may reasonably require to better effect, evidence or perfect such assignment (or if such assignment is not permitted, to hold such right, title and interest in trust for NSPI) or to otherwise deal with the Emission Reductions and Renewable Energy Credits. Any expense incurred by the Seller pursuant to any such request of NSPI shall be for the account of NSPI and NSPI shall promptly reimburse the Seller for any such expenditure upon the Seller providing to NSPI evidence satisfactory to NSPI (acting reasonably) of the amount and purpose of the expenditure.

b) Unless requested by NSPI, the Seller shall not participate in any voluntary program with respect to the Emission Reductions or Renewable Energy Credits without the prior written consent of NSPI, which consent may, subject to Section 6.4(c), be arbitrarily withheld.

c) The provisions of Section 6.4(a) shall not apply to any Seller Benefits, provided the Seller shall not participate in any program giving rise to Seller Benefits if such participation reduces the amount of any Emission Reductions and Renewable Energy Credits to which NSPI would otherwise be entitled.

7. DELIVERY OF ENERGY BY THE SELLER

7.1 Delivery of Energy

Recognizing that the availability of the Energy Source may vary and, consequently, the resulting Net Output may vary, the Generating Facility shall be designed and constructed so as to generate and deliver, throughout the Term, an average yearly Net Output not less than the Annual Net Output and the Seller shall use all reasonable commercial efforts to operate, maintain and rehabilitate the Generating Facility in a manner which meets such Energy requirement.

7.2 Inspections by NSPI

Any review or inspection by NSPI of the design, construction, safety, operation, or maintenance of the Generating Facility is solely for the information of NSPI. By making such review or inspection, NSPI makes no representation as to the economic and technical feasibility, safety, operational capability, or reliability of the Generating Facility. The Seller shall in no way represent to any third party that any such review or inspection by NSPI of the Generating Facility, including but not limited to, any review of the design, construction, operation, or maintenance of the Generating Facility by NSPI is a representation by NSPI as to the economic and technical feasibility, operational capability, or reliability of the Generating Facility. The Seller is solely responsible for economic and technical feasibility, operational capability, or reliability thereof. NSPI shall not be liable to the Seller for, and the Seller shall defend and indemnify NSPI from, any claim, cost, loss, damage, or liability arising from any contrary representation by Seller or agents of Seller concerning the effect of NSPI's review of the design, construction, operation, or maintenance of the Generating Facility.

7.3 Metering Ownership

NSPI shall own and maintain the Generating Facility's metering and telemetering equipment. This ownership extends beyond the expiration and/or termination of this Agreement.

8. ACCEPTANCE OF ENERGY BY NSPI

8.1 Obligation to Purchase

NSPI shall be obliged to purchase and take delivery of all of the Net Output supplied to the Delivery Point in accordance with this Agreement (including the entire Net Output during the Interim Period) provided that NSPI may suspend such obligation to purchase and to take delivery of Energy during any outage or interruptions in the delivery of electricity permitted by the Interconnection Agreement, or in accordance with Sections 8.2, 8.3 and 8.4.

8.2 Curtailment of Supply

NSPI may interrupt or curtail all or a portion of the Energy produced by the Generating Facility, to the extent that such interruption or curtailment is necessary under Good Utility Practice to install equipment, make repairs, replacements, investigations or inspections of NSPI’s Electrical System, as determined under the Interconnection Agreement. The Seller shall not be entitled to any claim or compensation for Energy curtailed or interrupted pursuant to this section or as permitted by the Interconnection Agreement including, without limitation, payment of the Energy Rate for any Energy interrupted.

8.3 Emergency

Notwithstanding Section 8.1, whenever the Electrical System or the systems with which it is directly or indirectly interconnected experiences an Emergency, or whenever it is necessary to aid in the restoration of service on the Electrical System or the systems with which it is directly or indirectly interconnected, NSPI may curtail or interrupt the taking of all or a portion of the Energy produced by the Generating Facility, provided such curtailment or interruption shall continue only for so long as it is necessary under Good Utility Practice. The Seller shall not be entitled to any claim or compensation for Energy curtailed or interrupted pursuant to this section including, without limitation, payment of the Energy Rate for any Energy interrupted.

8.4 Minimization of Interruptions

NSPI agrees to use commercially reasonable efforts to coordinate and to minimize any periods of interruption or curtailment as provided for in this article with the periods of Scheduled Generating Facility Outage. NSPI shall, prior to initiating any interruption, reduction, or refusal of Energy produced by the Generating Facility, use commercially reasonable efforts to provide the Seller with a minimum of five (5) Business Days advance notice, such notice to include an explanation of the cause of the interruption, and an estimate of the start, duration, and termination of the interruption.

9. ENERGY PRODUCTION SCHEDULE

9.1 Seller's Reporting

a) The Seller shall:

   i. provide to NSPI, no later than that date ("Reporting Date") which is six (6) months prior to each Fiscal Year during the Term, an estimate of the Net Output for each month during that Fiscal Year together with a schedule of any outages of the Generating Facility which are planned during that Fiscal Year, and, in addition:

      a) with respect to any part of a Contract Year which does not fall within each such Fiscal Year, the Seller shall provide to NSPI with an estimate and schedule of outages for that period no later than six (6) months prior to the commencement of such period;

      b) with respect to the Interim Period, provide to NSPI an estimate of the Net Output for that period no later than ten (10) days prior to the commencement of that period;

ii. promptly update and report to NSPI any material changes to the information provided pursuant to Section 9.1(a) upon the Seller becoming aware of any such change; and

iii. comply with reasonable requirements and requests by NSPI for information in respect of the daily operation of the Generating Facility.

b) For Generating Facilities connected to the Transmission System, the Seller shall:

i. comply with reasonable requirements and requests by NSPI for information in respect of the daily operation of the Generating Facility;

ii. provide to NSPI an hourly production forecast, or mutually acceptable data such that a forecast could be produced, of the Net Output for each day of the Interim Period and each day of the Term, by 8:30 am Atlantic Prevailing Time of the previous day; and

iii. provide to NSPI a midday and/or morning same day updated forecast, or mutually acceptable data such that a forecast could be produced, with respect to any anticipated material variation from the previous forecast if the variation is attributable to sudden changes in the Energy Source availability.

10. OWNERSHIP, RISK AND INSURANCE

10.1 Ownership and Risk

a) Property in and all risk relating to the Energy produced and delivered to NSPI by the Seller pursuant to this Agreement will pass from the Seller to NSPI at the Delivery Point. All responsibility of the Seller for the creation, transmission and delivery of Energy hereunder and all liability of the Seller with respect to the Energy shall cease at the Delivery Point.

b) The Generating Facility shall be and remain the sole and exclusive property of the Seller or its permitted assignees and the Seller shall be solely responsible for the development, design, construction, operation, maintenance, rehabilitation and modification of the Generating Facility.

c) The rights, duties, obligations and liabilities of the Parties hereunder shall be separate and not joint or collective, nor joint and several. Nothing contained herein shall be construed as creating a partnership, joint venture or association of any kind or as imposing upon either Party any partnership duty, obligation or liability to the other Party.

10.2 Insurance

a) The Seller shall, at all times during the Term, hold all risk property insurance and public liability insurance in respect of the Generating Facility as would be implemented by a reasonably prudent owner of such a Generating Facility.

b) NSPI will be shown as an additional insured on the Seller's liability policy.

c) The Seller shall provide NSPI with certificates issued by insurers evidencing the insurance coverages described above.

11. LIABILITY, INDEMNIFICATION, ETC.

11.1 Indemnification

a) Each Party (each an "Indemnitor") shall indemnify and hold harmless the other Party and such other Party's Affiliates, directors, officers, partners, employees, contractors, subcontractors, agents and representatives thereof (individually and collectively called an "Indemnitee") from and against all losses, damages and liabilities suffered by the Indemnitee and all judgments, fines, penalties, charges, settlement amounts, costs, expenses and reasonable legal fees (on a solicitor and own client basis, including reasonable disbursements) incurred by the Indemnitee in connection with any causes of action, action, claim, suit, inquiry, proceeding, investigation or appeal therefrom, to the extent attributable to the wilful acts or omissions, fault or negligence of the Indemnitor or the breach of its obligations under this Agreement, or, in the case of the Seller, arising in connection with any emissions from the Generating Facility, or relating or attributable to Energy prior to its delivery to the Delivery Point, or in the case of NSPI, relating or attributable to Energy after it has been delivered to the Delivery Point.

b) In respect of any indemnity obligation of the Indemnitor under the Agreement, the Indemnitee shall give notice to the Indemnitor of any claim or other proceeding which may give rise to such obligation, whereupon the Indemnitor shall, at its own cost, be entitled to take carriage of the defence of any such claim or other proceeding, provided the Indemnitor undertakes such defence promptly upon receiving such notice or otherwise becoming aware of any such claim or other proceeding. If, within a reasonable time after becoming aware of such claim or other proceeding (having regard to any limitation period for responding to same), the Indemnitor fails to undertake, without any reservation of rights, the defence of such claim or other proceeding, the Indemnitee shall have the right, for the account of the Indemnitor, to undertake the defence, settlement or compromise of such claim or other proceeding.

11.2 Consequential Loss

Notwithstanding any other provision of this Agreement, neither Party shall be liable to the other Party or its Affiliates, directors, officers, partners, employees, contractors, subcontractors, agents and representatives thereof for any reason (including negligence on the part of the first Party or any Person for whose acts it is responsible, and howsoever the head of damage may be formulated) in respect of any punitive, consequential or indirect damages of any nature whatsoever including loss of use, loss of revenue, loss of profit, loss of contract or loss of goodwill or any other loss or damage of an indirect or consequential nature suffered by the other Party or its Affiliates, directors, officers, partners, employees, contractors, subcontractors, agents and representatives thereof in connection with this Agreement other than as specifically provided for herein.

