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GOVERNMENT  
OF CANADA  
REGIONAL  
ECONOMIC  
EXPANSION

NOVA SCOTIA  
DEPARTMENT  
OF  
MINES



A CANADA — NOVA  
SCOTIA SUB AGREEMENT  
UNDER THE GENERAL  
DEVELOPMENT AGREEMENT



# ENERGY CONSERVATION CANADA/NOVA SCOTIA



**THIS SUB AGREEMENT SIGNED 4 JULY 1978  
IS SUBJECT TO AMENDMENTS**

CANADA - NOVA SCOTIA

SUBSIDIARY AGREEMENT

ENERGY CONSERVATION

THIS AGREEMENT made this 4th day of JULY 1978.

BETWEEN: THE GOVERNMENT OF CANADA  
(hereinafter referred to as "Canada"),  
represented by the Minister of Regional  
Economic Expansion,

OF THE FIRST PART

AND: THE GOVERNMENT OF THE PROVINCE OF  
NOVA SCOTIA (hereinafter referred to as  
"the Province"), represented by the  
Minister of Development,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General  
Development Agreement dated September 12, 1974, (hereinafter  
referred to as "the GDA"), to achieve the objective set  
forth in Section 3 thereof;

AND WHEREAS a strategy is provided for in Schedule  
"A" to the GDA which includes the development of new or  
expanded employment opportunities throughout Nova Scotia by  
the identification of appropriate development opportunities;

AND WHEREAS in pursuit of these objectives Canada  
and the Province have agreed to seek a coordinated application  
of relevant federal and provincial programs and activities  
in order to assist in the realization of identified opportunities;

AND WHEREAS Canada and the Province have identified  
energy conservation as a development opportunity which will  
lead to the expansion, diversification and strengthening of  
the provincial economy;

AND WHEREAS the Governor in Council by Order in Council P.C. 1978-2060 of the 22nd day of June, 1978 has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 78-684 of the 20th day of June, 1978 has authorized the Minister of Development to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

SECTION 1 - DEFINITIONS

1. In this Agreement:

- (a) "capital project" means any specific project, as determined by the Management Committee, in which construction or activities related to construction are involved;
- (b) "eligible costs" means those costs defined in subsections 6.4 and 6.5;
- (c) "external staff" means professional and other staff who are not employed by provincial government departments but who enter into a contract with the Province by which they agree to undertake or participate in work related to implementation of this Agreement;
- (d) "external services" means services and facilities that are required from outside the federal and provincial governments in support of an activity under this Agreement and includes accommodation, equipment, office and support services, and professional services;

- (e) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (f) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
- (g) "Management Committee" means the officials designated pursuant to subsection 5.1;
- (h) "Ministers" means the Federal Minister and the Provincial Minister;
- (i) "program" means the subject matter specified in subsection 4.1;
- (j) "project" means a subdivision of a program as defined by the Management Committee; and
- (k) "Provincial Minister" means the Minister of Development, and includes anyone authorized to act on his behalf.

SECTION 2 - PURPOSE AND OBJECTIVES

2.1 The purpose of this Agreement is to enable Canada and the Province jointly to undertake the implementation of the Energy Development Opportunity described in subsection 4.1.

2.2 The objectives of this Agreement are:

- (a) to minimize employment and income losses resulting from increases in energy prices;
- (b) to create employment and income opportunities in a new industry;
- (c) to develop, with broad public involvement, plans and programs for the Nova Scotia energy system and its components so as to allow the longer-term energy requirements of Nova Scotia to be met in the most efficient and cost-effective way.

SECTION 3 - STRATEGY

3.1 The main elements of strategy encompassed in this Agreement include:

- (a) improving the efficiency of energy use;
- (b) minimizing the long-run social cost of providing energy; and
- (c) developing, with broad public involvement, plans and programs for the Nova Scotia energy system and its components.

3.2 The strategy shall be consistent with that described in the GDA, shall be reviewed annually and may be revised from time to time by the Ministers.

SECTION 4 - SUBJECT MATTER

4.1 The two programs listed in Schedule "A" to this Agreement consist of the several projects to be pursued in the attainment of the development opportunity agreed to by the Ministers.

4.2 The Province will undertake, either directly or through agencies of the Province, in accordance with an agreed schedule, to implement the several projects to be pursued in the attainment of the development opportunity.

4.3 The Province hereby agrees to indemnify and save Canada harmless against any and all liability, loss, damages, costs or expense which Canada may incur, suffer or be required to pay, as a result of the ownership, operation or maintenance of any project undertaken by the Province pursuant to this Agreement."

4.4 Subject to subsection 4.7, it is mutually understood and agreed that the Province shall engage the external staff and purchase external services, and that such staff or services may be engaged or purchased by such provincial department or agency as may be appropriate having regard to the subject matter of the work being undertaken.

4.5 This Agreement shall terminate on March 31, 1983, except that projects approved and commitments made in writing prior to this date shall continue in force until completion. However, Canada shall not pay any claim received after March 31, 1984.

4.6 All projects to be undertaken under this Agreement are to be consistent with the objectives and intent stated herein and, before being implemented, shall require joint approval by Canada and the Province through the Management Committee.

