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## Position Statement on the Proposed Renewal of the Canada-Nova Scotia Equivalency Agreement on Coal-Fired Electricity Regulations

This Position Statement reacts to the proposed renewal of the Equivalency Agreement between the Governments of Canada and Nova Scotia: '[Canada-Nova Scotia equivalency agreement consultation: carbon dioxide emissions from coal-fired generation of electricity](#)' released for comment on Saturday, March 30, 2019. This Position Statement also draws on the supplementary '[Quantitative analysis of equivalency determination consultation: carbon dioxide emissions from coal-fired generation](#)' also released on March 30, 2019. Find the EAC's other work on the phase-out of Coal Electricity in Nova Scotia here: <https://ecologyaction.ca/coal>

**April 29, 2019**

The Ecology Action Centre believes that setting clear, ambitious climate targets is critical to building the low-carbon economy and avoiding the worst of the threats that climate change poses to our coastal province. The phase out of coal-fired electricity is a critical policy that can help ensure affordable, clean electricity for Nova Scotians and help to avoid the worst climate impacts and ongoing human health impacts of burning coal.

With regional electricity planning, federal policy commitments and the established opportunities in affordable renewable energy and energy efficiency, the time has never been better to commit to a timeline and process for a full phase-out of coal-fired electricity in Nova Scotia, and a clear pathway to support coal workers and communities in the just transition to a prosperous, low-carbon economy.

At this time, the EAC is concerned with the absence of a firm commitment to phase out coal-fired electricity in Nova Scotia, and a lack of ambition arising from this proposed equivalency agreement renewal process. Nova Scotia has proposed a business-as-usual emissions reduction scenario that continues to allow for coal-fired electricity into the 2040 decade. This is not acceptable.

With very little transparency, as this proposed Equivalency Agreement has been developed, we know that we can do better to foster collaboration and engage Nova Scotians to create an exciting pathway to a prosperous, low-carbon future.

The below position statement highlights our analysis, concerns and recommendations surrounding the proposed equivalency agreement renewal.

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### Context of Federal Policies on Coal Electricity:

Since November 2016, the Federal Government has had an established policy goal to phase out all coal-fired electricity generation across Canada by 2030, as a key emissions reduction pillar of the Pan-Canadian Framework on Clean Growth and Climate Change<sup>i</sup>.

Also in November 2016, Canada and Nova Scotia entered an 'Agreement in Principle' to enter into an equivalency agreement to allow Nova Scotia to continue to burn some amount coal for electricity generation for a reasonable period after 2030, but reduce greenhouse gas emissions to an equivalent amount that would have resulted from the Federal Government's coal phase-out policy. The Agreement in Principle was never released to the public.

The Federal Government finalized its amended regulations for emissions from coal-fired electricity generation on November 30, 2018<sup>ii</sup>. The final regulations articulated emissions reductions from the electricity sector and showed that phasing out coal electricity in Nova Scotia by 2030 would avoid 89 premature deaths, 8,000 asthma episodes and 58,000 days of breathing difficulty for Nova Scotians, among other benefits<sup>iii</sup>.

### The Proposed Renewed Equivalency Agreement:

The proposed renewed equivalency agreement<sup>iv</sup>, released for comment on March 30<sup>th</sup>, 2019 is a renewal of the existing 'Canada-Nova Scotia Equivalency Agreement Regarding Greenhouse Gas Emissions from Electricity Producers', which came into force on July 1, 2015<sup>v</sup>. The existing equivalency agreement expires after a five-year period on Dec 29, 2019. This proposed agreement is accompanied by a 'Quantitative analysis of equivalency determination consultation: carbon dioxide emissions from coal-fired generation' which gives supplementary information and highlights analysis of future emissions pathways out to 2040<sup>vi</sup>.

Although the quantitative analysis shows emissions targets between 2015 and 2040 to gain a high-level and long-term perspective of emissions pathways, the proposed renewed equivalency agreement itself would only be valid for a five-year period between January 1, 2020 and December 31, 2024.

Emissions targets for the 2025-2029 period are also shown in the proposed renewed equivalency agreement and are regulated in Nova Scotia under the Environment Act's *Greenhouse Gas Emissions Regulations*<sup>vii</sup>. However the targets in this period are outside the five-year term of the proposed equivalency agreement and would have to be agreed upon by the Federal and Provincial governments in 2024 to enter a renewed agreement at that time.

The quantitative analysis also includes a forward-looking picture of Nova Scotia's plans for what the Province would submit to be equivalent emissions reductions for the 2030-2040 period. Importantly, this lays out a path and sets expectations for the 2030-2040 period, but is not binding for emissions pathways past 2024, or past the 5-year period of the Equivalency Agreement itself. A new, separate equivalency agreement will be needed for the 2030-2040 period.

