March 6, 2025

Barbara Pike Canada-Nova Scotia Offshore Energy Regulator bpike@cnsopb.ns.ca

Dear Barbara Pike:

We are writing to provide clarity and direction to the Canada-Nova Scotia Offshore Energy Regulator (CNSOER) with respect to roles and responsibilities, and the intended steps, for administering a call for bids process for offshore renewable energy (ORE) projects under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management Act and the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act (the Acts). Enclosed to this letter is a signed joint-ministerial directive to this effect.

One of the main objectives in amending the Acts was to expand the mandate of the CNSOER to include the regulation of ORE, including offshore wind energy. The amendments set out the high-level framework for the regulation of ORE, with Part II outlining the decision-making process for the issuance of submerged land licences. When developing the legislation, governments determined that the federal and provincial ministers would have more oversight with respect to the call for bids process and be the final-decision makers on the issuance of a submerged land licence. To achieve this, the CNSOER may make a recommendation to the ministers to initiate a call for bids for ORE and to issue a submerged land licence for use of the seabed. Both ministers will need to approve the recommendation under a two-turn-key approach for that recommendation to be adopted. The authority for this decision-making is outlined in sections 38.1-38.3 and 38(A) to (C) of the respective Acts.

This is distinct from the approach taken for petroleum licences and the change was taken for two main reasons. First, unlike petroleum, ORE projects will be more closely integrated into provincial electricity markets and infrastructure, and there was a need to connect the land-tenure process with the Government of Nova Scotia's future priorities regarding the broader offshore wind industry and its electricity sector goals. Second, the geographic scope of offshore wind projects is also much larger than offshore petroleum projects and



therefore the possibility of interaction with other users of the sea is greater. Providing the ministers with a formal decision-making role ensures the pace of development matches Nova Scotia's priorities and allows for governments to undertake spatial planning work on where projects could potentially be located.

We understand that work on developing a call for bids process has been underway between officials from our departments and the CNSOER since fall 2023 and that work is progressing well. The steps, and who is responsible for each, are outlined in the enclosed land-tenure flow chart. Governments are finalizing the planning work on the identification of Wind Energy Areas, an important step that will inform Governments' objectives for the first call for bids. The next step is for Governments to issue Strategic Direction to the CNSOER, which will initiate a call for bids and clearly outline Governments' expectations for the process As such, we wanted to provide the joint-ministerial directive enclosed, pursuant to paragraph 41(1)(a.1) of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management Act and paragraph 41(1)(aa) the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act, to affirm that ministers must issue strategic direction to the CNSOER prior to it making a recommendation to launch a call for bids under sections 93 and 96 of the respective Act. Paragraphs 41(1)(a.1) and 41(1)(aa) allow the federal minister and provincial minister to issue written joint directives to the CNSOER in relation to offshore renewable energy recommendations and we think the joint directive is useful at the current stage of ORE development to focus the work of the CNSOER in areas that both levels of government wish to prioritize.

Until Strategic Direction is issued, we expect that the CNSOER will continue to collaborate with Government on the land tenure process established in collaboration with the CNSOER. This continued collaboration is critical to a successful process, and to Nova Scotia's goals of launching Call for Bids for offshore wind projects in 2025 and licensing an equivalent of up to 5 gigawatts of seabed rights by 2030 are met. We expect Strategic Direction for the 2025 Call for Bids to be provided to the CNSOER some time in summer 2025.

We thank you for your prompt action on this matter and are keen to continue moving forward in a concerted manner.

Yours sincerely,

The Honourable Jonathan Wilkinson, P.C., M.P. Minister of Energy and Natural Resources

Government of Canada

The Honourable Trevor Boudreau, M.L.A. Minister of Energy

Government of Nova Scotia

Attachments: 2

c.c.: Christine Bonnell-Eisnor

Canada-Nova Scotia Offshore Energy Regulator

cbonnell@cnsoer.ca

The Federal Minister and Provincial Minister, pursuant to paragraph 41(1)(a.1) of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management Act and paragraph 41(1)(aa) of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act, hereby make the below joint Directive to the Canada-Nova Scotia Offshore Energy Regulator (the Regulator) regarding offshore renewable energy recommendations related to Call for Bids made pursuant to section 93 of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management Act and section 96 of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act:

Before the Regulator exercises its power to make an offshore renewable energy recommendation to the Federal and Provincial Minister with respect to a Call for Bids, the Federal Minister and Provincial Minister must provide Strategic Direction to the Regulator respecting the details of the Call for Bids for the purposes of subsection 93(3) of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management Act subsection 96(3) of the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act.

The Honourable Jonathan Wilkinson

Minister of Energy and Natural Resources Canada The Honourable Trevor Boudreau

Minister of Energy for Nova Scotia

Accord Acts Offshore Renewable Energy Land Tenure Process



Regional Assessment (RA) or Strategic Environmental Assessment (SEA) Governments support the implementation of, and consider findings from, an RA or an SEA to:

- identify optimal areas for future projects;
- identify data gaps relevant to optimal areas; and,provide recommendations on mitigating potential impacts from projects.



Wind Energy Area (WEA)

Designation

Based on findings and recommendations from an RA or SEA, governments evaluate findings, identify and engage on proposed WEAs and then designate WEAs.

public engagement

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Governments may use previous RAs/SEAs or new RAs/SEAs to identify WEAs in the future.



Strategic Direction from Ministers Ministers provide joint direction to Regulator to design and implement a Call for Information process. Details could include WEA(s) to be used to identify licence areas, timelines for the Call for Information, Prequalification Criteria, Call for Bids Criteria, and the purpose for the electricity.



Call for Information & Prequalification Regulator engages with stakeholders, fishers, and Indigenous groups on location(s) of potential parcel(s) within WEAs, a draft submerged land licence and its terms and conditions, and proposed criteria and assessment approach used in future Calls for Bids.



Regulator administers a prequalification process to identify eligible companies that can participate in a Call for Bids.

public engagement



to Launch a Call for Bids Regulator makes a recommendation to Ministers to make a Call for Bids. The recommendation will outline the details of the Call for Bids, including bidding criteria and how it will be assessed, terms and conditions for a submerged land licence, and location(s) of parcel(s) that may be available for bid. This is informed by feedback obtained through the Call for Information process.



Ministerial Decision on Call for Bids Recommendation Ministers jointly decide on the Regulator's recommendation. Ministers' decisions are made public.





Call for

Regulator administers a public Call for Bids for developers to bid on identified parcel(s) and the associated submerged land licence(s) in line with its recommendation. As part of its responsibilities, the Regulator also communicates with interested parties to share relevant information and field questions.



Recommendation to Issue Submerged Land Licence(s) Regulator makes a recommendation to Ministers to issue submerged land licence(s) to the winner(s) of the Call for Bids.



Ministerial Decision on Submerged Land Licence(s)

Ministers make a decision on the Regulator's recommendation. Ministers' decisions are public.

+optional 30-day extension



Issuance of Submerged Land Licence(s) Regulator issues submerged land licence(s) to winner(s) of the Call for Bids. A submerged land licence provides the exclusive right to develop a project in the licence area. It does not allow any work or activity to take place. Developers must first apply for a project authorization under Part 3 of the Accord Acts.



