

# Short-circuit Liberal leader's power proposals

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In an Aug. 17 opinion piece, Liberal Leader Stephen McNeil presented his party's policy on Nova Scotia Power. Aside from normal political chest-pounding, McNeil proposes only two points: 1) The Liberals would "break the NSP monopoly" by letting producers of renewable energy sell directly to consumers; and 2) they would shift the fee to run Efficiency Nova Scotia from consumers to NSP "shareholders."

Regarding producers selling directly to consumers, it's unclear how such a proposal would work. There is only one transmission and distribution grid, and NSP would (understandably) want to charge for uploading to and downloading from it. NSP engineers maintain that additional supply to the grid require technological upgrades. Who would pay for these? It's unclear how administratively and technologically complex the "competition" that McNeil proposes would be, or that it would result in saving to consumers.

In a study I conducted in June for the Canadian Centre for Policy Alternatives, I proposed that NSP be divided. The electrical generation plants should be left with Emera, the parent corporation of NSP. In large measure (89.6 per cent) they consist of aging coal-fired plants that need to be shut down (sooner rather than later), and that then become liabilities when they have to be decommissioned.

The transmission and distribution grid, on the other hand, is a fabulous asset. Whoever controls the grid controls who connects to it and where power goes. Owning the grid would allow the Nova Scotia government to continue to implement competitive feed-in tariffs that would foster the development of renewable energy. I therefore proposed the government make the grid public again (NSP was a public utility until it was privatized in 1992 by Conservative premier Donald Cameron).

There is nothing wrong with having a transmission and distribution monopoly so long as the monopoly is owned by the people of Nova Scotia. Having identified some of the problems with electric power in Nova Scotia, McNeil seems hesitant to take the step that would solve them. This is surprising since it was the Liberal administration of premier Gerald Regan that took the politically courageous step of creating a provincial power utility in 1971, when it made public the then privately held Nova Scotia Light and Power.

As for transferring the costs of funding Efficiency Nova Scotia (ENS) from consumers to NSP "shareholders," I think McNeil must actually mean to NSP itself, since I don't believe the government could force "shareholders" to pay for such a service. It's also unclear that such a move would amount to more than a shell game, since NSP could then go to the Utility and Review Board with a request to increase rates because costs had gone up. Consumers would pay in either case.

More importantly, transferring funding of Efficiency Nova Scotia to NSP would be self-defeating. ENS was established to be independent of both NSP and the government. NSP is in the business of selling power (thus increasing consumption), not conserving it. On the other hand, with government in charge, ENS could be subject to patronage and political manipulation. Nova Scotians will still recall the brouhaha surrounding the appointment of Heather Foley Melvin as head of Conserve Nova Scotia (the predecessor of ENS) by Rodney MacDonald's government. Keeping Efficiency Nova Scotia independent keeps it honest and focused on the objective of reducing energy consumption and improving energy efficiency and conservation in Nova Scotia. This saves money for consumers.

Saving electricity costs 2.5 cents per kilowatt-hour. Building new electricity generation costs 13.5 cents per kilowatt-hour (for fuel, power plants, transmission capacity, etc.). So, saving electricity costs a fifth of what it costs to generate new electricity. Conserving electricity keeps money in Nova Scotians' pockets, out of NSP's coffers (and out of shareholder dividends and executive salaries), and is good for the environment and combating climate change.

From a political perspective, it is important to note that Efficiency Nova Scotia is regulated by the URB and its cost (not a "tax," but a cost for the service ENS provides) was set by the URB. Despite McNeil's claims, the NDP government had nothing to do with this and it doesn't control the agency, which is a non-profit corporation with no formal links to the government.

McNeil is right in saying that "real change is possible." The most beneficial real change would be for the province to acquire the transmission and distribution grid. It's time Nova Scotians again owned their own power utility.

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