

BILL NO. 193

(as passed, with corrections)



*1st Session, 65th General Assembly
Nova Scotia
4 Charles III, 2026*

Government Bill

Powering the Economy Act

CHAPTER 5 OF THE ACTS OF 2026

The Honourable Tim Houston
Minister of Energy

[First Reading](#): February 24, 2026 (LINK TO BILL AS INTRODUCED)

Second Reading: February 25, 2026

[Third Reading](#): April 8, 2026

Royal Assent: April 9, 2026

An Act Respecting Energy

Be it enacted by the Governor and Assembly as follows:

1 This Act may be cited as the Powering the Economy Act.

PART I

ELECTRICITY ACT

2 Section 23 of the Schedule of Chapter 18 of the Acts of 2025, the Electricity Act, is repealed and the following Section substituted:

23 (1) IESO shall comply with the renewable electricity targets set out in the regulations or in directives from the Minister.

(2) The Minister may issue directives to IESO, or may make regulations, respecting renewable electricity targets, including

(a) requiring that a minimum amount of electricity supplied to customers of a public utility is produced from renewable sources; and

(b) reporting requirements.

3 Section 25 of the Schedule of Chapter 18 is amended by adding immediately after subsection (4) the following subsection:

(4A) The Minister may require a public utility to enter into a contract for the purchase of some or all of the output of a submerged land electricity generation facility as specified under a power purchase agreement awarded pursuant to a call for applications authorized under this Section.

4 (1) Subsection 33(2) of the Schedule of Chapter 18 is amended by adding ", on or after March 1, 2024," immediately after "received".

(2) Subsection 33(3) of the Schedule of Chapter 18 is amended by adding "annual" immediately after "total".

5 Clause 37(1)(g) is repealed.

PART II

MORE ACCESS TO ENERGY ACT

6 Subsection 35(7) of Schedule B of Chapter 2 of the Acts of 2024, the More Access to Energy Act, is repealed and the following subsection substituted:

(7) A transfer order

(a) may only be made on or before May 1, 2028; and

(b) may not specify an effective date under subsection 43(1) later than May 1, 2028.

PART III

OFFSHORE RENEWABLE ENERGY REVENUE ACT

7 Schedule A, the Offshore Renewable Energy Revenue Act, comes into force as provided in that Schedule.

PART IV

SUBSURFACE ENERGY RESOURCE EXTRACTION ACT

8 Schedule B, the Subsurface Energy Resource Extraction Act, comes into force as provided in that Schedule.

PART V

EFFECTIVE DATE

9 Section 4 is deemed to have effect on and after October 3, 2025.

SCHEDULE A

An Act Respecting Renewable
Energy Revenues in the Offshore

Be it enacted by the Governor and Assembly as follows:

1 This Act may be cited as the Offshore Renewable Energy Revenue Act.

2 In this Act,

"Accord Act" means the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act;

"gross revenue" means, with respect to a renewable energy generation facility, the total income earned from the sale of electricity generated by the facility;

"Minister" means the Minister of Energy;

"nameplate capacity" means the maximum rated output of a generator under the conditions specified by the manufacturer of the generator;

"offshore area" has the same meaning as in the Accord Act;

"offshore renewable energy" means any exploitation of a renewable resource in the offshore area to produce an energy product;

"offshore renewable energy project" has the same meaning as in the Accord Act;

"Regulator" has the same meaning as in the Accord Act;

"submerged land licence" means a submerged land licence issued under the Accord Act.

3 (1) A person who submits a bid for a submerged land licence under the Accord Act shall pay the amount determined under the regulations.

(2) A person who is issued a submerged land licence under the Accord Act shall pay the amount determined under the regulations.

4 (1) Upon the commencement of commercial operations with respect to a submerged land licence and for a period of 10 years immediately following the commencement of commercial operations, there is hereby reserved to the Crown in right of the Province, and each holder of a submerged land licence is liable for and shall pay, in accordance with the regulations, an annual levy of

(a) \$7,000 per megawatt of nameplate capacity; or

(b) such other amount or rate as may be prescribed in respect of the nameplate capacity, of the offshore renewable energy generation facilities and in respect of the periods prescribed.

(2) Commencing on the day 10 years after the day on which commercial operations under a submerged land licence began, there is hereby reserved to the Crown in right of the Province, and each holder of a submerged land licence is liable for and shall pay, in accordance with the regulations, an annual levy of the greater of

(a) \$7,000 per megawatt of nameplate capacity; and

(b) the percentage prescribed by the regulations of the gross revenue associated with offshore renewable energy generation facilities operated under the licence.

5 (1) Payments of levies under this Act must be paid within the time and in the manner specified in the regulations.

(2) The Minister may require all or part of any levy payable under this Act to be paid in money or in kind in accordance with the regulations.

(3) The Governor in Council may, by regulation, authorize the reduction of, or the exemption from the payment of, any levy payable under this Act for such periods, in such amounts and subject to such conditions as may be specified in the regulations.

6 Each holder of a submerged land licence liable for and required to pay a levy under this Act who is in default in accordance with the regulations in the payment of any amount payable under this Act on account of such levy shall pay interest and penalties on such amounts in accordance with the regulations.

7 The levies and any other money that are due and payable under this Act constitute a debt due to the Crown in right of the Province and may be recovered by action in any court as a debt due to the Crown, and the court may make an order as to the costs of such action in favour of or against the Crown.

8 (1) Each holder of a submerged land licence shall file, at the time and in the manner prescribed, reports and returns in such form and containing such information as may be prescribed and shall submit such documentation in connection therewith as may be prescribed.

(2) Where the interest owner of a submerged land licence consists of two or more interest holders, the representative of the interest owner shall, where required by the regulations,

(a) collect and remit on behalf of such interest holders any levy due under this Act; and

(b) file on behalf of such holders, at the time and in the manner prescribed, consolidated reports and returns in the form and containing the information prescribed, and submit such documentation in connection therewith as may be prescribed.

