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September 18, 2025

Barbara Pike

Chair, Canada-Nova Scotia Offshore Energy Regulator

[bpike@cnsoer.ca](mailto:bpike@cnsoer.ca)

Dear Barbara Pike,

Canada is at a pivotal moment. Our country is facing a series of challenges, domestically and globally, but we also have an unprecedented opportunity to strengthen our place in the world, drive economic growth, and truly become an energy superpower. The Government of Canada and the Government of Nova Scotia recognize the world-class energy resources off the coast of Nova Scotia and are poised to take bold action to unlock the tremendous potential of offshore wind.

As outlined in the land tenure process for offshore wind and described in the Joint Direction issued on March 6, 2025, the Canada-Nova Scotia Offshore Energy Regulator (the Regulator) holds the power to make an offshore renewable energy recommendation to the Federal and Provincial Ministers (the Ministers) with respect to making a Call for Bids. Before the Regulator exercises this power, Ministers must provide Strategic Direction to the Regulator to clarify government priorities and objectives for the Call for Bids and complement the Regulator's administration of the land tenure process.

Together, the Government of Canada and the Government of Nova Scotia are pleased to provide Strategic Direction to the Regulator to formally initiate the process to issue the first ever Call for Bids for offshore wind in the Canada-Nova Scotia offshore area. Making a first Call for Bids for offshore wind in the Canada-Nova Scotia offshore area will be a historic achievement and support Nova Scotia's targets.

There is enormous potential for offshore wind in Canada, and to this end, the first step should be to target issuing licences for up to 3000 megawatts distributed across three Wind Energy Areas – Sydney Bight, Middle Bank, and French Bank – optimizing local benefits from projects, and prioritizing coexistence with existing ocean users. To enable continued progress towards meeting Nova Scotia's target, Ministers intend to issue Strategic Direction to the Regulator for future Calls for Bids that could see routine issuance of submerged land licences.

The Governments of Canada and Nova Scotia share a common level of ambition relating to the development of offshore wind in Nova Scotia. To this end, Canada recently announced the Major Projects Office and directed it to strike up a business development team to support the advancement of *Wind West Atlantic Energy*, a truly transformative project that will harness Nova Scotia's and Atlantic Canada's unique opportunity to become an offshore wind and clean energy superpower.

While this initial Strategic Direction will target issuing licenses for up to 3000 megawatts, Canada and Nova Scotia hold the ambition to reach 5000 megawatts in the near-term. Should the Regulator determine 5000 megawatts is feasible based on the results of this initial prequalification and call for information, Canada and Nova Scotia would welcome the recommendation to make an even more ambitious call for bids.

This is a monumental venture being collectively undertaken and we want to emphasize the vital role that inclusive engagement has in the success of this first Call for Bids. To inform the Call for Bids, the Regulator shall undertake a Call for Information to seek the perspectives of the Mi'kmaq in Nova Scotia, the offshore wind industry, the fishing and seafood industries, other ocean users, and interested parties on the criteria elements outlined in the Strategic Direction. Prequalification should also be administered to ensure only qualified companies are eligible to participate in the Call for Bids. To enable meaningful participation in these processes, governments recommend that the Call for Information be open for a minimum of 30 calendar days and Prequalification be open for a minimum of 90 calendar days.

Governments are also committed to upholding the Crown's duty to consult Indigenous peoples when they consider conduct that might adversely impact asserted or established Aboriginal or treaty rights. To that effect, governments and the Regulator are currently updating the Memorandum of Understanding on Crown Consultation to expand the existing process for offshore petroleum development to include offshore renewable energy. The Regulator shall continue to refer to the Memorandum of Understanding and work with the Crown Oversight Committee to seek guidance on Indigenous consultation, where appropriate. In addition, meaningful engagement opportunities for interested and potentially impacted parties should continue to take place as the Regulator moves forward with land tenure implementation and regulatory activities.

In alignment with the land tenure process and pursuant to the authorities and provisions outlined in sections 91(1) and (2), and sections 38.1 (1) to (3) of the *Accord Acts*, following the Call for Information and Prequalification, the Regulator will conduct the necessary analysis of the information received to inform the recommendation to Ministers regarding the making of a Call for Bids. We expect the recommendation to include bid criteria, terms and conditions for a submerged land licence, the parcel(s) that should be available for bid, and any other information the Regulator deems necessary to support their recommendation and our decision.


