Nova Scotia Energy Board

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December 22 2025

[redacted]

Karen Chetwynd
[redacted]

Dear Ms. Chetwynd:

M12414 – Nova Scotia Power Inc. – Appeal by Karen Chetwynd of a Decision of the Dispute Resolution Officer

On August 4, 2025, you filed a complaint with the Nova Scotia Energy Board (Board) about Nova Scotia Power's (NS Power) billing of your account. The Board's review included the following documentation:

- your complaint and attachment, dated August 4, 2025;
- NS Power's response to your complaint, dated August 20, 2025;
- your submissions, dated August 25, 2025 and September 2, 2025;
- your response to Board staff Information Requests (IRs), dated September 4, 2025; and
- NS Power's response to Board staff IRs, dated September 4, 2025 and December 4, 2025.

BACKGROUND

NS Power's net metering program allows customers to produce electricity and feed the surplus energy back into the grid. Any excess electricity not consumed by the customer is recorded on the customer's meter. You have solar panels installed on your property at [redacted], NS. You were initially a net metering customer under a legacy net metering agreement when your original 3.57 kW solar system was approved in 2016. When you upgraded your system in 2019 to 5.58 kW you entered into an amended net metering agreement with NS Power for the upgraded system. Your system was upgraded again in 2025 to 9.42 kW but no amended net metering agreement was entered into.

Based on NS Power's response to IR-4 and IR-10, your 5.58 kW system generated a little more than half of what you consumed. Generation from 2022 to 2024 was roughly 5,000 kWh per year compared to consumption of approximately 9,000 kWh per year. Your current 9.42 kW system generates almost twice what you consume. In 2025, generation was 7,381 kWh compared to consumption of 4,334 kWh up to the September 4, 2025 meter reading. Based on the 2025 data, it is likely that your 9.42 kW system will generate more than you consume on an annual basis, and you noted this in your complaint.

You and your partner own a secondary camper property at Louis Head, NS. The account is in your partner's name, but the invoices are sent to your Lockeport, NS address.

You explained that you applied for the most recent service system upgrade (to 9.42 kW) in 2024, which was completed in February 2025. However, you did not receive any notification from NS Power regarding your transition to the Self-Generating Option (SGO), which unlike the legacy net metering agreement does not compensate you for any surplus electricity beyond what you consume. You only became aware of this change after contacting NS Power on June 27, 2025, to ask about an invoice and the timing of your solar payout.

NS Power responded to your complaint and the IRs. The relevant events are summarized below:

Date	**Event**
January 5, 2016	NS Power final inspection/approval of the original 3.57 kW system
May 16, 2019	NS Power final inspection/approval of expansion #1 to a 5.58 kW system
April 22, 2022	*Electricity Act* (Bill 145) amendments introduced the SGO
September 16, 2024	NS Power correspondence notes system upgrade to 9.42 KWAC approved by NS Power and an internal note saying “pending SGO migration”
February 27, 2025	NS Power final inspection/approval of expansion #2 to a 9.42 kW system
February 28, 2025	NS Power updates customer rate code and migration to SGO
June 27, 2025	You called to inquire about your bill and payout for surplus generation for the year. NS Power informed you for the first time that your account was transitioned to SGO due to the system expansion and that you would not be receiving a payout
July 14, 2025	You contacted the Dispute Resolution Officer (DRO) and filed a complaint about the net metering plan
July 17, 2025	You spoke with NS Power regarding your bill and they explained the excess generation banking process and that no payment was required at the time
July 28, 2025	DRO issued a final decision and found that NS Power properly followed Board approved Regulation 3.6 as it relates to the solar energy generation
August 5, 2025	You filed a complaint with the Board

On April 22, 2022, amendments to the *Electricity Act* introduced the SGO for NS Power customers. The amendments required NS Power to transition all legacy net metering customers, like you, to the SGO, but also obligated NS Power to comply with the terms of all legacy net metering agreements until those agreements were terminated.

NS Power says that the 2025 expansion of your system from 5.58 kW to 9.42 kW resulted in a material change that rendered the system non-compliant with the terms of your legacy net metering agreement and per s. 7(7)(c) of the *Act* NS Power terminated that agreement and you were transitioned to the SGO. Under the SGO, any energy generated from your system can be applied against billed consumption but if there is a surplus at the end of the year, the credits are zeroed out, and you do not receive any compensation for the surplus like you would under the terms of your legacy net metering agreement and the surplus cannot be transferred to other accounts.

You would like to be compensated for the surplus electricity that you expect to generate as a result of upgrading to the 9.42 kW system, and apply it as a credit to your Louis Head property power bill, or donate it to a nonprofit or charity rather than NS Power benefiting from the extra power to the system.