12. ENGINEERING STANDARDS, OPERATION AND MAINTENANCE STANDARDS, METERS

a) The Seller shall operate and maintain (or cause to be operated and maintained) the Generating Facility using Good Utility Practice and in compliance with Laws and Regulations and this Agreement (including the Project Description).

b) The Seller shall provide NSPI access to the Generating Facility and the Site at all reasonable times upon prior notice for the purpose of reading, installing, maintaining or inspecting meters, examining the operation of the Generating Facility or other purposes related to performance under the terms of this Agreement. Such access shall not unreasonably interfere with the Seller's normal business operations. All NSPI personnel shall, to the extent reasonable, follow all the Seller’s safety and procedural rules while on the Generating Facility premises. The Seller shall provide such safety and procedural rules to NSPI prior to the Commercial Operation Date and include updates as necessary. The inspection of the Generating Facility or the exercise of any audit rights or the failure to inspect the Generating Facility or to exercise audit rights by or on behalf of NSPI shall not relieve the Seller of any of its obligations to comply with the terms of this Agreement. No Event of Default by the Seller will be waived or deemed to have been waived by any inspection by or on behalf of NSPI. In no event will any inspection by NSPI hereunder be a representation that there has been or will be compliance with this Agreement and Laws and Regulations.

c) All Generating Facility metering equipment shall be routinely tested by NSPI. At any time, either Party may request a test of the accuracy of the metering equipment at its own expense. The results of meter calibrations or tests shall be available for examination by the Parties at all times. If at any time, any meter equipment is found to be outside of the accuracy requirements for revenue class meters according to Measurement Canada’s error limits, NSPI shall cause such metering equipment to be made accurate or replaced as soon as possible. If the meter is found to be accurate within three percent (3%), no financial adjustment will be required.

Each Party shall be given reasonable opportunity to be represented in person at any time that a meter is sealed or unsealed for whatever reason from time to time (reasonable notice shall be provided by the initiating party to the other party for this purpose), and shall comply with any reasonable request of the other concerning the sealing of meters and other matters affecting the accuracy of the measurement of Energy delivered. If either Party believes that a meter is operating inaccurately, it shall immediately notify the other Party. In the event that a meter's accuracy, by testing, is found to be subject to variances of greater than three percent (3%), a financial adjustment will be made to compensate for any excess variance over the three percent (3%) limit for a period not to exceed ninety (90) days.

d) The Seller has sole responsibility for the decommissioning and rehabilitation of the Project to the standards required by Laws and Regulations and Good Utility Practice. The rights and obligations of the Seller pursuant to this Section 12(d) shall survive termination of this Agreement.

13. TERMINATION BY THE PARTIES

13.1 Termination by NSPI

Notwithstanding any other provision of this Agreement, and without limiting any other remedies available at law, equity, contract or otherwise, and subject to Section 13.2, NSPI may terminate the Agreement in each of the following events (each, an "Event of Default"):

a) If the Seller, after the Commercial Operation Date, ceases Energy production at the Generating Facility for a continuous period of one (1) year from events other than Force Majeure Event or NSPI or Seller (as applicable) interruptions pursuant to Section 8.2 or 8.3, and Seller does not,

  i. within such one (1) year period, provide NSPI with a plan for restoring Generating Facility operations; and

  ii. within such one (1) year period demonstrate to the reasonable satisfaction of NSPI that Seller is using all reasonable efforts to restore Generating Facility operations and thereafter diligently use all reasonable efforts for the restoration of such Generating Facility operations; or

b) If the Seller becomes insolvent or bankrupt within the meaning of the applicable bankruptcy law or makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency, or if an order is made or a resolution passed for the winding-up of the Seller, or an encumbrancer shall take possession of the Generating Facility or substantially all of the property of the Seller; or

c) The failure of Seller to cure any default in the performance of its material obligations hereunder (not otherwise referred to in this Section 13.1) within ninety (90) days after notice has been given by NSPI or, if by reason of the nature of such default the same cannot be remedied within such ninety (90) day period, the failure of the Seller, within one-hundred twenty (120) days after the notice, to demonstrate to the reasonable satisfaction of NSPI that Seller is using all reasonable efforts to institute corrective action to cure and thereafter diligently use all reasonable efforts to cure such default; or

d) According to the provisions of Section 14.2(b);

e) If Commercial Operation as defined in this Agreement has not been achieved by the Final In-Service Date;

f) According to the provisions of Section 6.3;

g) If the Demonstration Permit for the Generation Facility is revoked or otherwise terminated; or

h) If the Demonstration Permit for the Generating Facility is suspended for any reason whatsoever and is not reinstated through the reasonable best efforts of the Seller within ninety (90) days or such longer period of time as NSPI shall allow.

13.2 Termination by NSPI where there is a secured lender

Where the Seller has assigned, charged, pledged, or hypothecated its rights hereunder to any bank or other lending institution as security for present or future indebtedness, and has actually incurred indebtedness under the security agreement:

a) NSPI may not terminate this Agreement where the only Event of Default relates to the bank or lending institution taking possession of the Project, or appointing a receiver or receiver and manager, and subject to the terms of this Agreement, will pay for the Net Output from the Generating Facility in accordance with Section 6.1;

b) Subject to NSPI's rights to consent under Section 14.3, where a bank or lending institution, acting under its security agreement, transfers the Project to a third party who acquires and maintains a Demonstration Permit, the terms of this Agreement shall continue to operate and the third party shall, subject to the terms of this Agreement, be paid at the Energy Rate. For greater certainty, nothing herein shall be construed as limiting NSPI's right to terminate this Agreement pursuant to Section 13.1(g);

c) NSPI may not terminate this Agreement where there is an Event of Default, other than identified in Section 14.2(b), without first providing the bank or other lending institution with an opportunity to cure the default as if it were the Seller under Section

13.1; and

d) The provisions of this Section 13.2 are in addition to the rights of NSPI or any bank or other lending institution under any consents, acknowledgements, agreements and other assurances executed by NSPI and the bank or lending institution pursuant to Section 14.3(c).

13.3 Termination by the Seller

Notwithstanding any other provision of this Agreement, and without limiting any other remedies available at law, equity, contract or otherwise, and subject to Section 14.2, the Seller may terminate the Agreement in each of the following events:

a) If NSPI becomes insolvent or bankrupt within the meaning of the applicable bankruptcy law or a receiver is appointed in respect of any of its assets or it makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency, or if an order is made or a resolution passed for the winding-up of NSPI; or

b) other than a default of payment as outlined in Section 13.3(c), the failure of NSPI to cure any default in the performance of its obligations hereunder within forty-five (45) days after notice has been given by Seller or, if by reason of the nature of such default the same cannot be remedied within such forty-five (45) day period, the failure of NSPI, within such forty-five (45) day period, to demonstrate to the reasonable satisfaction of Seller that NSPI is using all reasonable efforts to institute corrective action to cure the same and thereafter diligently use all reasonable efforts to cure such default; or

c) the failure of NSPI to pay all monies due to the Seller and not the subject of a dispute pursuant to Section 6.2(b) for the purchase and sale of Energy hereunder within fifteen (15) days of written notice to NSPI of the default in payment; or

d) according to the provisions of Section 14.2(b).

13.4 NSPI's Obligations on Termination or Expiry

Upon the expiry or earlier termination of this Agreement, subject to applicable Laws and Regulations, NSPI shall continue to allow Seller access to the Electrical System for the delivery of Energy from the Generating Facility provided that Seller is a party to an Interconnection Agreement with NSPI or has acquired and maintains the right to access the Electrical System through a third party having an Interconnection Agreement with NSPI.

14 GENERAL PROVISIONS

14.1 Permits

The Seller hereby agrees to obtain, at its expense, any and all requisite governmental Permits, certifications, and approvals required for the Generating Facility and interconnection. The Seller must satisfy NSPI, acting reasonably, that all such Permits, certifications and approvals have been obtained before NSPI will permit interconnection with its Electrical System.

14.2 Force Majeure Event

a) "Force Majeure Event" shall mean an event, condition, occurrence, or circumstance beyond the reasonable control and not attributable to the fault or negligence of the Party claiming Force Majeure, which, despite all reasonable efforts at a reasonable cost of the Party claiming the Force Majeure to prevent its occurrence or mitigate its effects, causes a delay or disruption in the performance of any obligation (other than the obligation to pay monies due) imposed on such Party hereunder, including, without limitation, any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment if caused by an event which would constitute Force Majeure, any order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or any other cause beyond a Party's control. If either Party shall be unable, by reason of a Force Majeure Event, to carry out its obligations under this Agreement, either wholly or in part, that Party shall be excused for whatever performance is affected by the Force Majeure Event to the extent so affected, provided that the non-performing Party shall:

   i. give prompt notice to the other Party of the occurrence of the Force Majeure Event, giving an estimation of its expected duration and the probable impact on the performance of its obligations hereunder and submitting good and satisfactory evidence of the existence of the Force Majeure Event;

   ii. exercise all reasonable efforts to continue to perform its obligations hereunder;

   iii. expeditiously take action to correct or cure the Force Majeure Event and submit good and satisfactory evidence that it is making all reasonable efforts to correct or cure the Force Majeure Event;

   iv. exercise all reasonable efforts to mitigate or limit harm as a result of the Force Majeure Event to the other Party to the extent such action will not adversely affect its own interest;

   v. provide prompt notice to the other Party of the cessation of the Force Majeure Event;

vi. as soon as reasonably possible after such Force Majeure Event, to fulfill or resume fulfilling its obligations hereunder; and provided further, that any payment obligations of either Party which arose before the occurrence of the Force Majeure Event causing non-performance shall not be excused as a result of the occurrence of a Force Majeure Event.

b) Upon the occurrence of a Force Majeure Event, the Party whose performance is affected by such event (the "Affected Party") shall notify the other Party (the "Unaffected Party") of the occurrence as required in Section 14.2(a) and the Affected Party shall include in such notice an estimate of the time to cure with reasonable diligence the performance affected by such event. If the Affected Party does not proceed forthwith to cure the event with reasonable diligence or the event is not cured within one (1) year after the occurrence of the event, the Unaffected Party shall be at liberty to terminate this Agreement.

c) Notwithstanding anything to the contrary herein, if a Force Majeure event occurs prior to the Seller meeting the Final In-Service Date, then the Final In-Service Date shall be deemed to be extended for such reasonable period of delay directly resulting from the impact of the Force Majeure Event and the term shall be correspondingly extended.

d) Notwithstanding anything to the contrary herein, if a Force Majeure Event causes a failure of a subsea electric cable through which the Generating Facility connects, directly or indirectly, to the Electrical System; then, subject to any ability of a Party to terminate this Agreement in accordance with its provisions, the Term of this Agreement shall be extended by the lesser of 18 months or the amount of time required by the Seller, proceeding with reasonable diligence, to cure the failure.

