Nova Scotia POWER
An Emera Company

PO Box 910 ● Halifax, Nova Scotia ● Canada ● B3J 2W5

August 3, 2016

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

Re: M07544 - EfficiencyOne - Incentive Setting Methodology (E-ENS-R-16)

Dear Ms. Friis:

In its order dated October 7, 2015 with respect to the approval of EfficiencyOne's (E1) Demand Side Management (DSM) Resource Plan for 2016-2018, the Nova Scotia Utility and Review Board (UARB, Board) directed E1 to undertake research and make recommendations on a more rigorous program for determining incentives[1].

On June 30, 2016, E1 filed its recommendations with the UARB entitled "Incentive Setting Methodology: CLEAResult Report & EfficiencyOne Implementation Plan.[2]" E1's Implementation Plan (the E1 Plan) provides E1's response to CLEAResult's Incentive Setting Methodology Report (the CLEAResult Report). NS Power has reviewed both the E1 Plan and CLEAResult Report and offers the following comments for consideration:

(1) **General** - NS Power agrees with the recommendations in the CLEAResult Report and the E1 Plan, including (i) reporting requirements, (ii) developing an incentive setting manual, (iii) developing an technical reference manual; (iv) developing a calculator for incentive design and (v) maintaining up-to-date customer and technology research for E1's energy efficiency measures.

(2) **Non-Financial Incentives** - The CLEAResult Report focused on financial incentives and did not evaluate the merits of non-financial incentives, such as educational programs and convenience options. NS Power recommends that the E1 report investigate how non-financial incentives can be incorporated into E1's DSM program delivery to induce participant behavior.

---

[1] EfficiencyOne 2016-2018 Demand Side Management Resource Plan, Board Order, M06733, October 7, 2015, page 2, paragraph 9.
[2] Exhibit E-1, EfficiencyOne Incentive Setting Methodology: CLEAResult Report & EfficiencyOne Implementation Plan, June 30, 2016.

(3) **Other Incentives** - The technical reference manual should document incentives provided by other program administrators in Nova Scotia (both Provincial and Federal agencies) for the same measure. The E1 report should consider the incentive structures of these administrators when assessing incentives from a cost-to-customer perspective.

(4) **Programs with Highest Unit Cost** - NS Power recommends that E1 conduct a review of the highest unit cost programs (e.g. residential appliance retirement program and the business solution) in the first quarter of 2017.

(5) **Jurisdictional Scan** - The CLEAResult Report compares E1's cost of delivering DSM with other jurisdictions that have a high cost of delivery, such as Vermont, New York, Maine, Massachusetts, and Oregon. Despite the reasons identified in the CLEAResult Report for comparing those jurisdictions with Nova Scotia, NS Power suggests that E1 add comparators that also have a lower cost of DSM delivery.

NS Power looks forward to further engagement with the Board, E1, and stakeholders in these discussions.

Yours truly,

Tim Wood
Director, Regulatory Affairs