(3) Interest holders of a submerged land licence shall provide their representative with the information necessary to file any reports and returns under clause (2)(b).

9 Where a person is indebted to the Crown in right of the Province under this Act, the Minister may require the retention by way of deduction or set-off of such amount as the Minister may specify out of any amount that is or may become payable to such person by the Crown.

10 Notwithstanding any other provision of this Act or Part III of the Accord Act, where a person is in default in the payment of any amount payable under this Act in respect of any interest issued in relation to any portion of the offshore area, the Minister may, for so long as the amount remains unpaid, direct the Regulator to

(a) refuse to issue to that person any interest in relation to any portion of the offshore area; and

(b) refuse to authorize, under Part III of the Accord Act, that person to carry on any work or activity related to the development or production of offshore renewable energy on any portion of the offshore area and suspend any such authorization already given.

11 The existence or exercise of any remedy that the Regulator or the Crown in right of the Province has under this Act does not affect any other remedy that the Regulator or the Crown has at law, including any remedy that the Environmental Management Studies Board may exercise under Section 103 of the Accord Act.

12 (1) Each holder of a submerged land licence shall, subject to such terms and conditions as may be prescribed, keep books, records, accounts, documents and other information necessary for or incidental to the calculation and verification of the amounts of levies payable by the holder under this Act, including such books, records, accounts, documents and other information as may be prescribed.

(2) Books, records, accounts, documents and other information required to be kept under subsection (1) must be kept at the place and in the manner and during the periods prescribed.

13 Persons required by this Act to file reports and returns are subject to such audit and examination as may be prescribed to be conducted at the times, in the circumstances and in the manner prescribed.

14 The Minister may enter into an agreement with the Regulator and the federal Government for the collection and administration of levies with the ability to delegate any ministerial power, duty or function under this Act.

15 A person contravening this Act or the regulations is guilty of an offence against this Act, and every violation in connection with a separate sale or transaction is a separate offence.

16 A person who falsifies any statement or document that is required to be supplied under this Act or the regulations is guilty of an offence.

17 Every person who is guilty of an offence under this Act is liable

(a) on summary conviction, to a fine not exceeding \$100,000 or to imprisonment for a term not exceeding one year, or to both; or

(b) on conviction on indictment, to a fine not exceeding \$1,000,000 or to imprisonment for a term not exceeding five years, or to both.

18 (1) Where a corporation commits an offence under this Act, any officer, director, employee or agent of that corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and commits the offence and, on conviction, is liable to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted.

(2) Nothing in subsection (1) relieves the corporation that committed an offence under this Act from liability for the offence.

(3) In construing and enforcing this Act, the act, omission, neglect or failure of an officer, director, employee or agent of a corporation, acting within the scope of that person's employment or instructions, is the act, omission, neglect or failure of the corporation.

19 (1) The Governor in Council may make regulations

(a) respecting the amounts payable upon submission of a bid for a submerged land licence and the circumstances in which such an amount may be refunded;

- (b) respecting the amounts payable upon the issuance of a submerged land licence;
- (c) respecting levies payable in respect of the nameplate capacity of offshore renewable energy produced in the offshore area;
- (d) prescribing a percentage of the gross revenue associated with renewable energy generation facilities for the purpose of subsection 4(2);
- (e) respecting payments to be made under this Act, including
 - (i) to whom payments must be made,
 - (ii) when payments must be made,
 - (iii) the use and calculation of payments in kind, and
 - (iv) the reduction or exemption of a payment, including setting conditions on the reduction or exemption;
- (f) respecting interest and penalties payable in the event of a default of a levy payment;
- (g) respecting reports and returns required under this Act, including
 - (i) the form of reports and returns,
 - (ii) the time and manner of providing reports and returns,
 - (iii) the information that must be contained in reports and returns, and
 - (iv) how and to whom reports and returns must be submitted;
- (h) respecting the collection and remission of levies and information where a submerged land licence has two or more interest holders;
- (i) respecting the books, records, accounts, documents and other information that must be kept by the holder of a submerged land licence;
- (j) prescribing the place and manner in which books, records, accounts, documents and other information required to be kept must be kept and the period for which they must be kept;
- (k) respecting audits of persons required to file reports and returns under this Act;
- (l) respecting assessments for levies;
- (m) respecting objections to assessments or requests for reassessment;
- (n) respecting appeals of levies, interest, penalties and assessments, including
 - (i) setting limitation periods for the filing of appeals,
 - (ii) determining to whom appeals may be made,
 - (iii) determining the parties to an appeal,
 - (iv) determining the manner in which appeals are heard, including providing for the hearing of appeals through written or electronic submissions,
 - (v) respecting rules of procedure for appeals,

- (vi) respecting the awarding of costs,
- (vii) respecting the hearing of appeals in private and the protection or redaction of personal information and commercially sensitive information, and
- (viii) respecting the referral of appeals to other forms of dispute resolution;
- (o) prescribing the rate at which interest on arrears of levies, interest and penalties owing to the Crown in right of the Province under this Act is payable;
- (p) prescribing anything that is to be prescribed under this Act;
- (q) defining any word or expression used but not defined in this Act;
- (r) further defining any word or expression defined in this Act;
- (s) respecting any matter or thing the Governor in Council considers necessary or advisable to effectively carry out the intent and purpose of this Act.
- (2) Regulations made under subsection (1) may be made in respect of all offshore renewable energy projects in the offshore area, a class of such projects or a particular project.
- (3) Regulations made under subsection (1) may apply generally to the offshore area or any portion thereof.
- (4) The exercise by the Governor in Council of the authority contained in subsection (1) is a regulation within the meaning of the Regulations Act.