14.3 Assignment

a) NSPI may assign this Agreement, with the consent of the Minister, in whole but not in part, to any Person who can satisfy all NSPI's obligations hereunder; and

until such time as the assignee has demonstrated to the reasonable satisfaction of the Seller, acting reasonably, that it is equally capable of satisfying all of the obligations of NSPI hereunder, the Seller shall not be required to recognize such assignment, but once so recognized by the Seller, the assignee shall be entitled to all rights and be bound by all the obligations of NSPI hereunder as of the effective date of the assignment, and NSPI shall no longer be entitled to any rights nor be bound by any obligations hereunder, other than those rights or obligations arising or accruing prior to the effective date of the assignment.

b) The Seller shall only be permitted to assign this Agreement in whole, but not in part, to the Person ("Assignee") to whom the Demonstration Permit has been assigned with the consent of the Minister pursuant to the *Marine Renewable-energy Act*, provided that:

i. the Assignee has agreed in writing to assume all obligations and liabilities of the Seller hereunder, and

ii. the Assignee has committed to proceeding with the construction, development and operation, as the case may be, of the Generating Facility as specified in the Project Description attached as Schedule C. No assignment will be permitted to allow the Assignee to operate a Generation Facility that materially differs than that described in the Project Description.

c) Notwithstanding Sections 14.3(a) and (b), either Party may assign, charge, pledge or hypothecate its rights hereunder to any bank or other lending institution as security for present or future indebtedness, provided that any such assignment, charge, pledge or hypothecation is subordinate to this Agreement and that any such bank or other lending institution or its agent shall agree to be bound by the terms and conditions of this Agreement and acknowledges in writing that upon realization it or its successor will be bound by this Agreement. The non-assigning Party shall execute and deliver such consents, acknowledgements, agreements and other assurances as such lending institution may require and as are acceptable to the non-assigning Party, acting reasonably in the context of the Project covered by this Agreement, in relation to the granting or enforcement of such security, including the entitlement of the lender, its receiver or receiver and manager or any transferee of this Agreement pursuant to such security to the rights, and the obligation of the lender, its receiver or receiver and manager or such transferee to be bound by the obligations of the assigning Party hereunder. Both Parties agree to execute consents, acknowledgements, agreements or other assurances within a reasonable period of time.

d) Either Party may assign this Agreement to an Affiliate of such Party and the assignee shall be entitled to all rights and be bound by all the obligations of the assigning Party hereunder as of the effective date of the assignment. Notwithstanding any assignment pursuant to this Section 14.3(d), the assigning Party shall not be released from its obligations hereunder and the assigning Party and any such Affiliate shall be jointly and severally liable for all of such obligations of such Party unless the provisions of Sections 14.3(a) or (b) apply.

e) Any Party requesting an amendment to this Agreement, an assignment of this agreement or any of the rights hereunder, including an assignment, charge, pledge or hypothecation under Section 14.3(c), is responsible for the reasonable legal expenses incurred by the other Party, in connection with the proposed amendments or assignment.

14.4 Applicable Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Nova Scotia.

14.5 Severability

If any clause, provision, or section of this Agreement be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision, or section shall not affect any of the remaining provisions.

14.6 Complete Agreement & Preparation

All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. This Agreement may not be changed, modified, amended, released or discharged except by a subsequent written agreement entered into by duly authorized representatives of the Parties.

The Parties acknowledge and agree that any doubt or ambiguity in the meaning, application or enforceability of any term or provision of the Agreement, including provisions relating to the validity, interpretation or construction of the Agreement and the respective obligations, rights and remedies of the Parties under the Agreement, shall not be construed or interpreted against one Party or in favour of the other Party when interpreting such term or provision as a result of the preparation or other event of negotiation, drafting or execution of the Agreement.

14.7 Waiver

The failure of either Party to require compliance with any provision of this Agreement shall not affect that Party's right to later enforce the same. It is agreed that the waiver by either Party of performance of any of the terms of this Agreement or of any breach thereof will not be held or deemed to be a waiver by that Party of any subsequent failure to perform the same or any other term or condition of this Agreement or any breach thereof.

14.8 HST and Other Costs

a) Notwithstanding any provision of this Agreement, amounts payable pursuant to this Agreement are exclusive of HST or similar tax and each Party shall pay to the other, in addition to the amounts payable by this Agreement, all HST or similar tax properly eligible on such amounts.

b) Each Party shall be a registrant and will continue to be a registrant in accordance with the provisions of the Excise Tax Act (Canada) from the Effective Date and for the Term.

c) Each Party shall provide notice to the other of its HST registration number prior to or on the Effective Date.

d) The following costs shall be the responsibility of the Seller:

i. real property taxes levied in respect of the Site;

ii. municipal taxes levied in respect of the personal property of the Seller comprised in the lands used by the Seller or any occupancy thereof;

iii. rent, charges or fees levied in respect of the availability or use of lands and the Energy Source by the Seller;

iv. costs associated with the design, construction, maintenance, operating, rehabilitation and modification of the Generating Facility, including utility costs; and

v. all costs of and associated with the Energy Source.

14.9 Representations and Warranties of Seller

The Seller covenants, represents and warrants to NSPI that:

a) The Seller has been issued a Demonstration Permit and will continue to meet the applicable requirements and conditions of the Demonstration Permit at all times during the Term.

b) The Seller has all necessary authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate action.

c) There is no claim, action, proceeding, or other litigation pending or, to the knowledge of the Seller, which, if adversely determined, would restrict or otherwise interfere in any material respect with the obligations of the Seller under this Agreement.

d) Assuming the due execution and delivery by NSPI, this Agreement constitutes the legal, valid, and binding obligation of the Seller enforceable against the Seller in accordance with its terms, subject as to enforceability to limits imposed by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and the availability of equitable remedies.

e) The execution and delivery of the Agreement and the consummation of the transactions contemplated hereby will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation, or acceleration of, its material obligations or any judgment, decree, order, or award to which it is subject or any licence, permit, approval, consent, or authorization held by it.

f) At all times during the Interim Period and the Term, the entire Net Output of the Generating Facility will be free of any liens, encumbrances, or adverse claims and is not and will not be subject to or committed by the Seller under any contract or obligation other than this Agreement.

g) It is the legal and beneficial owner of the Emission Reductions and Renewable Energy Credits free and clear of all liens, encumbrances and adverse claims.

14.10 Representations and Warranties of NSPI

NSPI represents and warrants to Seller that:

a) NSPI is a company incorporated, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

b) NSPI has all necessary corporate power, authority and capacity to carry out its obligations under this Agreement. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action.

c) There is no claim, action, proceeding or other litigation pending or, to the knowledge of NSPI, which, if adversely determined, would restrict or otherwise interfere in any material respect with the obligations of NSPI under this Agreement.

d) This Agreement constitutes the legal, valid and binding obligation of NSPI enforceable against NSPI in accordance with its terms, subject as to enforceability to limits imposed by bankruptcy, insolvency or similar laws affecting creditors' rights generally and the availability of equitable remedies.

15 MISCELLANEOUS PROVISIONS

a) NSPI shall have no responsibility for protection of the Generating Facility, or any portion of the equipment which forms part of the Generating Facility. The Seller is responsible for completely protecting the Generating Facility in such a manner that faults or other disturbances of NSPI's Transmission System do not cause damage to the Generating Facility.

b) Without limiting any rights the Seller may have against third parties, the Seller is responsible for any damage caused by operations of the Generating Facility that is not due to the negligence or willful misconduct of NSPI.

c) The Seller shall comply at all times with all laws, regulations, by-laws, or orders of any duly constituted authority in respect of construction, operation, and maintenance of the Generating Facility.

d) NSPI has no responsibility for the suitability of the Site for the Generating Facility.

e) Nothing in this Agreement shall be construed as creating any relationship between the Parties other than that of independent contractors for the sale and purchase of Energy generated at the Generating Facility. The Parties do not intend to create any rights, or grant any remedies to, any third party beneficiary of this Agreement.

f) The Agreement may be executed by the Parties in counterparts, each of which, when so executed and delivered to the other, shall be deemed an original and when taken together shall be deemed one and the same instrument. The electronic delivery, including, without limitation, by email or facsimile transmission, of any signed original of this Agreement shall be the same as the delivery of an original.

g) Each Party shall, from time to time, execute and deliver all such further documents and instruments and do all acts and things as the other Party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of the Agreement.

h) The Article or Section headings herein are included solely for convenience of reference, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement.

i) For the purposes of interpreting the Agreement:

1. Words in the singular include the plural and vice versa.
2. The use of the words "including" and "include" are not limiting.
3. References to monetary amounts are in Canadian Dollars unless otherwise stated.
4. Reference to any legislation (including regulations) is a reference to that legislation in force from time to time and to any subsequent legislation which has the effect of supplementing or superseding that legislation.
5. No consent or approval contemplated under the Agreement shall be effective unless given in writing.
6. Time shall be of the essence.

16 NOTICE

Every communication provided for herein shall be in writing and delivered to, sent by recognized overnight delivery service or mailed by postage prepaid or facsimile to the Party to whom it is intended to be given at the address specified in this Agreement or such other address (or facsimile number) as a Party shall hereafter designate in writing from time to time.

Notice shall be given when received on a Business Day of the addressee. In the absence of proof of the actual receipt date, the following presumptions shall apply. Any communication personally delivered shall be deemed to have been received upon actual delivery. Any communication sent by overnight delivery service shall be deemed to have been received two (2) days after being sent. Any communication sent by mail shall be deemed to have been received five (5) days after having been mailed. Any communication sent by facsimile shall be deemed to have been received on the day following the date of transmission, provided that the sending Party has received a positive transmittal record of such transmission and has promptly sent the original of such communication by prepaid mail or recognized overnight delivery service.

17 SURVIVAL OF AGREEMENT

a) This Agreement ensures to the benefit of the Parties hereto and their respective heirs, successors, and permitted assigns.

b) After termination of this Agreement, both Parties shall be discharged from all further obligations under the terms of this Agreement, excepting any liability which may have been incurred before the date of such termination or as contractually provided for as a result of such termination to the extent such liability or contractual right is claimed within five (5) years of such termination.

