

September 10, 2026

Clerk of the Board
Nova Scotia Energy Board
P.O. Box 1692, Unit "M",
Halifax, NS B3J 3S3

Subject: CanREA Submission on Matter M13042 – Green Choice Program PPA

Dear Nova Scotia Energy Board,

We are pleased to submit our feedback to the Nova Scotia Energy Board, as it pertains to Matter M13042 – Power Advisory's application for approval of Green Choice Power Purchase Agreement (PPA). The Canadian Renewable Energy Association (CanREA) is the voice for wind, solar and energy storage in Canada, with over 300 members including developers, manufacturers, service providers and more.

To begin with, CanREA notes that the Program Administrator (Power Advisory) welcomed industry feedback on the draft Power Purchase Agreement, prior to submitting its application for approval to the NSEB. We were pleased that the Program Administrator subsequently made some adjustments to strengthen the draft Request For Proposals and Power Purchase Agreement (PPA) documents with the aim of ensuring a successful procurement under 2nd round of Green Choice Program. In particular, we are very pleased with the addition of the sections 16.9 and 16.10, "Adjustment for Post-Proposal Applicable Tariffs", in the PPA.

Notwithstanding, we would like to highlight key industry concerns regarding the Green Choice Program PPA as submitted to the NSEB, and our recommendations for amendments needed by the Program Administrator to ensure a successful procurement, for consideration of the NSEB in its review of Matter M13042. Specifically:

1. Price indexation / EXHIBIT H of the PPA (*CALCULATION OF ADJUSTED ENERGY RATE*)

- CanREA is supportive of the addition of price indexation, which is currently set at 20% of CPI post-COD. We recognize that this helps share inflation risk between the project developer or operator and the off-taker (NSPI), reflecting that only a portion of operational or capital costs fluctuate directly with general consumer inflation. However, our industry members have recommended the price indexation to be increased to between 25% and 30% of CPI post-COD, given the economic context (growing inflation, tariff fluctuation, supply chain constraints) and aggressive push for renewables in NS. For comparison:
 - British Columbia applied 30% of BC CPI, post-COD, in the 2024 and 2025 Calls for Power, to help protect against local commercial and labor cost escalations, protecting the developer's operations and maintenance (O&M) budget from inflation, while minimizing risk to ratepayers.
 - Quebec (Hydro Quebec) uses a flexible variable indexation framework of 20% to 50% of Canadian CPI, since 2021, not only to protect developer's operations and maintenance budgets from inflation, but also to reduce developer risk premiums during aggressive grid expansions.
 - In previous procurements, Ontario applied 20% of Bank of Canada Core CPI; Alberta applied 20% of Alberta CPI; and Saskatchewan applied 20% of Canadian CPI. However, these were set before economic trends (growing inflation, trade war, supply chain constraints) grew to today's levels.

- **RECOMMENDATION 1:** *Given the current economic context (growing inflation, tariff fluctuation, supply chain uncertainty) and the aggressive push for renewables in Nova Scotia to meet Nova Scotia's Renewable Electricity Standard of 80% by 2030, CanREA recommends the Program Administrator adjust price indexation in the PPA (EXHIBIT H: CALCULATION OF ADJUSTED ENERGY RATE) to be between 25% and 30% of CPI post-COD, or as an alternative, include additional adjustments for specific components (e.g. steel, aluminum and copper) to mitigate for both parties (Seller and Buyer) the risk that CPI wouldn't be the right evaluation mechanism in comparison to other usual expenditures, further ensuring the procurement succeeds and projects get built at competitive cost, while not unduly placing risk on NSPI or its ratepayers.*

2. CIB and SREPs / Section Missing from the PPA

- In the Request For Proposals (RFP) document, the Program Administrator stated that the Nova Scotia Department of Energy is in discussions with Canadian Infrastructure Bank (CIB) with respect to potential offerings available to proponents of this RFP, and details would be made available once the RFP is issued in September. However, the Program Administrator has removed from the draft PPA (as submitted) any protections for proponents/Sellers if they rely on obtaining CIB debt or financing, or Smart Renewables and Electrification Pathways Program (SREPs) grant funding, but are unable to obtain this funding within 120 Business Days. This can potentially undermine good projects / bids, and without the right to adjust bids or terminate without penalties, it places additional risk on proponents which ultimately leads to higher costs. In the 1st Green Choice procurement, delays in the confirmation of CIB financing were a key element in several projects not moving forward.
- **RECOMMENDATION 2:** *CanREA therefore recommends that the Program Administrator provide details regarding CIB availability at their earliest convenience, and amend the proposed PPA to re-include the protections that appeared in the first draft of the PPA:*

Excerpt from first draft of the PPA, which we recommend to re-include in some form:

16.9 Inability to Secure CIB or SREP Funding

- If the Seller has indicated in its Proposal that it had relied upon obtaining either CIB debt financing or SREP grant funding in the preparation of its Proposal, and has used Commercially Reasonable Efforts to obtain this funding but is unable to obtain this funding within 120 Business Days after the Effective Date, it can elect to terminate this Agreement ("Seller Termination Election").
- The Seller Termination Election must be in writing and set out the circumstances that have caused the Seller to elect to terminate this Agreement and be received by NSPI no later than 140 Business Days after the Effective Date.
- NSPI shall review the Seller Termination Election and provide its consent to the Seller to terminate this Agreement, which shall not be unreasonably withheld.
- Upon NSPI granting its consent to terminate this Agreement, it shall cancel the Performance Security no later than 10 Business Days after the date that it provides its consent to the Seller.
- If this Agreement is terminated under the Section 16.9, then, effective as of the termination date, each Party irrevocably releases and forever discharges the other Party from any and all claims, demands, liabilities, obligations, and causes of action arising out of or relating to this Agreement, except for (a) obligations that expressly survive termination, and (b) liabilities arising from a Party's fraud or willful misconduct.