20 This Act comes into force on such day as the Governor in Council orders and declares by proclamation.

SCHEDULE B

An Act Respecting the Extraction of Subsurface Energy Resources

Be it enacted by the Governor and Assembly as follows:

1 This Act may be cited as the Subsurface Energy Resource Extraction Act.

2 The purpose of this Act is to provide for the responsible, orderly and efficient development and management of subsurface energy resources in the Province, including petroleum, natural hydrogen, helium, geothermal heat and subsurface reservoirs for permanent storage of substances in a manner that protects people and the environment and maximizes benefits for Nova Scotians by

- (a) providing a framework for efficient and effective subsurface energy resource rights administration;
- (b) encouraging and facilitating subsurface energy resource exploration, development and production;
- (c) ensuring an effective regulatory framework for all stages of subsurface energy resource exploration and production including
 - (i) geophysical exploration,
 - (ii) well drilling and construction,
 - (iii) completion activities such as hydraulic fracturing and gas injection,
 - (iv) production, and

- (v) decommissioning and abandonment;
- (d) providing a fair royalty regime; and
- (e) safeguarding knowledge of subsurface resources for future benefit.

3 In this Act,

"carbon sequestration" means the injection and permanent storage of captured carbon dioxide in a subsurface reservoir;

"coal gas" means methane occurring naturally in coal seams and associated strata and includes methane obtainable by methane extraction;

"Crown" means the Crown in right of the Province;

"Department" means the Department of Energy;

"disposal well" means a well drilled, converted or operated for the purpose of permanent disposal of produced water or other prescribed oilfield fluids;

"geoexchange system" means a ground-source heat pump system, whether closed-loop or open-loop, that is designed and operated primarily for the purpose of space heating or cooling of buildings or other structures, and that

- (a) in the case of a closed-loop system, circulates a heat-transfer fluid through buried piping, coils or boreholes without withdrawing formation fluid from the subsurface;
- (b) in the case of an open-loop system, withdraws groundwater from a shallow aquifer and returns it to the same aquifer or discharges it at surface in accordance with approvals granted under the Environment Act;
- (c) does not access geothermal heat from deep subsurface formations for the purpose of producing electricity or heat for sale or distribution beyond the property or facility served; and
- (d) meets any prescribed depth, capacity or operational criteria;

"geothermal heat" means the natural heat in, or under land, whether or not accompanied by fluid, including heat stored in rock, soils, formations, mine workings and pore space, and any thermal energy derived therefrom;

"methane extraction" means any process approved by the Minister by which methane gas is extracted or manufactured from coal;

"Minister" means the Minister of Energy;

"natural gas" means all naturally occurring hydrocarbons in a gaseous state, including methane, ethane, propane, butane and all associated non-oil substances, including carbon dioxide, helium and hydrogen sulfide;

"natural hydrogen" means molecular hydrogen occurring naturally in or under land, whether free gas or dissolved in formation waters, and includes gases produced from geochemical or radiolytic processes in rock;

"Nova Scotia lands" means the land mass of the Province, including Sable Island, and includes the seabed and subsoil off the shore of the land mass of the Province, the seabed and subsoil of the Continental shelf and slope and the seabed and subsoil seaward from the Continental shelf and slope to the limit of exploitability;

"petroleum" includes any mineral oil or relative hydrocarbon and any natural gas, including coal gas, existing in its natural condition in strata, but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;

"pore space" means the voids contained in, occupied by, or formerly occupied by, petroleum or other fluids within subsurface rock or sediment formations, including those capable of storing or transmitting substances, and includes any interconnected network of such voids suitable for injection, storage or extraction under this Act;

"prescribed" means prescribed by the regulations;

"produced water" means saline formation water and other non-hazardous aqueous fluids produced in association with petroleum, natural hydrogen, helium or geothermal operations, including flowback from completion activities that are intended for subsurface disposal or reinjection as authorized under this Act;

"Registrar" means the Registrar appointed under the Mineral Resources Act;

"right" means a licence, agreement or lease issued under this Act or the regulations;

"subsurface energy resource" means

- (a) petroleum;
- (b) natural hydrogen;
- (c) geothermal heat;
- (d) pore space within subsurface reservoirs suitable for the injection and permanent storage of substances, including carbon dioxide for carbon sequestration; and
- (e) any substance prescribed as a subsurface energy resource,

but does not include a resource regulated under the Mineral Resources Act;

"subsurface energy resource production lease" means a lease issued under this Act or the regulations;

"subsurface reservoir" means pore space within an underground formation suitable for the injection and permanent storage of substances.

4 This Act applies to all Nova Scotia lands.

5 The Governor in Council may, by order, for any purpose and under any conditions set out in the order, withdraw from the application of this Act or the regulations, or any part thereof,

- (a) any area of Nova Scotia lands;
- (b) any subsurface energy resource in specified Nova Scotia lands,

as specified in the order.

6 (1) The Minister has the general management and supervision of this Act and the regulations.

(2) Where any duty, power or authority is imposed or conferred on the Minister by this Act or the regulations, the Minister may delegate the duty, power or authority to any person the Minister considers advisable.

7 The Minister may create and administer an orphan-well fund in accordance with the regulations.

8 (1) The employees, including officers and inspectors, and agents required for the purpose of this Act and the regulations, shall be appointed in accordance with the Civil Service Act.

(2) Notwithstanding subsection (1), the Minister may engage the services of such professional or technical persons and experts to advise the Minister as the Minister deems necessary for the efficient carrying out of this Act.

9 All employees and agents appointed under Section 8 are employees within the meaning of the Public Service Superannuation Act and are entitled to all the benefits therein set forth.

10 The Governor in Council may, in accordance with the regulations, assign or delegate any function, right or duty under this Act to the officers and employees of the Department or any other department of the public service.

11 Nova Scotia lands may be divided into units as prescribed.

12 (1) All subsurface energy resources, including petroleum, natural hydrogen, helium, geothermal heat and pore space located in or under Nova Scotia lands are and are deemed always to have been vested in the Crown, and every grant made by the Crown is to be construed and held to reserve all the subsurface energy resources in the lands so granted.

(2) Subsurface energy resource rights may only be granted pursuant to this Act, and upon their expiry are re-vested in the Crown.

