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Dear Ms. Myatt:

RE: M05522 - 2014 IRP - Intervenor Comments on IRP Focus and Resource Allocation

The Government of Nova Scotia is committed to maintaining a healthy environment for the benefit to our citizens. Through the *Environment Act, Environmental Goals and Sustainable Prosperity Act (EGSPA)* and their associated regulations NSE is mandated to protect and ensure the prudent use of Nova Scotia's environment. Nova Scotia has an approach for reducing air pollutant and greenhouse gas emissions that is part of a larger comprehensive plan to move away from coal-based electricity generation to cleaner energy sources. This approach helps to shield us from volatile fuel markets while protecting the environment and the health of our citizens.

Nova Scotia Power (NSPI) has requested feedback and direction from intervenors to help focus the analysis and sensitivities of the current Integrated Resource Planning process on realistic scenarios. NSE welcomes the opportunity to provide our valuable feedback and direction below to help focus this analysis.

As indicated in NSE's March 2014 letter, NSE believes that a scenario where no further air emission reduction occurs after 2020 is not realistic and would not result in NSPI meeting environmental regulations. As such, NSE believes that NSPI and the UARB should focus resources, sensitivity cases and analyses on the realistic scenario that reflects "Scenario A". This scenario encompasses both the current *Air Quality Regulations* and the reductions envisioned within the Amendment to Greenhouse Gas and

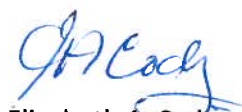
Air Quality Emission Regulations Discussion Paper (“the Paper”) (NSE June 2013), which includes further reductions out to 2030. Moreover, NSE reiterates that compliance periods should be incorporated into the modeling, as indicated in NSE’s April 2014 letter, since this is the realistic future.

Under its Air Quality Management System, the Government of Canada intends to introduce regulatory standards to reduce air pollution from coal-fired electricity generation. Such standards are envisioned to be benchmarked against leading jurisdictions and provide good baseline reductions. Nova Scotia approaches regulation of air pollutants from the electricity sector differently than most other jurisdictions that use a capital intensive approach. The approach of in-stack limits and/or requirements for abatement equipment provides immediate and near term reductions. In contrast, Nova Scotia’s approach reflects a long term vision (“Scenario A”). This vision achieves good reductions through a flexible fleet requirement which does not dictate how NSPI complies with regulated emission limits. Rather, Nova Scotia’s approach allows the freedom of choice as highlighted in recent IRPs. Both levels of government are committed to continual reductions after 2020. A strong but flexible approach in Nova Scotia (“Scenario A”) may allow us to negotiate an equivalency agreement with the Government of Canada, as we did with GHGs, to the benefit of all ratepayers.

Finally, NSE suggests that NSPI take a broader look at a diversity of options for various types of air pollutant abatement equipment to reflect realistic options and constraints within the current IRP analysis plan. Limiting the type and location of equipment to only specific units hinders the ability to fully look at emission compliance, and limits the ability to assess all options to meet environmental constraints, including mercury control.

Thank you for this opportunity to provide NSE’s valuable feedback into the IRP process to ensure NSPI’s resources are adequately allotted to realistic and reasonable futures.

Yours truly,



Elizabeth A. Cody
Deputy Minister

c.c Murray Coolican, Deputy Minister of Energy