3. Tariff Adjustment Post-COD / Section 16.9 of the PPA

- As mentioned above, we are very pleased with the addition of the sections 16.9 and 16.10, “Adjustment for Post-Proposal Applicable Tariffs”, in the PPA. However, some industry members have noted that the 7.5% threshold of increased Capital Costs, in order to be eligible to seek tariff adjustment, remains too high. It is estimated that projects would see between 2.5% and 5% of increased Capital Costs, based on tariffs that were recently introduced, which would leave the Seller to fully absorb the additional cost.
- **RECOMMENDATION 3:** *CanREA therefore recommends that the Program Administrator amend Section 16.9(b) to decrease the threshold to between 2.5% and 5%, in order to ensure more competitive bids that benefit ratepayers, and to ensure that projects remain financially viable.*

4. Term / Section 9.1(b)

- Several RFPs across Canada consider 30 year terms to secure long-term rate stability and finance massive capital investments. The advantage is that it reduces the cost per MW, guarantees additional MWs for longer period, and benefits from Investment Tax Credits now rather than relying on repowering in 25 years (when ITCs may not be available) – ultimately benefiting ratepayers. For comparison purposes, major provincial utilities and crown corporations—such as Hydro-Québec and BC Hydro—have increasingly utilized 30-year electricity purchase agreements for large-scale wind developments (e.g., the 150MW Broughton Wind project in QC, the 102MW Mesgi’g Ugju’s’n 2 (MU2) Wind Farm project in Gaspésie QC, and the 200 MW Taylor Wind project in BC).
- **RECOMMENDATION 4:** *CanREA recommends that the Program Administrator amend Section 9.1(b) to be a 30 year term (“expire on the day before the 30th anniversary”) instead of a 25 year term, in order to ensure more competitive bids that continue to benefit ratepayers over the long term.*

5. Force Majeure / Section 11

- Every proponent / Seller needs to assume they will get Investment Tax Credits (ITCs). However, if there is any material change to or termination of the federal ITCs, which is beyond the control of the Seller, there is no protection granted under Force Majeure. There is also no protection for changes in Federal law, in section 13 of the PPA.
- **RECOMMENDATION 5:** *CanREA therefore recommends that the Program Administrator amend Section 11 (Force Majeure) to include material changes to or termination of ITCs, as a circumstance that is beyond the control of the affected Party, for which it may seek relief (negotiate the Energy Rate with NSPI), or exercise its right to terminate without payment of any damages for early termination.*

6. Local Benefits / Sections 2.4 and 2.7 of the PPA

- CanREA supports the inclusion of Local Benefits in the evaluation of projects submitted to this RFP and as a requirement for Commercial Operation (section 2.4 of the PPA). However, there are aspects that are still of concern to the industry:
 - Local Benefits must be quantified at Bid Submission - some industry say it is difficult to fully quantify at bid submission and could risk financial consequences down the line.
 - Regarding the Local Benefits Report (section 2.4 and 2.7 of the PPA), CanREA supports the intention for these to be provided by a third-party (as set out in the proposed PPA), however, some industry members have said:

- standard Non Disclosure Agreements (NDAs) prevent including details about payments to contractors and components and it may be difficult or impossible to adjust NDAs for this purpose. In fact, some Original Equipment Manufacturers (OEM) may be reluctant to share this commercially sensitive data with a third party.
 - there is concern over sharing this information with NSPI and suggested it should be the NS Department of Energy (or independent third party) to oversee compliance and enforcement.
 - any shortfall would be paid to NSPI, but it is not clear if NSPI would then provide that sum to local groups (defeating the purpose of the Local Benefits requirement)
 - requiring proponents to pay NSPI for any Local Benefits Shortfall within 20 days after COD, risks not capturing certain expenditures for contractors and components, that happen well after COD – causing a potential gap / financial risk. For example, in past procurements NSPI took longer than 20 days to bill for some interconnection costs, and some construction costs are only billed / paid up to six months later.
- ***RECOMMENDATION 6: CanREA therefore recommends the Program Administrator amend the RFP to allow for quantification of Local Benefits to be reasonably adjusted following bid-submission, for example, no later than 30 days after bid selection. We also recommend that the Program Administrator make adjustments to Section 2.7 of the PPA, if it remains in the PPA, including:***
 - a) relaxing the requirement for detailed expenditures (where NDAs prohibit sharing the information, and the Seller has made reasonable effort to adjust such NDAs), in favor of attestation by the proponent or third-party (if possible),
 - b) stating that an independent party (other than NSPI) be responsible for validating compliance and enforcement, and potentially collecting payment
 - c) requiring NSPI (or independent party) to disburse any Shortfall payments to local organizations, or to create a community-benefit fund
 - d) extending the deadline for both reporting and payment of any Shortfalls from 20 Business days post-COD to at least 90 days post-COD if not 12 months post-COD.

In closing, CanREA would like to thank the Nova Scotia Energy Board for their consideration of the above recommendations in regards to Matter M13042 – Green Choice Power Purchase Agreement. We strongly believe the recommended amendments to the PPA will ensure a successful procurement process that benefits all ratepayers.

Sincerely,



Eddie Oldfield
 Director of Policy for the Maritimes
 Canadian Renewable Energy Association