13 (1) No person shall, except in accordance with this Act and the regulations,

(a) conduct geophysical activities exploring for subsurface energy resources;

(b) drill, complete, re-complete, convert, stimulate, operate, suspend or abandon a well for subsurface energy resource operations;

(c) construct or operate a closed-loop geothermal system below the prescribed depth;

(d) carry out carbon sequestration operations including injection, monitoring and post-closure activities, as prescribed; or

(e) carry out disposal operations into a subsurface reservoir, including drilling, converting, operating, suspending or abandoning a disposal well, or injecting produced water, brine wastewater, non-hazardous oilfield fluids or acid gas into a disposal reservoir.

(2) For greater certainty, no person shall undertake any hydraulic fracturing operations unless authorized by this Act or the regulations.

14 (1) No holder of a subsurface energy resource right may enter upon any Nova Scotia lands, including lands owned by the Crown, to explore for or develop subsurface energy resources without the consent of the owner or lawful occupier of the surface of such lands.

(2) Where such consent cannot be obtained, the holder may apply to the Minister and the Minister may grant an order for entry upon such terms, including the payment of compensation, as the Minister considers appropriate.

(3) An order under subsection (2) may only be made in accordance with the provisions of Sections 33 to 35.

PETROLEUM RESOURCES

15 (1) The Minister may issue a petroleum exploration licence in the prescribed form to any person who applies in accordance with the regulations and satisfies the prescribed eligibility criteria.

(2) A petroleum exploration licence is subject to such terms and conditions as may be prescribed.

(3) The holder of a petroleum exploration licence has a non-exclusive right to explore for petroleum in the manner prescribed subject to any additional conditions specified in the licence or determined by the Minister.

(4) Every petroleum exploration licence is for the term of one year and may be renewed for further periods of one year each at the discretion of the Minister and upon such terms and conditions as may be prescribed.

16 (1) The Minister may, from time to time and in such manner as is prescribed, enter into exploration agreements for the exploration for petroleum in specified areas of Nova Scotia lands.

(2) In a petroleum exploration agreement, the Minister may specify provisions for the use of Nova Scotian labour, goods and services and commitments to encourage Nova Scotian education and training, research and development.

(3) Every petroleum exploration agreement is for a term of three years and, subject to the regulations and the terms and conditions of the agreement, may be renewed for such further periods as are prescribed.

(4) Annual rentals, reporting requirements and all other terms and conditions of petroleum exploration agreements are as prescribed or determined by the Minister.

(5) The holder of a petroleum exploration agreement has, subject only to the rights of any holder of a petroleum exploration licence, the exclusive right to explore for petroleum in the agreed area in the manner prescribed and specified in the agreement.

(6) Where no proposal is submitted or accepted in accordance with the regulations, the Minister may, in the manner prescribed, enter into a petroleum exploration agreement with any person on such terms and conditions as the Minister may determine.

17 (1) A holder of a petroleum exploration agreement may apply to the Minister for a petroleum production lease of all or part of the area held pursuant to the holder's exploration agreement.

(2) The Minister shall, subject to the regulations, grant a petroleum production lease if the holder

(a) satisfies the Minister that petroleum can be commercially produced from the land the holder proposes to lease; and

(b) in the manner prescribed, prepares and receives approval for a development program relating to the proposed commercial production.

(3) Every petroleum production lease commences on the date on which commercial production begins and is for a term of 10 years.

(4) A petroleum production lease may be renewed at the option of the holder for one further term of 10 years if the holder has complied with the terms and conditions of this Act, the regulations and the holder's lease.

(5) Further renewals may be granted by the Minister upon such terms and conditions as may be prescribed.

(6) Every petroleum production lease must give the lessee the right to produce petroleum from the leased area and to market that petroleum in the manner prescribed.

(7) A petroleum production lease may be subject to unitization or pooling orders made under this Act or the regulations and must not interfere with other subsurface energy resource rights except as authorized by the Minister in accordance with the regulations.

18 No operator of a coal mine shall dispose of any coal gas without the written approval of the Minister and

the Minister may attach such terms and conditions to the Minister's approval, including terms and conditions for the conservation and utilization of coal gas, as are prescribed.

NATURAL HYDROGEN RESOURCES

19 (1) The Minister may, from time to time and in such manner as is prescribed, enter into exploration agreements for the exploration for natural hydrogen in specified areas of Nova Scotia lands.

(2) In a natural hydrogen exploration agreement, the Minister may specify provisions for the use of Nova Scotian labour, goods and services and commitments to encourage Nova Scotian education and training, research and development.

(3) Every natural hydrogen exploration agreement is for a term of three years and, subject to the regulations and the terms and conditions of the agreement, may be renewed for such further periods as are prescribed.

(4) Annual rentals, reporting requirements and all other terms and conditions of natural hydrogen exploration agreements are as prescribed or determined by the Minister.

(5) The holder of a natural hydrogen exploration agreement has, subject only to the rights of any holder of a natural hydrogen exploration licence, the exclusive right to explore for natural hydrogen in the agreed area in the manner prescribed and specified in the agreement.

(6) Where no proposal is submitted or accepted in accordance with the regulations, the Minister may, in the manner prescribed, enter into an exploration agreement with any person on such terms and conditions as the Minister may determine.

20 (1) A holder of a natural hydrogen exploration agreement may apply to the Minister for a natural hydrogen production lease of all or part of the area held pursuant to the exploration agreement.

(2) The Minister shall, subject to the regulations, grant a natural hydrogen production lease if the holder

(a) satisfies the Minister that natural hydrogen can be commercially produced from the land the holder proposes to lease; and

(b) in the manner prescribed, prepares and receives approval for a development program relating to the proposed commercial production.

(3) Every natural hydrogen production lease commences on the date on which commercial production begins and is for a term of 10 years.

(4) A natural hydrogen production lease may be renewed at the option of the holder for one further term of 10 years if the holder has complied with the terms and conditions of this Act, the regulations and the holder's lease.

(5) Further renewals may be granted by the Minister upon such terms and conditions as may be prescribed.

