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Nova Scotia Revokes Licence for Cape Sharp Tidal and Orders Removal of Turbine

By David Stevens

On April 3, 2019, the Nova Scotia Department of Energy and Mines announced that it has revoked the marine renewable-electricity licence issued to Cape Sharp Tidal Venture Ltd. This means that the company is no longer permitted to operate the tidal energy project and must retrieve its turbine in the Midas Basin of the Bay of Fundy. If the turbine is not removed in a reasonable timeframe, the government may seize the security that the company posted.

As discussed in previous posts (here and here), Cape Sharp Tidal has been a joint venture between Ireland-based OpenHydro and Nova Scotia Power affiliate Emera, created to deploy two 2MW tidal turbines in Minas Passage at the Fundy Ocean Research Centre for Energy (FORCE) test site. The project was intended to test the viability of new in-stream tidal energy technology. Nova Scotia issued the marine renewable-electricity licence to Cape Sharp Tidal in May 2018, permitting the company to (among other things) construct and install and operate in-stream tidal energy generators at the FORCE site.

On July 26, 2018, the main project proponent (OpenHydro) filed for bankruptcy protection, indicating that they will no longer pursue tidal generation projects. That move was a surprise, coming less than a week after a new tidal turbine had been installed into the Bay of Fundy. Subsequently, the parent company of Nova Scotia Power (Emera) announced that it is withdrawing from its involvement with the project, indicating that “[w]ithout support from the technology developer, OpenHydro, to operate and maintain the technology and the turbine, we do not believe that there is further value in pursuing this project for our business.”

The Nova Scotia government’s recent move to revoke Cape Sharp Tidal’s marine renewable-electricity licence confirms that the project will not proceed. The government’s decision is premised on the fact that Cape Sharp Tidal “no longer has the financial ability to deliver the project, which breaches the terms of its licence....”

While the Cape Sharp Tidal project will no longer proceed, other parties continue to show interest in pursuing tidal power projects in Nova Scotia’s Bay of Fundy. During 2018, two parties were granted permits to deploy in-stream tidal energy generators. These projects are for demonstration and testing, and will not initially be connected to the electricity grid. If the demonstrations are successful, then the projects (or associated projects) could proceed under Nova Scotia’s feed-in tariff program.

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