

File No: SM002557-00003

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September 25, 2015

Delivered by E-mail

Doreen Friis
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
3rd Floor 1601 Lower Water Street
PO Box 1692 Unit "M"
Halifax NS B3J 3S3

Dear Ms. Friis:

Re: M06733 – 2016-2018 DSM Plan

On September 15, 2015, in accordance with the Board's decision, EfficiencyOne filed its Compliance Filing. The Board granted participants the opportunity to provide comments; this letter is filed on behalf of the Industrial Group.

ENERGY AND DEMAND SAVINGS TARGETS

Participants agreed in the Consensus Agreement, and the Board approved, that performance targets would be set over the three year contract period and EfficiencyOne would be deemed to be in substantial compliance on achieving 90%. The performance targets consist of cumulative annual energy savings and cumulative annual peak demand savings. Absent achievement of 90% of either of those targets, a regulatory process will be triggered. In its decision, the Board stated at paragraph 142 that it considers the target energy and demand savings can be achieved, however, if E1 feels revisions are necessary, they can be requested in the Compliance Filing.

E1 has not sought a reduction in its Compliance Filing but instead, has requested the Board permit it to apply for reductions "if, and when, it is determined that EfficiencyOne would be unable to achieve the Board-ordered savings amounts".

The Industrial Group submits that any such application for reductions should likewise trigger a regulatory process.

INCENTIVES REPORT

With respect to incentives, the Board directed E1 to undertake research and make recommendations on a more rigorous program, to be filed with the Board by March 31, 2016. E1 requested an extension to June 30, 2016, to allow further time for engagement with the DSM Advisory Group.

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As a member of the Advisory Group, the Industrial Group does not object to that extension request, subject to the assurance of E1 that any revisions required as a result of the research and review could be implemented shortly thereafter. Further, in light of the review, the Industrial Group recommends that any long-term contracts with embedded incentives, preserve the right to vary such incentives.

Thank you for the opportunity to submit these comments.

Yours truly,

A handwritten signature in blue ink, appearing to read "Nancy G. Rubin", with a stylized flourish at the end.

Nancy G. Rubin

NGR/lmc

cc James Gogan
Bruce Outhouse, Board Counsel
Participants in M06733