

November 25, 2022

Ms. Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Re: Commercial Net Metering Program

Dear Ms. Henwood:

The *Electricity Act* (Nova Scotia) (EA) set out certain requirements regarding the development of programs to be offered by Nova Scotia Power Incorporated (NS Power, Company) to customers who generate electricity for their own use. Section 3A of the EA provides as follows:

(2) A public utility may develop and maintain a program that permits any customer to generate electricity for the customer's own use and to sell any excess electricity to the public utility at a rate equivalent to the rate paid by the customer for electricity supplied to the customer by the public utility.

(3) Notwithstanding subsection (2), Nova Scotia Power Incorporated shall develop and maintain a program that permits a customer to generate electricity for the customer's own use and to sell electricity to Nova Scotia Power Incorporated at a rate equivalent to the rate paid by the customer for electricity supplied to the customer by Nova Scotia Power Incorporated.

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(7) A program developed and maintained pursuant to subsection (2) or (3) must receive the approval of the Board before it is implemented by the public utility

In April 2022, the EA was amended to eliminate the 100 kW cap on the net metering program and permit customers to install up to 27 kW nameplate capacity of renewable electricity generation or energy storage without approval from NS Power.

In October 2022, the Renewable Electricity Regulations (RE Regulations) were amended to permit customers to install a renewable, low-impact energy generator of up to 1 MW (1,000 kW) of nameplate capacity. The amendments to the RE Regulations also require NS Power to set out the requirements for its new net metering program and file them with the Nova Scotia Utility and Review Board by November 25, 2022. Section 37C(1) of the RE Regulations provides as follows:

- 37C(1) A public utility that is seeking to implement a net-metering program must submit all of the following to the Board before the Board may approve the program:
- (a) the terms and conditions of the program, including any program-related fees, regulations, rules or policies;
 - (b) a standard form net-metering agreement between the public utility and a net-metering customer, which must include, at a minimum, the terms and conditions respecting the sale of renewable, low-impact electricity to the public utility.
- (2) NSPI must provide the items listed in subsection (1) to the Board by November 25, 2022.
- (3) Any substantive changes made to the documents listed in subsection (1) must be approved by the Board before the change is implemented.
- (4) A public utility may continue to apply the fees related to impact studies and electrical inspections and is not required to submit these fees as part of the fees described in clause (1)(a).

In accordance with Section 37C of the RE Regulations, NS Power is submitting the proposed terms and conditions of the Company's new Commercial Net-Metering Program as well as its standard form net-metering agreement. The proposed Terms and Conditions are attached as Appendix A and the proposed Commercial Net Metering Participant Agreement is attached as Appendix B. These documents will form the basis of NS Power's proposed Commercial Net Metering Program as further detailed below.

Existing Net Metering Program – Regulation 3.6

Section 3A(6) of the EA prevents NS Power from compensating a customer for electricity generated in excess of that customer’s consumption in a calendar year. Such a prohibition does not exist within NS Power’s current Net Metering Program, which is set out in NS Power Regulation 3.6.

NS Power understands Section 3A(6) is to apply to new customers and that NS Power Regulation 3.6 is to remain in effect for any existing customers with net metering installations currently operating under NS Power Regulation 3.6 and who would otherwise qualify under the Commercial Net Metering Program proposed herein.

Following approval of the Commercial Net-Metering Program, NS Power will revise NS Power Regulation 3.6 to incorporate the Program and will submit the proposed revisions to the NSUARB for approval.

Proposed Commercial Net Metering Program

In designing the Commercial Net Metering Program, NSPI used the following guiding principles:

1. The service will be compliant with the RE Regulations.
2. The service will offer an option for NS Power customers to install a renewable, low-impact electricity generator for their own use.
3. The service will be a distribution-based service.
4. The program will be in alignment with existing NS Power interconnection procedures and requirements.

Program Summary

NS Power customers who meet requirements as set out in the proposed Commercial Net Metering Participant Agreement and Terms and Conditions can participate in the Program and can self-generate electricity using their own plant and equipment to offset all or part of their individual electrical requirements.

Participating customers who offset all of their individual electrical requirements and self-generate in excess of the electricity supplied to the customer by NS Power in a given billing cycle will be billed only for applicable (non-kWh) monthly charges.

Excess electricity self-generated by customers, will be “banked” as energy credits to be applied against future energy (kWh) bills within the calendar year. Conversely, if the

electricity self-generated by the customer is less than the electricity supplied to the customer by NS Power, the customer will be billed for the “Net Purchased Electricity Requirement” and for the applicable non-kWh monthly charges. The Net Purchased Electricity Requirement will be determined using the following calculation:

$$\text{Net Purchased Energy Requirement} = \text{customer energy purchased from NS Power} - (\text{self-generated electricity supplied to NS Power} + \text{banked energy credits})$$

For billing purposes, Banked Energy Credits are held by the customer and will remain valid until the earlier of the Anniversary Date (1 January of any given year) or the date upon which service is discontinued, at which time the credits will be applied towards the customer’s billed energy (kWh) within the same calendar year and applied to the customer’s account in the form of a bill credit. The value of the credit applied will not exceed the amount the customer paid for any billed energy within the same calendar year.

Any Banked Energy Credits held by the customer upon the Anniversary Date or upon the discontinuation of service in excess of the customer’s billed energy (kWh) within the same calendar year will be forfeited by the customer and set to zero.

Availability

The Commercial Net Metering Program is available to NS Power customers who:

- install a qualifying generating facility as defined in the proposed Commercial Net Metering Agreement and Terms and Conditions;
- are served by NS Power’s distribution system (i.e. 24,940 volts or less); and
- are billed under one of NS Power’s metered service rates.

