P.O. Box 580, Iqaluit, Nunavut, XOA OHO



February 16, 2023

Honourable Minister Craig Simailak Minister Responsible for Qulliq Energy Corporation PO Box 1200 Iqaluit, NU X0A 0H0

Re: Qulliq Energy Corporation Net Metering Program Application

In September 2016, QEC announced that starting in the spring of 2017 the territory would implement a Net Metering Program (NMP). The objective of the NMP is to promote the use of renewable energy in Nunavut, reducing the reliance on diesel fuels and taking an active role in climate change mitigation.

On June 28, 2017, QEC submitted an application seeking approval to revise the Terms and Conditions of Service (T&Cs) to include the conditions of the net metering services. QEC's NMP was reviewed by the Utility Rates Review Council (URRC) and approved by QEC's Minister on January 18, 2018 with a sunset clause of March 31, 2022.

During the URRC review process, QEC had indicated that it planned to conduct a program evaluation that included customer uptake, impacts on the technical performance of QEC's generation and distribution systems, as well as, impacts on QEC's costs and revenues.

In 2021, QEC retained a consultant to review the existing policy and program and provide recommendations on changes based on performance, QEC's renewable energy generation objectives and other Canadian jurisdictional practices. Based on the recommendations in the report, QEC intends to make the following revisions to Schedule "D" (Conditions of Net Metering Service) of QEC's T&Cs:

- 1. <u>Section 1.3</u>: The Net Metering Program is available to all residential customers and two Municipal Corporation owned account per community. (Increasing municipal accounts from one to two accounts); and
- Section 2.1: The rated size of the connected renewable energy generator shall not exceed 15 kilowatts (kW). (Increasing the individual customer renewable energy generation capacity limit from 10 kW to 15 kW).

In the URRC report 2017-02, dated September 20, 2017, it stated that if QEC's findings from the NMP review indicated that the changes to the T&Cs were warranted it was recommended that QEC file a new application with the responsible Minister for approval of such changes.

In order to implement these revisions to the NMP, the Corporation hereby requests a Ministerial Instruction approving revisions to QEC's Terms and Conditions of Service. See

attachment "A" for a current copy of Schedule D of the T&Cs. Hi-lighted in yellow indicates where the revisions are required.

Also, QEC has developed a model for tracking and reporting on the financial impacts of the NMP (net revenue loss as a percentage of QEC's approved revenue requirement). This model can easily be updated as new net metering customers join the program. The model uses similar indicators used by other utilities in monitoring their net metering program. The current net revenue loss is projected at 0.06% of QEC's approved revenue requirement.

In conjunction with this proposal to revise the T&Cs, QEC is proposing to update the QEC Net Metering policy accordingly. See attachment "B" for a copy of the updated policy.

Sincerely,

Rick Hunt

Rick Hunt President and CEO Qulliq Energy Corporation

SCHEDULE D

CONDITIONS OF NET METERING SERVICE

1. Eligible Customers

- 1.1. Under the Net Metering Program, electricity Customers who own small, renewable energy generators can receive a kilowatt hour credit for excess energy that flows from the Customer's renewable energy generation source, through the Corporation's meter, to the Corporation's system.
- 1.2. The program is open to the Corporation's electricity Customers in all communities, for all forms of commercially proven renewable energy generation.
- 1.3. The Net Metering Program is available to all Residential Customers and one Municipal Corporation owned account per community.
- 1.4. The Customer must have an existing service with the Corporation in good standing.

2. Capacity and Other Limitations

- 2.1. The rated size of the connected renewable energy generator shall not exceed 10 kilowatts (kW).
- 2.2. The overall capacity limit of the Net Metering Program for renewable energy generation in each community shall not exceed 7% of the annual average peak load of each feeder or feeder section, as evaluated by the Corporation. The Corporation may vary the capacity limit, on a community by community basis, having regard to performance and safety of the system.

3. Connection to the Grid

- 3.1. Renewable energy generation projects under the Net Metering Program must meet the Corporation's Technical Interconnection Requirements and relevant Canadian Electrical Codes.
- 3.2. The Net Metering installation must be inspected by the Government of Nunavut's Safety Services Division and may be inspected by the Corporation.

4. Roles and Responsibilities

4.1. Cost Responsibility

4.1.1. Net Metering Customers are responsible for all costs incurred on the Customer side of the service entrance including all costs of operation and costs of complying with applicable Laws and Regulations. The service

entrance is where the Corporation's electrical facilities or conductors are connected to the Net Metering Customers' facilities.