4.7 Each project proposed to be undertaken under this Agreement shall be described in an appropriate document in sufficient detail to allow proper consideration and approval by the Management Committee.

4.8 The Province hereby undertakes to ensure that any applicable environmental laws of Canada or the Province are complied with in all projects implemented under this Agreement.

SECTION 5 - ADMINISTRATION AND MANAGEMENT

5.1 Each of the Ministers shall designate three officials to be responsible for the administration of this Agreement. These officials shall constitute the Management Committee whose function it shall be to oversee the planning and implementation of the programs specified in subsection 4.1 and to fulfill responsibilities identified for the Management Committee elsewhere in this Agreement. The Federal Minister shall appoint one representative of the Department of Regional Economic Expansion of Canada, who shall act as Co-chairman, one representative of the Department of Energy, Mines & Resources of Canada and one representative of the Department of Finance of Canada. The Provincial Minister shall appoint three representatives of the Province, one of whom shall act as Co-chairman. In the event of any disagreement in the Management Committee, the relevant matter shall be referred to the Ministers whose decision shall be final.

5.2 Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its functions.

5.3 The signatures of at least two members of the Management Committee shall be sufficient verification for the purpose of this Agreement of any recommendation or decision made, or approval given by the Management Committee, provided that at least one of the members represents the Provincial Minister and another represents the Federal Minister.

5.4 The Management Committee may establish subcommittees to advise and assist it in its work, which subcommittees may include persons who are not members of the Management Committee.



Subcommittees will prepare, as requested, submissions and recommendations to the Management Committee on all matters relating to the planning and implementation of the projects in Schedule "A". Progress reports on physical and financial details of projects will be presented to the Management Committee with recommendations for any necessary action consistent with the development strategy adopted.

SECTION 6 - FINANCIAL PROVISIONS

6.1 Canada shall contribute fifty percent (50%) of the eligible costs and the Province shall contribute fifty percent (50%) of the eligible costs of any project approved under Program I (Energy System Planning). For all projects approved under Program II (Energy Opportunities), Canada shall contribute eighty percent (80%) of the eligible costs and the Province twenty percent (20%) of the eligible costs.

6.2 The provision of financing by Canada and the Province for the implementation of this Agreement is subject to the Parliament of Canada and the Legislative Assembly of the Province of Nova Scotia having provided funds for such financing for the fiscal year in which such financing is required.

6.3 Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed \$19,000,000.

6.4 Subject to subsection 6.6, the eligible costs of capital projects to be implemented under this Agreement, consist of all direct costs including public information costs, which, in the opinion of the Management Committee, have been reasonably and properly incurred by the Province

for the purpose of implementing the capital projects, plus 10 percent of such direct costs. Eligible costs shall in no circumstances include administrative, survey, engineering, or architectural costs. In no case shall any provision in this Agreement be relied upon as authority to include either administrative, survey, engineering, or architectural costs as eligible costs under this Agreement.

6.5 Subject to subsection 6.6, the eligible costs of non-capital projects to be implemented under this Agreement consist of all costs actually incurred by the Province pursuant to a contract entered into in accordance with this Agreement, with any person or corporation, for the performance of work, the supply of goods or the rendering of services for the implementation of a non-capital project, but do not include any cost in respect of the services of any regular employee of the Province or its agencies.

6.6 Neither the cost of land nor the cost of acquiring land or any interest therein shall be considered to be an eligible cost under this Agreement.

6.7 This Agreement, and Schedule "A" thereof, may be amended in writing as agreed from time to time by the Ministers. Each project item added to Schedule "A" shall form part of this Agreement and shall be governed by the terms thereof as fully and effectively as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to subsections 6.1 and 6.3 shall require the approval of the Governor in Council.

6.8 The Management Committee may make adjustments in and between the projects of any program specified in Schedule "A" of the Agreement during any fiscal year; provided, however, that such adjustments do not increase the total cost of the relevant program.

6.9 If, at any stage of a program, it appears to the Province that the costs thereof will exceed the estimated costs specified for any program in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.

6.10 Upon being so informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the action proposed to be taken.

#### SECTION 7 - CONTRACT PROCEDURES

7.1 All contracts for approved activities shall be awarded in accordance with procedures to be approved by the Management Committee, and, unless in its opinion it is impractical to do so, shall be let pursuant to tenders invited by public advertisement and awarded to the qualified and responsible tenderer submitting the lowest evaluated bid.

7.2 All contracts under this Agreement shall be supervised in accordance with procedures to be approved by the Management Committee, and reports produced by consultants or resulting from such contracts shall become the property of both parties.

7.3 In the awarding of contracts pursuant to the recommendation of the Management Committee, the Province

shall retain the services of Canadian firms or individuals where practical and consistent with economy and efficiency.

7.4 All public announcements of contract awards shall be made jointly by Canada and the Province.

#### SECTION 8 - PAYMENT PROCEDURES

8.1 Subject to subsection 8.2, payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for the project, submitted in a form satisfactory to the Federal Minister.

8.2 In order to assist with the interim financing of activities, Canada may, if the Province so requests, make interim payments to the Province of up to one hundred percent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred as certified by a senior officer of the Province.