The maximum capacity of the customer's generating facility will be sized to meet the expected annual consumption of the customer that is enrolled in the program and will fall into one of two interconnection classes defined as follows by NS Power:

- **Class 1 Net Metering Service:** service in respect of a Facility with an aggregate nameplate capacity greater than 27 kW but less than or equal to 100 kW
- **Class 2 Net Metering Service:** service in respect of a Facility with an aggregate nameplate capacity greater than 100 kW but less than or equal to 1,000 kW

Consistent with the RE Regulations, the nameplate capacity of a participating customer’s generating facility must not exceed the following:

- (a) 1,000 kW for a customer:
- whose Nova Scotia Power account(s) that will be enrolled in the Program are served pursuant to a rate that contains a demand charge;
 - who owns or operates a winery that is registered under the *Agriculture and Marketing Act* (Nova Scotia);
 - who owns or operates a farm that is registered under the *Farm Registration Act*, (Nova Scotia); or
 - who owns or operates an aquaculture plant that is licenced under the *Fisheries and Coastal Resources Act* (Nova Scotia).
- (b) 200 kW for a customer:
- to whom (a) does not apply; or
 - who is not a residential net-metering customer pursuant to section 3AA of the EA.

A customer's generating facility may include multiple generators within the same Distribution Zone, provided that the total nameplate capacity does not exceed the applicable caps provided above, and the customer provides the following information to NS Power:

- the number of generators that will be installed and their nameplate capacities;
- the location of each of the generators; and
- a list of all customer accounts (including location of associated meters) that are relevant to the customer's generating facility and its participation in the Program.

Metering

Participating customers' net electricity consumption and generation will be measured using a single meter that is capable of registering the flow of electricity in two directions and is approved by Measurement Canada.

In some instances of complex distribution systems, NS Power may determine that the measurement of electricity in both directions may require additional meters to comply with Measurement Canada requirements on a case-by-case basis.

Aggregation

Participants in the Commercial Net Metering Program may supply generation credits to multiple NS Power metered accounts, provided that all accounts are:

- Registered to the same customer;
- Share the same non-residential rate code under NS Power's Rates and Regulations; and
- Are located within the same Distribution Zone (all NS Power distribution feeders emanating from a single distribution supply transformer within a substation).

Renewable Energy Certificates

Participants in the Commercial Net Metering Program will have the opportunity to submit a written request for NS Power to register all applicable Renewable Energy Certificates on an annual basis with an internationally-recognized organization. In addition, customers will have the opportunity to submit a written request for NS Power to annually provide them with a document confirming the Renewable Energy Certificates registration. This document will include the annual volume of Renewable Energy Certificates, the customer identification number; and the vintage. NSPI may estimate the total energy output based on total installed nameplate capacity.

Interconnection Process and Requirements

A proposed interconnection process has been developed for customers in the Class 1 Net Metering Service. The process is as follows:

- Customers submit the applicable Interconnection Request form(s) through NS Power's website.
- Upon receipt of the form(s), NS Power will initiate a review to confirm the customer's eligibility. The review will include confirmation that the proposed equipment meets interconnection and program requirements.
- A customer Facility involving a generator that is greater than 27 kW and that is to be interconnected on a single-phase circuit, will necessitate a preliminary assessment (please refer to Appendix 1 of the Terms and Conditions). When applicable, NS Power will develop cost estimates for required system additions/upgrades.
- Once program eligibility is confirmed, the customer's electrical contractor must obtain a wiring permit and submit electrical plans to NS Power for review and approval before installation begins.
- As part of the generating equipment installation, the customer's electrical contractor must have all required electrical inspections performed and passed. A Commercial Net Metering Participant Agreement between the customer and NS Power will be executed before operation of the customer generating facility can begin.

- Once in operation, the customer's generating facility shall be operated and maintained in line with NS Power's Interconnection Requirement for generating facilities not exceeding 100 kW capacity located on NS Power's website.

The interconnection process for Class 2 customers will be managed in accordance with NS Power's Distributed Generator Interconnection Procedures (DGIP). The generating facility will be operated and maintained according to the Distribution Interconnection Requirements for generating facilities greater than 100 kW consistent with OASIS requirements.

Maximum Per kWh Charge - General and Small Industrial Tariffs

NS Power also wishes to identify for the Board that it intends to confirm with the Nova Scotia Government as to the intention of the EA and RE Regulations with regard to the "Maximum per kWh Charge" provision in the General and Small Industrial Tariffs and the potential impacts that may arise for those customer classes as a result of the Commercial Net Metering Program. NS Power will ensure the Board is informed in a timely manner as to this issue.

Conclusion

NS Power is implementing a new Commercial Net Metering Program as outlined in this application and respectfully requests approval of the program in accordance with section 3A of the EA. In addition, NS Power requests a 90-day period from the date of the Board's approval before the Company is required to implement the new program in order to ensure the Company has sufficient time to implement the necessary administrative processes relating to the application process and billing.

Yours truly,



Blake Williams
Senior Regulatory Counsel

- c. David Pickles, NS Power
Judith Ferguson, NS Power

COMMERCIAL NET METERING PROGRAM TERMS AND CONDITIONS

1. Definitions

- 1.1. **“Customer”** means a legal person participating in the Commercial Net Metering Program in accordance with these Terms and Conditions.
- 1.2. **“Distribution System”** means Nova Scotia Power’s facilities that operate at a nominal voltage of 24,940 V or less, which are used to distribute electric power between substations and customer loads.
- 1.3. **“Distribution Zone”** means all Nova Scotia Power distribution feeders emanating from a single Distribution System supply transformer within a substation.
- 1.4. **“Facility”** means the Customer's plant and equipment, including but not limited to, the generator, inverter, storage devices, and Interconnection Equipment located on the Customer’s side of the Point of Delivery. The Customer’s Facility must be a “renewable low-impact electricity generation facility”, within the meaning of the *Renewable Electricity Regulations* (N.S. Reg. 155/2010).
- 1.5. **“Interconnection”** means the electrical connection of a generator in parallel with the Distribution System.
- 1.6. **“Interconnection Equipment”** means all equipment and functions used to interconnect a generator to the Distribution System.
- 1.7. **“Interconnection Requirements”** means the technical requirements that are required to be met by the Customer to establish an Interconnection with the Distribution System, as applicable to the proposed Facility’s specifications, as set forth in Schedule “A” to these Terms and Conditions.
- 1.8. **“Laws”** means any applicable federal, provincial, or local law, regulation, bylaw, ordinance, rule, permit, license or code of every relevant jurisdiction that in any manner affects the performance of obligations under these Terms and Conditions, and any order, decree, authorization or approval, or other binding determination of any relevant governmental authority, body, tribunal or agency with jurisdiction over the foregoing. For clarity, Nova Scotia Power Regulation 3.6 (“Net Metering Service”) is not applicable to the Commercial Net Metering Program.
- 1.9. **“Commercial Net Metering Program”** or **“Program”** means Nova Scotia Power’s Commercial Net Metering Program as amended or replaced from time to time by Nova Scotia Power in accordance with applicable Laws and the Rates and Regulations.
- 1.10. **“Participant Agreement”** means the standard form agreement in respect of Commercial Net Metering Program participation to be entered into by the Customer and Nova Scotia Power, as approved by the Nova Scotia Utility and Review Board.
- 1.11. **“Point of Delivery”** means the point where the Distribution System is connected to the Facility.