(6) Every natural hydrogen production lease must give the lessee the right to produce natural hydrogen from the leased area and to market that natural hydrogen in the manner prescribed.

GEOHERMAL ENERGY

21 (1) The Minister may issue a geothermal exploration licence in the prescribed form to any person who applies in accordance with the regulations and satisfies the prescribed eligibility criteria.

(2) A geothermal exploration licence grants the licensee the exclusive right to explore for geothermal resources within the area described in the licence, subject to this Act and the regulations.

(3) A geothermal exploration licence is for a term of three years and may be renewed for two further terms of three years each upon application and demonstration of compliance with work obligations and any other conditions as prescribed.

(4) A geothermal exploration licence does not confer any right to produce geothermal heat or to construct or operate a geothermal facility, except as authorized under this Act and the regulations.

22 (1) The Minister may issue a geothermal production lease in the prescribed form to any person who holds a geothermal exploration licence or who otherwise satisfies the prescribed eligibility criteria.

(2) A geothermal production lease grants the lessee the exclusive right to produce geothermal heat within the lease area, subject to this Act, the regulations and any applicable work authorizations.

(3) A geothermal production lease is for a term of 25 years, and may be renewed for further terms of up to 25 years upon application and demonstration of continued productive use and compliance with prescribed obligations.

(4) A geothermal production lease may be subject to unitization or pooling orders made under this Act or the regulations, and may not interfere with other subsurface energy resource rights except as authorized by the Minister in accordance with the regulations.

(5) The holder of a geothermal production lease shall not commence production, or construct or operate a geothermal facility, except in accordance with an authorization issued under the regulations.

(6) The Governor in Council may prescribe in respect of geothermal production leases

(a) the maximum area of a lease;

(b) the form and content of applications;

(c) the conditions for renewal, unitization and pooling;

(d) the obligations respecting production, reporting and performance; and

(e) the rents, royalties and fees payable under a geothermal production lease.

CARBON SEQUESTRATION

23 (1) The Minister may issue a carbon sequestration licence in the prescribed form to any person who applies in accordance with the regulations and satisfies the prescribed eligibility criteria.

(2) A carbon sequestration licence grants the licensee the exclusive right to evaluate the suitability of subsurface reservoirs for the permanent storage of carbon dioxide and, subject to this Act and the regulations, to apply for a carbon sequestration lease under Section 24.

(3) A carbon sequestration licence is for a term of three years and may be renewed for one further term of up to three years upon application and demonstration of compliance with prescribed work obligations.

(4) A carbon sequestration licence does not confer any right to inject or store carbon dioxide or to construct or operate a carbon sequestration facility, except as authorized under this Act and the regulations.

(5) The Minister may prescribe

(a) the maximum area of a carbon sequestration licence;

(b) the form and content of applications;

(c) the obligations respecting geological, geophysical, geochemical and engineering work;

- (d) the conditions for renewal and relinquishment;
- (e) the submission and confidentiality of data; and
- (f) the eligibility criteria for conversion to a carbon sequestration lease.

24 (1) The Minister may issue a carbon sequestration lease in the prescribed form to any person who holds a carbon sequestration licence or who otherwise satisfies the prescribed eligibility criteria.

(2) A carbon sequestration lease grants the lessee the exclusive right to inject and permanently store carbon dioxide within the lease area, subject to this Act, the regulations and any applicable work authorizations.

(3) A carbon sequestration lease is for a term of 25 years, and may be renewed for further terms of up to 25 years each upon application and demonstration of continued compliance with the prescribed obligations and performance standards.

(4) A carbon sequestration lease may be subject to unitization or pooling orders made under this Act or the regulations, and may not interfere with other subsurface energy resource rights except as authorized by the Minister in accordance with the regulations.

(5) The holder of a carbon sequestration lease shall not commence injection or construct or operate a sequestration facility except in accordance with an authorization issued under the regulations.

(6) Upon satisfaction of the prescribed closure requirements, including completion of post-closure monitoring and verification, the Minister may issue a closure certificate and assume responsibility for the injected carbon dioxide and associated liabilities.

(7) The Minister may impose open-access and cost-recovery terms to enable third-party access to carbon dioxide injection, including tariffs, capacity allocation and dispute resolution.

(8) The Governor in Council may prescribe

- (a) the maximum area of a carbon sequestration lease;
- (b) the form and content of applications;
- (c) the conditions for renewal, unitization and pooling;
- (d) the obligations respecting injection, monitoring, verification and reporting;
- (e) the rents, levies and fees payable under the lease;
- (f) terms for open-access and cost-recovery;
- (g) the requirements for closure, post-closure monitoring and liability transfer; and
- (h) the conditions under which injected carbon dioxide becomes the property of the Crown.

GENERAL

25 (1) The Minister may create and administer a Post-closure Stewardship Fund in accordance with the regulations.

(2) The post-closure stewardship fund may be established to support long-term monitoring, maintenance and any necessary remedial measures required after the issuance of a closure certificate for a carbon sequestration project.

(3) Every holder of a carbon sequestration lease shall pay into the post-closure stewardship fund such levies

or contributions as may be prescribed, including

- (a) a per-tonne levy on carbon dioxide injected; and
- (b) annual contributions based on injection capacity or other prescribed criteria.

(4) The Minister shall publish an annual report on the post-closure stewardship fund in accordance with the regulations.

26 (1) The Minister shall not approve any permanent storage program or authorize injection under this Act if, in the opinion of the Minister, the program would materially interfere with the recovery or conservation of petroleum resources, or with an existing subsurface energy resource storage operation, unless the Minister is satisfied that

- (a) the interference is negligible or can be mitigated through appropriate conditions; or
- (b) the impacted subsurface energy resource rights holders have entered into an agreement approved by the Minister to address such interference.

(2) For the purpose of subsection (1), the Minister may impose conditions on any authorization or lease, including

- (a) sequencing or scheduling of injection;
- (b) pressure management or operating envelope limits;
- (c) unitization or pooling arrangements; or
- (d) compensation or other measures to safeguard correlative rights.

