

**Submission in Response to
Consultation Paper: Renewed Energy Strategy 2007
By Bob Williams
Nova Scotia Cooperative Council**

Background:

For the past two years the Nova Scotia Co-operative Council has been strongly advocating for renewable energy development that provides both environmental benefits to our province as well as substantial economic benefits to a broad spectrum of local communities and residents. We appreciate the opportunity to comment on the latest effort to respond to the needs of a renewed energy strategy.

The Relevance of the Environmental Goals and Sustainable Prosperity Act

It is both fortuitous and fortunate that the Nova Scotia government recently passed Bill 146, the Environmental Goals and Sustainable Prosperity Act. It is more than co-incidental that the expressed objective of this bill is closely aligned with the intent of the Co-op Council renewable energy initiative. The achievement of simultaneous environmental and economic goals is the wave of the future and Nova Scotia is commended in taking action in the regard. However it should not be underestimated the impact of legislation to identify and adopt measures that combine these two goals in a synergistic manner. If we are to be successful in meeting the goals of Bill 146 it will require a paradigm shift in the way we accomplish a variety of things, energy strategy being one of the most important.

Our experience shows that the biggest challenge in combining renewable energy development with sustainable prosperity has been the unwillingness by the Department of Energy to acknowledge that there are valid policy options to the current RPS and competitive bidding process. These options are specifically designed to bring a much higher level of economic benefits to local communities and residents while stimulating development of a distributed network of RE producers. With Bill 146 laying the core principles it was reasonable to expect that this document on future energy strategy would introduce various options that would be more complimentary to the objectives of this bill.

To its credit this latest Energy Strategy document recognizes the EG & SP Act on page 4 and notes on page 6 that as an objective of this process, ‘we are trying to build a renewed energy strategy that encompasses climate change and sustainable prosperity’. So the intentions are honourable. However the actual content falls disappointingly short of achieving these goals.

Anyone who has a reasonable amount of experience or knowledge of renewable energy development knows that there are two general approaches. One being the RPS and tendering model and the other is one of fixed price incentives, commonly known as feed in tariffs (FIT). It is also well recognized that if one is serious about local economic benefits being derived from renewable energy, indeed facilitating or stimulating ‘sustainable prosperity’, then the model known as ‘Community Power’ or CBED, Community Based Energy Development, is one that must be considered. It is not co-incidental that FIT as an incentive based policy go hand-in-hand with CBED. The word incentive is paramount here because it makes clear the fact that the primary objective of these mechanisms is not simply least direct cost, but is to achieve specific policy goals that are in addition to and complimentary to the generation of clean energy. Such goals commonly include promotion of technologies, siting of renewable energy projects and encouragement of new ownership models. In fact FITs were first designed and adopted in Europe to promote a specific ownership model, that of community ownership through co-operatives.

What is ‘Community Power’?

Because there is so much misconception surrounding ‘Community Power’ it is appropriate that it be accurately defined:

- It is: commercial scale projects that produce significant quantities of electricity that is fed into the grid and sold to the local utility.
- It is not: miniscule installations that are ‘making and using power in the same place’. This is more in line with net metering, an entirely different mechanism that has little to do with true CP.

- It is: sustainable energy projects that are viable investment vehicles that are developed, owned and controlled in full or part by residents of the community or region where the project is located
- It is not: A short sighted, fringe, extreme left-wing, counter culture or socialistic approach, featuring pinwheel size wind turbines mounted on top of barns, trees and other assorted elevated structures.

- It is: a model designed and implemented to accomplish the complimentary goals of environmental and regional economic sustainability resulting in regional control and retention of substantial revenues from sales of power.
- It is not: a model that supports the development of mega-projects requiring outside financing, ownership, control and the resulting exporting of the vast majority of revenues to outside jurisdictions.
- It is: Based on installed mega-watts the most successful worldwide wind power development model and used by many of the worlds most successful industrial powerhouses, such as Germany.
- It is continuing to gain support throughout Canada, North America and the rest of the globe.
- It is the main theme of The Annual World Wind Association Conference in 2008.

