



HALIFAX CHAMBER  
OF COMMERCE

*stronger together*

## Review of the Renewed Nova Scotia Energy Strategy

Energy Advisory Group

June 2009





# 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.

The Halifax Chamber of Commerce congratulates the Nova Scotia government on the release of its Renewed Energy Strategy in January 2009. The Chamber supports the Department of Energy's commitment to adapting energy supply and demand in the province to the new energy realities.

The purpose of this document is to compare the content in the Province's Renewed Energy Strategy 2009 (the Strategy), with the Chamber's previous recommendations to the Department of Energy. The Chamber's submissions in relation to the Strategy can be viewed online and include:

- Renewed Energy Strategy Consultation Paper , January 2008  
<http://www.halifaxchamber.com/images/Documents/renewed-energy-strategy-submission.pdf>
- Nova Scotia Energy Strategy Renewal Submission, May 2007  
<http://www.halifaxchamber.com/chamberdocs/EnergyStrategyRenewal.pdf>

The Chamber envisions energy as a major pillar of sustainable prosperity and a prospective niche industry for Nova Scotia. With this vision, the Chamber recommended the following four key objectives to be strongly reflected in the Strategy:

- Energy security;
- The economic benefits of energy developments;
- A sustainable balance of energy supply and demand; and
- The use of national and global best practices in energy planning and policy making.

The comments below reflect our understanding of how the Chamber's recommendations have been incorporated by the Province into the final document.

### **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. The Chamber encouraged the Province to use "energy security" as a major framework upon which to build a renewed provincial energy strategy. Although energy security is considered as a concept in the Strategy

and supported by a background document, it has not become a pillar of the Strategy. This could create a gap between energy demand and strategic energy developments in Nova Scotia.

As an example, the Chamber recommended that a regional approach to energy development in Atlantic Canada be implemented and an “inter – provincial collaboration framework” be put in place. The Strategy implies that connecting to Lower Churchill Hydroelectric Generation realizes this recommendation. However, no “Plan B” has been suggested to prepare for the possibility that connection to Lower Churchill Falls might not take place. Threats to Nova Scotia connecting or gaining access to Lower Churchill include: access to commodities, competing interests of other provinces, environmental assessments which have not yet been completed, access to capital, and the fact that the transmission line might not land in Nova Scotia.

The Chamber recommends that the Province:

- Create a “Plan B” to prepare for the fact that connection to Lower Churchill Falls might not take place.
- Address the issues of space heating and transportation energy uses as part of efforts to increase energy security.
- Utilize the “Four Rs” of energy security (Review, Reduce, Replace and Restrict) as a best practice of energy management for every major energy end use and recommends the “Four Rs” be used as a template for addressing energy needs in the Province.

### **Economic Benefits of Energy Developments**

The Province should be facilitating the growth of the energy industry, so Nova Scotians can benefit from abundant clean energy resources, as well as from the proximity of high value markets through the development of energy related business opportunities.

Clean electricity from renewable energy sources is a prospective export product. To this end, infrastructure should be developed, not only for purchasing clean power from outside Nova Scotia, but also for selling clean power to neighbouring markets. This would allow for efficient use of both local and regional energy sources and address reliability issues in the power grid. It is important however, that a fair share of this clean power be supplied to Nova Scotia’s businesses and residents for their own use, in order to provide them with affordable and secure energy solutions.

The Chamber acknowledges that the Green Grid Initiative outlined in the Strategy, reflects the Chamber’s previous ask for energy infrastructure development and regional cooperation. The Chamber encourages the Province to take this further by:

- Accelerating the Green Grid initiative and identifying aggressive milestones for the next five years.
- Supporting renewable energy equipment manufacturers and service providers.
- Developing an advanced regulatory framework to provide tax credits/incentives and rebates for business and home owners to purchasing clean energy systems. This would strengthen Nova Scotia's energy industry and consistently create new work in the province.
- Support local energy entrepreneurs. It is critically important that local entrepreneurs are knowledgeable and involved in these exciting opportunities.

### **Sustainable Balance of Energy Supply and Demand**

A sustainable balance of energy supply and demand was previously recommended by the Chamber as a cornerstone of the Strategy, but was not incorporated into the document. The Chamber encourages the Province to:

- Identify the major energy end uses in Nova Scotia and best matches between energy end uses and prospective energy sources.
- Incorporate a system of wedges and associated milestones in order to maintain a sustainable energy supply (for example, the best mix of use of indigenous and imported resources from both fossil fuels and renewables) for residential and commercial heating applications. To learn more about the concept of energy wedges, please visit: <http://www.halifaxchamber.com/images/policy/wedges.pdf>.