Additional information and supporting materials are appended to this letter. Our staff have been collaborating closely on this endeavour through a working group that includes representation from our respective organizations, and we expect this collaboration to continue as we move forward. Recognizing that this area of work is still evolving and that some elements are still to be confirmed by governments, we may provide the Regulator with amendments or additional direction in the coming months as appropriate.

Both levels of government recognize your role as the lead and lifecycle regulator for offshore renewables and remain committed to supporting the Regulator as this progresses. Should you require further clarity or discussion on any element of this work, please engage with the senior officials copied on this correspondence. Governments are keen to initiate the Call for Bids process

and request that the Regulator formally launch Prequalification and Call for Information no later than 30 calendar days following receipt of this Strategic Direction.

This work is not only key to support meeting provincial objectives but also advancing our country's broader clean energy transition, and we appreciate the collective efforts being contributed by all our organizations to facilitate its success.

Sincerely,



The Honourable Tim Hodgson, P.C.,  
M.P.

Minister of Energy and Natural  
Resources  
Government of Canada



The Honourable Tim Houston

Premier  
Nova Scotia



The Honourable Trevor Boudreau,  
M.L.A.

Minister of Energy  
Government of Nova Scotia

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## **Appendix A: Call for Information**

The objective of the Call for Information is to allow public feedback to inform a Call for Bids and the Regulator's recommendation to proceeding with making a Call for Bids. The Call for Information process will be a public engagement process carried out by the Regulator to seek feedback and collect information from industry, government, Indigenous peoples and communities, and other interested parties.

The Regulator will ensure that any information submitted during the Call for Information that is deemed to be confidential, sensitive, or proprietary is kept confidential. Otherwise, information received should be made publicly available to ensure the process is transparent.

The information and feedback sought during the Call for Information should include the following direction:

1. Identifying parcels within the government-designated Wind Energy Area(s) to be used in a Call for Bids.

All identified parcels that are recommended to be included in the initial Call for Bids should have a minimum cumulative generating capacity of approximately 3000 megawatts (MW). Should the Regulator determine 5000 megawatts is feasible based on the results of this initial prequalification and call for information, Canada and Nova Scotia would welcome the recommendation to make an even more ambitious call for bids.

- a. Parcel identification should consider and balance the following factors:
  - i. proximity to shore (prioritizing parcels closer to shore);
  - ii. orientation with prevailing wind direction, to the extent possible;
  - iii. existing onshore grid infrastructure;
  - iv. existing port infrastructure, and/or transmission options;
  - v. interactions with existing ocean users and activities, including the fishing and seafood industries;
  - vi. potential for adverse impacts to any established or asserted Aboriginal and treaty rights;
  - vii. existing and/or future navigation lanes or corridors;
  - viii. sensitive benthic habitats;
  - ix. important marine and/or identified critical habitat; and
  - x. any other considerations that the Regulator deems relevant and appropriate.
- b. The spatial extent of identified parcels should be based on a moderate MW/ square km (km<sup>2</sup>) density and include a buffer to accommodate for potentially unsuitable areas for project development.
- c. Parcels should consider future opportunities for project expansion and/or multiple developers operating simultaneously within a Wind Energy Area. The potential for future parcels to be identified in subsequent years (up to annually for the next five

years) should also be a planning consideration.

- d. Specific details for the following designated Wind Energy Areas should be taken into consideration:

Sydney Bight

- At least one (1) parcel should be identified in Sydney Bight.
- Parcel identification should focus on areas within the Wind Energy Area that are technically suitable for fixed-bottom offshore wind development.
- The parcel should be large enough to accommodate a project with a generating capacity up to 500 MW.

Middle Bank

- At least two (2) parcels should be identified on Middle Bank.
- Each parcel should be large enough to accommodate projects with generating capacities of up to 1,000 MW (2,000 MW total initially, with the potential for additional capacity to be considered upon review).

