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Attention: Stephen MacDonald, CPA, CA
Chief Executive Officer

February 12, 2016

Re: Financing 2015 Demand Side Management

Dear Mr. MacDonald:

Please accept this brief letter as a summary regarding the 2015 DSM financing analysis we have performed to date.

The objective of our engagement is to assist EfficiencyOne in securing long-term financing (amortized over an eight-year period) of $35 million, which represents the legislated amount of funding that Nova Scotia Power Inc. (NSPI) provided to EfficiencyOne for the supply of electricity efficiency and conservation activities in 2015.

We prepared a formal financing package, which was submitted to seven potential lenders on Thursday, January 28, 2016.

Between January 28th and February 12th, we responded to various information requests, clarifications and questions from all seven potential lenders.

On February 12th, we obtained non-binding Discussion Papers from five lenders.

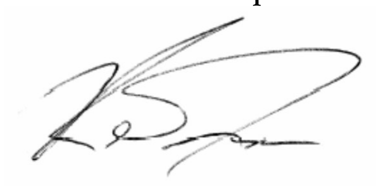
Based on the non-binding responses received, we confirm that, subject to the summary conditions noted below, it is possible for EfficiencyOne to borrow the $35 million amortized over eight years with pricing in the range of 2.19% to 2.73%. These rates reflect pricing conditions as of Thursday, February 11th, on the assumption that EfficiencyOne fixes the interest rate for an eight year term. As such, the above referenced rate range is subject to change based on ongoing market conditions, however, such changes are not expected to be significant in the intervening period unless broader negative global factors of a material nature were to occur. Updated pricing will need to be obtained once the Condition Precedents noted below have been met.

The Discussion Papers, on balance, are subject to a number of Conditions Precedent to closing (conditions that will need to be met prior to funding of the loan), the most notable being the satisfactory review of a contractual agreement between EfficiencyOne and NSPI that provides for the loan repayment.

In order to bring the financing transaction to a close the required next steps are as follows: (1) the execution of an agreement between EfficiencyOne and NSPI, (2) negotiation of non-binding term sheets with select lenders including management meetings, (3) submission of binding term sheets, and (4) selection of the successful lender and closing of the financing transaction.

Should you have any questions or concerns about any aspect of the work performed to date, please do not hesitate to contact me.

For and on behalf of:
Grant Thornton Corporate Finance Inc.



Kevin Fraser, CPA, CA, CFA
Managing Director