The lack of ambition in the proposed long-term emissions pathway proposed in the 2030-2040 pathway is the EAC's main point for criticism of this equivalency agreement process.

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**EAC's Position:**

The existing emissions targets for the 2019-2029 period are sufficient, but much more ambition is needed in the 2030-2040 period.

The emissions pathway for the 2030-2040 period should be changed to be compliant with federal regulations (well below 3 Mt CO<sub>2</sub>e annually), or should be removed from this analysis and equivalency agreement altogether.

The EAC maintains that it is affordable and possible to phase out coal-fired electricity generation by the year 2030. However, the EAC remains open to collaborating to exploring possibilities to phase out coal-fired electricity generation sometime very early in the 2030 decade, especially to avoid new natural gas generation and replace all coal generation with entirely non-emitting generation.

**Near-Term Equivalency Agreement Targets:**

Section 4.0 of the proposed Equivalency Agreement articulates the below greenhouse gas emission reduction targets for the 2019-2024 period, which are the same targets from the existing 2015 Equivalency Agreement:

- for the calendar year 2020, not greater than 7.5 Mt of CO<sub>2</sub>e, and
- for the calendar years 2021 to 2024, not greater than 27.5 Mt of CO<sub>2</sub>e cumulative total, and

It is the position of the EAC that these targets are sufficient and realistic, and help put Nova Scotia on a pathway to reducing emissions and phasing out coal-fired electricity generation.

**Medium-Term Targets for 2025-2029:**

Section 4.0 of the proposed Equivalency Agreement articulates the below greenhouse gas emission reduction targets for the 2025-2029 period, which are the same targets from the existing 2015 Equivalency Agreement:

- for the calendar year 2025, not greater than 6 Mt of CO<sub>2</sub>e, and
- for the calendar years 2026 to 2029, not greater than 21.5 Mt of CO<sub>2</sub>e cumulative total

It is the position of the EAC that these targets are sufficient and realistic, and help put Nova Scotia on a pathway to reducing emissions and phasing out coal-fired electricity generation. However, more ambition is possible and would ease the transition to a complete phase-out of coal electricity early in the 2030 decade.

Notably, the 2030 target within the existing 2015 equivalency agreement has been removed from the proposed equivalency agreement, yet Nova Scotia's emissions regulations maintain a target for the electricity sector of 4.5 Mt of CO<sub>2</sub>e for the 2030 calendar year<sup>viii</sup>.

It is the position of the EAC that a stronger 2030 emissions target of well below 3.0 Mt CO<sub>2</sub>e or lower will be necessary to meet federal regulations and ensure the timely phase-out of coal-fired electricity generation early in the 2030 decade.

**Targets for 2030 and Beyond:**

The articulated greenhouse gas emissions pathway for the 2030-2040 period within the quantitative analysis of the proposed equivalency agreement is simply the business-as-usual case articulated by Nova Scotia Power Inc. to continue burning coal for electricity generation until well into the 2040 decade<sup>ix</sup>.

If this emissions pathway were to be accepted, there would be no incremental emissions reductions beyond the business-as-usual case for Nova Scotia resulting from the federal regulations on coal-fired electricity, or this proposed equivalency agreement. This is unacceptable and, in the view of the EAC, certainly does not constitute equivalent environmental outcomes to the federal regulations.

The figure below shows the position of the Nova Scotia Government that because Nova Scotia is over-achieving emission reductions compared with the federal regulations through the 2015- 2029 period, it should be allowed to be deficient with federal regulations and emit more greenhouse gases in the 2030-2040 period<sup>x</sup>. This is problematic and does not lead to increased overall ambition.

Success in achieving past policy goals should be celebrated, but should not be used as a tool to ensure weakened future ambition. Over achievement during the duration of the term of one equivalency agreement should not be used to balance deficiencies in the outcomes of a future equivalency agreement.

