February 2025 Newsletter

Your monthly newsletter from the “Smallest Independent Power Utility in North America”.

As I said in the previous edition of this newsletter, the new Board of Commissioners has been busy trying to untangle the multiple threads of the past history and present status of your utility. We are making good progress and are anticipating the provision of a detailed accounting at the next meeting of the Board, which will help guide our actions.

But we have heard – very reasonable – concerns about what we can expect in terms of anticipated increases in the rates we charge our customers, and we would like to lay out for you a bit of information on the drivers of our business, to help you understand the forces weighing on us. Bear with me, I recognize that this may be a bit more than you feel you need to know, but you own your utility, and you need to be able to participate in its operation (and to do this, you need the background).

A hundred years ago there were over 200 independent power companies in Nova Scotia. Over time many of these amalgamated, and in turn were subsumed under the umbrella of Nova Scotia Power. Rightly or wrongly, the Provincially-owned power corporation was then sold to Emera, an American multi-national, accountable to their shareholders rather than the citizens of NS. Through all this, five small utilities, including Riverport Electric, managed to retain their independence and have formed an association (the Alternative Resource Energy Authority or AREA), responsible to their customers rather than a for-profit foreign company.

A hundred years ago, the independent utilities generated their own power or partnered with an adjacent utility to obtain their power. With the move to a single

entity which both generated and distributed the electricity centrally, control of both sources and costs became concentrated in the hands of NSPI, who arguably have no incentive to move from coal-fired generation to environmentally friendly sources. Indeed, roughly half of all the power generated by NSPI currently comes from coal. AREA sought to mitigate this, by building a municipally owned wind farm in Ellershouse, and this currently provides approximately 40% of all the power we purchase. Plans are to expand capacity, with a goal of providing 100% of our power from green sources in the near future. But we are still, at present, left having to purchase the remaining 60% of the power we distribute to our customers from NSPI (who control the price at which they are willing to sell it to us). NSPI has in fact increased the cost of power purchases several times, but we have not been able to pass these increases on without incredibly expensive and complex applications to the regulator, the UARB. We are lobbying government to alter the playing field to return a modicum of control and responsibility to us, but this will take time. In the meantime, we are in the latter stages of an application to (the Utility and Review Board or UARB) to permit an automatic "pass-through" of increased costs as we encounter them, which you may well have heard of, but may not have understood.

Congratulations if you have endured my tedious explanation to this point. We can now go back to the original question: "What can I expect in terms of increased cost for my electricity?" The exact figure is still being determined, but in practical terms it is expected to be somewhere in the neighborhood of 4%. But what <u>is</u> clear is that the rates <u>will</u> need to rise in order to permit our breaking even as a business. If we are required to pay more for the power we purchase than we are able to sell it for this is not a viable business model. When the time comes that we are able to obtain 100% of our (green) power through AREA (at markedly lower cost), we will be in a much healthier position. But until that day comes, we have no option but to work within the constraints imposed on us.

Having burdened you with this weighty screed, may I put before you a much less difficult issue? Our meter readers sometimes need to struggle through deep

snow to get to the meter, and one of them recently actually sustained an injury as a result. If you are able to clear an access to the meter after significant snowfalls, it would be most appreciated.

As always, if you have any questions about any of the above, or any other matter in relation to your utility, do feel free to contact me.

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