French Bank

- At least one (1) parcel should be identified on French Bank.
- Parcel identification should focus on areas within the Wind Energy Area that are technically suitable for floating offshore wind development.
- The parcel should leave a buffer on either side of the existing, but abandoned, pipeline corridor that runs through the Wind Energy Area.
- The parcel should be large enough in spatial area to accommodate a project with a generating capacity of up to 500 MW.

- e. Please note that the Regulator retains the authority to accept nominations for parcels but any nominations that are received should still be assessed against the factors described above and be located within the three Wind Energy Areas identified above.

2. Possible criteria to be used as part of the Call for Bids process.

- a. The Regulator should seek feedback on criteria that fall under the five following categories. Examples of criteria that the Regulator should consider evaluating include:

i. Technical Expertise and Project Delivery Capacity

1. Project Experience
2. Project Plan
3. Pre-feasibility Study

ii. Financial Strength and Project Delivery Readiness

1. Net Assets and Equity Ratio or Funds Under Management
2. Financial Track Record

### 3. Project Financing Plan

#### iii. Engagement and Community Benefits

1. Engagement Plan that is inclusive of the Mi'kmaq of Nova Scotia, African Nova Scotian and African Descent communities, and other underrepresented and underserved groups.
2. Local Community Benefits Plan that is inclusive of the Mi'kmaq of Nova Scotia, African Nova Scotian and African Descent communities, and other underrepresented and underserved groups.

#### iv. Local Content

1. Local Supply Chain Development Plan that supports establishing an offshore wind supply chain that is inclusive, diverse, and equitable, creating opportunities for Mi'kmaq of Nova Scotia, African Nova Scotian, and African Descent communities, and other underrepresented and underserved groups.
2. Workforce and Training Plan

#### v. Environmental Sustainability and Coexistence

1. Coexistence Plan that includes references to existing ocean users and uses.
2. Biodiversity Plan that includes references to proposed measures to protect, conserve, and/or enhance biodiversity.

- b. Within each category, the Regulator may choose to seek feedback on specific criteria, criteria weighting, scoring metrics, and evaluation methods.
- c. Further work has been undertaken on potential evaluation methods for the proposed Call for Bids criteria and has been shared with Regulator staff. We encourage the Regulator to use this as a foundation on which to build and implement the Call for Bids criteria.
- f. The Regulator should also seek feedback on considerations for fisheries' compensation, and commitments to develop an approach to compensation as part of bids, as may be required.
- g. A one-time nonrefundable fee of CAD 250,000.00 should be required to be paid by all bidders. Successful bidders should be required to pay an additional fee of CAD 750,000.00 upon issuance of a submerged land licence. The purpose of these fees is to demonstrate seriousness of intent and secure the exclusive rights to the submerged land. These fees will be collected and then redistributed back to the Province, as per the Acts, and are not to be collected by the Regulator as a cost-recovered fee.
- h. Consideration and adherence to the principles listed under section 98.7 of the federal version of the Accord Act and section 102F of the provincial version should also be incorporated into the Call for Bids criteria and bids to optimize opportunities

for Nova Scotia businesses and communities to benefit from offshore wind development, creating a supply chain that is best in class which can leverage and enable global participation in the sector for decades to come.

3. Any specific timelines and terms and conditions to be included in the draft submerged land licence that refer to advancing project development once a submerged land licence is issued. Governments are supportive of having specific terms and conditions that address the following:
  - a. Principles under section 98.7 of the federal version of the Accord Act and 102F of the provincial version
  - b. Inclusive engagement and/or participation
  - c. Community Benefits
  - d. Local Content
  - e. Monitoring and Reporting
  - f. Coexistence with existing ocean users and uses
  - g. Duration of a submerged land licence, which must be at least 35 years
  - h. Licence periods and project development milestones
4. The broader regulatory process for offshore wind projects, including any supporting guidance materials

To facilitate active and inclusive participation, the Regulator may choose to employ a combination of methods to engage directly with interested parties. In support of engagement during the Call for Information being meaningful and robust, the Call for Information should be open for a minimum of 30 calendar days to a maximum timeframe that is determined at the Regulator's discretion.