(3) Where a dispute arises respecting interference, the Minister may do one or more of the following:

- (a) conduct an inquiry and require the submission of technical data, reservoir models and operating plans from the parties to the dispute or any other person specified by the Minister at the expense of the parties to the dispute;
- (b) make an order determining whether material interference exists;
- (c) prescribe conditions necessary to prevent waste and protect correlative rights, including adjustments to injection rates, pressure limits or sequencing;
- (d) require the parties to the dispute to enter into a unitization or coordination agreement on terms approved by the Minister;
- (e) enforce compliance with any such order or agreement by suspension, amendment or revocation of rights granted under this Act.

27 The Minister may order the holder of a subsurface energy resource right to coordinate with other subsurface energy resource rights holders as prescribed or indicated in the order, including unitization, pooling, sequencing, setbacks and data-sharing to minimize waste and safeguard correlative rights.

28 (1) No person shall transfer, assign or otherwise dispose of a subsurface energy resource right except in the prescribed manner.

(2) A transfer, assignment or other disposition of a subsurface energy resource right conducted in a manner other than the prescribed manner is void.

29 (1) Where required by the regulations, applicants for permanent storage approvals, including carbon

sequestration, shall submit an induced-seismicity hazard assessment for the area of operations.

(2) The Minister may require a monitoring, mitigation and response plan, including real-time monitoring, thresholds and a responsible operating protocol.

30 (1) Every person who holds a licence, agreement or lease under this Act shall keep and maintain such records and submit such information and data to the Minister as may be prescribed, including

- (a) geological, geophysical and geochemical data;
- (b) drilling, completion, stimulation and abandonment reports;
- (c) production, injection and withdrawal volumes;
- (d) pressure, temperature and composition measurements;
- (e) measurement, monitoring and verification data for carbon sequestration operations;
- (f) induced-seismicity monitoring data;
- (g) hydrogen purity and composition data for natural hydrogen operations;
- (h) produced water and disposal volumes by well and reservoir;
- (i) pressure, rate and cumulative injection data; and
- (j) seismic monitoring data required under an approval.

(2) Subject to subsection (3), all data and records submitted under this Act are confidential for a prescribed period, which may vary by category of data and by type of operations.

(3) The Minister may disclose data and records

- (a) where necessary for public safety or environmental protection;
- (b) to other government departments or agencies for the administration of law;
- (c) after the expiry of the prescribed confidentiality period;
- (d) in aggregate or anonymized form for statistical or research purposes.

(4) No person shall knowingly submit false or misleading data or fail to submit data required under this Act or the regulations.

(5) The Governor in Council may make regulations respecting the form, manner and timing of submission of data and records under subsection (1), including requirements for electronic format and data integrity.

31 It is and is deemed to be a term of every subsurface energy resource right that

- (a) the right is subject to this Act and the regulations;
- (b) the rightholder shall permit inspections in accordance with the regulations; and
- (c) the rightholder shall pay any royalties due under this Act or the regulations.

32 It is and is deemed to be a term of every subsurface energy resource right that the holder of the right acknowledges that the laws of the Province govern all matters relating to the right, and the holder acknowledges and submits to the jurisdiction of the Province.

33 (1) No holder of a subsurface energy resource right may enter upon or occupy any Nova Scotia lands to explore for or produce subsurface energy resources, or inject substances into a reservoir for permanent storage without the written consent of the owner or lawful occupier of such lands.

(2) Where consent required under subsection (1) cannot be obtained, the holder may request the Minister to order that the land necessary for the development of subsurface energy resources according to the terms of the lease be vested in the holder.

(3) Where the Minister is satisfied that the land should be vested in the holder, the Minister shall issue an order vesting it in the holder.

(4) The holder of a vesting order issued by the Minister must file the order at the appropriate registry of deeds and the filing thereof is deemed to be a deposit of expropriation documents pursuant to the Expropriation Act.

(5) Upon the filing of a vesting order by the Minister, the holder named in the order is and is deemed to be an expropriating authority within the meaning of the Expropriation Act.

34 (1) The Expropriation Act applies with necessary changes to an expropriation under this Act.

(2) Notwithstanding Section 4 of the Expropriation Act, wherever the provisions of that Act conflict with the expropriation provisions of this Act, the expropriation provisions of this Act prevail.

(3) The holder of a subsurface energy resource production lease is deemed to be the statutory authority for the purpose of the Expropriation Act.

(4) The Minister is deemed to be the approving authority for the purpose of the Expropriation Act.

(5) In determining the value of the expropriated land, no value shall be given to any subsurface energy resource or mineral, or any right therein, in, upon or under the land.

35 The Governor in Council may make regulations respecting

(a) a request by a holder of a lease for expropriation;

(b) the matters and things necessary to satisfy the Minister that lands required by a holder of a lease should be vested in the holder of that lease;

(c) the contents of a vesting order;

(d) generally, any matter relating to any proposed expropriation of land pursuant to this Act.

36 (1) Except as otherwise provided in this Act, every order made pursuant to this Act or the regulations is final.

(2) Before making any order that this Act or the regulations requires or authorizes to be made in accordance with this Section, the Minister shall give notice in writing to the persons affected thereby of not less than 14 days, or such other period as the Minister considers appropriate in the circumstances, specifying the nature of the order proposed to be made.

(3) Where the Minister cannot, in writing, conveniently notify every person affected, or cannot identify with certainty the persons affected, the Minister shall give notice in such manner as the Minister considers appropriate in the circumstances.

(4) Within the period specified in the notice given under subsection (2) or (3), any person receiving the notice may, in writing, request a hearing and, on receipt of such request, the Minister shall appoint a time and place for a hearing and give notice thereof of not less than seven days, or such other period as the

Minister considers appropriate in the circumstances, to the person who requested the hearing.

(5) Where a hearing is not requested within the period specified in the notice, the order is final.