- 1.12. **“Premises”** means the property where the Facility is located, as identified in the Program application.
- 1.13. **“Rates and Regulations”** refers to Nova Scotia Power’s rates and regulations approved by the Nova Scotia Utility and Review Board, as may be amended from time to time with the approval of the Nova Scotia Utility and Review Board.

2. Availability and Eligibility for the Program

- 2.1. Participation in the Commercial Net Metering Program is available to Nova Scotia Power Customers:
 - 2.1.1. whose applicable Facility is served by the Distribution System (i.e., 24,940 volts or less);
 - 2.1.2. who are in good standing with Nova Scotia Power and who maintain that status throughout their participation in the Program;
 - 2.1.3. who are billed under one of Nova Scotia Power’s metered service rates; and
 - 2.1.4. who install a qualifying Facility.
- 2.2. A Customer must submit a written request to participate in the Program to Nova Scotia Power and must execute a Participant Agreement with Nova Scotia Power.
- 2.3. The Customer’s Facility must be interconnected to Nova Scotia Power’s Distribution System in accordance with the Interconnection Requirements.
- 2.4. A Customer’s Facility may serve electrical load that is the subject of multiple Nova Scotia Power metered accounts, provided that all such accounts are:
 - 2.4.1. subject to the same non-residential rate code under Nova Scotia Power’s Rates and Regulations; and
 - 2.4.2. in respect of electrical load that is situated in a single Distribution Zone.
- 2.5. The Customer must own the Premises or otherwise hold valid legal rights that entitle the Customer to install and operate the Facility on the Premises.
- 2.6. Subject to Section 2.8, the maximum capacity of the Customer's Facility shall not exceed the expected annual consumption of the Customer in respect of the Customer’s account that is, or the Customer’s accounts that are, enrolled in the Program under a single Participant Agreement.
- 2.7. The Customer’s Facility must fall into one of two classes of service, as follows:
 - 2.7.1. **“Class 1 Net Metering Service”**, which means service in respect of a Facility with an aggregate nameplate capacity greater than 27 kW but less than or equal to 100 kW; or

- 2.7.2. "Class 2 Net Metering Service", which means service in respect of a Facility with an aggregate nameplate capacity greater than 100 kW but less than or equal to 1,000 kW.
- 2.8. The nameplate capacity of the Customer's Facility shall not exceed the following:
- 2.8.1. 1,000 kW for a Customer:
- 2.8.1.1. whose Nova Scotia Power account(s) that will be enrolled in the Program are served pursuant to a rate that contains a demand charge;
 - 2.8.1.2. who owns or operates a winery that is registered under the *Agriculture and Marketing Act* (R.S.N.S. 1989, c. 6);
 - 2.8.1.3. who owns or operates a farm that is registered under the *Farm Registration Act*, (S.N.S 1994-95, c. 3); or
 - 2.8.1.4. who owns or operates an aquaculture plant that is licenced under the *Fisheries and Coastal Resources Act* (S.N.S. 1996, c. 25).
- 2.8.2. 200 kW for a Customer:
- 2.8.2.1. to whom Section 2.8.1 does not apply; or
 - 2.8.2.2. who is not a residential net-metering customer pursuant to section 3AA of the *Electricity Act* (S.N.S. 2004, c. 25).
- 2.9. The Customer's Facility may include multiple generators within the same Distribution Zone, provided that the total nameplate capacity does not exceed the applicable cap specified in Section 2.8, and provided that the following information is included by the Customer in its Program application:
- 2.9.1. the number of generators that will be installed as part of the Facility and the generation capacity of each;
 - 2.9.2. the location of each of the generators;
 - 2.9.3. a list of all Customer accounts (including location of associated meters) that are relevant to the Customer's Facility and its participation in the Program
- 2.10. All Customers participating in the Program must ensure that the equipment that will interconnect with Nova Scotia Power's Distribution System is compliant with the Institute of Electrical and Electronics Engineers standard 1547, *IEEE Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interface*, as amended.

SCHEDULE "A"

COMMERCIAL NET METERING INTERCONNECTION REQUIREMENTS

Interconnection Process for Customer Facilities with a nameplate capacity greater than 27 kW but less than or equal to 100 kW

("Class 1 Net Metering Service")

The steps in the process are as follows:

