

What does the Nova Scotia-Newfoundland Power Deal Mean to Me?

The energy deal announced recently to link Nova Scotia to hydro power in Newfoundland & Labrador is a real game changer for us. It is the very definition of a “Big Idea”.

This deal will set Nova Scotia well on the road to energy security and start to move us away from the volatile, beyond-our-control fossil fuel markets. The deal’s key players are Emera, the parent company of Nova Scotia Power, and Nalcor Energy, the energy crown corporation for Newfoundland. It is a \$6.2 Billion deal – the biggest energy project in North America. And it will mean jobs; but the big win is access to clean energy for Nova Scotians.

Sound good? So what does this mean to the average Nova Scotian? After all, the devil’s in the details! As its contribution to the deal, Nova Scotia Power has signed an agreement to build the Maritime Link – the undersea transmission connection between Newfoundland and Labrador to Nova Scotia. This investment will be \$1.2 Billion. For this investment, we will receive renewable energy equal to 8 - 10% of our total energy needs. It will also “open the door” for Nova Scotia to be part of a much bigger project in the future. A future that could give us access the huge and ever- hungry US market.

For now, though, the only part of the deal that impacts NS ratepayers is the undersea Maritime Link. That said, any investment of Nova Scotia Power – whether it is this project, a wind farm, or biomass – requires the approval of the Provincial Utility and Review Board. The Utility and Review Board has a rigorous process that carefully reviews any request for rate increases. Their job is to ensure that investment costs, like the undersea Maritime Link, are not unfairly shifted from the shareholders of NS Power (those that provide the capital for the investment) -- to the ratepayer (you and me).

Does this mean that we will pay more for electricity? Maybe. Energy from renewable sources is more expensive. We know now that adding renewable energy to the current mix of coal and natural gas, will mean about a 1 - 2 % a year increase to the average electric bill. This is for the renewable portion we are adding, but does not include any new spending for already approved conservation initiatives. Rob Bennett, CEO of Nova Scotia Power, is saying this investment should not substantially change the commitments already on the books.

Let’s talk about the risk in this deal. To be honest, the biggest and real risk is doing nothing. Right now, we are captive in this province to our dependence on fossil fuels. Not only are fossil fuels a finite resource, we buy vast quantities of them from places like Columbia, which sends millions of our Nova Scotia dollars to another country year after year. At prices that can go up in the blink of an eye, and there is nothing we can do about it, but pay that piper.

So, the end of this story is that we have been getting electricity in Nova Scotia the old way for many years. And we have to stop that. We need lots of “new” ways: hydro, wind, tidal, biomass. We have just begun. In the long term, we will have cost competitive, sustainable and long-term access to clean energy for our children and grandchildren. Let’s go for it!

Valerie Payn
President and CEO
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