18 CONFIDENTIALITY

18.1 Confidential Information

a) Any and all information and knowledge relating to the Generating Facility, the Energy generated therefrom, the ownership or operation of the Generating Facility, and any and all information emanating from the other Party's business in any form that a Party may acquire under the terms of this Agreement, or by virtue of the relationship between the Parties created by this Agreement (collectively, "Confidential Information"), shall be considered confidential and, except as permitted elsewhere in this Article, shall not be used, revealed, or divulged to any other Person, or published in any manner whatsoever, without first obtaining the written consent of the other Party.

b) Notwithstanding the provisions of Section (a), a Party may reveal or divulge Confidential Information:

i. that is already in the public domain,

ii. as required by applicable laws, including, without limitation, as required by the Nova Scotia Energy Board, the orders or directions of tribunals having jurisdiction or stock exchange or clearing house requirements,

iii. as necessary in connection with any dispute resolution commenced pursuant to this Agreement or any litigation commenced in respect of this Agreement; or

iv. in confidence, to the extent necessary, to any consultants, financial institutions or advisors to such Party, or any potential investors in, or lenders to, the Seller or the Generating Facility.

c) The obligations of the Parties under this Section 18.1 shall not extend beyond that date which is the fifth (5th) anniversary of the end of the Term.

19 DISPUTE RESOLUTION

In the event of a dispute arising between the Parties as to the subject matter of the Agreement that cannot be resolved between them, the Parties agree to submit the dispute to binding arbitration, pursuant to the terms of the *Commercial Arbitration Act* (Nova Scotia). In particular, the Parties agree to utilize the arbitration procedure attached as Schedule "A" to the *Commercial Arbitration Act* (Nova Scotia) in the conduct of the arbitration.

20 TARIFFS, DUTIES, OTHER TRADE-RELATED CHARGES

The Seller shall not be entitled to any adjustment of its Energy Rate, or any amendment of this Agreement, due to tariffs, duties, levies, countermeasures, or any form of taxation applied to services or materials incorporated into or used by the Project.

Schedule "B"

GLOSSARY OF TERMS

DEFINITIONS

Whenever used in the Agreement, the following capitalized terms have the meanings ascribed to them below:

Affiliate - means any Person that: (a) Controls a Party; (b) is controlled by a Party; or (c) is controlled by the same Person that Controls a Party.

Aggregate Name Plate Capacity - means the maximum installed capacity permitted under the Demonstration Permit of the units forming the Generating Facility, as specified in Section 1(e) of the Commercial Terms.

Agreement - means the Power Purchase Agreement executed by the Parties to which these General Terms and Conditions are attached and includes any schedules and any other attachments to the Agreement, as amended or supplemented from time to time in accordance with the provisions of the Agreement.

Annual Net Output – means the Net Output estimated to be delivered in each Contract Year, as specified in Section 1(g) of the Commercial Term.

Business Day - means a day other than a Saturday or a Sunday on which banks are open for business in the Province of Nova Scotia.

Commercial Operation - means the achievement of all of the following: (a) completion of the design, construction and commissioning of the Generating Facility in accordance with the Agreement; (b) interconnection of the Generating Facility to the Electrical System in accordance with the Interconnection Agreement; (c) the Generating Facility has demonstrated the capability to generate at the Aggregate Name Plate Capacity; (d) obtaining a Demonstration Permit for the Generating Facility in accordance with the Agreement; (e) provision of the Performance Security required by section 4.1 and (f) written notice to NSPI by the Permit Holder that they have met all milestones and are ready to commence Commercial Operation.

Commercial Operation Date - means the first day of the calendar month following Commercial Operation.

Commercial Terms - means the commercial terms itemized in the Agreement.

Confidential Information – shall have the meaning set forth in Section 18.1(a) of this Agreement.

Contract Year - means a twelve-month period during the Term, starting from the Commercial Operation Date or an anniversary thereof.

Control - means, with respect to any Person at any time, (a) holding, whether directly or indirectly, as owner or other beneficiary (other than as the beneficiary of an unrealized security interest) securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint fifty percent (50%) or more of the individuals who are responsible for the supervision or management of that Person, or (b) the exercise of de facto control of that Person, whether direct or indirect and whether through the ownership of securities or ownership interests, by contract, trust or otherwise.

Convention - means United Nations Framework Convention on Climate Change and such amendments, additions or substitutions thereto which may be in effect from time to time throughout the Interim Period and the Term.

Delivery Point - means the designated point between the Generating Facility and the Electrical System where Energy from the Generating Facility enters the Electrical System.

Demonstration Permit – means the permit issued by the Minister to the Seller under s.36(1)(c) of the *Marine Renewable-energy Act*, a copy of which is attached to this Agreement as Schedule "D".

Distribution System – means NSPI's facilities and equipment (nominally rated at 26,400 Volts or less).

Effective Date - means the date as specified in Section 1(a) of the Commercial Terms.

Electrical System – means the Distribution System, the Transmission System or both as the context requires.

Emergency - means a condition or situation which does or is likely to result in the disruption of service to NSPI's customers (excluding the effects of normal fluctuations in power generation due to natural resource variations), which does or is likely to threaten or result in physical damage to the Generating Facility in whole or in part, or does or is likely to endanger life or property.

Emission Reductions - mean those benefits recognized as intangible commodities by the Parties and/or others as arising under the Agreement through the direct displacement by Energy from renewable sources, of the emissions from coal, oil, petroleum coke, natural gas or other fossil fueled thermal electrical generation and includes Emission

Reduction Credits (ERC's). Emission Reductions under the Agreement related to Greenhouse Gas Emissions (GHG) and other specific emissions known to arise from some or all fossil fuel thermal electrical generation. GHG and other specific air emissions recognized under the Agreement are CO2e, NOx, SO2, Hg, particulates and heavy metals and/or their salts or combinations thereof. Emission Reductions and ERC's do not include any Seller Benefits.

Emission Reduction Credits or ERC's - means all rights, title and interest in and to all benefits, rewards, credits, premiums, incentives, and other advantages related, in whole or in part, to GHG Emission Reductions, whether in existence as of the date of the Agreement or arising during the Interim Period and the Term to the extent related or attributable to the operation of the Generating Facility for the generation of Energy or otherwise, including:

a) any credit issued or granted by a government agency in connection with GHG Emission Reductions;

b) any tradable allowance or allocated pollution right issued or granted in connection with GHG Emission Reductions;

c) the sole right to claim credit in any reporting program established or maintained by any government agency relating to GHG Emission Reductions;

d) the sole right to register, claim, file or bank GHG Emission Reductions in any registry system established or maintained by any government agency or nongovernmental organization or entity;

e) the sole right to any form of acknowledgment by a government agency that actions have been taken by any Person in connection with GHG Emission Reductions that result in the reduction, avoidance, sequestration or mitigation of anthropogenic GHG;

f) the sole right to claim or use GHG Emission Reductions for any and all purposes and in any manner or form whatsoever now or in the future;

g) the sole right to any form of acknowledgment by a government agency to claim tradable GHG allowance allocations when those tradable allowance allocations can be:

   i. banked for credit in the event of regulation requiring any reduction, avoidance or mitigation of, or compensation for, GHG,

   ii. claimed for credit against any compliance requirement, or

   iii. put to any other sanctioned use;

h) the sole right to any form of acknowledgment by an International Agency in respect of GHG Emission Reductions including the right to any acknowledgment that GHG Emission Reductions constitute tradable emission reduction units for the purposes of International Rules; and

i) the sole right to any offset of anthropogenic GHG that can be claimed by using GHG Emission Reductions.

Energy - means electric energy measured as units of watt hours (kWh, MWh, GWh), including such other electrical products arising from the operation of the Generating Facility.

Energy Rate - means the rate in $/MWh, as specified in Section 1(f) of the Commercial Terms.

Energy Source - means the source used to generate Energy from the Generating Facility, as specified in Section 1(h) of the Commercial Terms.

Energy Statement - means a statement prepared in accordance with Section 6.2(a) and on a monthly basis setting out the Energy delivered to the Delivery Point by the Seller (subject to any adjustments to the delivered amount in accordance with this Agreement).

Event of Default - shall have the meaning as set forth in Section 13.1.

Final In-Service Date - means the date as specified in Section 1(b) of the Commercial Terms, which shall be three (**3**) years from the Effective Date.

Fiscal Year – means the fiscal year of NSPI.

Force Majeure Event - shall have the meaning set forth in Section 14.2(a).

Forced Outage - means any partial or total curtailment, interruption or reduction of the generation or delivery of Energy by the Generating Facility that is due to a total or partial breakdown or other failure of any electrical system or any machinery or equipment comprising the Generating Facility, which failure is attributable to any defect (including latent or recurring defect) in any such system, machinery or equipment (whether related to design, manufacture or installation) or any error in the operation, maintenance or rehabilitation of any such system, machinery or equipment or which is inherent in the use or operation of that type of system, machinery or equipment over time.

Generating Facility - means one or more generators described in the Project Description that may be phased in before the Final In-Service Date having, in the aggregate, the Aggregate Name Plate Capacity, together with all protective and other associated equipment and improvements as may be modified from time to time pursuant to the terms of this Agreement.

GHG or Greenhouse Gas Emissions - means any gas substance that is the subject of the Convention and related protocols, treaties, agreements and instruments and includes carbon dioxide, nitrous oxide, methane, hydrofluorocarbons and perfluorocarbons.

GHG Emission Reductions - mean reductions in Greenhouse Gas Emissions however measured and includes, for greater certainty, any reductions in Greenhouse Gas Emissions attributable to the purchase and resale by NSPI of Energy generated from the Generating Facility as an alternative to generating Energy by other means which would result in higher levels of Greenhouse Gas Emissions.

Good Utility Practice - means any of those practices, methods and activities (including the practices, methods and activities adopted by a significant portion of the North American electric industry) which are applicable to the development, design, construction, operation, maintenance, rehabilitation or modification of similar facilities and other infrastructure required for the generation, transmission and distribution of Energy (having regard, as applicable, to the Energy Source) and which, at a particular time, in the exercise of skill, diligence, foresight and reasonable judgment and having regard to the circumstances known at that time, could reasonably have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, environmental protection, expedition and Laws and Regulations.

HST - means the harmonized sales tax exigible pursuant to the Excise Tax Act (Canada).

