

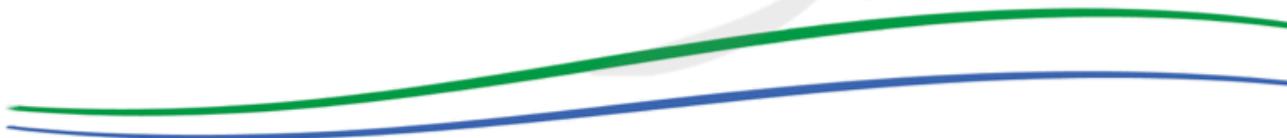


Dear Minister Coady,

The Western Environment Centre acknowledges that the new Provincial Net-Metering policy is a positive development for the province. There are however, several fallacies with this policy that will restrict growth in the renewable energy sector, as well as the applicability of this sector to contributing to a "green economy", or reducing household costs associated with energy consumption.

The extension of net metering to households and general service users is commendable, however, the ability to only install up to the consumptive capacity of that household or general service, and with a maximum cap to 100kW, is paradoxical. Even if an energy surplus is obtained from optimal generating conditions, there will be minimal returns given these restrictions. The limit of one metering point per installation and prohibition of aggregation will not allow neighbourhoods or communities to share installation costs or revenue benefits. According to the Net Metering Framework, the primary goal of this policy is to increase the ability of households to offset personal usage, but these restrictions mean that it is not economically feasible for individual households, or communities to do so.

Information is lacking regarding the overall application process, and should be presented clearly and publicly prior to the policy coming into force on July 1<sup>st</sup>, 2017. As well, the baseline for assessing a customer's installation capacity and sizing is also unclear and raises several questions. Will the consumption capacity for a household be determined similar to a prorating basis, (i.e. annual consumption divided by 12 months to create a monthly average), or will it be based on maximum loading requirements, e.g. during peak consumption during the winter months? Which suggestions provided by the Navigate Report of 2014, does the province, and the utilities intend to employ for capacity sizing? As well, what about changes in a household's energy consumption in future, such as the purchase of electric cars or renovations and their respective influence on consumptive capacity? A household should be able to purpose an installation of 100kW, even if such an installation exceeds the current consumptive capacity, based upon an intended purchase of consumptive technology being required or wanted in future. The 5 MW provincial cap on permissible installations is another restrictive component of this policy, and unfair protectionism in a monopolized energy market (Legislated through Bill 61). This cap should be either raised higher or lifted entirely.



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Funding mechanisms or mandating banks to offer low-interest loans to provide incentives and financing for household renewable energy systems, should be instituted and could assist in program enrollment, as well as alleviate the servicing of household debt for consumers.

Commercial businesses, which are most likely to have the financial capital to fund and construct renewable energy systems, as well as the greatest potential to increase the economic viability of their business models, have been excluded from this proposal. Some business sectors, for example agricultural greenhouses, or municipal sport complexes, could offset their operating costs substantially, increase revenues, and mitigate any potential losses expected from rate increases once the Muskrat Falls Project comes on-line. The economic viability of some businesses may be at risk in the near future, due to these anticipated rate increases. This policy should have attempted to mitigate potential risk by allowing commercial enterprises an opportunity to generate their own electricity requirements.

The Western Environment Centre is very pleased that the province has recognized the need for net metering and taken important first steps towards implementation. Unfortunately, there are several flaws with the framework that will limit the effectiveness and consumer uptake of the policy. The Western Environment Centre recommends amending the framework to include commercial customers, increase the 100 KW cap on which customers can participate, increase the 5 MW production cap, and develop financial assistance programs for interested participants. The Western Environment Centre would be happy to consult and work with the Government of Newfoundland and Labrador, as well as the Public Utilities Board together, to strengthen the development of this policy framework in future, in the best interest of both the general public and the environment.

Sincerely,

Glen Keeling, Chair

Western Environment Centre - Board of Directors

CC Darlene Whalen, Interim Chair & CEO, Public Utilities Board

CC John Green, Interim Chair, NL Hydro

A decorative graphic consisting of two wavy lines, one green and one blue, positioned above the address.

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