Ex E-25

# Opening Statement of Glenn Reed
## Energy Futures Group
## On behalf of the Ecology Action Centre

Good Morning. My name is Glenn Reed. I am a Partner at Energy Futures Group, an energy efficiency consulting firm based in Hinesburg Vermont. I am here today to testify on behalf of the Ecology Action Centre on Efficiency Nova Scotia Corporation's 2012 DSM Plan. I have previously provided oral or written testimony before regulatory boards in Connecticut and Massachusetts and I had previously assisted the Ecology Action Centre in their review of Nova Scotia Power's first DSM Plan.

My testimony is primarily focused on general comments on the DSM Plan and on specifics of the proposed residential programs.

I would recommend that spending on the 2012 Plan be increased. At a minimum, ENSC spending levels should be at the level required to achieve the 2011 energy savings through ENSC programs, as has been recommended by the Board's own consultants. Ideally, spending levels should be increased to fully capture the efficiency potential available in 2012.

The savings goals and budgets for 2012 should not be constrained by the targets proposed in the updated IRP. These targets should be viewed as a floor and not a ceiling. While ENSC may be on track to meet or even to exceed longer term cumulative savings goals, *near term efficiency efforts should not be reduced as a result.*

Increased spending in the residential sector in 2012 could achieve two key goals. First, it would help mitigate some of the potential risk in the current residential program design. Second, it would result in greater savings accruing to ENSC and provide greater assurance that long term cumulative savings goals are met. These greater savings could be achieved by increased spending on technologies that appear to be under funded in the 2012 plan.

The residential sector 2012 savings are heavily dependent on fuel substitution measures. Over half of the Existing Homes Program savings, including income eligible customer measures, comes from the conversion of electric space heat and hot water to other fuels, including solar. These measures are fairly capital intensive with installed incremental costs exceeding $17,000 for several measures. The willingness of consumers to make these large investments, even with ENSC rebates and a yet to be defined financing offering, is not known. ENSC has just recently kicked off its fuel substitution pilot. It will be some time before ENSC knows how well consumers will respond to this key residential sector program component.

Similarly, the Efficient Products Program relies on fuel substitution measures for nearly a quarter of its savings. In total, the savings from these Efficient Products fuel substitution measures are equal to 80% of the savings from the Existing Homes Program fuel substitution measures.

The fuel substitution measures proposed by ENSC should be pursued at the proposed level of effort. However, increasing investment in non-fuel substitution measures would help mitigate any potential risk that the savings associated with the fuel substitution measures are not achieved in 2012.

A review of the proposed residential measure mix for 2012 shows only a limited focus on residential lighting, appliances, and consumer electronics. While saturations of CFLs are already fairly high in homes in Nova Scotia, there may still remain significant lighting savings opportunities. To achieve these additional lighting savings may require a more focused Program effort on specialty CFLs and on customers that lag in their use of CFLs; so called "hard to reach" customers. Further, the proposed 2012 Plan makes no mention of LEDs, except for holiday lights. There are now 118 ENERGY STAR qualified LED lamps and over 1,000 ENERGY STAR LED fixtures suitable for residential applications. ENSC should develop a program component for 2012, if not sooner, that will promote the stocking, sale and promotion of these products.

Further, with the exception of convection ovens, the Efficient Products Program does not support the stocking, promotion, or sale of high efficiency appliances or consumer electronics. If current market shares for ENERGY STAR level appliances and consumer electronics are already high in Nova Scotia, then ENSC could establish more stringent program eligibility requirements to ensure cost-effective savings and to minimize free ridership.

I look forward to addressing any questions or concerns regarding my recommendations.