Incremental Energy Rate - means the rate in $/MWh which is equal to NSPI's cost of generating or purchasing one more MWh of energy from sources other than the Generating Facility as calculated by NSPI averaged over the twelve (12) month period immediately preceding the relevant time.

Interconnection Agreement – means an agreement between the Seller and NSPI which provides for the interconnection of the Generating Facility to the Electrical System.

Interim Period - means any period prior to Operation, but after interconnection of the Generating Facility to the Electrical System in accordance with the Interconnection Agreement, when the Facility is capable of generating Energy and delivering that Energy to the Delivery Point.

International Agency - means the parties to the Convention, the Intergovernmental Panel on Climate Change, and any other international commission, bureau, board, administrative agency or regulatory body responsible for measures to achieve objectives of the Convention.

International Rules - means any principles, modalities, rules and guidelines including those pertaining to verification, reporting and accountability for trading ERC's and/or other Emission Reductions authorized, promulgated or otherwise sanctioned and adopted by an International Agency.

Laws and Regulations - means:

a) applicable federal, provincial or municipal laws, orders-in-council, by-laws, codes, rules, policies, regulations and statutes;

b) applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any court, tribunal, arbitrator, government agency or other Person having jurisdiction;

c) applicable rulings and conditions or any license, permit, certificate, registration, authorization, consent and approval of any government agency (including the Permits); and

d) any requirements under or prescribed by applicable common law.

Letter of Credit - means one or more irrevocable and unconditional standby letters of credit issued by a financial institution at the cost of the Seller, with an Office or branch in Halifax, Nova Scotia, listed in either Schedule I or II of the Bank Act (Canada) or having a minimum credit rating of (i) A- with Standard & Poor's Standard & Poor's Financial Services LLC, (a division of McGraw-Hill Inc.) or its successor, (ii) A3 with Moody's Investors Service, Inc. or its successor, (iii) A-low with DBRS Ratings Limited or its successor, or (iv) A- with Fitch Ratings Inc. or its successor.

Marine Renewable-energy Act – means the Act respecting the generation of electricity from marine renewable-energy resources in Nova Scotia for the purpose of providing for the responsible, efficient and effective development of marine renewable-energy resources.

Meter Location - means the physical location where Energy is measured by the revenue class meter referred to in Section 6.2(a).

Minister – means the Minister of Energy for the Province of Nova Scotia.

Net Output - means the Energy output of the Generating Facility at the Delivery Point, as determined in accordance with Section 6.2.

Party - means either the Seller or NSPI and Parties refers to both the Seller and NSPI.

Performance Security - means the security for the performance of the obligations of the Seller under the Agreement to be provided and maintained by the Seller for the benefit of NSPI in the form of one or more of a guarantee, Letter of Credit (as defined above) or other credit support from a Person, each of which is in the form and/or issued by a party that is acceptable to NSPI acting reasonably. The amount of the Performance Security shall equal the sum of **three** dollars per MWh ($3.00/MWh) multiplied by the Annual Net Output in MWh.

Permits - means permits, certificates, licences and other approvals required for the ownership, design, construction, operation, maintenance, rehabilitation or modification of the Generating Facility and interconnection facilities and, if applicable, the delivery of Energy to the Delivery Point.

Person - includes a natural person, a corporation, a partnership, a limited partnership, a joint venture, an association, a trust, a government agency and an unincorporated organization.

Prime Rate - means the annual rate of interest established by the Bank of Nova Scotia or its successor, from time to time, as the interest rate it will charge for demand loans in Canadian Dollars to its commercial customers in Canada and which it designates as its "prime rate" based on a year of 365 or 366 days, as applicable. Any change in such interest rate shall be effective automatically on the date such change is announced by the Bank of Nova Scotia. Such rate of interest shall be calculated (but not compounded) daily, and compounded monthly, both before and after default, arbitral award and judgement.

Project – means the Generating Facility and any rights, property and assets, whether real or personal and whether tangible or intangible, required to design, construct, operate, maintain, rehabilitate or modify the Generating Facility, or required for use of the Site, including any contract or engagement for such purpose, Permits, roads, and any land tenure and land tenure agreements.

Project Amendment – means any material modification, variation, or amendment of the Project Description or the Commercial Terms.

Project Description - means the specifications and description of the Generating Facility set out in Schedule "C" upon execution or, if not attached at such time, to be provided by the Seller to NSPI prior to the commencement of construction of the Generating Facility in a form specified by NSPI and to be incorporated into the Agreement, by way of attachment, upon acceptance in writing by NSPI acting reasonably.

Renewable Energy Credits - mean those credits, benefits or other intangibles that now, or at any time in the future, convey a right in respect of those attributes (fungible or nonfungible), whether or not tradable, pertaining to the generation of Energy pursuant to the Agreement, representing the renewable aspect of the source of such Energy, and include "green tags", "tradable renewable energy credits", or "renewable portfolio standard tags".

Reporting Date – shall have the meaning set forth in Section 9.1(a).

SCADA – means a supervisory control and data acquisition system.

Scheduled Generating Facility Outage - means an outage which is scheduled by the Seller in advance of the event for the purpose of the Seller performing or causing to be performed routine maintenance on the Generating Facility.

Seller - means the Person or Persons identified as the "Seller" in the Agreement.

Seller Benefits - means any federal or provincial tax credits, benefits, incentives, subsidies, deductions or allowances, including, without limitation, the treatment of Canadian Renewable and Conservation Expenses under the *Income Tax Act* (Canada) and accelerated write-off in respect of property which is described in Section 43.1 of Schedule 11 of the *Income Tax Act* (Canada), but excluding credits and benefits under the ecoEnergy for Renewable Power Program.

Site - means the lands upon which the Generating Facility will be located, as specified in section 1(d) of the Commercial Terms and described in Schedule “E”.

Term - means the term of the Agreement, as specified in Section 1(c) of the Commercial Terms, subject to early termination in accordance with the provisions of the Agreement.

Transmission System – means NSPI’s facilities and equipment (nominally rated at 69,000 Volts or higher)

Schedule “C”

PROJECT DESCRIPTION

Schedule “D”

DEMONSTRATION PERMIT

APPENDIX C — Relevant Provincial and Federal Permits and Approvals

The following provides a basic overview of the various permits and approvals that may be required for various marine renewable energy projects. This is not an exhaustive list of permits and approvals, but a general overview to assist applicants in thinking about their project from a regulatory perspective.

Government of Nova Scotia

Department	When a permit or approval is required	Permit or approval required	Act/Regulations
Environment and Climate Change	Projects of 2 MW or more	Environmental Assessment	*Environment Act* *Environmental Assessment Regulations*
	Projects that alter surface watercourse or the flow of water	Water Approvals	*Environment Act* *Activities Designation Regulations*
	Projects that alter wetlands, including saltmarshes	Wetland Alteration Approval	*Environment Act* *Activities Designation Regulations*
	Project is to take place in or adjacent to protected wilderness area	Authorization by the Minister	*Wilderness Areas Protection Act*
Communities, Culture, Tourism and Heritage	Protect requires development which will potentially disturb or alter the landscape, thereby endangering archaeological sites	Archaeological Resource Impact Assessment	*Special Places Protection Act*
	Project requires exploration for, or excavation of, fossils or archaeological sites	Heritage Research Permit	*Special Places Protection Act*
Labour, Skills and Immigration	All projects — proponents and contractors must comply with occupational health and safety requirements		*Occupational Health and Safety Act*
Natural Resources	Project requires use of Provincial Crown Land to access project site or for transmission lines or ancillary infrastructure	Permit for Access Across Crown Land, Right of Way, or Easement	*Crown Lands Act*
	Project requires the use or improvement of any road on Provincial Crown Land	Permit for Access Across Crown Land, Right of Way, or consent of pre-	*Crown Lands Act*

		existing Crown Land Licensee	
	Project requires removal or placement of materials from a beach, operation of a vehicle on a beach, or the construction or placement of any structure on a beach	Permit Authorization by the Minister	*Beaches Act* *Beaches Regulations*
	Project has the potential to disturb the flora and fauna located in a provincial park	Authorization by the Minister	*Provincial Parks Act*

Government of Canada

Department/Organization	Permit/Approval/Regulation	Further Information
Impact Assessment Agency of Canada (IAAC)	A federal assessment is triggered when: (1) a federal authority provides funding or land that would permit a project on federal lands; or (2) issues a permit, license or approval as listed in the Law List Regulations (Physical Activities Regulations).	https://www.canada.ca/en/impact-assessment-agency.html
Environment and Climate Change Canada (ECCC)	Projects that have the potential to affect water quality, migratory birds, or species at risk should contact ECCC. ECCC administers the *Migratory Birds Convention Act*, 1994 and *Species at Risk Act (SARA).*	https://www.canada.ca/en/environment-climate-change.html
Fisheries and Oceans Canada (DFO)	Fisheries Act Authorization (Section 35); Species at Risk Act (SARA) Permit (if applicable) All tidal energy projects in the Bay of Fundy must submit a Request for Review to the regional Fish and Fish Habitat Protection Program office. (*Fisheries Act, Species at Risk Act*)	https://www.dfo-mpo.gc.ca/index-eng.html

Parks Canada	If part of a proposed project would occur on or over federal land owned by Parks Canada, or if it has the potential to affect a national park, national park reserve, national historic site, historic canal or national marine conservation area, the applicant is advised to contact the office administering the park(s) or site(s) in question.	https://parks.canada.ca/
Transport Canada	Canadian Navigable Waters Act (CNWA) Approval Facilities that will affect navigable waterways require a CNWA approval. Tidal energy turbines in the Bay of Fundy are considered 'works' under the CNWA and require prior approval before construction or placement in the marine environment. Transport Canada's Navigation Protection Program administers CNWA reviews and regulates obstructions in navigable waters.	Navigation Protection Program Application: External Submission Site for the Navigation Protection Program Navigation Protection Program https://tc.canada.ca/en Transport Canada Québec-Atlantic Region: Tel 506-851-3113 Email: NPPATL-PPNATL@tc.gc.ca

APPENDIX D — Template Demonstration Permit

MARINE RENEWABLE-ELECTRICITY DEMONSTRATION PERMIT

Province of Nova Scotia

Marine Renewable-energy Act

PERMIT HOLDER: XXXXXXXX

PERMIT NUMBER: XXXXXXXX

EFFECTIVE DATE: XXXXXXXX

EXPIRY DATE: XXXXXXXX

Pursuant to Section 36 of the *Marine Renewable-energy Act*, as amended from time to time, this Demonstration Permit granted to the Permit Holder is subject to the Terms and Conditions attached to and forming part of this Permit, for the following activities:

The design, construction, installation, operation, and decommissioning of XX tidal stream energy generators on a demonstration basis with an aggregate nameplate capacity of XX (XX) megawatts, as detailed in Schedule A and located in within the Permit Area as described in Schedule B.