1. Customer submits the "Interconnection Request and Equipment Information" form found at www.nspower.ca.
2. To initiate the Interconnection request, the Customer must submit an application fee of \$57.00.
3. Nova Scotia Power will initiate a review of the Interconnection request. This review will include confirming Customer eligibility, that the proposed equipment meets Interconnection and program requirements, validates estimated system output and appropriate sizing to Customer, and identifies any new Nova Scotia Power equipment or upgrades to the existing Distribution System that are required to enable the connection of the Facility.
4. A Customer Facility involving a generator that is greater than 27 kW and that is to be interconnected on a single-phase circuit, will necessitate a Preliminary Assessment (see Appendix 1 of this Schedule "A"). The results of the Preliminary Assessment may determine additional technical requirements or capacity restrictions that will be applicable to the Interconnection of the Customer's Facility.
5. When applicable, Nova Scotia Power will develop cost estimates for required system additions/upgrades. The cost estimates for the required system additions or changes will be provided to the Customer for review. Once the Customer accepts the requirements and pays the identified costs, the required Nova Scotia Power construction work can be scheduled to commence.
6. The Customer's electrical contractor must obtain a Wiring Permit and submit electrical plans to Nova Scotia Power for review and approval before installation begins.
7. As part of the electrical and generating equipment installation, the Customer's electrical contractor must have all required electrical inspections performed and passed.
8. The Participant Agreement between the Customer and Nova Scotia Power is executed.
9. After the wiring inspections are performed and passed, and the Participant Agreement is signed, Nova Scotia Power will advise the Customer that Interconnection of the Facility with the Nova Scotia Power Distribution System can proceed. At this stage, Nova Scotia Power may require and/or witness the commissioning and testing of the generation equipment.
10. Final reconciliation of Nova Scotia Power's costs will determine the actual costs (or refunds) to be paid by (or to) the Customer.

→The Customer's Facility is now operational.

Interconnection Process for Customer Facilities with a nameplate capacity greater than 100 kW but less than or equal to 1,000 kW
(“Class 2 Net Metering Service”)

The Interconnection of Customer Facilities with a nameplate capacity greater than 100 kW but less than or equal to 1,000 kW will proceed by means of the Nova Scotia Power Distribution Generator Interconnection Procedures (DGIP). Additional information about this process can be found at: www.nspower.ca/oasis/generation-interconnection-procedures. In the event of any discrepancy between these Class 2 Net Metering Service requirements and the formal description document for the DGIP found at the foregoing website, the formal DGIP description document will prevail.

1. Making a Distribution Generator Interconnection Request

- To initiate a Distribution Interconnection request, the Customer must submit all of the following:
 - (i) a \$750 non-refundable study fee in the form of a certified cheque or bank draft;
 - (ii) a completed application form. The Distribution Generator Interconnection Request form is Appendix 1 to the Distribution Generator Interconnection Procedure (DGIP) located at <https://www.nspower.ca/oasis/generation-interconnection-procedures>;
 - (iii) a site map showing location of generation; and
 - (iv) A single line diagram of the proposed installation.
- All forms, fees and supporting document are to be sent electronically to Interconnect@nspower.ca or mailed to the following address:

Nova Scotia Power Inc.,
5 Long Lake Drive
Ragged Lake Business Park
Halifax, NS
B3S 1N8
Attention: Interconnection Engineer
- Nova Scotia Power shall acknowledge receipt of the Interconnection request within five Business Days of receipt of the request, assign an Interconnection request number and attach a copy of the received Interconnection request to the acknowledgement.
- If the Interconnection request is deemed valid, this date-and-time-stamp will be used to establish the initial Queue position for the Interconnection request.
- A valid Interconnection request will be managed in accordance with the Distribution Generator Interconnection Procedures (DGIP) located at <https://www.nspower.ca/oasis/generation-interconnection-procedures>.

2. Preliminary Assessment

- Following the establishment of a valid Interconnection request, a Preliminary Assessment will be conducted.
- The Preliminary Assessment process is described in Appendix 1 to this Schedule “A”.

3. Distribution System Impact Study (DSIS)

- A study deposit of \$10,000 (certified cheque or bank draft) is required to initiate the DSIS along with detailed project technical and location information. The information required includes project capacity in MW, generator data, a one-line diagram of the Generating Facility and confirmation of the Point of Interconnection.
- Nova Scotia Power completes the DSIS based on the DGIP study calendar grouping located at <https://www.nspower.ca/oasis/calendars>. Nova Scotia Power completes the study based on the information provided with the Interconnection request and develops specific Interconnection requirements and cost estimates for any required system additions/upgrades. The DSIS is then provided to the Customer for review.
- DSIS will be given queue priority based on the date the final progression milestone is demonstrated to be complete by the Interconnection Customer.

4. Standard Small Generator Interconnection Agreement (SSGIA) and Net Metering Agreement

- Based on the DSIS findings, Nova Scotia Power and the Interconnection Customer develop the project-specific terms of the SSGIA. The Customer and Nova Scotia Power execute the SSGIA.
- The Interconnection Customer provides payment of the required system addition and upgrade costs. Engineering, procurement and construction of required facilities commences.
- Prior to commercial operation, the Interconnection Customer must also execute a Net Metering Agreement to participate in the Net Metering program.
- Prior to commercial operation, Nova Scotia Power and the Interconnection Customer perform and/or witness commissioning and testing of Facilities.
- Final reconciliation of actual Interconnection costs incurred by Nova Scotia Power will determine final refunds to, or payments by, the Interconnection Customer.

APPENDIX 1
to SCHEDULE "A"

Description of the Preliminary Assessment (PA) Process

- Preliminary Assessments will be performed based on the order of the date/time the valid Interconnection request was received.
- Nova Scotia Power performs a Preliminary Assessment of the project, considering the size, type and location of the proposed generation equipment and the existing Nova Scotia Power facilities in place.
- The Preliminary Assessment is a high-level review of system thermal limits, power quality issues (flicker/voltage levels), peak and minimum load levels, available fault levels, existing generation and other Interconnection requests in the area.
- The Preliminary Assessment also provides an order-of-magnitude cost estimate of required system additions and upgrades to accommodate the Generating Facility. The Preliminary Assessment will be completed within 30 Calendar days
- Upon completion of the Preliminary Assessment, a Preliminary Assessment report is provided to the Interconnection Customer.
- In the case of an applicant for Class 2 Net Metering Service, the Customer will then proceed to the Distribution System Impact Study (DSIS) (as described above) by meeting the defined progression milestones outlined in section 7.2 of the DGIP and submitting a DSIS Study Agreement within two years of the Interconnection request validation.
- Class 1 Net Metering Service Customers whose Facilities require a Preliminary Assessment are subject to a non-refundable fee of \$750.00, as per Nova Scotia Power Distribution Generator Interconnection Procedures. Class 2 Net Metering Service Customers will have already paid this fee as part of a Distribution Interconnection request per the Class 2 Net Metering Service application procedure.

