



HALIFAX CHAMBER OF COMMERCE

stronger together

Response to request for input
Canadian Chamber of Commerce
report: Powering Up Canadian
Prosperity
January 2010





WE ARE

A not-for-profit business organization that takes a business - like approach to its operations.

Objective and non-partisan; we do not lobby for specific interests.

Funded exclusively through membership fees and fees for services we provide.

Experts in running conferences, publishing and disseminating information, helping people network, developing leadership skills, and building community capacity.

Specialists in the development and advocacy of public policy.

Not a government department or agency.

Independent from, but affiliated with the Nova Scotia, Atlantic Provinces and Canadian Chamber of Commerce.

A diverse organization made up of businesses that mirror the Halifax, Nova Scotia and Canadian economics.

Introduction

The purpose of this document is to provide a response to the Canadian Chamber of Commerce's request for input for the report titled "Powering Up Canadian Prosperity".¹

Background – the Nova Scotia Energy Picture

In order to clearly understand the Halifax Chamber of Commerce's position on energy issues, it is necessary to provide a snap shot of the current energy landscape in Nova Scotia.

- Nova Scotia's current energy strategy, released in 2009, is titled "Towards a Greener Future."²
- Nova Scotia is essentially an energy island: our electricity grid has a slim 350-megawatt connection with New Brunswick
- Almost 80 per cent of our electricity is produced with imported coal and coke. The rest is essentially a mix of small hydro and wind.
- The province has limited access to hydro power Natural gas production from Sable Offshore Energy Project has peaked. Deep Panuke is the only other Nova Scotia offshore project moving into production.
- The province has committed to source 25 per cent of electricity (pr 1500 GWh) from renewable energy sources by 2015 and 40 per cent by 2020.
- A report titled "A New Renewable Energy Strategy for Nova Scotia" which was released on January 14th 2010, recommended a mix of wind, biomass and displacement in order to achieve the 2015 goal.³
- The Jan.14th 2010 report recommended far reaching changes, not only for Nova Scotia's energy scenarios, but also our electricity system operator, who is now Nova Scotia Power Inc. Nova Scotia Power Inc. is a private company, owned by Emera and essentially has a monopoly on power production and distribution in the province. The company currently owns and operates the electricity grid. The Jan.14th report recommended moving towards an Independent System Operator.

¹ http://www.chamber.ca/images/uploads/Reports/Energy_Paper-low.pdf

² <http://www.gov.ns.ca/energy/resources/spps/energy-strategy/Energy-Strategy-2009.pdf>

³ <http://www.gov.ns.ca/energy/renewableplan/default.asp>

- Recommendations in the Jan.14th report will be considered for implementation by the Nova Scotia government during the spring sitting of the legislature.
- The current regulatory landscape restricts competition. Only the six municipal utilities in the province can currently sell electricity directly to consumers.
- Current topics of discussion in the energy industry in Nova Scotia is the pending sale of New Brunswick Power to Hydro Quebec and a possible undersea cable between Nova Scotia and Newfoundland to access future hydro power from Lower Churchill Falls.

Halifax Chamber of Commerce Position on Energy Issues

1. Energy Security

The Chamber uses the term “energy security” broadly, to refer to an energy supply that is available, reliable, affordable and clean; in other words, sustainable. Issues of renewable electricity sources, space heating and transportation energy uses should be included as part of efforts to increase energy security. The Chamber will continue to work with the Nova Scotia Department of Energy to ensure that a clear and effective energy security policy for Nova Scotia is developed as a part of the framework of the Renewed Energy Strategy.

The Chamber recommends to the Province:

- Developing a clear and effective energy security policy as part of the framework of the Renewed Energy Strategy.

2. Renewable Energy Strategy For Nova Scotia

The Chamber participated in the stakeholder consultations process for a New Renewable Energy Strategy for Nova Scotia conducted by Dalhousie University. Dr. David Wheeler’s report presents a three phased approach to achieve the short term target while laying the ground for more ambitious targets to 2020 and post-2020.

