
Stephen T. McGrath
Team Lead, Solicitor Services

File No.:

Via Email

Nicole Godbout, Regulatory Counsel
Nova Scotia Power Inc.
1223 Lower Water Street
PO Box 910
Halifax NS
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Dear Ms. Godbout:

Re: NSPI IRP Stakeholder Comments on Assumptions and Analysis Plan

The Department of Energy (herein referred to as “the Department”) is generally supportive of the IRP Assumptions and Analysis Plan. After reviewing the reference files provided by NSPI, the Department would like to offer some comments in relation to the Analysis Plan and the following four (4) assumptions:

1 Renewable Electricity Standards

The Province of Nova Scotia has no current plans to change the requirements of the Renewable Electricity Standards (RES), as defined under the Renewable Electricity Regulations. However, the government continues to support the development of renewables and expects that the percentage of renewable electricity supply is likely to increase beyond levels currently mandated by the RES Regulations. Through the initiation of a thorough review of Nova Scotia’s electricity system (the Electricity Review), the recently passed Electricity Reform Act represents an opportunity to clarify the future opportunities for the use of renewable energy in the province.

2 COMFIT

To date approximately 89 COMFIT projects have been approved. The Department is no longer accepting applications over 500kw. Historically there have been high attrition rates for distribution projects within the province, and the Department has set aggressive in-service timelines that must be adhered to.

The Department suggests that a range of approximately 110-120 MW of COMFIT projects will be in-service by 2016.

3 Load Forecasts

The Department appreciates the need for an accurate model to define the base case load forecast, however the Department respectfully suggests that the proposed scenarios do not show the levels of variance required to ensure that all reasonable futures will be included in the modeling. The proposed residential forecast in particular is extremely narrow in scope and the department believes that a much wider range should be considered; ideally at least +/- 15% of the base case for each customer class. Previous load forecasts for other regulatory submissions have been similar to this broader range.

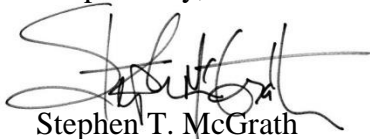
It would be helpful if further details were provided on the assumptions that go into developing the end use model base case load forecast. This is a key input to the IRP therefore the Department feels that additional information is needed to better understand how the forecast is developed.

4 Demand Side Management

Through the aforementioned Electricity Review the Province will be examining the continued role for Demand Side Management (DSM) in the Nova Scotia electricity system, and expects new technology will continue to be cost effective for reduction of both energy and capacity demand. The Department does not find there is sufficient information presented in the assumptions to explain how DSM will be handled by the model and requests that NSPI provide more information related to the following points (at minimum):

- DSM programming includes more than just the end-user portfolio included in the DSM potential study. The IRP should include cost effective DSM programming from any available source, including the utility's own incentive and infrastructure plans such as intelligent metering, conservation voltage reduction and other smart-grid based technologies.
- Clarify what is meant by "layers" of DSM in the IRP process description. Indicate how the model will settle on the amount of DSM programming.
- While Demand Response is mentioned it is not clear if it will be modeled as a separate process or only as an effect of Energy Efficiency DSM. The Department would suggest that as emerging technologies (such as smart-grid) will make Demand Response increasingly effective and relevant, it would be useful for the IRP to model these specific effects on peak load system demand.

Respectfully,



Stephen T. McGrath

cc: 2014 IRP Participants