



Press Release
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Ecology Action Centre Says Rate Decision Confuses Priorities *“Reducing Fossil Fuel Use the Best Direction”*

Halifax - The Ecology Action Centre is expressing continued frustration at the priorities of Nova Scotia’s electricity sector in the wake of the UARB’s decision to increase rates.

The EAC did not support a rate increase, or the scheduling of a hearing for a Fuel Adjustment Mechanism (FAM), because cost-effective opportunities to improve energy efficiency have been missed and a framework to reduce the use of the fossil fuels responsible for price volatility has yet to be established.

“Everyone in Nova Scotia knows we are caught in a vicious circle of rate increases. The way out is not to stop having hearings or to automatically shift the risks of price volatility onto Nova Scotians. The way out is to reduce our dependence on fossil fuels,” said EAC Energy Coordinator, Brendan Haley.

In their 2005 rate decision, the Board rejected a FAM stating:

“The Board does not believe it is in the public interest to transfer the risk of fuel price volatility to ratepayers when NSPI’s ability to achieve the best possible fuel price is in question”

Yet, the Board has approved a hearing to consider a FAM only two years later. What the EAC stated in their submission to the Board was that having to pay no fuel price is a more cost-effective option over the long-term, and that this option is being overlooked.

“Other jurisdictions have been demonstrating for years that investments in energy efficiency cost less than buying fossil fuels and building power plants. Yet, Nova Scotia lacks a framework to deliver energy efficiency,” said Brendan Haley.

The Board did state that issues related to energy efficiency as well as renewable energy will be dealt with in an *Integrated Resource Planning* as well as a *Demand Side Management* process, scheduled to take place throughout 2007. They also stated that these processes would take priority over a FAM hearing. Yet, the hearing process for a FAM starts this week, whereas the abovementioned processes have been delayed for almost a year.

The EAC states that they do not believe it is prudent for the province to consider a FAM until we know that options to use fewer fossil fuels have been maximized.

“I don’t think we should consider anything that automatically shifts the risks of fuel costs onto Nova Scotians until we are absolutely sure that we have maximized all options to

reduce the impact of price volatility by reducing our use of fossil fuels,” said Brendan Haley.

The EAC states that there still exists no framework in Nova Scotia to invest in energy efficiency.

It remains unclear as to whether a target will be set to maximize our potential to improve energy efficiency. The EAC states that many other jurisdictions are not able to meet all cost-effective and achievable energy efficiency that is available, due to caps on the level of investment.

Finally, the EAC states that a dedicated mechanism to invest in energy efficiency has yet to be established.

“Why are we looking at providing automatic funding for fossil fuels and not automatic funding for energy efficiency,” asks Brendan Haley.

The EAC recommended that the Board begin to establish a framework for energy efficiency in its submission, but the Board did not discuss this request in its decision. So the EAC suggests it is time for the government to show some leadership.

“The government has ordered Nova Scotia Power to make investments in renewable energy. It looks like similar direction for energy efficiency is necessary. We need to end the delays and distractions and start investing in the abundant, clean and cost-effective opportunity we have in reducing energy waste,” stated Brendan Haley.

The EAC says that establishing a coherent framework for investing in energy efficiency fits the mandate of the new *Conserve Nova Scotia* Agency and should be of utmost priority given not only the lost opportunities for financial savings, but the urgent need to take action on climate change following the report released on Friday by the Intergovernmental Panel on Climate Change.

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