## **Appendix B: Prequalification**

The objective of Prequalification is to ensure only qualified companies, with commensurate financial and technical capabilities, are eligible to participate in the Call for Bids. It will be the responsibility of the Regulator to design and implement the Prequalification. It is important to bear in mind that more detailed and thorough assessment of the qualifications and capacity of interested developers will take place during the Call for Bids, so assessment during Prequalification should not be overly burdensome, and it should be considered an initial assessment for companies to pass to ensure they are capable of undertaking a project.

There are three key categories through which all developers will need to qualify in order to proceed to a Call for Bids. With each category, governments propose that the Regulator assess specific elements to determine if a developer can meet a minimum acceptable threshold that justifies their participation in a future Call for Bids.

1. Financial Capability
  - Equity ratio or debt rating
  - Annual turnover or net assets, or funds under management
2. Technical Expertise
  - Direct experience in offshore wind development or other relevant experience (e.g., offshore oil and gas or other renewable energy projects), demonstrate access to external offshore wind expertise, and knowledge of the local supply chain.
3. Legal and Social Status
  - History of regulatory compliance, maintaining Health, Safety and Environment and Human Rights standards, and ethical conduct

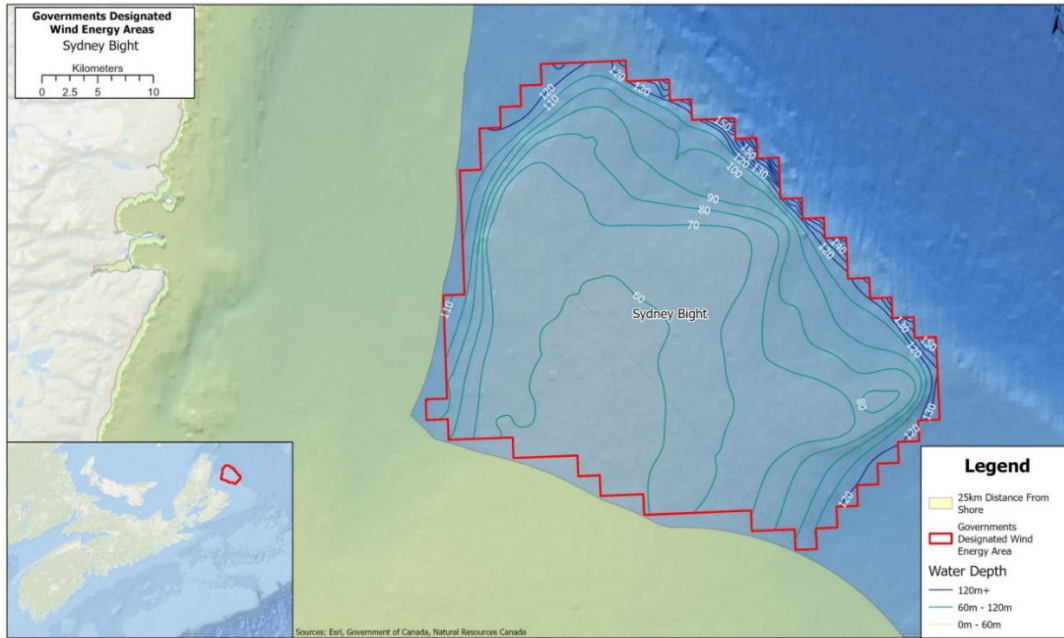
Prequalification should be open to prospective bidders for a minimum of 90 days and a maximum timeframe that is determined at the Regulator's discretion. Prequalification may overlap with the Call for Information.

Further work has taken place on potential evaluation methods for Prequalification and has been shared with Regulator staff. We encourage the Regulator to use this work as the foundation on which to build and implement Prequalification.