### **Best Practices in Energy Planning and Policy Making**

Community Energy was not incorporated into the Strategy as recommended by the Chamber. The Community Energy concept realizes an integrated approach to supplying a local community of any size with its energy requirements, from the optimal mix of high-efficiency co-generation and/or renewable energy sources, backed up by the power grid and natural gas utilities. This allows for cutting transmission losses and charges, as well as increasing the robustness of the electricity system. We encourage the Province to consistently incorporate community energy concepts into future plans.

Feed laws were also recommended by the Chamber but have not been incorporated into the Strategy. Feed law is an incentive structure to encourage the adoption of sustainable/renewable energy through government policy and legislation. Electricity Feed Laws are the world's most successful policy mechanism for stimulating the development of renewable energy. Ontario had the first feed law legislation in Canada introduced in 2007; in the summer of 2009, the Ontario Green Energy Act will considerably advance it. We encourage

the Province to follow the best North American and national practices and start preparation for the deployment of feed laws in Nova Scotia.

As stated in the 2020 Greenhouse Gas Target backgrounder, the Province will take steps toward making improvements to existing homes and buildings through new building standards (anticipated to be law in Nova Scotia in the fall of 2009) and natural gas conversions. However, most deficiencies in terms of building efficiencies are in existing commercial buildings and low income residential housing units. The Province's documents do not go far enough in regards to energy efficiency of existing buildings. Re-commissioning building energy systems can be very cost effective and there are many other relatively simple strategies involving: more effective artificial lighting (LED and compact fluorescents), day lighting strategies, building envelope upgrades and low flow fixtures to name a few.

The Canada Green Building Council (CaGBC) has established best practices in energy performance ratings for existing buildings. By 2015, CaGBC is hoping to document a 50% reduction in energy and water consumption in 1,000,000 homes and 100,000 commercial buildings across Canada. The Chamber encourages the Province to examine best practices, in order to create policies and procedures to establish benchmarks, and monitor the energy performance rating of existing buildings. In summary, the Chamber recommends that the Province:

- Incorporate community energy concepts into future plans.
- Follow best practices and start preparation for the deployment of feed laws in Nova Scotia.
- Examine best practices, in order to create policies and procedures to establish benchmarks, and monitor the energy performance rating of existing buildings.

## **Conclusion**

The Chamber supports the Province in its commitment to develop an advanced energy vision, strategy and action plans for Nova Scotia. We believe the Strategy is an important milestone in developing the energy industry in Nova Scotia and ensuring future prosperity. The Strategy is also a great next step towards energy sustainability and security and serves as an open framework, allowing stakeholders like the Chamber to promote and realize sustainable energy objectives. We look forward to working with the Province on the next steps of sustainable energy development, ensuring winning conditions for Nova Scotia in the globally competitive business climate.

## **Summary of Recommendations – Review of the Renewed Energy Strategy 2009**

### **Energy Security**

- Create a “Plan B” to prepare for the fact that connection to Lower Churchill Falls might not take place.
- Address the issues of space heating and transportation energy uses as part of efforts to increase energy security.
- Utilize the “Four Rs” of energy security (Review, Reduce, Replace and Restrict) as a best practice of energy management for every major energy end use and recommends the “Four Rs” be used as a template for addressing energy needs in the province.

### **Economic Benefits of Energy Developments**

- Accelerating the Green Grid initiative and identifying aggressive milestones for the next five years.
- Supporting renewable energy equipment manufacturers and service providers.
- Developing an advanced regulatory framework to provide tax credits/incentives and rebates for business and home owners to purchasing clean energy systems. This would strengthen Nova Scotia’s energy industry and consistently create new work in the province.
- Support local energy entrepreneurs. It is critically important that local entrepreneurs are knowledgeable and involved in these exciting opportunities.

### **Sustainable Balance of Energy Supply and Demand**

- Identify the major energy end uses in Nova Scotia and best matches between energy end uses and prospective energy sources.
- Incorporate a system of wedges and associated milestones in order to maintain a sustainable energy supply (for example, the best mix of use of indigenous and imported resources from both fossil fuels and renewables) for residential and commercial heating applications.

### **Best Practices in Energy Planning and Policy Making**

- Incorporate community energy concepts into future plans.
- Follow best practices and start preparation for the deployment of feed laws in Nova Scotia.
- Examine best practices, in order to create policies and procedures to establish benchmarks, and monitor the energy performance rating of existing buildings.

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