For greater certainty, the activity authorized under this Demonstration Permit and its terms and conditions is subject to the *Marine Renewable-energy Act* and its regulations.

Minister of Energy

Date Signed

MARINE RENEWABLE-ELECTRICITY DEMONSTRATION PERMIT
TERMS AND CONDITIONS

Province of Nova Scotia
Marine Renewable-energy Act

PERMIT HOLDER:	Company X
PERMIT TYPE	Demonstration Permit
PERMIT NUMBER:	XXXXX
EFFECTIVE DATE:	XXXXX
EXPIRY DATE:	XXXXX

Terms and Conditions of Permit Approval

This approval is subject to the following conditions and obtaining all other necessary approvals, permits or authorizations required by municipal, provincial and federal acts, regulations and by-laws before constructing, installing, operating and decommissioning any device in the Permit Area.

Permit

The following schedules are attached to and form part of this Permit:

- Schedule A –Technical Description;
- Schedule B – Survey of Permit Area;
- Schedule C – Project Plan
- Schedule D – Insurance Requirements; and
- Schedule E – Guarantee.

The terms and conditions of this Permit document shall prevail over the Schedules.

Definitions:

Terms which are defined in either the *Marine Renewable-energy Act* or its regulations have the same meaning in these terms and conditions, unless otherwise provided.

In this Permit:

> "Aggregate Nameplate Capacity" means the maximum installed capacity permitted under the demonstration permit of the units forming the Generation Facility;
>
> "Application Document" means the demonstration permit application submitted by the Permit Holder to the Nova Scotia Department of Energy and deemed complete on xxxxxxx;
>
> "Commercial Operation" means the achievement of all of the following: (a) completion of the design, construction and commissioning of the Generating Facility in accordance with the Agreement; (b) interconnection of the Generating Facility to the Electrical System in accordance with the Interconnection Agreement; (c) the Generating Facility has demonstrated the capability to generate at the Aggregate Name Plate Capacity; (d) obtaining a Demonstration Permit for the Generating Facility in accordance with the Agreement; (e) provision of the Performance Security required by section 4.1 and (f) written notice to NSPI by the Permit Holder that they have met all milestones and are ready to commence Commercial Operation;
>
> "Commercial Operation Date" means the first day of the calendar month following Commercial Operation;
>
> "Decommissioning, Abandonment and Rehabilitation Plan" means the decommissioning, abandonment and rehabilitation plan required by subsection 44(2) of the *Marine Renewable-energy Act* and provided to the Minister in accordance with sections 19 and 20 of the *Marine Renewable-energy General Regulations*;
>
> "Department" means the Nova Scotia Department of Energy;
>
> "Deployment" means the placement of a device or associated equipment in position ready for use;
>
> "Effective Date" means the date that this Permit is effective, as noted at the head of this document;
>
> "Fee Regulations" means the *Marine Renewable-energy Fees Regulations*;

"Generation Facility" means one or more device(s) described in the Project Plan and Schedule A, together with all protective and other associated equipment and improvements as may be modified from time to time pursuant to the terms of this Permit;

"Generator(s)" as defined in the *Marine Renewable-energy* Act;

"Mi'kmaq Engagement Plan" as described in section 7.1 of this Permit's Terms and Conditions;

"Minister" means the Minister of Energy for the Province of Nova Scotia;

"MRE Act" means the *Marine Renewable-energy Act*;

"NSPI" means Nova Scotia Power Incorporated;

"Performance Security" means a certified cheque, government guaranteed bonds, debentures, term deposits, certificates of deposit, trust certificates or investment certificates assigned to the Nova Scotia Minister of Finance, or irrevocable and unconditional letter of credit, irrevocable letters of guarantee, performance bonds or surety bonds in a form acceptable to the Minister, in an amount approved by the Minister based on the approved Decommissioning, Abandonment and Rehabilitation Plan.

"Permit Area" means the area of submerged land for which the specific location has been determined by survey by the Permit Holder as described in the Application document and as contained in Schedule B of this Permit;

"Permit Holder" means [insert permittee's name]

"Person" means a natural person, firm, trust, partnership, limited partnership, company or corporation (with or without share capital), joint venture, sole proprietorship, or other entity of any kind.

"Project Plan" means the project plan attached as Schedule C;

"Regulations" means the *Marine Renewable-energy General Regulations*;

"Technical Description" means the description of the technology contained in Schedule A of this Permit;

1.0 Scope of Approval

1.1 *Project Details*. This Permit is limited to the project as described in the Schedules attached to and forming part of this Permit.

1.2 *Project Technology*. The Permit for the project is limited to the technology as described in the Schedules attached to and forming part of this Permit and limited to the aggregate nameplate capacity first stated above.

1.3 *Permit Area*. The Permit Area is (XX hectares) as set out in Schedule B. Generator(s) authorized under this Permit shall be constructed, installed and operated within the Permit Area.

1.4 *Development and Operation.* The Permit Holder shall develop and operate the project as described in the Project Plan attached to and forming part of this Permit as Schedule C.

1.5 *Precedence of legislation*. In the event of a conflict between the *MRE Act* and its regulations and the terms and conditions of this Permit, the *MRE Act* and its regulations shall prevail.

2.0 General Terms and Conditions

2.1 Renewal *eligibility*. To be eligible to renew the term of the Permit, the Permit Holder must have fulfilled its obligations under this Permit, MRE Act and its regulations and shall submit and receive written approval of a new project plan for the coming renewed term in accordance with the requirements and within the timelines of the MRE Act and its associated Regulations.

2.2 *Other Approvals, Permits and Authorizations.* This Permit is subject to the terms and conditions herein, as well as the Permit Holder obtaining and maintaining all other necessary approvals, permits or authorizations under municipal, provincial and federal acts, regulations and by-laws.

2.3 In accordance with Section 42(1C) of the MRE Act, the maximum aggregate of terms for this permit is 18 years.

2.4 The Permit Holder shall be Controlled by [insert permittee's name] for the term of this Permit, including any renewal to the term of the Permit, unless the Permit Holder has obtained the Minister's prior written consent to any change of control in the Permit Holder.

2.5 The obligations of the Permit Holder under this Permit shall be guaranteed by [insert permittee's name] for the term of this Permit in accordance with the Guarantee in Schedule E.

3.0 Project Plan/Term of Permit

3.1 The Permit Holder shall, within three (3) years of the Effective Date, reach Commercial Operation on the project.

3.2 The full Generation Facility as described in the Technical Description (Schedule A) and Project Plan (Schedule C) shall be constructed and operational within three (3) years of the Effective Date of this Permit.

3.3 Any proposal by the Permit Holder for changes to any aspect of the project from that described in an approved Project Plan shall be submitted to the Minister for review and approval.

4.0 Environmental Monitoring Plan

4.1 The Permit Holder shall not construct or install a generator, cable or other equipment or structure in the Permit Area until the Permit holder has submitted, and the Minister has approved, an Environmental Monitoring Plan. The Permit Holder shall implement and adhere to the Environmental Monitoring Plan following approval.

4.2 Unless otherwise approved, the Permit Holder shall submit an Environmental Monitoring Plan to the Minister for review and approval at least three (3) months prior to constructing or installing a generator, cable or other equipment or structure in the Permit Area.

4.3 The Environmental Monitoring Plan must include all of what is listed in the section 16 of the Regulations.

4.4 The Environmental Monitoring Plan must be developed using relevant baseline data and information and identify appropriate environmental effects indicators. The plan shall consider project effects on, but not limited to, the following:

- fish and lobster;
- marine birds;
- marine mammals;
- acoustics;
- physical oceanography;
- currents and waves; and
- benthic environment.

4.5 The Environmental Monitoring Plan should include a description of the monitoring methods, technologies, and equipment to be used, procedures for data collection and analysis, and approaches for evaluating environmental effects and changes over time resulting from activities carried out under the permit.

4.6 The Environmental Monitoring Plan should include measures to avoid and mitigate identified environmental effects and shall describe the methods and processes for implementing and monitoring those measures.

4.7 The Environmental Monitoring Plan shall include contingencies to be implemented as alternative courses of action in the event avoidance, mitigation and/or monitoring measures cannot be implemented, are not functioning as designed, or do not provide expected results.

4.8 The Permit Holder shall update and revise the Environmental Monitoring Plan to reflect best available and economically feasible practices, methods, and technologies respecting environmental monitoring; changes in the Project Plan and circumstances of the project; and changes in the knowledge of, or actual changes in the physical, ecological, and environmental circumstances and impacts of the project. Any amendments to an approved Environmental Monitoring Plan require Minister's approval.

4.9 The Permit Holder shall submit an initial status report on environmental monitoring equipment functionality to the Department prior to generator operation and shall notify the Department of any malfunction or non-functioning of the equipment within twenty-four (24) hours.

5.0 Power Purchase Agreement

5.1 The term of the PPA shall end on the earlier of:

a) the date on which the Demonstration Permit expires, or is revoked;
b) or 15 years after the Commercial Operation Date.

6.0 Rent Payments

6.1 The Permit Holder shall pay the first annual rent payment no later than sixty (60) days after the Effective Date, and rent on or before January 31 of each subsequent year during the term of the Permit. The rent payment is calculated on the basis of a calendar year and is equal to the greater of two thousand five hundred dollars ($2,500) per megawatt (MW) of installed capacity under the Permit or twenty dollars ($20.00) per hectare in the Permit Area.

6.2 Rent payments shall be made payable to the “Minister of Finance” and are non-refundable.

6.3 If rent is not paid on or before the deadline for payment, the Permit Holder shall pay an additional late fee in an amount equivalent to 10% of the full owed.

6.4 If rent remains in arrears for more than 120 days after the deadline the Minister may suspend the Permit until rent owing is paid in full.