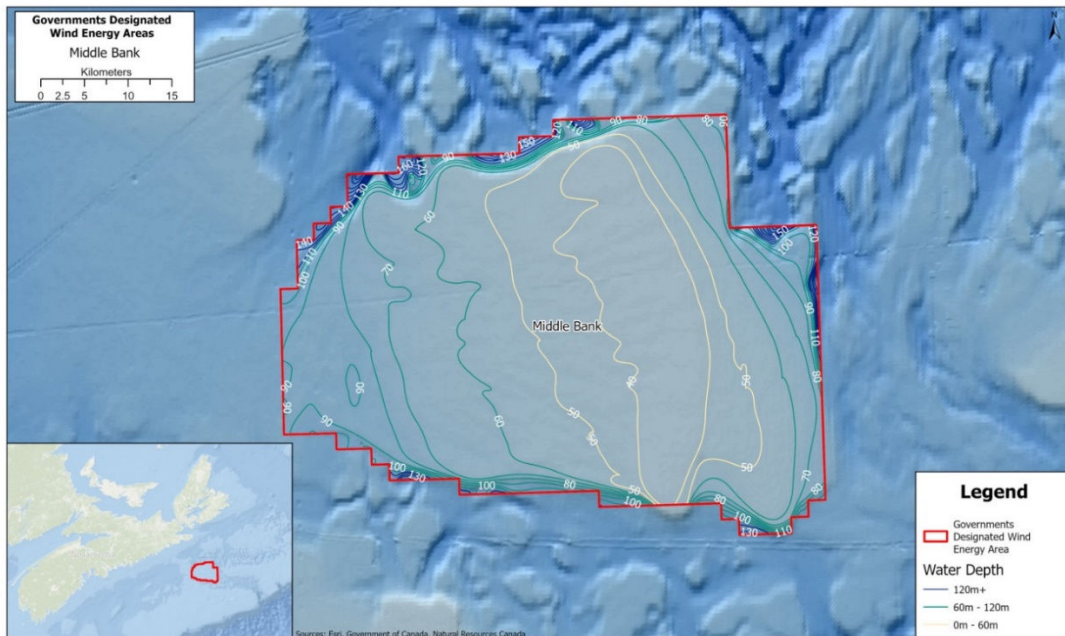
## Appendix C: Wind Energy Areas

Governments formally designated Wind Energy Areas on July 29, 2025. For the upcoming Call for Information and when considering parcels for a first Call for Bids, the Regulator should focus their efforts on the following three Wind Energy Areas, in line with the parameters described in Appendix A.

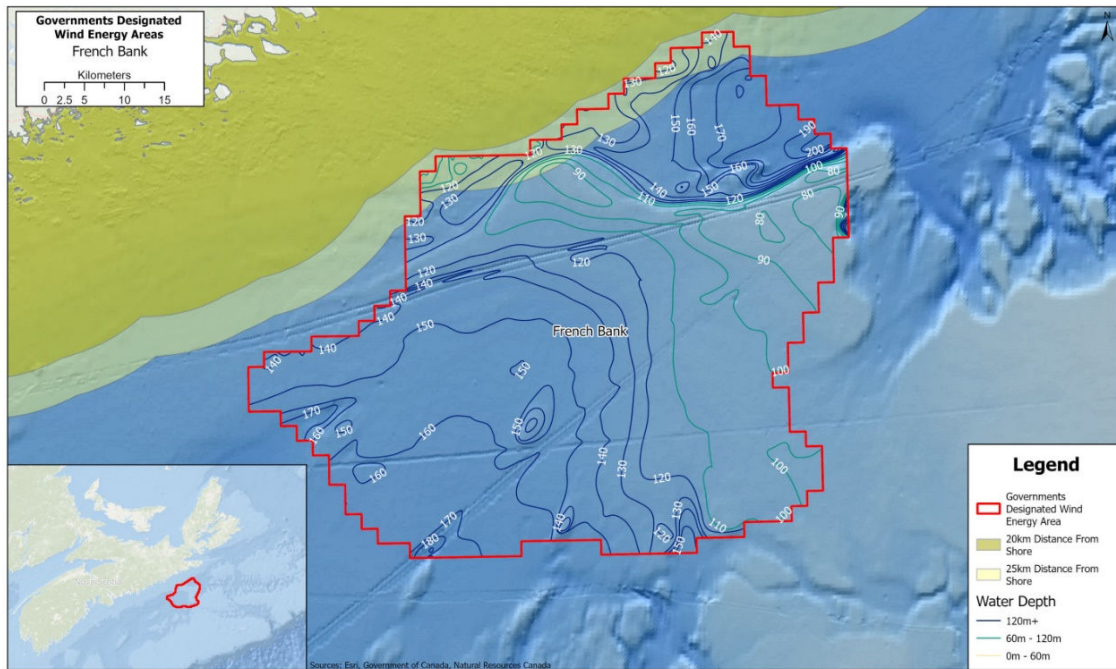
### 1. Sydney Bight:



### 2. Middle Bank:



### 3. French Bank:



### Sable Island Bank:

For the upcoming Call for Information, the Regulator should not focus on identifying parcels in the Sable Island Bank Wind Energy Area. Governments recommend considering including Sable Island Bank in subsequent Calls for Bids for offshore wind energy.

