Before the
Utilities and Review Board of Nova Scotia

In the Matter of NSPI Application to Approve
Nova Scotia's Electricity Demand Side Management Plan for 2011

P-884(3)

Evidence of
Nancy Brockway

on behalf of the
Consumer Advocate

April 9, 2010

problem. Similarly, if it were a priority that all customers in a class had an equivalent opportunity to enjoy bill reductions, the split incentive (among other things) would make that difficult.

Q. Please provide another example of the possible conflict between goals of the NSPI DSM Plan.

A. In every DSM plan, the total investment must be budgeted for the upcoming period. While not always explicitly acknowledged, concern over bill impacts tends to limit investments in any given year. This factor makes it impossible to achieve the goal of enabling all customers to achieve efficiency and demand response in the foreseeable future. DSM investments for 2011 are already proposed to be about 3.5% of the utility's revenues ($41.9 million), among the highest rates in North America. NSPI projects they will raise to 5% of revenues in 2012 ($60.6 million), and almost 7% by 2013 ($81.9 million). NPB IR-5. Even at this substantial scale of funding, NSPI's DSM programs are expected to retrofit only about 4,000 homes between the Existing Homes and the Low Income Program. CA IR-14. In addition, only about 42,000 CFLs, LEDs and other measures are expected to be purchased under the Efficient Products program in 2010. Multeese IR-1. Even if one assumed only one Efficient Products measure per customer (a counterintuitive assumption), the Efficient Products program would only reach 10% of NSPI's residential customers.

Q. What is the result of the fact that there is not yet a clear and explicit set of purposes for NSPI DSM investments, and ranking of priorities among them?

A. In the absence of a clear and explicit set of purposes for DSM investments, and a clear and explicit ordering of priorities among them, the ratepayer funds spent on DSM cannot