4.1.2. The Net Metering Customer is responsible for any costs incurred to upgrade the Corporation's systems solely to accommodate the Net Metering Customer. The Corporation will carry out the required engineering, design and construction work and charge the costs back to the Net Metering Customer.

4.2. Other Responsibilities

The Corporation shall:

- 4.2.1. Implement, maintain and communicate the Net Metering Program to Customers.
- 4.2.2. Maintain and update, all applicable documentation for the Net Metering Program; and make these documents readily accessible for Customers on the corporate website.
- 4.2.3. Determine whether Net Metering Customers meet all interconnection requirements and are therefore eligible for the Net Metering Program.
- 4.2.4. Provide estimates to Customers of any upgrades required on the Corporation's system for interconnection.

The renewable energy generator/net metering Customer shall:

- 4.2.5. Meet the technical interconnection requirements applied by the Corporation.
- 4.2.6. Notify the Corporation of Net Metering plans and make available the Net Metering project for inspection by the Corporation and the Government of Nunavut's Safety Services Division.
- 4.2.7. Conform to all relevant municipal by-laws, territorial and federal laws and regulations.
- 4.2.8. Enter into a Net Metering service agreement.

5. kWh Energy Credits

5.1. Customers will not receive any monetary compensation from the Net Metering Program. The Net Metering Program is restricted to a kWh for a kWh exchange of electrical energy. Net Metering Customers will receive a monthly kWhs credit equal to the amount of kWhs exported to the Corporation's system during the billing period. The Corporation shall measure the kWh credit for every kWh exported from the service through the Corporation's bi-directional meter to the Corporation's system and apply the credit to the Net Metering Customer's electrical account in each billing cycle.

- 5.2. In any month, if the Customer in total exported more electricity to the Corporation's system than the Customer consumed from the Corporation, the Corporation will credit this difference between exported and consumed kWh to the Customer's account as a banked credit.
- 5.3. In any month, if the Customer in total consumed more electricity from the Corporation than the Customer exported to the Corporation's system, the Corporation will apply energy units (kWh) from the Customer's banked balance as credits against the difference between consumed and exported kWh.
- 5.4. The Corporation must provide details of the credit showing the kWh exported during the billing cycle and the running balance of the exported kWh on the Customer's monthly bill.
- 5.5. Credit for excess electricity kWh generated within a billing cycle will be applied as needed to the subsequent month billing cycle within the Net Metering Program annual period. Successive credits must be applied to offset power usage in the order in which the credits were accrued. The reset date for excess generation will be March 31 of each year. Customers may join the program at any time during the year.
- 5.6. The account credit for each Net Metering Customer will be reset to zero on March 31 of each year. Credits cannot be carried over from the previous annual period or transferred to any other account.



1. Policy Statement

1.1. The objective of this policy is to promote the use of renewable energy in Nunavut and to allow Nunavummiut to reduce their reliance on diesel fuel. Implementation of the Net Metering Program (NMP) provides Qulliq Energy Corporation's (QEC) customers with the ability to establish their own small scale renewable energy generation systems based on their energy needs, offset their electricity consumption by using renewable energy, feed surplus energy generated into a community's shared power distribution system and receive a credit from QEC for the surplus amount.

2. Principles

- 2.1. The Net Metering Policy is based on the following Inuit Societal Values and Guiding Principles:
 - Pijitsirniq: serving and providing for family and / or community the NMP has been planned and implemented with safety mechanisms in place to ensure that the program will not affect the sustainable, reliable power provided by QEC in each community;
 - Pilimmaksarniq / Pijariuqsarniq: development of skills through observation, mentoring, practice and effort - the NMP will be a key contributor to learning what small scale renewable energy solutions can be effectively integrated in the territory;
 - Piliriqatigiinniq / Ikajuqtigiinniq: working together for a common cause the success of the NMP relies on Nunavummiut working together with QEC to produce their own renewable energy;
 - *Qanuqtuurniq: being innovative and resourceful* the NMP provides the necessary information required to successfully tie into the QEC system, enabling Nunavummiut to send surplus renewable energy into a community's power supply and receive a credit on their power bill;
 - Avatittinnik Kamatsiarniq: respect and care for the land, animals and the environment - the NMP will allow Nunavummiut to actively participate in the reduction of greenhouse gas emissions in Nunavut.