Specific Suggestions for Modification to the Consultation Paper:

Renewable Resources Section

This latest energy strategy document is defined as a consultation paper. As such it is intended as a stimulus for open dialogue and to do so should include all valid options for renewable energy development. It is a glaring omission that there is no mention of any policy options other than “continue the competitive bidding process”.

- Within the section ‘Planning for renewable energy’ under the Objectives title there should be some reference to support for sustainable prosperity, and retention of financing and electricity sales revenue within Nova Scotia. There is no need to continue to export the bulk of the value derived from the energy captured from our natural resources. We are truly talking about billions of dollars over 20 years.
- The Critical Challenge topic is severely understated when it only addresses ‘operating economically’ from a direct cost approach? What happened to the principles of Bill 146? Isn’t that our new critical challenge? This is an exemplary time and place to recognize that our critical energy strategy challenge is much more than simple ‘economical operation’.

- Within the ‘Factors to consider’: there is no mention of anything associated with positive aspects of community based development. In fact the only reference to Community Power is completely misleading. Certainly Community Power needs to be addressed as a factor to consider as well as an option to accomplish the issues raised in the modified Objectives and Critical Challenge sections.
- Within the ‘Options for renewable energy’ section there is an entry; “Continue the competitive bidding process for renewable energy supplies to ensure lowest cost for consumer”. The heading uses the term ‘options’ and options means choices yet there is only this single “option” provided. There are other valid options and they should be included. One example is “Consider the inclusion of fixed price incentives as a mechanism to achieve specific policy goals such as promotion of technologies, siting of projects and encouragement of new ownership models”. Another valid example would be “Consider the adoption of community based ownership models to facilitate the retention of electricity sales revenue within Nova Scotia thus supporting sustainable prosperity”.

In summary it must be recognized that over the past few years times and circumstances have changed and our renewable energy strategy must change accordingly. The renewable energy section of this document is presented from a ‘business as usual approach’ with little serious consideration for any real new aspect to our ‘Renewed Energy Strategy’. Becoming entrenched in what was adopted 20 years ago is no longer relevant or acceptable.

Our renewed strategy should be embracing the full spectrum of proven RE development models with objectives that are highly aligned with the newly minted Bill 146. This latest energy strategy document should reflect that and in so doing send a strong signal to government, communities and residents alike that we are leaders, not followers bogged down in the short sighted policies of yesterday.

Energy Conservation and Efficiency

It is rightfully being recognized that energy conservation is the easiest and most effective way to reduce energy usage and GHG for the least cost. Therefore options to accomplish such measures should be effective and produce substantial results. Because we are such a wasteful society the options are endless but there should be many more listed than the generalized trio that are currently included. In the following examples it is recognized that there is

considerable ‘cross-over’ between this section and the section on ‘Government Intervention’.

- Encourage reduction of energy use through the use of cost incentives for reduced usage and cost disincentives for increased use. This concept can be used for a variety of situations such as heating, lighting, electricity usage, travel, etc.
- Encourage reduction of non-essential products through legislated disincentives. Example: a plastic bag surcharge at retail check out stations. The collected funds to be used for ‘green’ initiatives.
- Legislate the reduction of non-essential or environmentally damaging packaging from product manufacturers or create pricing disincentives to encourage responsible packaging.

Electricity

Within the Electricity section it is stated that the ‘renewed Energy Strategy needs to be consistent with the objectives of reducing GHG emissions from fossil fuels’. Therefore one of the most effective options, utilization of a carbon tax or ‘cap and trade’ system should be included as one of the ‘Options for Electricity’.

Energy Opportunities

One of the ‘Options’ for Energy Opportunities is to ‘Encourage renewable energy technologies and community development by funding studies.....to take full advantage of the opportunities’.

It is suggested that there be a separate option relating specifically to the opportunities provided by community based energy through fixed price incentives, such as feed-in-tariffs, and community based development, ownership and control of renewable energy facilities.