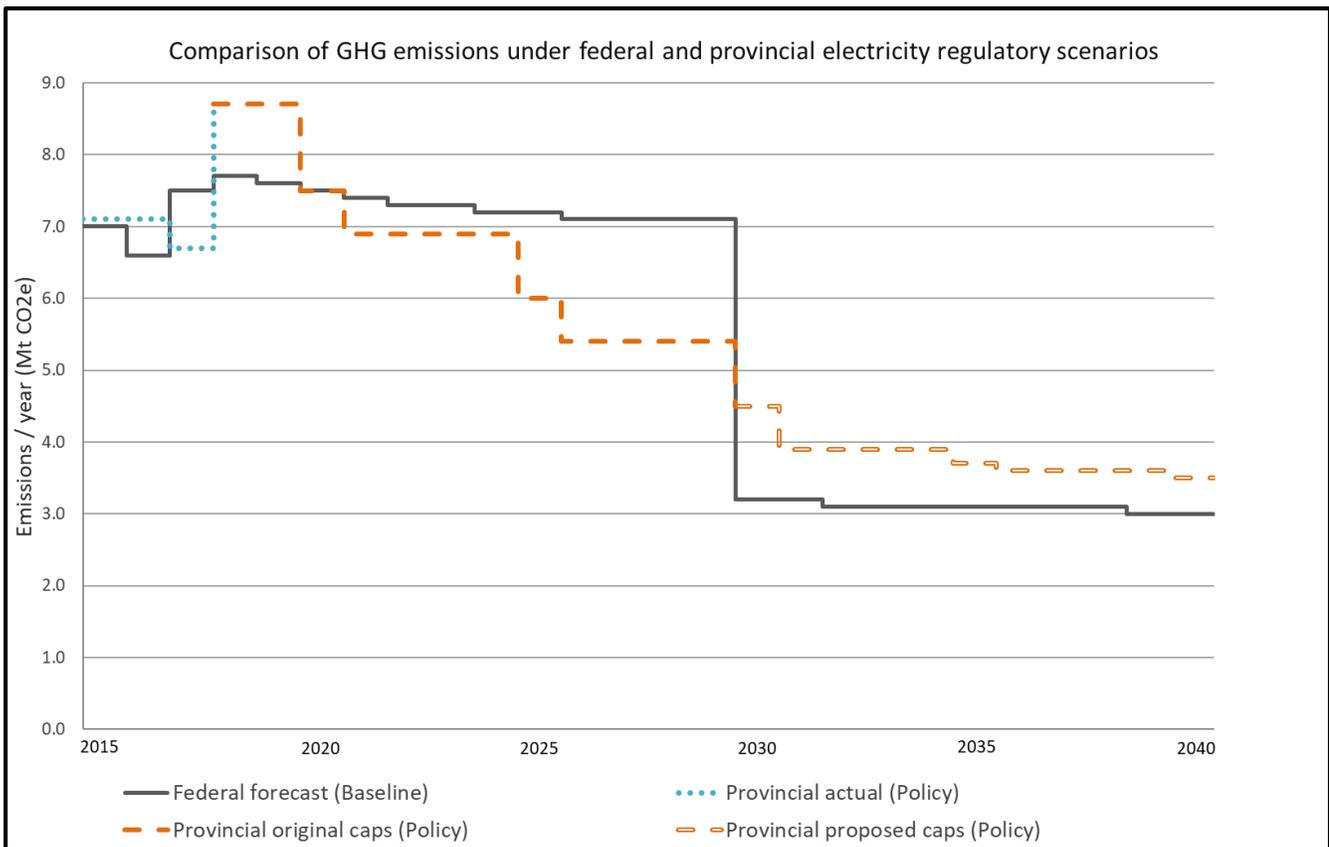


Figure 1 from 'Quantitative analysis of equivalency determination consultation: carbon dioxide emissions from coal-fired generation'<sup>xi</sup>.

It is the view of the EAC that the federal government should not accept the proposed emissions pathway for the 2030-2040 period. An emissions pathway that is compliant with the federal regulations of approximately 3 Mt of CO2e for the 2030-2040 period should be proposed by Nova Scotia, or the 2030-2040 period should be removed from this analysis entirely until such a time that clarity on future equivalency for the post-2030 period can be reached.

A much stronger signal is needed from the Federal Government that Nova Scotia will be required to reduce emissions in the electricity sector in the 2030 decade. With more time, electricity system modelling and continued collaboration, it is the view of the EAC that Nova Scotia and Canada can chart a compliant pathway with the federal regulations for affordable, clean electricity in 2030 and beyond.

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**Moving Forward:**

The EAC believes that Nova Scotia still has an opportunity to set long-term ambition, and commit to phasing out coal-fired electricity in Nova Scotia.

We need to ensure that low and middle-income Nova Scotians, coal workers and communities all benefit from this change in our electricity system, and the EAC believes that this transition is possible in an affordable, just and timely way.

The EAC welcomes the opportunity to submit comments to the Federal and Provincial governments on the proposed equivalency agreement, and encourages others to submit comments before the submission period ends on May 29, 2019<sup>xii</sup>.

The EAC looks forward to the anticipated results in July 2019 of the Atlantic Growth Strategy's clean energy pathways modelling, announced on March 1, 2019<sup>xiii</sup>. These results will be very relevant for increased further ambition toward phasing out coal-fired electricity in Nova Scotia and throughout Atlantic Canada.

Ecology Action Centre is committed to continuing to ensure Nova Scotia sets a pathway to phasing out coal-fired electricity generation, and toward the prosperous, green economy.



