Nova Scotia POWER
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August 15, 2025

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: M12339 – Renewall Energy Inc. (REI) Request for Tariffs for the Renewable to Retail Market – Reply

Dear Ms. Henwood:

Please accept the following as Nova Scotia Power Incorporated's (NS Power, Company), response to REI's submissions filed on August 8, 2025. NS Power relies upon the submissions already made, and filed with the Nova Scotia Energy Board (NSEB, Board) on July 23, 2025.

NS Power maintains that the current legislative and regulatory framework governing the Renewable to Retail (RtR) market does not contemplate or authorize the use of NS Power's distribution system by a Licensed Retail Supplier (LRS) for the purposes described in REI's submissions.

Legislative Context

Section 3G(1) of the *Electricity Act* requires NS Power to develop and file with the Board tariffs and procedures "necessary to facilitate the purchase of renewable low-impact electricity as provided for in Section 3C." NS Power interprets this provision as pertaining to the overall functioning of the RtR market within the scope of the legislation as it currently stands. Importantly, neither Section 3C nor 3G expressly contemplates net billing arrangements or the aggregation of surplus generation from retail customers by an LRS using NS Power's distribution infrastructure.

Existing legislation, including Sections 3AA and 3A of the *Electricity Act*, as well as Regulation 3.6, clearly delineates the scope of net metering and spill credit programs as applicable solely to NS Power customers, where NS Power acts as the offtaker. These frameworks do not extend to LRSs or their customers under the RtR market. The regulatory authority for LRS activity, while broad in some areas, does not override the statutory limitations placed on distribution system usage or create a parallel right of access to the distribution network for the purposes REI proposes.

When the RtR market was originally designed, the intent was to facilitate access to renewable low-impact electricity through wholesale market mechanisms - primarily from transmission-connected generation. The framework does not establish, nor has it been interpreted to establish, a right for LRSs to use NS Power's distribution infrastructure to procure and redistribute energy from either distribution-connected generation or customer spill. Any such use would involve fundamental changes to system operations, cost allocation, metering, settlement, and reliability protocols.

While REI asserts that the *absence* of a prohibition implies permissibility, NS Power respectfully disagrees, as such an interpretation would be contrary to basic principles of statutory interpretation. The legislature amended the *Electricity Act* to specifically permit "a public utility" to develop self-generation and excess sale programs for those customers identified by s. 3A. It also amended the *Electricity Act* at s. 3AA to specifically grant the "right" to NS Power customers to self-generate and sell excess energy to NS Power. In this instance, the only reasonable interpretation is that the legislature's intent in making these amendments was to permit something that otherwise was not permitted. Any other interpretation, such as that offered by REI, would mean the amendments were unnecessary and serve no purpose. To adopt such an interpretation of results in an absurd or unreasonable outcome, which the well-established principles of statutory interpretation dictate, is to be avoided.

The only reasonable interpretation is that it was the legislature's intent that, under the current legal and regulatory structure, explicit authority is required to create the ability or the right for self-generation and excess sale arrangements to exist. Not only is this interpretation consistent with basic statutory interpretation principles, but such an approach also aligns with established regulatory principles, aimed at safeguarding reliability, system integrity, and customer equity.

Comment on REI's Interpretation of "Retail Customer" Definition

NS Power notes REI's assertion on page 2/3 of its submission that: "...the RtR market has 'retail customers' as described in s. 3C, not 'customers', and so references to s. 3AA, s. 3A and NSPI's Net Metering program have no applicability to retail customers of the LRS and the RtR market." Respectfully, while NS Power agrees that sections 3A and 3AA have no applicability to retail customers of an LRS, NS Power's rationale for that is as provided in the foregoing and has nothing to do with the incorrect distinction that REI has attempted to draw.

While it is correct that the *Electricity Act* uses the term "retail customer" in the context of the RtR market, it also uses it in s. 3AE(d) in the context of establishing the definition of a community solar program subscriber. Furthermore, section 2(b) of the Act defines a "retail customer" as: "a person who uses, for the person's own consumption in the Province, electricity that the person did not generate".

The term "retail customer" is therefore not specific to customers participating in the RtR program or market. Any end-use customer of a public utility or an LRS is by definition a "retail customer." The distinction that REI has attempted to draw between "customer" and "retail customer" does not exist as a party can be a "retail customer" and, at the same time, a "customer" as is contemplated under sections 3A and 3AA. Retail customers are very much able to participate in the s. 3A and 3AA programs; however, it is only retail customers of "a public utility" under 3A and only those retail customers of NS Power under s. 3AA. The *Electricity Act* was amended in 2022 to provide those specific parties with those rights and obligations. In doing so, the legislature did not grant the same rights or obligations to an LRS or customers of an LRS.

Comment on REI's Interpretation of Board Approval of Net Metering via SVC Schedules C & D

NS Power does not agree with REI's assertion that the Board has approved net metering in the RtR market through the approval of the Small Volume Customer (SVC) Rate Comparison Schedules (Schedules C & D) as part of Matter M10293.

Schedules C and D simply reflect Renewall's contractual offer to its customers, including a commitment to purchase surplus energy at specified rates (i.e., up to 50 percent of the customer's average annual load at the full Retailer Charge, and the balance at 70 percent). This language sets out a retail pricing structure offered by Renewall and is not equivalent to a regulated or legislated net metering option.

The Board's approval of these Schedules does not constitute a regulatory determination or endorsement of a net metering mechanism under the *Electricity Act* or the use of NS Power's distribution system for the aggregation and redistribution of surplus generation by an LRS, or that there is any underlying infrastructure or tariff to enable such arrangements. Rather, the Board's approval recognized that the documents met the requirements for customer disclosure and comparison, as part of the approval of REI's Small Volume Customer offering.

Comment on REI's Assertion Regarding "Spill" Energy and Compensation Obligations

NS Power disagrees with REI's claim that, absent a new tariff, NS Power would be the "gratuitous beneficiary" of excess electricity ("spill") from retail customer generators in the RtR market, with no obligation to compensate those customers. That assertion does not hold when considered in the proper legislative context. As explained above, the concern raised by REI is not one that can arise in the context of the current legislation as a self-generation and spill program/relationship is not available to customers of an LRS.

To the extent that a customer self-generates and exports electricity onto the NS Power grid, existing provisions under Sections 3A and 3AA of the *Electricity Act*, would govern such activity and the relevant participants are required to be customers of a public utility, in the context of s. 3A, or of NS Power, in the context of s. 3AA. These sections establish compensation mechanisms and eligibility criteria for participating customers.

Tariff Implications

The proposals advanced by REI, if implemented, would necessitate the creation of new distribution-level access and compensation mechanisms that go beyond the existing Distribution Tariff and the intended scope of the RtR market. These changes would involve complex cost allocation issues, system operations considerations, and could have unintended consequences for non-participating customers. It remains NS Power's position that any such framework, were it to be considered, must be grounded in clear legislative authority and an appropriate regulatory process. In the absence of such authority, NS Power is not in a position to support or develop tariffs for the purposes outlined by REI.

Board Electricity Retailers (BER) Regulations and the Code of Conduct

NS Power's interpretation of the BER Regulations and Code of Conduct for Renewable Low-Impact Electricity Sales in Nova Scotia is provided in Appendix A of its July 23, 2025, submission. NS Power does not believe that amendments to these instruments are necessary, as the current framework does not support the activities proposed by Renewall.

Conclusion

NS Power remains committed to supporting the advancement of renewable energy and the evolution of the RtR market within the framework established by legislation and regulatory direction.

Yours truly,

J. Power

Jennifer Power
Senior Regulatory Counsel