The Wind Energy Area on Sable Island Bank is relatively farther from the coast of Nova Scotia, making it less ideal for early-stage offshore wind development than the other three designated Wind Energy Areas. Furthermore, the spatial extent of the Wind Energy Area on Sable Island Bank is conducive for large-scale offshore wind development. Therefore, it offers more opportunities for future development once Nova Scotia's offshore wind sector progresses further. More information about subsequent Call for Bids is contained in Appendix D.

## **Appendix D: Other Considerations**

Governments recognize that additional information and clarity regarding the long-term outlook for the offshore wind industry, as well as possible support mechanisms, are key to informing planning efforts for the Regulator as well as other interested parties. In order to meet Nova Scotia's targets, it is anticipated that governments will issue Strategic Direction in the future to support the issuance of additional submerged land licences.

Additionally:

- The Accord Acts impose a statutory limit of liability of \$1 billion CAD, which was modeled after risks related to offshore oil and gas and spill mitigation. Requiring potential bidders to meet a threshold of this magnitude during the early stages of offshore wind development in Nova Scotia may be inconsistent with how other jurisdictions manage risk and financial security for offshore wind.
  - Per section 188.19 of the federal version of the Accord Act, and section 180S(3) of the provincial version, the Ministers may, by order, on the Regulator's recommendation, establish a limit of liability that is lower than the limit referred to in that subsection in respect of persons carrying out a work or activity relating to offshore renewable energy projects. We request that the Regulator consider a lower liability for the environmental and operational risks associated with construction and operational phases of offshore wind projects and advise on an adjusted amount as part of the recommendation provided to Ministers.
- In the early stages of establishing the offshore wind sector, governments are taking a phased approach that first sees the issuance of a submerged land licence or licences through the land tenure process; details on enabling offtake will come at a later date through a separate process led by governments. Governments anticipate that work on offtake will be initiated within 12 – 18 months of the issuance of the first submerged land licence(s).
- Governments acknowledge the significance of having greater certainty regarding routes to market. Further information on grid connection and subsea cable connection will be provided as studies progress.
- Coexistence of the emerging offshore wind sector and existing ocean users in the Canada-Nova Scotia offshore is a priority and should be considered throughout the land tenure process as well as the project lifecycle of any future offshore wind projects. Meaningful engagement should continue to take place as the Regulator moves forward with implementing land tenure process, including the Call for Information, and administering regulatory activities.
- Governments recognize that future offshore wind development may result in potential impacts to existing ocean users, including the fishing and seafood industries. We will

continue to work with the Regulator to explore possible avoidance, mitigation, and compensation measures and intend to provide guidance that encourages coexistence, transparency, and fairness, and supports shared prosperity.

- The Province intends to establish a revenue regime for offshore renewable energy, including offshore wind, that is comprised of two components. A preliminary overview is provided below and further guidance on fees and levies will be provided at a later date. These fees will be collected and then redistributed back to the Province, as per the Acts, and are not to be collected by the Regulator as a cost-recovered fee.
  - A fixed annual rental fee based on the spatial area (km<sup>2</sup>) of a submerged land licence. The rental fee would be applicable until a project starts producing electricity and it is anticipated that this fee would be approximately \$1500 CAD per km<sup>2</sup> per year. The rental fee would be outlined in the terms and conditions of a submerged land licence and be based on the use of the submerged land.
  - A levy based on the nameplate capacity (MW) and/or a percentage of gross revenue once the project starts producing electricity. The levy for offshore wind could be a fixed price per MW annually for the first 10 years of production, followed by the greater of the fixed price or a percentage of gross revenue annually thereafter. This levy would be authorized by provincial legislation and more information will be shared with the Regulator at a later date.