Payment must be in the form of a certified cheque and sent to the following address:

Nova Scotia Power Inc.,
5 Long Lake Drive
Ragged Lake Business Park
Halifax, NS
B3S 1N8
Attention: Interconnection Engineer

This **COMMERCIAL NET METERING PARTICIPANT AGREEMENT** made with effect as of the _____ day of _____, 20____, ("**Effective Date**").

BETWEEN:

(the "**Customer**")

-and-

NOVA SCOTIA POWER INCORPORATED, a body corporate
("**NSPI**")

WHEREAS:

- A. The *Renewable Electricity Regulations* (N.S. Reg. 155/2010) made under the *Electricity Act* (S.N.S. 2004, c. 25) require that a standard-form agreement set forth the terms and conditions pursuant to which a Customer shall participate in the Commercial Net Metering Program.
- B. The Customer has applied to participate in the Program.
- C. The parties agree that the Customer's participation in the Program will be governed by the terms and conditions contained herein.

NOW THEREFORE witnesses that in consideration of the promises and the mutual covenants and obligations herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1) **DEFINITIONS**

In this Agreement, including in the recitals above, the following terms have the following meanings:

- a) "**Commercial Net Metering Program**" or "**Program**" means NSPI's Commercial Net Metering Program as amended or replaced from time to time by NSPI in accordance with applicable Laws and the Rates and Regulations.
- b) "**Distribution System**" means NSPI's facilities that operate at a nominal voltage of 24,940 V or less, which are used to distribute electric power between substations and customer loads.
- c) "**Distribution Zone**" means all NSPI distribution feeders emanating from a single distribution supply transformer within a substation.
- d) "**Facility**" means the Customer's plant and equipment, including but not limited to, the generator, inverter, storage devices, and Interconnection Equipment located on the Customer's side of the Point of Delivery.
- e) "**Interconnection**" means the electrical connection of a generator in parallel with the Distribution System as defined herein.

- f) **“Interconnection Equipment”** means all equipment and functions used to interconnect a generator to the Distribution System.
- g) **“Interconnection Requirements”** means the interconnection requirements that are specified by the Program Terms and Conditions. The Interconnection requirements outline the technical requirements that are required to be met by the Customer to establish an Interconnection with the Distribution System.
- h) **“Islanding”** means the condition in which a portion of the Distribution System is energized by a Facility while a portion of the Distribution System is electrically separated from the rest of the Distribution System.
- i) **“Laws”** means any applicable federal, provincial, or local law, regulation, bylaw, ordinance, rule, permit, license or code of every relevant jurisdiction that in any manner affects the performance of obligations under these Terms and Conditions, and any order, decree, authorization or approval, or other binding determination of any relevant governmental authority, body, tribunal or agency with jurisdiction over the foregoing.
- j) **“Point of Delivery”** means the point where the Distribution System is connected to the Facility.
- k) **Point of Interconnection** shall mean the point where the Interconnection Facilities connect to the Distribution System.
- l) **“Premises”** means the property where the Facility is located, as identified in the Program application.
- m) **“Program Terms and Conditions”** means the Terms and Conditions for NSPI’s Commercial Net Metering Program, as approved by the NSUARB.
- n) **“Rates and Regulations”** means NSPI’s rates and regulations as may be approved by the Nova Scotia Utility and Review Board from time to time.
- o) **“Renewable Energy Certificate”** means a certificate that represents the environmental attributes of one megawatt-hour of electricity generated by a renewable energy source.
- p) **“Standard Protection Code”** means NSPI’s systematic and coordinated approach to work planning which is utilized to enhance personal safety and the protection of the Distribution System and ancillary equipment against damage.
- q) **“NSUARB”** refers to the Nova Scotia Utility and Review Board.

2) **2. FACILITY**

- a) The particulars of the Facility, as defined herein, are as follows:

Generator manufacturer	(Inverter)	(Module)
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Generator model	(Inverter)	(Module)
Energy or source type (e.g. hydro, photovoltaic, wind)		
Nameplate rating	kW/AC	kW/DC
Electric energy storage capability (YES/NO, if YES - describe)		
Point of Delivery		
Address of Generator		
Plans Review ID Number		

The location of the generator is outlined in the site plan attached hereto as Schedule “A”. The single line diagram is attached hereto as Schedule “B”.

- b) The Customer must own the Premises or otherwise hold valid legal rights that entitle the Customer to install and operate the Facility on the Premises.
- c) The Customer shall notify NSPI if it transfers ownership or leasehold of the Premises and advise if it wishes to (i) continue its participation in the Program, notwithstanding its transfer such property rights, (ii) transfer its participation in the Program to a new owner or lessor of the Premises, or (iii) terminate its participation in the Program in accordance with Section 10). NSPI shall, in a timely manner, advise the Customer and/or the new owner, as applicable, of any additional steps required to effect the continuation, transfer, or termination of participation in the Program. Accordingly, this Agreement may not be assigned by the Customer without the written consent of NSPI and in no event may the Agreement be assigned to a party other than a successor in title to Customer’s Premises and Facility.

3) CUSTOMER COVENANTS

- a) The Customer warrants, covenants and agrees as follows:
 - i) the Facility will be operated in accordance with the Interconnection Requirements;
 - ii) the Facility and all ancillary equipment will be approved by the Canadian Safety Association (“CSA”), or by an agency which is acceptable to NSPI, in its sole discretion;
 - iii) the Facility and all ancillary equipment, will be installed, operated, and maintained in accordance with all applicable national, provincial, and municipal electrical construction and safety codes, including, without limitation, the Canadian Electrical Code (including Parts I and II concerning product standards) and the *Electrical Installation and Inspection Act* (R.S.N.S 1989, c. 141);
 - iv) the Customer will comply with applicable federal, provincial and municipal statutes, regulations and bylaws pertaining to the Facility;
 - v) the Customer will obtain all requisite approvals for the installation and operation of the Facility; and

- vi) the Customer has been advised that there are no synchronization schemes in place on NSPI's facilities, and that the upstream Distribution System contains automatic equipment that will provide for voltage regulation and automatic reclosing as part of normal operation.

