

October 4, 2019

The Honourable Stephen McNeil  
Premier of Nova Scotia

Premier McNeil:

I am writing on behalf of the Canadian Solar Industries Association (CanSIA) regarding the Enhanced Net Metering Program as administered by Nova Scotia Power Inc. (NSPI).

CanSIA is a national trade association that has advocated on behalf of the solar energy industry in Canada since 1992. We proudly represent manufacturers, installers, developers, builders, owners, engineers, consultants, and other companies and stakeholders who want to see solar energy grow in Canada. On behalf of the membership, CanSIA promotes the unique economic, environmental and technological benefits of solar energy in Canada. CanSIA's role as an industry association is to represent members on current issues while positioning the industry for sustainable growth for years to come.

CanSIA has become aware that NSPI may recommend changes to the current Enhanced Net Metering Program. Any proposed changes could negatively impact home owners who are looking for innovative ways to lower their electricity bills as well as the more than 50 solar companies who are creating jobs across the province. CanSIA acknowledges that any review or proposed changes to the current Net Metering Program would require formal approval from either the Province and/or the Utility and Review Board (UARB).

Some utilities have abruptly suspended their net metering program just prior to announcing a review. This can have serious impacts on the local solar industry. On September 18, 2019, Saskatchewan's public utility, SaskPower, suspended its net metering program due to closely hitting its 16 MW cap. There was no consultation with the solar industry in reaching this decision. This has put the livelihoods of 57 Saskatchewan solar companies in jeopardy in addition to the numerous customers who already purchased a solar PV system or built a solar-ready home that they can no longer connect to the grid.

While solar deployment in Nova Scotia has substantially grown due to the popularity of the SolarHomes Program, the amount of solar being generated currently represents less than 1 percent of the province's electricity generation. As a result, CanSIA would argue there is no rationale to make changes to the existing program.

### **Benefits of Net Metering**

Net metering provides many economic and environmental benefits that can positively impact not only solar customers, but utilities, all orders of government, and the province as a whole. These benefits include the following:

## Job Creation

- In April 2019, CanSIA released a Nova Scotia Residential Solar Market Outlook and Labour Force Study which projected up to 178 MW of solar by 2030; corresponding to approximately 22,000 residential solar installations and over 1100 jobs.
- There are over 50 solar companies registered under Efficiency Nova Scotia's Trade Network who are creating jobs across the province – from Yarmouth to Cape Breton.
- Since the launch of SolarHomes, a number of large national solar distributors have set up warehouses within HRM. This would include HES PV, Guillevin Greentech and Polaron Solartech Corp.
- Certain regions of the province have extremely high unemployment rates such as Cape Breton at 16.7 percent.<sup>1</sup> Appleseed Energy, a long-serving solar company based in Cape Breton and a CanSIA member, has recently hired a number of new employees to keep up with the increased demand for solar PV installs. Creating a number of good paying jobs in areas of high unemployment can be a significant economic boost to the region.

## Lower Electricity Bills for Consumers

- At over 15 cents per kWh, Nova Scotia's residential electricity rates are one of the highest in the country. It is projected that rates will continue to climb at 2.7 percent annually between 2020 and 2040.<sup>2</sup> Increasing electricity rates will further justify the costs of installing a solar PV system as the potential for savings increases. Currently residential solar PV customers are saving on average 50 percent on their electricity costs.

## Environmental Benefits:

- Solar PV does not produce any emissions in the production of electricity enabling Nova Scotia to achieve critical GHG reduction and renewable energy targets.
- Solar PV results in reduced pollution leading to improved air quality and a healthier environment.
- Homeowners utilizing solar PV mitigate approximately four tonnes of carbon emissions annually thus significantly reducing their carbon footprint.

## Direct Benefits to NSPI:

- Net metered solar, properly managed, can enhance the stability of Nova Scotia's energy infrastructure while potentially enabling NSPI to defer future grid infrastructure upgrades.

---

<sup>1</sup> Nova Scotia Finance and Treasury Board. *Labour Market Trends*. March 2019.

<sup>2</sup> Nova Scotia Power. *2014 Integrated Resource Plan Final Report*. 2014.

## Recommendations:

Given that the Enhanced Net Metering Program falls under the Province's *Electricity Act*, CanSIA recommends that the Province and UARB consider the following recommendations in advance of any proposed review or changes to the current program:

1. **Fair Customer Solar Compensation:** Customer compensation should be maintained at the retail rate – at least for all solar generation that covers up to 100% of the customer's electricity usage. Anything generated beyond this amount could be set at an alternate rate. Consideration should be given to increasing fixed costs rather than altering the retail rate structure.
2. **Formal Program Review:** No changes to the current Enhanced Net Metering Program, including any proposed tariffs or alternate rate structure, should take place until a formal program review is undertaken. The review should include a full analysis of both the benefits and costs of net metered solar PV. Moreover, the review should separate out the residential sector from commercial, industrial and institutional sectors, and include all relevant stakeholders - NSPI, the solar industry, CanSIA, Solar Nova Scotia, the Province, NS UARB, Efficiency Nova Scotia, and customers.
3. **Grandfathering Existing Customers:** Under current legislation, the net metering contract is in place for 25 years and protects customers from any new program changes for the duration of the original contract. This should remain in place.
4. **Transition Period:** Any possible program changes should be implemented gradually over time with an adequate notification period for solar installers and customers.
5. **Establishing Targets:** To continue achieving the benefits associated with net metering, it is essential that the Province set 2030 targets for GHG emission reductions and renewable energy with a specific set-aside or carve-out for solar PV (*CanSIA has recommended specific targets in its submission to developing a new Sustainable Prosperity Act*).

CanSIA looks forward to your response on this very important issue and welcomes the opportunity to work with the Province, NSPI, the UARB and other key stakeholders to ensure continued success of the Enhanced Net Metering Program.

Sincerely,



**Wesley Johnston, President and CEO**  
**Canadian Solar Industries Association**

cc: The Honourable Derek Mombourquette, Minister of Energy and Mines  
Simon d'Entremont, Deputy Minister of Energy and Mines