ACTS, REGULATIONS and AGREEMENTS

<u>Acts</u>

The relevant sections of the *Electricity Act* state:

> 7(6) Nova Scotia Power shall transition all existing net-metering customers who were issued contracts for the purchase of their generated electricity to the program referred to in subsection (3), but shall continue to abide by the terms of those contracts, including payment for excess energy generated by the customer, until those contracts are terminated pursuant to subsection (7).
>
> 7(7) A contract between Nova Scotia Power and a net-metering customer in effect as of April 22, 2022, may be terminated when
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> (a) the customer's electrical service is disconnected;
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> (b) the customer has not generated any electricity for a period of 12 calendar months; or
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> (c) the customer's generating facility is not in compliance with the terms of the contract.

<u>Regulations</u>

The *NS Power Regulations* relevant to this matter are Section 3.6 - Net Metering Service and Section 6.4 - Dispute Billing for Electric Service.

Section 3.6 states that "Excess self-generation, over a customer's own-consumption needs, is credited against purchased energy for billing purposes over a period of one year. Any surplus generation remaining at the end of a one year period will be purchased by the utility at the appropriate retail rate."

Section 3.6.4(f) provides that if a customer is billed under more than one account connected to the same distribution zone as the generating facility the customer can apportion surplus generation against its consumption under multiple accounts for billing purposes.

Both of the above provisions only apply to customers operating under legacy net metering agreements that are in force and have not been terminated. They do not apply to customers who have been transitioned to the SGO.

Section 6.4 describes the process for review of a dispute by the DRO.

Agreements

NS Power provided a copy of its standard legacy net metering agreement in response to IR-1. Due to the recent cyber security incident, it could not provide an executed copy of your legacy net metering agreement. You provided a copy of what appears to be the legacy net metering agreement for your original 3.57 kW system. Relevant sections of the agreement are summarized below:

- Section 3.1 Operation of the Facility: The customer is required to get NS Power's written consent prior to expansion or alteration of the Facility. The term "Facility" is defined as the facility described in the agreement. In the agreement you provided the "Facility" is the 3.57 kW system.

- Section 8.1 Terms and Termination: Where a customer is non-compliant with the terms of the agreement, NS Power is required to provide notice of the non-compliance and give the customer 30 days to cure the default, failing which NS Power can terminate the agreement without further notice to the customer.

- Section 11.1 Miscellaneous Section: This section states that the agreement does not supersede requirements in the *Rates and Regulations* as approved by the Board, or legislation.

ANALYSIS

Under the *Public Utilities Act* (*Act*), the Board is responsible for the general supervision of all public utilities, including NS Power. Among other things, the Board's jurisdiction includes approving regulations for providing electrical service to customers. In reviewing complaints such as yours, the Board's role is to determine whether the utility has properly applied its regulations. The Board does not act as a mediator between NS Power and its customers and does not consider or impose payment arrangements. The Board reviews the evidence and reaches a decision based on the evidence, considering whether NS Power has followed the regulations.

The Board's analysis is somewhat complicated and may be confusing to read because it involves considering your upgraded 9.42 kW system in the context of your legacy net metering agreement for your 5.58 kW system, the 2022 changes to the *Electricity Act*, NS Power's actions and other regulations. The Board has done its best to set out its analysis in a straightforward manner.

Compensation for Excess Generation

The Board agrees with NS Power that when you upgraded your system from 5.58 kW to 9.42 kW in 2025, this upgrade made your system non-compliant with the terms of your legacy net metering agreement. This is because your legacy net metering agreement specifically refers to a 5.58 kW system not the upgraded 9.42 kW system.

When you previously upgraded your system from 3.57 kW to 5.58 kW, the legacy net metering program was still in place and you entered into a new net metering agreement with NS Power that reflected the increased capacity of the upgraded system, i.e. 5.58 kW.

Before you upgraded to your 9.42 kW system, the *Electricity Act* was amended to transition all legacy net metering customers, like yourself, to the SGO. Once those amendments came into force, NS Power could no longer amend any existing legacy net metering agreements to reflect changes as a result of system upgrades. Any upgrades made by legacy net metering customers after those amendments came into force would make those customers non-compliant with their legacy net metering agreements because their upgraded systems would not match the systems described in those agreements. This may have been confusing for customers and NS Power appears to have done nothing to notify customers of the impact of the amendments to the *Electricity Act* on their legacy net metering agreements and what would happen if they upgraded their existing systems. The Board finds it disappointing that NS Power did not explain this to its customers, however, there is no legal requirement for it to do so. The unfortunate result is that any legacy net metering customers who, like you, upgraded their systems after the amendments to the *Electricity Act* came into force in 2022 became non-complaint with their legacy net metering agreements.

NS Power says that because of your non-compliance with your legacy net metering agreement it was allowed to unilaterally terminate that agreement. The Board disagrees.