4) **OPERATION OF THE FACILITY**

- a) Once interconnected, the Customer shall construct, interconnect, and operate its Facility in accordance with all applicable rules, regulations, codes and laws, including without limitation, the Interconnection Requirements, the Rates and Regulations, as may be amended from time to time, any instructions provided by the Facility's manufacturer, and all applicable national, provincial, and municipal electrical construction and safety codes, including the Canadian Electrical Code (including Parts I and II concerning product standards) and the *Electrical Installation and Inspection Act* (R.S.N.S 1989, c. 141). For clarity, Nova Scotia Power Regulation 3.6 ("Net Metering Service") is not applicable to the Commercial Net Metering Program. The Customer will not expand or alter the Facility in any manner without receiving NSPI's prior written consent.
- b) The Customer's Facility must be a "renewable low-impact electricity generation facility", within the meaning of the *Renewable Electricity Regulations* (N.S. Reg. 155/2010).
- c) The Customer and NSPI shall operate the Facility and the Distribution System respectively, in accordance with good utility practice, in a manner which places the utmost importance on the safety of the public and each party's agents and employees.
- d) NSPI shall perform any reviews and inspections that it is required to perform on the Facility.
- e) The Customer is not required to give NSPI notice prior to starting or stopping the Facility, with the exception of the initial start-up, which shall be subject to NSPI having inspected and approved the Facility and the Interconnection.
- f) Islanding of the Facility with any portion of the Distribution System is not permitted under any circumstances.
- g) NSPI reserves the right, at its option, to inspect the Facility at any time.
- h) **Outages:** From time to time, the applicable distribution feeder may experience outages. NSPI shall use good utility practice to minimize such occurrences. To the extent reasonably possible, NSPI will provide the Customer with advance notice that interruption or reduction of the Facility's output shall be required in order to permit NSPI to construct, install, maintain, repair or inspect any part of its Distribution System.
- i) **Interruption:** NSPI may curtail, interrupt, or reduce the Facility's electrical output, without prior notice, whenever NSPI determines that it is necessary to do so. Such curtailment may be necessary in cases of emergencies, forced outages, safety hazards or in order to comply with good utility practice. NSPI will make reasonable attempts to notify customers of a curtailment, interruption, or reduction in advance of any planned construction, installation, maintenance, repairs, or inspections of any part of its Distribution System.

- j) **No Compensation:** The Customer agrees that the Customer is not entitled to any compensation or damages, direct or indirect, loss, prospective profits, economic loss or incidental or consequential damages as a result of the Facility's output being curtailed, interrupted or reduced pursuant to Sections 4)h) or 4)i).
- k) **Access:** The Customer hereby grants NSPI access over and across the Premises for the purpose of maintaining, operating, inspecting, meter reading, or disconnecting the Facility or the Interconnection Equipment, as the case may be, without prior notice to the Customer, provided that such entry is made, except in cases of emergency, during reasonable hours. Nothing herein limits or otherwise affects any other right of entry which NSPI may have pursuant to its Rates and Regulations or at law.
- l) Without derogation from the Interconnection Requirements and any Distribution Generator Interconnection Agreement between NSPI and the Customer (if applicable):
 - i) net energy metering shall be accomplished using a single meter that is capable of registering the flow of electricity in two directions and that is approved by Measurement Canada;
 - ii) if NSPI determines that the flow of electricity in both directions cannot be reliably or safely determined through use of a single meter, NSPI may require that additional meters be installed;
 - iii) the Customer is responsible for all capital costs of all equipment on the generator side of the point of interconnection between the Customer's Facility and the Distribution System.
 - iv) if upgrades or revisions are required to existing NSPI systems to accommodate the addition of Customer's Facility, the Customer shall pay the actual cost of the installation or changes. The Customer shall pay a capital contribution for any required line extensions necessary to extend the NSPI system to the Facility.
 - v) If upgrades or revisions are required to existing NSPI systems to accommodate the addition of a customer owned generator located in the same Distribution Zone as the Customer's Facility, but not at the same Premise as the Customer Facility, the Customer shall pay the actual cost of the installation or changes. The Customer shall pay a capital contribution for any required line extensions necessary to extend the NSPI system to the generator, and the Customer shall be responsible for all maintenance, repair and replacement costs for the dedicated portion of this supply.
 - vi) NSPI will perform and manage the maintenance of any such NSPI-owned facilities that are constructed to interconnect the Customer's Facility.
- m) If Customer is materially non-compliant with its obligations and warranties pursuant to Section 3) or this Section 4), or if the Customer does not receive all requisite approvals for the installation and operation of the Facility, then NSPI may disconnect the Facility immediately as outlined in Section 8) ("Suspension of Interconnection").

5) PURCHASE AND SALE OF ENERGY

- a) Subject to, and in accordance with, the terms and conditions of this Agreement, the Customer shall sell and deliver to NSPI, and NSPI shall purchase and take delivery at the Delivery Point, the electrical energy delivered to the Distribution System by the Customer's Facility, including the environmental attributes associated with its manner of generation. Such electrical energy and the associated attributes shall be sold and delivered by the Customer to NSPI free of any liens, encumbrances or adverse claims.
- b) The sole consideration to be paid by NSPI to the Customer for the electrical energy sold and purchased pursuant to Section 5)a) will be the Banked Energy Credits, as provided for, and in accordance with, Section 6).