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See Also:

**Setting Expectation for Robust Equivalency Agreements in Canada** (April 2019)

*Climate Action Network Canada | Canadian Association of Physicians for the Environment | Centre québécois du droit de l'environnement | Ecology Action Centre | Environmental Defence | Pembina Institute*  
<https://ecologyaction.ca/sites/ecologyaction.ca/files/images-documents/CAN-Rac-Equivalency-Paper-2019-web.pdf>

**The Just Transition Task Force on Coal Workers and Communities Final Report:**

<https://www.canada.ca/en/environment-climate-change/news/2019/03/government-of-canada-welcomes-report-from-just-transition-task-force-for-canadian-coal-power-workers-and-communities.html>

**Ecology Action Centre's Ongoing Work on Coal Phase-Out:**

<https://ecologyaction.ca/coal>

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- <sup>i</sup> Canada: *Taking Action to Phase Out Coal Power* | [https://www.canada.ca/en/environment-climate-change/news/2017/11/taking\\_action\\_tophase-outcoalpower.html](https://www.canada.ca/en/environment-climate-change/news/2017/11/taking_action_tophase-outcoalpower.html)
- <sup>ii</sup> ECCC: *Regulations Amending the Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations - CGII* | November 30, 2018 | <http://www.gazette.gc.ca/rp-pr/p2/2018/2018-12-12/html/sor-dors263-eng.html>
- <sup>iii</sup> ECCC: *Regulations Amending the Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations - CGII* | November 30, 2018 | <http://www.gazette.gc.ca/rp-pr/p2/2018/2018-12-12/html/sor-dors263-eng.html>
- <sup>iv</sup> ECCC: *Canada-Nova Scotia equivalency agreement consultation: carbon dioxide emissions from coal-fired generation of electricity* | March 30, 2019 | <https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/agreements/equivalency/canada-nova-scotia-consultation-carbon-dioxide-electricity.html>
- <sup>v</sup> ECCC: *Canada-Nova Scotia equivalency agreement regarding greenhouse gas emissions from electricity producers* | July 1, 2015 | [https://www.canada.ca/content/dam/eccc/migration/main/lcpe-cepa/775586db-18b6-4366-9304-287eabc9e81f/accordfinal-ne\\_ns-finalagreement\\_eng.pdf](https://www.canada.ca/content/dam/eccc/migration/main/lcpe-cepa/775586db-18b6-4366-9304-287eabc9e81f/accordfinal-ne_ns-finalagreement_eng.pdf)
- <sup>vi</sup> ECCC: *Quantitative analysis of equivalency determination consultation: carbon dioxide emissions from coal-fired generation* | March 30, 2019 | <https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/agreements/equivalency/canada-nova-scotia-consultation-carbon-dioxide-electricity/quantitative-analysis-equivalency-determination.html>
- <sup>vii</sup> Nova Scotia Environment Act: *Greenhouse Gas Emissions Regulations* | Amended Sept 10, 2013 | <https://www.novascotia.ca/JUST/REGULATIONS/regs/envgreenhouse.htm>
- <sup>viii</sup> Nova Scotia Environment Act: *Greenhouse Gas Emissions Regulations* | Amended Sept 10, 2013 | <https://www.novascotia.ca/JUST/REGULATIONS/regs/envgreenhouse.htm>
- <sup>ix</sup> Synapse Energy Economics, Inc. for Nova Scotia Utility and Review Board: *Nova Scotia Power Inc. Thermal Generation and Utilization and Optimization - M08059* | May 1, 2018 | <https://uarb.novascotia.ca/fmi/webd/UARB15>
- <sup>x</sup> ECCC: *Quantitative analysis of equivalency determination consultation: carbon dioxide emissions from coal-fired generation* | March 30, 2019 | <https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/agreements/equivalency/canada-nova-scotia-consultation-carbon-dioxide-electricity/quantitative-analysis-equivalency-determination.html>
- <sup>xi</sup> ECCC: *Quantitative analysis of equivalency determination consultation: carbon dioxide emissions from coal-fired generation* | March 30, 2019 | <https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/agreements/equivalency/canada-nova-scotia-consultation-carbon-dioxide-electricity/quantitative-analysis-equivalency-determination.html>
- <sup>xii</sup> ECCC: Proposed Equivalency Agreement Consultation Submission Page : <https://www.canada.ca/en/environment-climate-change/services/managing-pollution/energy-production/consultation-nova-scotia-equivalency-agreement-electricity.html>
- <sup>xiii</sup> Canada: *Atlantic Growth Strategy Maps Atlantic Canada's Clean Energy Future* | March 1, 2019 | <https://www.canada.ca/en/atlantic-canada-opportunities/news/2019/03/atlantic-growth-strategy-maps-atlantic-canadas-clean-energy-future.html>