(6) Any person to whom notice is required to be given under subsection (2) or (3) may make representations and introduce documents and witnesses at any hearing held under this Section and, in making any order in respect of which the hearing has been held, the Minister

(a) shall consider any representations made and evidence introduced at the hearing;

(b) may adjourn the hearing as the Minister considers appropriate;

(c) may direct such inquiries and reports to be made by such persons as the Minister considers appropriate;

(d) may call witnesses to be examined upon oath;

(e) shall make the order on the merits of the matter as the Minister considers them;

(f) is not bound to follow any previous decisions; and

(g) shall, on request by any such person, publish or make available to that person the reasons for the order.

37 (1) Every person who contravenes or fails to comply with

(a) this Act or the regulations; or

(b) any order applicable to the person under this Act,

is guilty of an offence and liable on summary conviction to a penalty not exceeding \$100,000 or imprisonment for a term not exceeding two years.

(2) Where an offence is committed by a person under subsection (1) on more than one day or is continued by the person for more than one day, it is deemed to be a separate offence for each day on which the offence is committed or continued.

(3) Where a person is convicted of an offence under this Act and the court is satisfied that, as a result of the commission of the offence, monetary benefits accrued to the offender, the court may order the offender to pay, in addition to a fine under subsection (1), a fine in an amount equal to the estimation of the court of the amount of those monetary benefits.

38 In any prosecution for an offence under this Act it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused, whether or not the employee or agent is identified or has been prosecuted for the offence, unless the accused establishes that the offence was committed without the accused's knowledge or consent and that the accused exercised all due diligence to prevent its commission.

39 Where a corporation has committed an offence under this Act, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable on summary conviction to the punishment provided for the offence whether or not the corporation has been prosecuted.

40 (1) The Governor in Council may make regulations

(a) prescribing acid-gas disposal wells for the purpose of the definition of "disposal well" in Section 2;

(b) prescribing depth, capacity or operational criteria that a geoexchange system must meet;

(c) respecting the establishment and administration of

- (i) an orphan-well fund,
 - (ii) a Post-closure Stewardship Fund, and
 - (iii) a compensation fund from which persons who suffer loss as a result of activities undertaken pursuant to subsurface energy resource rights may be reimbursed;
- (d) respecting the division of Nova Scotia lands into units and the preparation of official maps showing such division;
- (e) respecting the appointment of inspectors, their powers, the inspection of subsurface energy resource operations, wells and facilities and cost recovery for inspection services;
- (f) respecting the assignment of functions, rights and duties under this Act to officers and employees in the Department or in any other department of the public service;
- (g) respecting the economic, orderly and efficient development of subsurface energy resources;
- (h) respecting the conduct of any activity referred to in subsection 13(1);
- (i) authorizing a hydraulic fracturing operation;
- (j) respecting the issuance, renewal, transfer, suspension and cancellation of permits, licences, agreements and leases, and the terms and conditions thereof, including maximum areas, tenure timelines, bonds, work obligations and performance standards;
- (k) respecting the nature, scope and extent of education, training, research and development projects and programs, and the nature and extent of the financial and other obligations of holders of subsurface energy resource rights with respect thereto;
- (l) prescribing terms and conditions for the conservation and utilization of coal gas;
- (m) respecting geophysical operations;
- (n) respecting the issuance and terms of work authorizations under this Act, including authorizations to drill, complete, stimulate, re-complete, convert, suspend and abandon wells, including requirements respecting
- (i) casing,
 - (ii) cementing,
 - (iii) blowout prevention and related safety measures, and
 - (iv) the design, equipment, construction, operation, maintenance, decommissioning and abandonment of wells and associated structures;
- (o) respecting drilling and well completion activities, including hydraulic fracturing;
- (p) respecting well integrity, leak detection, material compatibility and induced seismicity;
- (q) respecting safety, emergency response and incident reporting for operations under this Act;
- (r) prescribing matters in respect of carbon sequestration licences and carbon sequestration leases referred to in Sections 23 and 24;
- (s) prescribing closure requirements in respect of carbon sequestration;
- (t) respecting the adoption, incorporation or constituting as regulations, in whole or in part, of any relevant

codes, rules or standards, as amended from time to time, prepared and published by the Canadian Standards Association or any similar association, with or without any modification or amendment;

(u) respecting the coordination of subsurface energy resource rights holders, including unitization, pooling and other arrangements for joint development and operation, coexistence and coordination among subsurface energy resource rights, paramountcy where applicable, prevention of waste, protection of correlative rights and the role of the Minister in authorizing interference;

(v) prescribing the manner in which a subsurface energy resource right may be transferred;

(w) requiring applicants for permanent storage approvals, including carbon sequestration, to submit an induced-seismicity hazard assessment for the area of operations;

(x) respecting measurement, metering, monitoring and reporting of production and injection activities, including volumes, composition, pressures and rates;

(y) respecting the keeping and maintaining of records by persons who hold licences, agreements or leases under this Act;

(z) respecting the timing, reporting and submission of information and samples, and data disclosure and confidentiality;

(za) respecting rents, royalties, levies, fees and other charges related to the exploration and production of subsurface energy resources;

(zb) respecting the nature and constitution of liens upon the property of the holders of subsurface energy resource rights as security for the payment of all fees, rentals, royalties, levies and other amounts payable to the Crown under this Act, to the regulations, to any order made thereunder or to the terms of any subsurface energy resource right;

(zc) prescribing the period for which data and records submitted under this Act are confidential;

(zd) respecting the forms to be used under this Act and the regulations;

(ze) prescribing anything that is to be prescribed under this Act;

(zf) defining terms used but not defined in this Act;

(zg) respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act.

(2) The Governor in Council may exercise regulation-making authority under this Act generally or specifically, by location or territory, by class or kind or by reference to an individual or particular subsurface energy resource right.

41 The exercise by the Governor in Council of the authority to make regulations under this Act is a regulation within the meaning of the Regulations Act.

