

# Climate Times

ENE's Monthly Report from Eastern Canada

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## Nova Scotia Announces New Efficiency Agency

The Government of Nova Scotia announced it will establish an independent, ratepayer-funded electric energy efficiency agency in 2009.

The publicly-owned, not-for-profit agency will operate under the direction of a board, appointed and regulated by the provincial Utility and Review Board (UARB).

The government has stated that the new efficiency administrator will be responsible for electric efficiency programs but has the potential to incorporate non-electric programs in

the future. For now, Conserve Nova Scotia, the division of the Department of Energy responsible for efficiency programs, will continue to focus on non-electric efficiency.

The announcement was made following the presentation of a Dalhousie University report recommending a move toward a performance-based, independent electric efficiency program administrator.

The Dalhousie report was the final step in a process which brought together stakeholders to

discussion administrative model options for the province. At a seminar in March 2008, stakeholders heard presentations from:

- Tom Foley, Energy Trust of Oregon
- Blair Hamilton, Vermont Energy Investment Corp.
- Tim Stout, National Grid USA
- Elizabeth Weir, Efficiency NB
- Michael Stoddard, ENE

The Dalhousie report is available at:

<http://www.conservens.ca/publicconsultations>

## Recent ENE Reports

ENE released two reports in conjunction with the second RGGI allowance auction which took place on December 17<sup>th</sup>.

The first, *RGGI Emissions Trends and Second Auction Report*, reports on regional emissions trends and drivers as well as RGGI auction dynamics. A brief regional regulatory

update is also provided.

The second, *RGGI Auction Tracker*, outlines RGGI state allowance allocations and distributions of auction proceeds through the first and second allowance auctions.

ENE also penned a memo to the U.S. President-elect published by the Progressive Policy

Institute and submitted to the Obama transition team.

ENE's memo includes recommendations for using energy efficiency as an effective component in an economic stimulus package.

The reports are available on ENE's website:

[www.env-ne.org](http://www.env-ne.org)

## NBSO Generation & Transmission Discussion Paper

The New Brunswick System Operator (NBSO) has prepared a report giving a "high-level snapshot" of the current transmission system in New Brunswick as well as potential needs based on eight development scenarios. Wind integration issues are also highlighted.

The scenarios outlined in the report, *A Discussion Paper on Potential Generation and Transmission Developments*, include:

- 1) Addition of 1,165 or 2,330 MW of nuclear;
- 2) Addition of 150-200 MW of community

- 3) New large-scale wind up to 4,500 MW in N.B.;
- 4) New large-scale wind up to 500 MW in PEI;
- 5) Addition of large-scale wind up to 1,000 MW in N.S.;
- 6) 740 MW of Lower Churchill hydro routed through N.B.;
- 7) 500 MW from Canaport LNG facility;
- 8) Interconnection requirements with Maine

The in-region transmission project costs from the above scenarios are estimated at \$400 million.

As stated in the study, the

common theme and barrier in each of the scenarios for increased generation is the limited transfer capability at the NB/NE interface (currently 1000 MW from N.B. to N.E.).

It is estimated that the cost of a new 1,200 MW HVDC transmission line from N.B. to N.E. load centers would be \$2.5 billion. An additional 345 kV AC line to Boston would be \$1 billion and 2-4 lines may be required.

The discussion document is available at:

<http://www.nbso.ca/public/>

## Transmission Line Planned – HQ, NU & NSTAR

On December 12, Northeast Utilities and NSTAR filed for FERC approval to sell 1,200 MW of firm transmission services to H.Q. Energy Services Inc., a U.S. subsidiary of Hydro-Québec, for at least 20 years.

NU, NSTAR and HQ are in discussions to construct a new transmission line from Québec to southern New Hampshire. The new HVDC tie line will have a capacity of at least 1,200 MW.

Power purchase agreements between HQ and NU, NSTAR and possibly other utilities are also being negotiated.

Total project costs for the new tie line are estimated to be \$1 billion; \$700 million of which will cover the U.S. portion of the line.

NU and NSTAR will initially fund the project but will recoup their investment from Hydro-Québec which will recover its costs through power sales. TransÉnergie, a subsidiary of Hydro-Québec will construct the line.

NU & NSTAR will own the U.S. portion of the line and will not seek to recover any of the costs from other utilities in New England.

If transmission services are approved by FERC and project approval is received from ISO-NE and Canadian authorities, construction will begin in 2011 with a commissioning date scheduled for 2014.

Sources:

NSTAR - [http://www.nstar.com/ss3/nstar\\_news/press\\_releases/2008/ferc-transmission-filing.asp](http://www.nstar.com/ss3/nstar_news/press_releases/2008/ferc-transmission-filing.asp)

Forbes - <http://finapps.forbes.com/finapps/jsp/finance/compinfo/secfilings/SECFilingsSummary.jsp?cn=NSTAR+ELECTRIC+COMPANY&tkr=NSARO&secn=0001035675-08-000025&frm=8-K>

## Canadian Parliamentary Update

Readers outside of Canada may not be aware that the 40<sup>th</sup> Canadian Parliament was prorogued on December 4 at the request of Prime Minister Stephen Harper.

The request was made to

the Governor General after the government's fiscal update was rejected by all opposition parties and they signaled their intention to defeat the minority Conservative party in a motion of non-

confidence.

Parliament will resume on January 26<sup>th</sup> and the government's budget will be tabled on January 27<sup>th</sup>.

## Ministers Discuss Atlantic Gateway Project

The Atlantic Gateway Project has become a priority budget and stimulus package "ask" from governments in Atlantic Canada.

The Atlantic Gateway Project is an initiative to develop regional transportation infrastructure to increase and expedite the movement of goods throughout the region and to markets in New England and Québec. The Atlantic Gateway

Project also seeks to develop energy infrastructure to increase access to key markets.

At a recent meeting with federal Minister of Finance Jim Flaherty, the Atlantic finance ministers encouraged the government to include funding for the Atlantic Gateway in the upcoming federal budget.

The Atlantic premiers, at a recent meeting in PEI, called for federal funds for transportation

infrastructure as part of the Atlantic Gateway Project. The Premiers also requested funding for regional transmission infrastructure to create a green energy transmission corridor through each Atlantic province.

In October 2007, the four Atlantic provinces and the federal government signed an MOU to develop an Atlantic Gateway strategy.

## Nova Scotia Issues Shale Gas Production Lease

The Government of Nova Scotia has approved in principal an onshore shale gas production lease in the province.

Elmworth Energy received the 10 year production lease to develop shale gas in the Windsor area of Hants and Kings counties.

The lease is the first of its

kind issued in Nova Scotia.

Elmworth has a 70% working interest in 516,000 gross acres in Nova Scotia and has completed two vertical test wells to date.

Elmworth Energy is the Canadian subsidiary Triangle Petroleum

Corporation, an oil and gas exploration company specializing in natural gas development from shale gas projects.

A description of the N.S. project is available at:

[http://www.trianglepetroleum.com/scotia\\_sgp.php](http://www.trianglepetroleum.com/scotia_sgp.php)

## Climate Times

This monthly e-newsletter focuses on energy and climate-related news regarding legislation, regulations, Request for Proposals, government programs, private sector initiatives, and other relevant announcements from Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador. It will also cover significant federal announcements and will occasionally reference actions from the U.S.-state side that impact provincial issues.

To subscribe (or unsubscribe) to our regular news feed and to pass along information that ENE may include in future issues, contact Leslie Malone, Policy Associate – Canada, at [lmalone@env-ne.org](mailto:lmalone@env-ne.org) or 902-628-1493.



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