3. Application

3.1. Net metering provides Nunavummiut with the guidance they require to install effective renewable energy solutions which are compatible with a QEC power distribution system. As defined in the Net Metering section of





Net Metering Policy

QEC's Terms and Conditions of Service, customers who own small scale renewable energy generators can receive a kilowatt hour credit for the surplus energy that flows from the customer's renewable energy generation system to the utility system. Customers who intend on taking part in the NMP must contact QEC prior to purchasing any renewable energy solutions to ensure they select a generation system which satisfies the requirements of QEC's NMP.

4. Definitions

a. Customers

Residents or corporations in Nunavut who hold an electricity account with QEC.

b. Net Metering

Net metering is a system in which renewable energy generators are connected to a public-utility power system and surplus power is transferred onto the power system, allowing customers to offset the cost of power drawn from the utility.

b. <u>QEC Terms and Conditions of Services</u>

The document which outlines the relationship between the customer and the utility regarding the services QEC provides, associated fees and charges.

c. <u>Rated Capacity</u>

Rated capacity is the maximum amount of power the system is able to safely and continuously produce.

d. <u>Renewable Energy Generation System</u>

A renewable energy generation system is a system that creates electrical energy from a renewable resource and makes that energy available for use.

5. Roles and Responsibilities

- 5.1. <u>Minister responsible for QEC (Minister)</u>
 - The Minister is accountable to the Executive Council of the Legislative Assembly of Nunavut for the implementation of this policy.
- 5.2. <u>The President and Chief Executive Officer of QEC (President)</u>

Net Metering Policy



- The President is accountable to the Minister for the administration of the NMP and this policy.
- The President shall approve all documents under the NMP.
- 5.3. <u>QEC staff</u> are responsible for:
 - The implementation and communication of the NMP to customers.
 - Creating, maintaining and updating all applicable applications and documentation under the NMP.
 - Determining whether customers meet the requirements to be eligible for the NMP.
 - Providing estimates to customers in the event that any upgrades are required on QEC's infrastructure to accommodate a customer's renewable energy solution. (example: QEC needing to move a power pole to accommodate a customer's wind mill).
- 5.4. <u>Customers</u> are responsible for:
 - Communicating with QEC on renewable energy generation systems of interest prior to purchase and installation.
 - Submitting a Net Metering Customer Application and any other subsequent information requested by QEC regarding the proposed renewable energy generation system.
 - Costs associated with their own small scale renewable energy generation system including connection to QEC's power system and any necessary maintenance.
 - Complying with all applicable codes, laws and standards.
 - Installation, operation and maintenance of the approved renewable energy generation system.

6. Provisions

- 6.1. Customer eligibility criteria is clearly identified in the QEC Terms and Conditions of Service.
- 6.2. The size of the connected renewable energy generation system shall not exceed 15 kW or the maximum capacity identified by QEC in the QEC Terms and Conditions of Service.







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- 6.3. Each customer shall be limited to one renewable energy generation system per account.
- 6.4. A municipality shall be eligible for up to two renewable energy generation systems per account.
- 6.5. If there are multiple renewable energy generation systems at one location, the total rated capacity must not exceed the QEC maximum capacity identified in the QEC Terms and Conditions of Service.
- 6.6. The NMP must not result in cross-subsidies between regular customers and customers with NMP capacity.
- 6.7. To ensure QEC continues to provide safe, reliable power across the territory, the total renewable energy generation which may tie into a community's power system shall not exceed the amount specified in the QEC Terms and Conditions of Services. No new applications will be approved once the defined limit has been reached.
- 6.8. Provisions for the billing and crediting system used to administer the NMP are stated in the QEC Terms and Conditions of Service. In the event there are credits left at the end of the Net Metering cycle on March 31 in any given year, the credits will be reset to zero.
- 6.9. Any personal information collected under the NMP is subject to the *Access to Information and Protection of Privacy Act* and shall not be distributed or used for any purpose other than the administration of the NMP and this policy.

7. Prerogative of Executive Council

7.1. Nothing in this policy shall in any way be construed to limit the prerogative of Executive Council to make decisions or take action respecting services related to Net Metering by the Government of Nunavut, outside the provisions of this policy.

8. Sunset

8.1. This Policy will be effective from the date of signature until March 31, 2025.