6.5 The Permit Holder shall notify the Minister in writing no later than sixty (60) calendar days before the next rent payment is due if the megawatts of installed capacity authorized under the Permit or the hectares of the Permit Area change such that it may impact annual rental fees.

7.0 Engagement Requirements

7.1 *Mi’kmaq Engagement Plan.* The Permit Holder shall not construct or install a generator, cable or other equipment or structure in the Permit Area until the Permit Holder has submitted, and the Minister has approved, a Mi’kmaq Engagement Plan. In accordance with the Section 9 (l), (m), (n) of the *Marine Renewable-energy General Regulations*, the plan shall include the following:

- A description of completed, ongoing and proposed engagement activities with the Mi’kmaq of Nova Scotia, including:

    - a list of the specific committees, communities or organizations engaged, and summary of the information shared;
    - the dates of engagement activities or discussions;
    - the means of engagement or discussion;
  - An overview of the key comments and concerns expressed, as well as any responses provided to each comment or concern, and where applicable, a summary of any changes made to the proposed project;
  - A description of all steps taken, or proposed to be taken, to address any concerns expressed.

The Permit Holder shall send a draft of this plan to the Mi'kmaw First Nations communities and allow adequate time for feedback to be incorporated prior to submitting to the Department for approval. The Permit Holder shall implement the plan following approval. The plan shall be updated and resubmitted annually to the Minister for approval on or before January 31st throughout the term of this Permit.

7.2 The Permit Holder shall support the Province of Nova Scotia in its future and ongoing consultation processes with the Mi'kmaq of Nova Scotia related to this project, share information the Minister considers necessary or advisable, with the Mi'kmaq of Nova Scotia, and consider implementing mitigation and accommodation measures to address any issues raised through consultation.

7.3 *Stakeholder Communication and Engagement Plan.* The Permit Holder shall not construct or install a generator, cable or other equipment or structure in the Permit Area before submitting a stakeholder communication and engagement plan to the Minister for approval. The plan shall outline ongoing and proposed engagement activities with stakeholders and shall include, as a minimum, a description and general schedule of activities under the authority of the Permit. The Permit Holder shall implement the plan following approval. The plan shall be updated and resubmitted annually to the Minister for approval on or before January 31st, throughout the term of this Permit.

8.0 Reporting Requirements

8.1 *Deployment Notice*. The Permit Holder shall notify the Department at a minimum, thirty (30) days prior to the Deployment or the testing of generator(s) or equipment under the authority of the Permit.

8.2 *Deadlines for Activity Reports*. The Permit Holder, throughout the term of the Permit, shall submit quarterly written reports ("Activity Reports") to the Minister detailing the activities carried on under the authority of the Permit:

- by January 31, for activities between October 1 and December 31;
- by April 30, for activities between January 1 and March 30;
- by July 31, for activities between April 1 and June 30; and
- by October 31, for activities between July 1 and September 31.

8.3 *Content of Activity Reports*. At a minimum, the Activity Reports shall include:

- Detailed and up-to-date project schedule;
- Status update on operational aspects of the project;
- Summary of activities carried out, and data collected and analyzed during the reporting period and/or previous reporting periods regarding environmental effects monitoring.
- Operational capacity factor for each generator and calculation methodology;
- Progress updates on the activities outlined in the project schedule;
- Detailed and up-to-date procurement schedule;
- Amended procurement deadlines;
- Summary of any entities procured for goods/services;
- Financial statements related to procurement, construction, operations, and monitoring activities, with audited financial statements included at least once per calendar year;
- Data relating to socio-economic matters;
- Lessons learned deemed beneficial to the sector; and
- Any changes to the corporate structure of the Permit Holder or its major shareholders, including but not limited to changes of domicile, management, and corporate governance.

8.4 *Event notification*. The Permit Holder shall notify the Department within ten (10) business days upon reaching the following milestone(s):

- Receipt of any federal, provincial, or municipal regulatory approvals;
- Approval of additional funding or grants;
- Completion of any NSPI grid interconnection activities;
- Connection to the transmission or distribution grid;
- Issuance of any manufacturing or fabrication contracts;
- Installation of a generator and any cable or other equipment or structure used or intended to be used with a generator;

- Reaching commercial operation under the power purchase agreement;
- Achieving 12.45% capacity factor;
- Achieving 49.8% capacity factor;
- Exceeding 49.8% capacity factor;
- Commencement of decommissioning activities; or
- Completion of decommissioning and rehabilitation activities.

8.5 *Press release notification*. The Permit Holder shall notify the Department at least seventy-two (72) hours prior to any press release, related to the activities authorized under the Permit. No such press release shall be issued or made without prior written consent of the Minister unless otherwise approved.

8.6 *Officer's and Director's Certificates*. The Permit Holder, upon request from the Minister, shall provide an officer's or director's certificate attesting to the truth, accuracy and completeness of any report and submission required under this Permit, or attesting to matters of compliance with this Permit.

9.0 Incident Reporting

9.1 The Permit Holder shall provide the Department, within seventy-two (72) hours, a report of any significant adverse environmental effects, accident or near miss, generator malfunction or impact to human health or safety together with a description of the response.

9.2 The Permit Holder shall notify the Department at least seventy-two (72) hours prior to any public release or press-conference related to an incident or near-miss. No such public release or press-conference shall be made without prior written consent of the Minister unless otherwise approved.

9.3 The Permit Holder shall ensure that:

- Any incident or near-miss is investigated, its root cause and causal factors identified where possible and corrective action taken where applicable; and

- Any incident or near-miss is investigated, its root cause, causal factors and corrective action taken must be submitted in writing to the

Department no later than thirty (30) days after the day on which the incident or near-miss occurred.

10.0 Risk Management Plan

10.1 The Permit Holder shall not construct or install a generator, cable or other equipment or structure in the Permit Area, until the Permit holder has submitted, and the Minister has approved a Risk Management Plan. The Permit Holder shall implement and adhere to the Risk Management Plan following approval.

10.2 Unless otherwise approved, the Permit Holder shall submit a Risk Management Plan to the Department for review and approval at least six (6) months prior to taking any action authorized by this Permit.

10.3 The Risk Management Plan must be developed using relevant project information and shall contain all the information listed in Section 18 of the Regulations.

10.4 The Risk Management Plan shall be updated and resubmitted annually by the Permit Holder to the Minister on or before January 31, throughout the term of the Permit.

11.0 Decommissioning, Abandonment and Rehabilitation Plan

11.1 Unless otherwise approved, in accordance with Section 19 of the Regulations, the Permit Holder shall not construct or install a generator, cable or other equipment or structure authorized by this Permit until the Permit Holder has submitted and the Minister has approved a Decommissioning, Abandonment and Rehabilitation Plan.

11.2 Unless otherwise approved, the Permit Holder shall submit a Decommissioning, Abandonment and Rehabilitation Plan to the Department for review and approval at least six (6) months prior to constructing or installing a generator, cable or other equipment or structure authorized by this Permit.

11.3 The Decommissioning, Abandonment and Rehabilitation Plan shall be developed using relevant project information and shall contain all decommissioning activities and all of the information listed in Section 20 of the Regulations.

11.4 The Permit Holder shall update and revise the Decommissioning, Abandonment and Rehabilitation Plan to reflect best available and economic practices, methods, and technology of decommissioning, abandonment and rehabilitation; changes in the Project Plan and circumstances of the project; and changes in the, or knowledge of the, physical, ecological, and environmental circumstances and impacts of the project.

11.5 Any proposal by the Permit Holder that proposes changes to any aspect described in an approved Decommissioning, Abandonment and Rehabilitation Plan(s) shall be submitted to the Minister for review and approval.

12.0 Financial Security and Insurance

12.1 *Insurance.* The Permit Holder shall provide proof of liability insurance to the satisfaction of the Minister prior to taking any action authorized by this Permit.

12.2 *Coverage*. The Permit Holder shall maintain its insurance coverage in full force and effect for the term of the Permit and shall meet or exceed the terms and conditions as set out in Schedule D.

12.3 The Permit Holder shall provide financial security on terms and conditions acceptable to the Minister and at a minimum, sixty (60) days of notice of an approved Project Development Decommissioning, Abandonment and Rehabilitation Plan, or other equipment or structure authorized by this Permit. The Minister will provide written notice of the amount required, and any terms or conditions, prior to receiving financial security from the Permit Holder.

12.4 The Permit Holder shall ensure that any security provided is kept in effect throughout the Permit term. Unless otherwise required, the Permit Holder shall renew security on an annual basis and provide proof of financial security annually on or before January 31, throughout the term of the Permit.

12.5 The Minister may determine the form, and for greater certainty the terms and conditions, in which financial security is provided, including any of the following forms:

a. Electronic transfer, cash deposit, or cheques made payable to the Minister of Finance, which the Province in its absolute discretion may cash at any time;
b. Government guaranteed bonds, debentures, term deposits, certificates of deposit, trust certificates or investment certificates assigned to the Minister of Finance; or
c. Irrevocable letters of credit, irrevocable letters of guarantee, performance bonds or surety bonds in a form acceptable to the Minister.

13.0 Performance Requirements

13.1 The Permit Holder shall provide final as-constructed drawings of the Generation Facility and all associated infrastructure to the Department no later than ninety (90) days upon reaching Commercial Operation.

13.2 The Permit Holder is subject to the following performance targets:

a. Deployed generators operating and being controlled consistently following installation;
b. Capability of turbines, blades, and other spinning or moving components representing a risk to human or wildlife health of being stopped, halted and braked when and if required; and
c. Maintenance of an annual average capacity factor of at least X% (1/4% of stated capacity factor for each generator) under the authority of the Permit.

13.3 The Permit Holder shall provide performance reports to the Department no later than January 31 of each year through the term of this Permit. At a minimum, the report must include the following for each generator installed:

- Amount of energy generated;
- Date(s) energy was generated;
- Peak generation;
- Capacity factor achieved and calculation methodology;
- Number and date(s) of days deployed;
- Number and date(s) of operating days;
- Number and date(s) of maintenance days (planned and unscheduled);
- The type of maintenance required; and,
- A summary of operational issues impacting energy production or safe operation of the Generation Facility.