Section 7(6) of the *Electricity Act* requires NS Power to comply with the terms of your legacy net metering agreement until it is terminated. Section 8 of your legacy net metering agreement requires NS Power to give you notice of non-compliance and can only terminate the agreement if you do not cure the non-compliance with 30 days of being notified. In response to IR-3, NS Power confirmed that it did not provide you with notice of non-compliance as per Section 8 of your legacy net metering agreement.

NS Power relies on s. 7(7)(c) of the *Electricity Act* and says that it did not need to provide you with notice of non-compliance because termination of your legacy net metering agreement occurred pursuant to that section. The Board disagrees. Section 7(7)(c) states that an agreement <u>may</u> be terminated when the customer's generating facility is not in compliance with the terms of the agreement. It does not state that the agreement <u>is</u> terminated in those circumstances. Also, if s. 7(7)(c) was intended to have the effect of terminating legacy net metering agreements the Board would expect the legislature to explicitly say so as it would be overriding express contractual provisions.

The Board finds that s. 7(7)(c) simply confirms what your legacy net metering agreement already says – that NS Power may terminate the agreement for non-compliance. In order to actually terminate the agreement for non-compliance, NS Power must comply with Section 8 of the agreement, which requires it to provide notice of non-compliance to you and give you 30 days to cure the non-compliance. NS Power admits that did not happen. As a result, the Board finds that unless you choose to accept NS Power's termination of your legacy net metering agreement, that agreement remains in force and NS Power is obligated to compensate you for any excess generation under the terms of that agreement. However, your legacy net metering agreement only applies to your former 5.58 kW system (not your upgraded 9.42 kW system) and that system only generated slightly more than half of your actual consumption and there was never any excess generation.

The Board sees no way in which you could keep your upgraded 9.42 kW system and still be compliant with your legacy net metering agreement and be compensated for any excess generation from your 9.42 kW system because your agreement specifically refers only to a 5.58 kW system.

The only way you could remain complaint with your legacy net metering agreement and be entitled to compensation for excess generation is if you downgrade your system to 5.58 kW before NS Power terminates the agreement. Although doing so would technically allow you to be eligible for compensation for excess generation, as noted above, you never generated any excess with the 5.58 kW system.

If you choose to accept NS Power's termination of your legacy net metering agreement, you will be under the SGO (as you currently are) with your upgraded 9.42 kW system. Although you will not be compensated for any excess generation, that is a statutory limitation and all customers under the SGO are subject to the same limitation. Your data for 2025 suggests that you will be able to generate enough from your 9.42 kW system to off-set all or almost all of your annual consumption, something that was not possible with your 5.58 kW system.

Transferring Credits from your Lockeport Property

With respect to your request to transfer credits from your Lockeport property to your Louis Head property, a nonprofit or a charity, the Board finds that you could transfer credits from your Lockeport property to your Louis Head property if your legacy net metering agreement remains in force and you have excess generation.

Section 3.6.4(f) of *NS Power's Regulations* allows a customer to apportion surplus generation against consumption under multiple accounts that are in the same distribution zone. NS Power admits in response to IR-13 that both of your properties are in the same "distribution zone". However, Section 3.6.4(f) only applies to customers that are under legacy net metering agreements. The only way this provision could apply to you is if you cured your current non-compliance with your legacy net metering agreement by downgrading your system to 5.58 kW but if you did that there would be no excess generation to be transferred.

CONCLUSION

After reviewing all the information provided the Board finds that you have two options:

1. You can agree to NS Power's termination of your legacy net metering agreement. This means that you will remain under the SGO. You will be allowed to off-set as much of your consumption as your 9.42 kW system generates but will not be compensated for any excess generation.

2. You can refuse to agree to NS Power's termination of your legacy net metering agreement. This means that NS Power will be obligated to compensate you for any excess generation above your billed consumption based on the 5.58 kW system (not your upgraded 9.42 kW system) and historically that system never generated any surplus. Also, you would be non-compliant with the terms of your legacy net metering agreement and NS Power could terminate that agreement if it gives you notice of the non-compliance and you do not cure the non-compliance, i.e. downgrade your system to 5.58 kW, within 30 days of being notified. If your legacy net metering agreement is terminated you will automatically be transitioned to the SGO.

The Board directs NS Power to contact you to discuss these options further, including the financial impact of each option, and to advise the Board no later than January 31, 2026 of how you wish to proceed.

It is possible to transfer credits from your Lockeport property to your Louis Head property if your legacy net metering agreement (for the 5.58 kW system) remains in force and is not terminated and you have excess generation from that system, however, that system has never generated any surplus.

Finally, although the Board has no authority to issue a formal directive in this regard, it strongly encourages NS Power to make all legacy net metering customers aware of the impact that upgrading their net metering systems will have on their legacy net metering contracts and their ability to be compensated for surplus generation prior to approving any system upgrades.

Yours truly,

Marc L. Dunning, P. Eng., LL.B.
Member