TRANSITIONAL

42 (1) Notwithstanding the Interpretation Act but subject to subsection (4), every permit, licence and lease issued under the former Petroleum Resources Act or Petroleum and Natural Gas Act or the regulations made under those Acts and any and all rights arising therefrom or thereunder are revoked without compensation payable to the holder thereof.

(2) The holder of a licence or lease referred to in subsection (1) has the exclusive right to enter into one or more exploration or coal gas agreements concerning the area held by the holder of that licence or lease.

(3) The exclusive right referred to in subsection (2) expires if not exercised within six months, or such greater period as may be prescribed, immediately following the date regulations pursuant to this Act concerning exploration agreements or coal gas agreements are effective or the holder of the licence or lease enters into an agreement pursuant to the authority of the Governor in Council in the absence of regulations.

(4) The Governor in Council may make regulations

(a) exempting a specified permit, licence or lease issued under the former Petroleum Resources Act or Petroleum and Natural Gas Act or the regulations made under those Acts from the operation of subsection (1);

(b) amending a specified permit, licence or lease exempted under clause (a) to the extent necessary for it to be consistent with this Act and the regulations;

(c) respecting transitional applications by holders of coal gas production leases pursuant to the former Petroleum Resources Act.

(5) Where a permit, licence or lease is exempted under subsection (4), it is deemed to have been issued under this Act and may be renewed, amended or revoked in accordance with this Act.

43 (1) Where an area has been designated as a geothermal resource area under the Mineral Resources Act prior to the coming into force of this Act, the Mineral Resources Act continues to apply to that area.

(2) A lease issued under the Mineral Resources Act in respect of an area referred to in subsection (1) continues until it is terminated or it expires.

CONSEQUENTIAL AMENDMENTS

44 Subsection 11(2) of Chapter 147 of the Revised Statutes, 1989, the Energy Resources Conservation Act, as amended by Chapter 12 of the Acts of 2000 and Chapter 2 of the Acts of 2024, is further amended by striking out "Gas Distribution Act, the Petroleum Resources Act or the Pipeline" and substituting ", the Gas Distribution Act, the Pipeline Act or the Subsurface Energy Resource Extraction".

45 Clause 6(2)(o) of Chapter 13 of the Acts of 2025, the Freedom of Information and Protection of Privacy Act, is amended by striking out "Petroleum Resources" the second time it appears and substituting "Subsurface Energy Resource Extraction".

46 Clause 3(1)(g) of Chapter 6 of the Acts of 2001, the Land Registration Act, is repealed and the following clause substituted:

(g) "interest" means any estate or right in, over or under land recognized under law, a prescribed contract or a prescribed statutory designation, including a right or interest under the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation and Offshore Renewable Energy Management (Nova Scotia) Act, but excludes any interest under the Gas Storage Exploration Act, the Mineral Resources Act, the Subsurface Energy Resource Extraction Act or the Treasure Trove Act;

47 Clauses 3(m) and (n) and Section 10 of Chapter 3 of the Acts of 2016, the Mineral Resources Act, are repealed.

48 Clause 464A(2)(n) of Chapter 18 of the Acts of 1998, the Municipal Government Act, as enacted by Chapter 9 of the Acts of 2003, is amended by striking out "Petroleum Resources" the second time it appears and substituting "Subsurface Energy Resource Extraction".

49 Chapter 342 of the Revised Statutes, 1989, the Petroleum Resources Act, is repealed.

50 Subclause 3(1)(b)(i) of Chapter 345 of the Revised Statutes, 1989, the Pipeline Act, is amended by striking out "Petroleum Resources" and substituting "Subsurface Energy Resource Extraction".

51 Section 2 of Chapter 37 of the Acts of 2001, the Subsurface Energy Storage Act, as amended by Chapter 55 of the Acts of 2022 and Chapters 2 and 5 of the Acts of 2024, is further amended by

(a) striking out clauses (l) and (m) and substituting the following clauses:

(l) "storage reservoir" means space or spaces within salt formations, or within excavated caverns prescribed by the regulations, that may be used for the storage of subsurface energy, but does not include underground tanks for the storage of fuels;

(m) "subsurface energy" means hydrocarbons, hydrogen gas, compressed air energy, chemical carriers of hydrogen, and anything else prescribed by the regulations as subsurface energy, but does not include carbon dioxide;

and

(b) striking out "or sequestered indefinitely" in clause (n).

52 Chapter 37 is further amended by adding immediately after Section 2 the following Section:

2A For greater certainty, this Act does not apply to the injection or permanent storage of carbon dioxide or any activity related to the injection, monitoring, verification, closure and post-closure stewardship of carbon dioxide that is governed by the Subsurface Energy Resource Extraction Act.

53 Section 12 of Chapter 37, as amended by Chapter 55 of the Acts of 2022, is further amended by striking out "Petroleum Resources" wherever it appears and substituting in each case "Subsurface Energy Resource Extraction".

54 Section 33 of Chapter 37, as amended by Chapter 55 of the Acts of 2022, is further amended by

(a) relettering clause (aa) as (aaa); and

(b) adding immediately after clause (a) the following clause:

(aa) prescribing excavated caverns for the purpose of the definition of storage reservoir;

55 Schedule B of Chapter 450 of the Revised Statutes, 1989, the Summary Proceedings Act, as enacted by Chapter 30 of the Acts of 2002 and amended by Chapter 4 of the Acts of 2004, Chapter 32 of the Acts of 2007, Chapter 44 of the Acts of 2011, Chapter 17 of the Acts of 2015, Chapters 3 and 4 of the Acts of 2016, Chapters 3 and 22 of the Acts of 2018 and Chapter 22 of the Acts of 2023, is further amended by

(a) striking out "Petroleum Resources Act"; and

(b) adding "Subsurface Energy Resource Extraction Act" immediately after "Steam Boiler and Pressure Vessel Act".

EFFECTIVE DATE

56 This Act comes into force on such day as the Governor in Council orders and declares by proclamation.

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