The Chamber recommends:

- Supporting a renewable energy development strategy that builds on current resources and technology strengths (wind, forest biomass) in Nova

Scotia, while enhancing emerging technologies (tidal, solar), energy conservation and efficiency.

3. Energy Policies

The Chamber supports best practices in energy policy, specifically the measured deployment of Feed-in Tariff (FIT). FITs provide a clear business case for the industry and ensures that project developers have fair returns. . A FIT is a policy mechanism designed to encourage the adoption of renewable energy sources. It typically includes three key provisions: guaranteed grid access; long-term contracts for the electricity produced; and purchase prices that are based on the cost of renewable energy generation. Under a FIT, an obligation is imposed on electricity utilities to buy renewable electricity from all eligible participants. FITs are credited for the rapid development of wind and solar in many European countries such as Denmark and Germany. Ontario’s Green Energy Act with its use of FITs is ramping up the development of renewables for that province. FIT s should be implemented in a way that maintains the balance of interests between rate payers and developers, and facilitates the development of the renewable energy sector in Nova Scotia.

The Chamber recommends:

- Deploying a FIT designed to encourage the adoption of renewable energy sources

4. Energy for the Built Environment

A broad deployment of distributed building-integrated renewable energy technologies, along with consistent energy efficiency and conservation measures, would make a considerable contribution to meeting renewable targets and greenhouse gas reduction goals in Nova Scotia.

The Chamber recommends:

- Continued upgrading of the existing policy framework in the province, including commercial building codes and community planning requirements
- Introducing aggressive policies targeting “net-zero energy building” objectives for new and existing buildings and residential dwellings. A net-zero energy building is a general term applied to a building's use with zero net energy consumption and zero carbon emissions annually. Zero energy buildings completely or very significantly reduce energy use and greenhouse gas emissions for the life of the building.

- Facilitating on-site renewable energy generation
- Promoting and supporting district heating and cooling

5. Energy Infrastructure

Nova Scotia is rich with wind, biomass, ocean and solar energy resources. The province should facilitate the growth of the energy industry so Nova Scotians can benefit from these abundant clean energy resources, as well as from the proximity of high value markets through the development of business opportunities. Electricity generated from these resources may become a major export product and a future economic pillar.

Currently, Nova Scotia is essentially an energy island. A major investment in power transmission infrastructure, along with implementation of a regional energy approach is needed to ensure this “green power” can be delivered to market. This infrastructure will also address the intermittent nature of renewable energy sources.

Developing critical power infrastructure will contribute to meeting renewable energy generation goals and reducing greenhouse gas emissions. Therefore, “electricity markets integration” should be a key category in the Renewed Energy Strategy.

The Chamber recommends:

- Implementation of a regional energy approach
- Facilitate the growth of the energy industry so Nova Scotians can benefit from the growth of the energy industry and green collar jobs
- Including “electricity markets integration” as a key piece in the Renewed Energy Strategy

Conclusion

Energy is an integral part of three of the Chamber’s priorities: economic development/ economic growth, competitive positioning and sustainability. Energy also has direct implications on the Chamber’s fourth priority, which is “people”.

The Chamber's strong position on key issues such as sustainable energy development and energy security make the Chamber a leader on the energy front in Halifax and in Nova Scotia.

The Chamber's positions on energy which are contained in this document stem from past policy work and the input of experts and entrepreneurs involved in the energy industry

The Chamber's Energy Advisory Group members include:

Chair, Alex Pavlovski, Green Power Labs

John Crace, WHW Architects

Jim Simmons, Stantec

Steve Foran, Give Raising Development Services

Jeff Larsen, MaManna Renewable Energy, formerly Second Source Power

Wendy Harrington, Prudential

Donald Dodge, Dept. of Environment

Larry Hughes, Dalhousie University (on temporary leave)

Marlene Moore, Green Power Labs Inc.

Joanne Gidney, Nova Scotia Department of Economic and Rural Development

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Dan Roscoe, Scotian Windfields Inc.

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