13.4 In the event any generator fails to meet the annual performance standard detailed in 13.2, the Permit Holder must submit a report to the Minister outlining a reasonable timeline and plan for restoration of the generator(s) to either render it fully functional or provide details for removing the generator(s) from the Permit Area. The Permit Holder must implement the restoration as submitted; any change is subject to prior approval of the Minister. Unless otherwise approved, the Permit Holder cannot invoke this provision within three years of it being previously invoked, and not more than twice overall during the maximum term of this Permit.

14.0 Notice to Minister and Department of Energy

14.1 Notice, documents and other information required to be sent to the Minister of the Nova Scotia Department of Energy, shall be in writing and may be served by personal service, fax or electronically, addressed as follows:

Attention: Minister of Energy

Nova Scotia Department of Energy
Joseph Howe Building
1690 Hollis Street
PO Box 2664
Halifax, NS B3J 3J9

Phone: (902) 424-4575
Fax: (902) 424-0528

Email: MINDOE@novascotia.ca

14.2 Notice and/or information required to be sent to the Department shall be in writing and sent via email to: marinerenewables@novascotia.ca

15.0 Notice to NSPI

15.1 In the event this Permit expires, is suspended or revoked, the Minister will provide written notice of this to NSPI.

16.0 Standards

16.1 The Permit Holder must comply with industry standards for marine renewable energy conversion systems as they exist at the time of the issuance of this Permit and as amended, which may include, but may not be limited to, the International Electrotechnical Commission (IEC) Technical Committee (TC) 114.

16.2 At a minimum, the Permit Holder shall conduct itself with prudence and due diligence and with appropriate regard for matters of health, safety, and environment.

16.3 The Permit Holder shall at all times comply with all federal, provincial and municipal applicable laws and regulations.

17.0 Director's Liability

17.1 Where a corporation commits an offence under the Act or the regulations, or breached the terms and conditions of this permit, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the violation of the Act, regulations or terms and conditions of this permit, is guilty of the offence and is liable to the punishment provided for the offence listed in Section 66A of the Act, whether or not the corporation has been prosecuted.

Schedule A – Technical Description

Schedule B – Survey of Permit Area

Schedule C – Project Plan

Schedule D – Insurance Requirements

Commercial General Liability:

Commercial General Liability in an amount not less than $5,000,000 inclusive per occurrence against bodily injury, personal injury and property damage and including liability assumed under this agreement and this insurance must:

(a) include "His Majesty the King in Right of the Province of Nova Scotia" as an additional insured
(b) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change; and
(c) include a cross liability clause.

Automobile Liability:

Automobile Liability on all vehicles owned, operated or licensed by the Agreement Holder in an amount not less than $5,000,000 per occurrence.

Professional Liability:

Professional Liability in an amount not less than $5,000,000 per claim, insuring the Agreement Holder's liability resulting from errors and omissions in the performance of professional services under this agreement and this insurance must be endorsed to provide the Province 30 days advance written notice of cancellation.

Environmental Impairment Liability:

Environmental Impairment Liability (Pollution Legal Liability) insuring against bodily injury, property damage, and cleanup expenses (including removal and/or transit and disposal of contaminants) arising from gradual or sudden pollution events arising from the performance of this agreement by the Agreement Holder in an amount not less than $5,000,000, and this insurance must include "His Majesty the King in Right of the Province of Nova Scotia" as an additional insured for its vicarious liability as land owner, project owner, or party to this agreement, and be endorsed to provide the Province with 30 days advance written notice of cancellation or material change. If this insurance is written on a claims-made basis it must include the option to purchase an extended reporting period of 24 months beyond the date of cancellation or expiry of this agreement.

Watercraft Liability:

Watercraft Liability insurance on all watercraft operated or used in the performance of this agreement by the Agreement Holder (including rented watercraft), in an amount not 24 less than the limits of liability imposed by the Marine Liability Act and in any event not less than $5,000,000 inclusive per occurrence, and this insurance must:

(a) include “His Majesty the King in Right of the Province of Nova Scotia” as an additional insured
(b) be endorsed to provide the Province with 30 days advance written notice of cancellation or material change; and
(c) include a cross-liability clause.
(d) include coverage for marine towing operations.

Documentation Required

The general insurance documentation to be produced by [insert permittee’s name] shall meet the following requirements. No other documentation is required. For general insurance purposes, [insert permittee’s name], may elect to have separate letters produced for the construction period and the operating phase, or may combine these into one letter from one broker covering both the construction period and the operating phase.

General Insurance – Construction Period

For the general insurance program covering the construction period, [insert permittee’s name] must produce by at the latest four months prior to deployment a letter from its insurance broker appointed for the project, on the broker’s letterhead, dated and signed by an authorized representative of the insurance broker, stating:

- that the broker has been appointed by Company X as its insurance broker for the construction period of the [insert permittee’s name] tidal energy project;
- that the broker has examined the general insurance requirements included in this document, identified as the Insurance Requirements;
- the estimated total amount of the insurance premiums for the full construction period, including any coverage extension periods beyond completion of [insert permittee’s name] tidal energy project and confirming that all of the general insurance requirements set out in the Insurance Requirements have been included in this estimated cost;
- that in the opinion of the broker, the estimated total insurance premium cost is its best estimate as of the date of its letter;
- that in the opinion of the broker, that there is no known impediment as of the date of its letter to producing general insurance policies meeting all of the Insurance Requirements with coverage to take effect from the date of the signing of the Agreement.

If more than one insurance broker has been appointed by [insert permittee’s name] with each broker responsible for a portion of the construction period insurance program, each of the brokers shall produce a letter meeting the above requirements. Each of these letters shall clearly identify the elements of the construction period general insurance program that have been assigned to the respective brokers. Each broker’s letter will deal solely with the elements of the construction period insurances that have been assigned to it.

General Insurance – Operating Phase

For the general insurance program covering the operating phase, [insert permittee’s name] must produce a letter from its insurance broker appointed for the project, on the broker’s letterhead, dated and signed by an authorized representative of the insurance broker, stating:

- that the broker has been appointed by [insert permittee’s name] as its insurance broker for the operating phase of the [insert permittee’s name] tidal energy project;
- that the broker has examined the general insurance requirements included in this document, identified as the Insurance Requirements;
- the estimated total amount of the insurance premiums for the first full year of the operating phase after completion of [insert permittee’s name] tidal energy project, and confirming that all of the general insurance requirements set out in the Insurance Requirements have been included in this estimated cost;
- that in the opinion of the broker, the estimated total insurance premium cost is its best estimate as of the date of its letter;
- in the opinion of the broker, that there is no known impediment as of the date of its letter to producing general insurance policies meeting all of the Insurance Requirements with coverage to take effect from the date of the signing of the Agreement.

If more than one insurance broker has been appointed by [insert permittee’s name] with each broker responsible for a part of the operating phase insurance program, each of the brokers shall clearly identify the elements of the operating phase insurance program that have been assigned to the respective brokers. Each broker’s letter will deal solely with the elements of the operating phase insurances that have been assigned to it.

SCHEDULE E – Guarantee

This guarantee (the "**Guarantee**") dated as of the ____ day of __________, 2026 is granted by [insert permittee's name] (the "**Guarantor**"), in favour of His Majesty the King in right of the Province of Nova Scotia (the "Province").

WHEREAS:

A. Whereas the Guarantor was the successful Applicant under the Application Window for Demonstration Permits dated xxx;

B. The Province has issued or will issue a Demonstration Permit under the *Marine Renewable-energy Act* (Nova Scotia) to [insert permittee's name] (the "Permit Holder") (as amended, modified, restated, supplemented or replaced from time to time, the "Permit");

C. As a condition of the Permit to the Permit Holder, the Guarantor has agreed to guarantee to the Province, the performance and observance by the Permit Holder of each covenant, agreement, undertaking and obligation of the Permit Holder contained in the Permit;

NOW THEREFORE:

1. The Guarantor hereby irrevocably and unconditionally guarantees to the Province, as a direct obligation, the full and prompt performance and observance by the Permit Holder of each and every covenant, agreement, undertaking and obligation of the Permit Holder contained in the Permit (collectively, the "Obligations" and each an "Obligation"). The Guarantor agrees that if the Permit Holder shall in any respect fail to perform any of the Obligations, then the Guarantor, on written demand from the Province, shall make good in the place of the Permit Holder each and every Obligation of the Permit Holder in respect of which the Permit Holder failed to perform.

2. This Guarantee shall be a continuing, absolute and unconditional guarantee of performance of the Obligations as aforesaid and shall remain in full force and effect until each of the Obligations shall have been fully discharged in accordance with the terms of the Permit.

3. The Obligation of the Guarantor hereunder shall remain in full force and effect irrespective of, and shall in no way be affected or impaired by, regardless of whether notice to or consent of the Guarantor is given or obtained (and no notice to or consent of the Guarantor shall be required in respect of):

   (a) any compromise, waiver, renewal, extension, indulgence, amendment, addition, deletion, change in, modification of, or releases of the Permit or any security (including any other guarantee, performance bond, letter of credit or other bond) for or in respect of any of the Obligations; or

(b) any amalgamation, merger or consolidation of Permit Holder or the Guarantor or any sale, lease or transfer of any of the assets of Permit Holder or the Guarantor, or

(c) any change in the ownership of the Guarantor or the Permit Holder.

4. The obligations of the Guarantor hereunder shall not be impaired, diminished, abated or otherwise affected by the commencement by or against the Permit Holder, or the Guarantor of any proceedings under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extension or other similar laws.

5. The Province may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Permit Holder and/or the Guarantor or others, as the Province may see fit and the Province may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with security and guarantees in such manner as the Province may see fit.

6. No failure to exercise nor any delay in exercising on the part of the Province any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any other rights and remedies provided under this Guarantee or otherwise by law.

7. Any subrogation rights of the Guarantor arising by reason of any payments made under this Guarantee shall be subordinate to the performance in accordance with the terms of the Permit by the Permit Holder of its obligations under the Permit. Subject to the foregoing sentence, the Guarantor shall retain all rights it may have by subrogation or otherwise to pursue by separate legal proceedings or otherwise any right it may have under or in connection with this Guarantee.

8. This Guarantee shall be governed in all respects in accordance with the laws of the Province of Nova Scotia and the laws of Canada as applicable therein.

[remainder of page intentionally blank - signature page follows]

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be executed by a duly authorized officer, as of the day and year first above written.

[insert permittee's name]

Per: x______________

Name:

Title:

I have authority to bind the corporation