8.3 The Province shall account for each interim payment by submitting to Canada within 120 days after such payment by Canada, a detailed statement of the actual expenditures incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.

#### SECTION 9 - RECORDS AND AUDIT

9.1 The Province shall maintain proper and accurate accounts and records relating to the cost of the programs, and Canada may audit the amounts of all progress claims and payments and the provincial accounts and records relating thereto.

SECTION 10 - MONITORING

10.1 All substantive amendments to contracts shall require the prior approval of the Management Committee.

10.2 Any member of the Management Committee or his representative shall be permitted to inspect any project at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister.

SECTION 11 - PUBLIC INFORMATION

11.1 Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting implementation of projects under this Agreement, and further agree to supply, erect and maintain on the direction of the Management Committee:

- (a) during the course of construction of capital projects, a project sign or signs consistent with Federal/Provincial Identity graphics guidelines, and in both official languages, specifying that the relevant project is a Canada-Nova Scotia Regional Development Project, financed by contributions from the Department of Regional Economic Expansion of the Government of Canada (and any other federal agency, where relevant), and the Government of the Province of Nova Scotia, or such other wording to the like effect as may be agreed upon by the Ministers; and
- (b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).

11.2 Any public announcement of the measures covered and of the products generated by this Agreement, as well as any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers.

SECTION 12 - GENERAL

12.1 No member of the House of Commons of Canada or the Legislative Assembly of the Province of Nova Scotia shall be admitted to any part or share of payments made pursuant to this Agreement or to any benefits to arise therefrom, nor shall such member undertake or participate in any study or analysis pursuant to a contract as a result of which Canada may be required to pay any amounts pursuant to this Agreement.

12.2 With regard to the applicability of labour standards, the parties agree as follows:

- i) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
- ii) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week;
- iii) in road and heavy construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 60 per week; and

iv) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;  
it being expressly understood and agreed that to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.

12.3 The terms and conditions of the GDA shall apply to this Agreement.

SECTION 13 - EVALUATION

13.1 During this Agreement, Canada and the Province shall jointly effect an assessment of the programs listed in Schedule "A" with regard to the stated objectives. Annual progress reports shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of this Agreement with respect to the general economic and socioeconomic development of Nova Scotia.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion, and on behalf of the Province by the Minister of Development.

In the Presence of:

GOVERNMENT OF CANADA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of  
Regional Economic Expansion

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of  
Energy, Mines and Resources

GOVERNMENT OF THE  
PROVINCE OF NOVA SCOTIA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Development

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister-in-Charge,  
Nova Scotia Energy Council



CANADA/NOVA SCOTIA  
SUBSIDIARY AGREEMENT FOR ENERGY CONSERVATION

SCHEDULE "A"

| <u>Program</u>                       | <u>Estimated<br/>Total Cost<br/>(\$ 000's)</u> | <u>DREE<br/>Share<br/>(\$ 000's)</u> | <u>Provincial<br/>Share</u> | <u>Project</u>                          | <u>Estimated<br/>Total Cost<br/>(\$ 000's)</u> | <u>Sharing</u> |
|--------------------------------------|--|--------------------------------------|-----------------------------|---|--|----------------|
| I. <u>ENERGY SYSTEM<br/>PLANNING</u> | 3 000  | 1 500                                | 1 500                       | Planning                                | 3 000  | 50/50          |
| II. <u>ENERGY OPPORTUNITIES</u>      | 21 875   | 17 500                               | 4 375                       | a) Load Management                      | 3 000  | 80/20          |
|                                      |  |                                      |                             | b) Industrial Retrofitting              | 10 875   | 80/20          |
|                                      |  |                                      |                             | c) Co-generation & Soft<br>Technology   | 600  | 80/20          |
|                                      |  |                                      |                             | d) Pilot Projects:                      | 5 300  |                |
|                                      |  |                                      |                             | District Heating                        |  |                |
|                                      |  |                                      |                             | Wood - large scale                      |  |                |
|                                      |  |                                      |                             | - small scale                           |  |                |
|                                      |  |                                      |                             | Solar - evaluation and<br>demonstration |  |                |
|                                      |  |                                      |                             | Hydro                                   |  |                |
|                                      |  |                                      |                             | Other                                   |  |                |
|                                      |  |                                      |                             | e) Testing Service                      | 1 500  | 80/20          |
|                                      |  |                                      |                             | f) Public Information                   | 500  | 80/20          |
|                                      |  |                                      |                             | g) Evaluation                           | 100  | 80/20          |
| <b>TOTALS</b>                        | <u>24 875</u>                                  | <u>19 000</u>                        | <u>5 875</u>                |   | <u>24 875</u>                                  |                |

FOR CANADA:

FOR THE PROVINCE OF NOVA SCOTIA:

\_\_\_\_\_  
 Minister of Regional Economic Expansion

\_\_\_\_\_  
 Minister of Development

\_\_\_\_\_  
 Minister of Energy, Mines and Resources

\_\_\_\_\_  
 Minister-in-Charge, Nova Scotia Energy Council