6) **BILLING AND TREATMENT OF BANKED ENERGY CREDITS**

- a) The Anniversary Date shall be 1 January of any given year.
- b) Customers will be billed for electricity supplied by NSPI under their applicable metered rate tariff.
- c) If in a given billing period, the electricity, in kWh, supplied to the Distribution System by the Facility exceeds that supplied to the Customer by NSPI, in kWh, the Customer shall be billed only for the applicable non-kWh monthly charges and the excess self-generated electricity, in kWh, will be "banked" as energy credits, in kWh, to be applied against future bills over a period up to, and ending upon, the Anniversary Date ("**Banked Energy Credits**").
- d) If, in a given billing period, the combined total of the electricity supplied to the Distribution System by the Customer-generator and the Banked Energy Credits from the previous billing periods is less than the electricity supplied to the Customer by NSPI, NSPI will bill the Customer for the "Net Purchased Electricity Requirement" and for the applicable non-kWh monthly charges. "Net Purchased Energy Requirement" is calculated as follows:

$$\text{Net Purchased Energy Requirement} = \text{Purchased energy from NSPI} - (\text{Self-generation supplied to NSPI} + \text{Banked Energy Credits})$$

- e) Banked Energy Credits held by the Customer and will remain valid until the earlier of the Anniversary Date or the date upon which service is discontinued, at which time the Banked Energy Credit will be applied towards the Customer's billed energy (kWh) within the same calendar year and applied to the customer's account in the form of a bill credit. The value of this credit shall not exceed the amount the customer would have paid for any billed energy within the same calendar year.
- f) Any Banked Energy Credits held by the Customer upon the Anniversary Date or upon the discontinuation of service in excess of the Customer's billed energy will be forfeited by the Customer and set to zero.
- g) If the Customer is served pursuant to a domestic time-of-day service account, NSPI will measure and record Banked Energy Credits in relation to the applicable time-of-use periods for billing purposes and crediting purposes. Banked Energy Credits held by such a Customer upon reaching the Anniversary Date or upon discontinuing service will be applied towards the Customer's aggregate billed energy (kWh) within the applicable calendar year and applied to the Customer's

account in the form of a bill credit. The value of this credit shall not exceed the amount the Customer would have paid for any billed energy within the same calendar year.

- h) Banked Energy Credit balances on a Customer's account will have no cash value other than as described in this Section 6) and will not be convertible to cash or equivalents.
- i) If a Customer is billed under more than one electric account connected to the same Distribution Zone as the Facility, the Customer will propose a method to apportion its surplus generation against its consumption under multiple accounts for billing purposes. The Customer will either designate the order in which the apportionment of surplus generation is to be applied to individual accounts or nominate the fraction of surplus generation to be apportioned to each account or choose a combination of both approaches. If a Customer subscribes to more than one net metering applications within the same Distribution Zone, each account will have only one Facility assigned to it for billing purposes. The proposed method of surplus allocation and the account assignment to generating facilities will be approved upon the Customer's enrollment in the Program and will stay in effect until such a time when Customer submits a written request for change. NSPI may, at its sole discretion, approve such changes provided they remain in place for at least a calendar year.
- j) Subject to Section 7) ("Renewable Energy Certificates"), any environmental credits that may be created through the generation of energy through Net Metering will be held by NSPI.

7) RENEWABLE ENERGY CERTIFICATES

- a) Upon written request by the Customer to NSPI, and in accordance with this Section 7), NSPI will register all applicable Renewable Energy Certificates for the Customer on an annual basis with an internationally-recognized organization. NSPI may estimate the total energy output based on total installed nameplate capacity. Any expense or cost reasonably incurred by NSPI pursuant to such request shall be for the account of the Customer and the Customer shall promptly reimburse NSPI for any such expenditure or incurred cost.
- b) In its written request, the Customer shall identify the internationally-recognized organization with which the Renewable Energy Certificates are to be registered. Such a request by Customer shall be provided to NSPI by no later than January 31 of the year following the calendar year first being reported.
- c) Upon request by the Customer, NSPI will provide a document annually no later than March 31 of the year following the calendar year being reported on to the Customer confirming the Customer-specific Renewable Energy Certificates registration that includes the following:
 - i) the annual volume of Renewable Energy Certificates;
 - ii) Customer identification number; and
 - iii) Vintage.
- d) Once the document described in subsection 7)c) is provided to the Customer, the Renewable Energy Certificate is considered retired. Once the document described in subsection 7)c) is provided to the Customer, the Renewable Energy Certificate is considered retired.

- e) Notwithstanding any other provision of this Agreement, the parties agree that all Renewable Energy Certificates registered and retired pursuant to this Section 7) shall reflect that the underlying renewable electricity attributes have been allocated toward NSPI's compliance with the renewable portfolio standard requirements set forth in the *Renewable Electricity Regulations* (N.S. Reg. 155/2010). The parties agree that the total electrical energy output of the Customer's Facility while the Customer is a participant in the Program, whether delivered to NSPI or self-supplied to the Customer, shall be counted by NSPI toward such renewable portfolio standard, and the Customer shall take no actions to utilize or take credit for the Facility's environmental attributes in a manner that could hinder NSPI from doing so.

8) SUSPENSION OF INTERCONNECTION

- a) If the Customer's Facility is not operating in accordance with the Interconnection Requirements (including a Distribution Generator Interconnection Agreement, if applicable), any Laws, the Program Terms and Conditions, this Agreement, or any statutory requirements as may be amended from time to time, NSPI may disconnect the Customer's Facility until the Facility is, in NSPI's sole opinion acting reasonably, found to be in compliance with such requirements.
- b) If, in the event of non-compliance, NSPI does not disconnect the Facility, then NSPI will provide written notice of default. If the default is not cured within 30 days, then NSPI may terminate this Agreement and the Customer's participation in the Program in accordance with section 8, Term and Termination.
- c) NSPI may disconnect the Facility from the Distribution System without prior notice if the operation of the Facility is or may become in NSPI's sole discretion a threat to personal safety, the safety of the general public, or the integrity of the Distribution System.

