



THE PREMIER
HALIFAX, NOVA SCOTIA
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FEB 01 2013

January 30, 2013

Ms. Valerie Payn, President & CEO
Halifax Chamber of Commerce
656 Windmill Road, Suite 200
Dartmouth, NS B3B 1B8

Dear Ms. Payn,

I am taking this opportunity to write to you to share details about what the province is doing to ensure clean, lowest and fairest electricity rates for Nova Scotians now and in the future. I want you, your colleagues, family, and community to know how the province is ending the days of double-digit rate increases.

When it comes to the price of electricity, Nova Scotians have been at the mercy of international fossil fuel prices. Rates increased 47.2 per cent in April 1977. The government of the day responded by building coal-fired plants. Then, over the last seven years we've seen a dramatic increase in coal prices, rising by as much as 75 per cent, and we have seen the impact of this on our electricity prices. In fact, the price of coal has been the largest driver behind rising electricity prices. Electricity is a necessity of life, and Nova Scotians need stable prices.

The province's energy plan has five key points:

- Local
- Reliable
- Green
- Tax-Free
- Efficient

Instead of putting all of our eggs in one basket, Nova Scotia's plan is creating a diversified mix of power sources. Natural gas and wind power have increased dramatically since 2009. Renewable biomass power is expanding, and community-based projects are in the works. The province is already exploring more options to increase natural gas in the province. Projects like the development of tidal energy and wider use of solar power are currently being explored. Thousands more households and businesses are saving money the best way – using less.

One of the most important projects in the history of the province that will not only help us diversify our energy mix, but connect Nova Scotia to the North American electricity grid, is the Maritime Link project. This project is a game changer for the province and the entire country.

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The Province commissioned a study by independent energy expert John Dalton to make sure the Maritime Link is the right project for the people of the province.

Mr. Dalton simulated the hourly operation of Nova Scotia's electricity system, from 2017 to 2052, under the three primary energy supply options: adding hydroelectricity from the Maritime Link, importing hydroelectricity from Hydro Quebec, or a natural gas/wind mix. He concluded that the Maritime Link project is the lowest-cost option for Nova Scotians.

The report says importing hydroelectricity from Quebec could be as much as \$400 million more expensive than the Maritime Link option, while adding a natural gas/wind combination could be as much as \$1.5 billion more.

The options were assessed based on the lowest long-term cost to meet federal coal and greenhouse gas emission reduction requirements, as well as the best fit for achieving Nova Scotia's overall energy.

The Utility and Review Board will be responsible for examining all options to make sure the Maritime Link is the lowest-cost option and in the best interest of Nova Scotia ratepayers.

I believe that our energy plan will secure Nova Scotia's energy future, protecting the environment, creating hundreds of jobs and ensuring the lowest, most stable electricity rates for families. Our plan is simple: deliver clean, lowest and fairest rates to Nova Scotians.

I've enclosed some additional information on the energy plan and the Maritime Link hydroelectricity project for your review. More information, including a copy of John Dalton's report, can be found at novascotia.ca.

I hope you find this information useful. But it all does add up to five words: local, reliable, green, tax-free and efficient. Should you have any questions or concerns, please don't hesitate to email me at premier@gov.ns.ca.

Sincerely,

Darrell E. Dexter, Q.C., M.L.A.
Premier of Nova Scotia

Enclosures