9) INDEMNITY AND RISK OF LOSS

- a) NSPI shall not be liable for any loss, damage, or injury, including but not limited to death, relating to this Agreement or the operation of the Facility except to the extent that such loss, damage, or injury may be attributed to the negligence or willful misconduct of NSPI.
- b) The Customer shall assume all risk of loss, damage or injury, including death, to person or property, to the extent caused by its directors, officers, employees, sub-suppliers, agents or representatives in connection with the Facility, and agrees not to make or bring any claim, action or demand against NSPI or its directors, officers, servants, agents, or employees in respect of such loss, damage or injury arising out of or in any way attributable to the operation of this Agreement excepting such loss, damage or injury caused by the negligence or wilful misconduct of NSPI or NSPI's directors, officers, servants, agents or employees.
- c) For the purposes of this Section 9) "**Claims**" shall mean any liabilities, losses, expenses (including legal costs), claims, demands, actions and causes of action, whether based upon breach of contract, breach of warranty, failure to meet performance guarantees, tort (including negligence) and/or strict liability.

- d) The Customer agrees to indemnify and save harmless NSPI, its directors, officers, servants, agents, or employees, and their heirs, executors, administrators, successors and assigns, or any of them, from and against any Claims whatsoever suffered by NSPI by reason of, or arising out of, or any way attributable to this Agreement or ancillary to the Customer's operation of the Facility contemplated herein excepting only to the extent caused by the negligence or wilful misconduct of NSPI or NSPI's directors, officers, servants, agents or employees.
- e) The provisions set forth in this Section 9) shall apply and be effective with respect to any claim, cause of action, or legal theory whatsoever including without limitation, Claims based upon breach of contract, breach of warranty, failure to meet performance guarantees, tort (including negligence) and strict liability.

10) TERM AND TERMINATION

- a) This Agreement is effective as of the Effective Date and shall remain in effect until terminated. This Agreement may be terminated by either party upon providing 30 days prior written notice to the other party. This Agreement may be terminated by NSPI upon the Customer being in default of its obligations as outlined in Section 7). NSPI will provide notice of default to the Customer. If such default is not cured within 30 days following notice of the default having been provided to the Customer, this Agreement shall terminate without further notice to the Customer.
- b) Notwithstanding any provision in this Agreement, NSPI may terminate this Agreement effective immediately upon written notice to the Customer upon the happening of any one or more of the following:
 - i) the Customer's electrical service is disconnected, regardless of whether such disconnection is at the request of the Customer or in accordance with NSPI's Rates and Regulations.
 - ii) In the event NSPI's metering indicates that the Customer's Facility has not generated electricity for a period of 12 calendar months.

11) DISPUTE RESOLUTION

- a) In the event of a dispute in connection with this Agreement the Customer and a senior officer of NSPI shall promptly meet to discuss and resolve the dispute and the parties shall have 10 days to resolve the dispute (or five days if either party notifies the other party that the matter requires urgent resolution).
- b) If resolution cannot be achieved, then such dispute or difference may be referred by either party to binding arbitration under the provisions of the *Commercial Arbitration Act* (Nova Scotia).
- c) Unless otherwise requested by Customer, there shall be no stoppage in the provision of net metering services during the dispute resolution process.

12) NOTIFICATIONS

- a) All notices to be given to either party under this Agreement shall be written and addressed to NSPI and to the Customer as follows:

Nova Scotia Power Incorporated
Attention: Legal Services
PO Box 910
Halifax, NS B3J 2W5
Facsimile: (902) 428-6171

To the Customer:

Attention:
Telephone Number:
Email Address:

- b) All notices may be sent by facsimile, a nationally recognized overnight courier service, first class mail or hand delivered. Notice shall be given when received by the addressee on a business day. In the absence of proof of the actual receipt date, the following presumptions will apply:
 - i) Notices sent by facsimile shall be presumed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a business day or is after five p.m. (Nova Scotia prevailing time) on a business day, then such facsimile shall be deemed to have been received on the next following business day;
 - ii) Notice by overnight courier shall be presumed to have been received on the next business day after it was sent; and
 - iii) Notice by first class mail shall be presumed delivered five business days after mailing.
- c) Either party may modify its address for notices by advance written notice to the other party.

13) MISCELLANEOUS

- a) The Program Terms and Conditions are hereby incorporated by reference into, and form part of, this Agreement.
- b) This Agreement does not supersede the requirements outlined in any applicable Rates and Regulations as approved by the NSUARB from time to time, or legislation, including but not limited to *the Public Utilities Act*, the *Canadian Electrical Code*, the *Occupational Health and Safety Act*.
- c) This Agreement shall only be renewed with the written consent of both parties.
- d) The insertion of headings in this Agreement is for convenience only and shall not be construed so as to affect the interpretation or construction of this Agreement.
- e) The recitals and schedules are hereby incorporated into this Agreement.
- f) This Agreement is to be read with all changes in gender and number as required by the context.

- g) This Agreement shall be deemed to have been made in and shall be governed by, construed and interpreted in accordance with the laws of the Province of Nova Scotia and the laws of Canada, as applicable therein.
- h) No consent or waiver, express or implied, by any party to this Agreement of any breach or default by any other party in the performance of its obligations under this Agreement or of any of the terms, covenants or conditions of this Agreement shall be deemed or construed to be a consent or waiver of any subsequent or continuing breach or default in such party's performance.
- i) This Agreement is the entire agreement between the parties with respect to the subject matter hereto and shall not be modified, varied or amended except by an instrument in writing signed by the parties.
- j) Should any provision of the Agreement be declared by a judicial or other competent authority to be unenforceable, the remaining provisions of the Agreement shall remain in full force and effect.
- k) The parties agree that this Agreement and all related documents shall be in English.
- l) This Agreement may be executed by the parties in counterparts, each of which when so executed and delivered shall be deemed to be an original and when taken together shall be deemed to be one and the same instrument. The electronic delivery, including, without limitation, by email or facsimile transmission, of any signed original of this Agreement shall be the same as the delivery of an original.

IN WITNESS THEREOF, the Parties have duly executed this Agreement, in duplicate, as of the date set forth above.

NOVA SCOTIA POWER INCORPORATED

Per: _____

Name:
Title:

CUSTOMER

Per: _____

Name:

SCHEDULE "A"
SITE PLAN

SCHEDULE "B"
SINGLE LINE DIAGRAM