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Request IR-01:

The preferred plan indicates an overall cost effectiveness of 2.0. Please indicate the cost savings expected to be achieved by NSP during the funding period (2020-22) compared to those forecasted to be achieved in the longer term, 2023, and beyond.

Response IR-01:

The following response has been provided by Navigant Consulting.

The avoided costs expected to be achieved during the funding period are $110.0M and post funding period are $925.4M. The post funding period avoided costs include benefits only from measures installed during the funding period that are achieved for the useful lives of the measures after 2023. The resulting values are expressed as a sum of nominal dollars, i.e. they are the undiscounted sum of avoided costs, which, when discounted, equal the $622.7M in lifetime benefits stated in the 2020-2022 DSM Resource Plan Filing[1].

[1] M09096, 2020-2022 DSM Resource Plan Filing, Appendix A, Table 2.

NON-CONFIDENTIAL

Request IR-02:

Would E1 agree that changes in both the level and timing of avoided costs could have a material impact on forecasted benefit levels?

Response IR-02:

Yes, although EfficiencyOne and Navigant did not perform quantitative sensitivity analyses on these effects, per EfficiencyOne's response to NS Power IR-36 a) in this matter:

> EfficiencyOne did not perform sensitivity analyses with respect to benefits or savings. This is consistent with the approach taken in the DSM Resource Plan modelling since 2008. EfficiencyOne has confirmed that application of such sensitivity analysis as suggested in this IR is not an industry standard practice performed for short-term DSM planning.[1]

[1] M09096, E-3, E1 (NSPI) RIRs to IR-1 to IR-69, Filed March 29, 2019, at RIR-36 a).

NON-CONFIDENTIAL

Request IR-03:

Should DSM "affordability" be considered in conjunction with other rate pressures which may be facing NSP customers and their efforts to mitigate cost increases?

Response IR-03:

Please refer to EfficiencyOne's response to IG IR-10 part d).

NON-CONFIDENTIAL

Request IR-04:

(a) The delivery of energy over the Maritime Link, an updated IRP, rate structure changes (TOU), and the conclusion of the Government enacted Rate Stabilization period, will all have significant impacts on the manner in which energy is produced, delivered, and priced in N.S. over the 2020-22 period. Could these items result in changes to the planned 2020-22 DSM delivery versus that which may be required under the next three year 2023-25 DSM plan?

(b) Does E1 foresee any other major influences which might impact future DSM direction?

Response IR-04:

a) Please refer to EfficiencyOne's response to NSUARB-Pronko IR-02.

b) EfficiencyOne is unaware of other major influences that would affect the 2020-2022 Preferred DSM Resource Plan. Please refer to EfficiencyOne's response to Synapse IR-02.

NON-CONFIDENTIAL

Request IR-05:

Prior to filing , E1 requested comments from DSMAG stakeholders regarding the 2020-22 plan. Please file all comments received.

Response IR-05:

On December 21, 2018 EfficiencyOne received comments from the following stakeholders:

- Nova Scotia Power – Attachment 1
- Synapse Energy Economics – Attachment 2
- Industrial Group – Attachment 3
- Municipal Electric Utilities Nova Scotia Co-operative – Attachment 4
- Affordable Energy Coalition – Attachment 5
- Small Business Advocate – Attachment 6
- Ecology Action Center – Attachment 7

Nova Scotia POWER An Emera Company

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

December 21, 2018

Sally Martin
Regulatory Specialist
EfficiencyOne
230 Brownlow Avenue, Suite 300
Dartmouth, NS B3B 0G5

Re: <u>Nova Scotia Power Inc. – Comments on E1's proposed 2020 to 2022 DSM Plan</u>

Dear Ms. Martin:

On December 7, 2018, EfficiencyOne (E1) presented its proposed 2020 to 2022 DSM Plan to the DSM Advisory Group (DSMAG). The presentation given to the DSMAG provided a high-level framework of E1's approach to modelling a full DSM Plan for the period including E1's Preferred Plan of $43.2 million per year with energy savings of 141.4 GWh and demand savings of 44.1 MW. E1 also presented an Alternate Plan of $37 million per year with energy savings of 133 GWh and demand savings of 38.1 MW.

NS Power understands that the detailed modelling required for E1's Application to the Utility and Review Board has not yet been completed. NS Power offers its comments based on the framework presented to the DSMAG, but notes that it may have additional comments as more information is made available by E1.

Pursuant to the *Public Utilities Act* section 79I, NS Power has a statutory obligation to undertake cost-effective electricity efficiency and conservation activities that are reasonably available in an effort to reduce costs for its customers and is required to meet its obligation by entering into an agreement with the franchise holder appointed to supply electricity efficiency and conservation activities.

The legislation first obligates NS Power and the franchise holder to enter into an agreement, subject to the Nova Scotia Utilitiy and Review Board's (UARB, Board) approval for a three year term. Only if NS Power and the franchise holder are unable to finalize the required agreement may either or both of them apply to the Board for a decision with respect to a proposed agreement. NS Power believes this is also the best way to achieve value for customers.

It appears from E1's proposed 2020 to 2022 DSM Plan that has been circulated to the DSMAG that it anticipates making a filing with the UARB to seek approval of its own proposal. NS Power wishes to work with E1 consistent with the requirements of the legislation towards a negotiated agreement to be filed joinly with E1. To that end, while NS Power is pleased to provide these comments as part of the DSMAG, it requests E1's commitment to work together over the next several months to resolve issues and work towards a mutually acceptable agreement in customers' interests for approval by the UARB.

NS Power has reviewed the information provided by E1 on both its Preferred Plan and its Alternate Plan and offers the following comments:

- Both plans are an increase in DSM spending in the face of other near-term cost pressures
- The plans are not different enough in spending or savings levels to satisfy the UARB's direction for E1 to produce alternate scenarios of DSM budgets.

E1's recently approved DSM budgets are as follows: $33.2 million in 2016, $34 million in 2017, $34.9 million in 2018 and $34.1 million in 2019. E1 has presented a Preferred Plan of $43.2 million that would increase DSM spending by close to 25% over 2019. E1's Alternate Plan of $37 million would increase DSM spending by close to 9%. During this same period, NS Power is commiting to ensuring every decision made is in the best interests of customers and has been working to find efficiencies within the business to work towards achieving stable and affordable rates for customers. Over the past year, NS Power has requested that its suppliers find ways to provide more value at a lower cost. E1's plan is moving in the opposite direction, with each proposal increasing the per unit cost of DSM.

NS Power notes that the DSM program increases are being proposed at the same time as a number of other near-term cost pressures are also being faced by customers, including the adoption of cap and trade, lowering of Mercury and Sulphur emission limits, and increased fuel commodity costs.

In its Decision dated October 5, 2018 on Matter 06733, the UARB directed as follows;

> "Finally, in future applications, E1 is to provide one or more alternate scenarios of DSM budgets for the Board to consider, and NSPI is to provide rate impact analysis caused by these scenarios."

E1 appears to have interpreted the UARB's direction as a requirement to provide only one alternate plan and an E1 preferred plan, plans that are, from an electricity savings perspective, within 10% of the 2019 DSM plan but at a significant additional cost (9% to 25%).

E1's proposed preferred plan would provide an incremental 14 Gwh to the 2019 plan but at a cost of $43 million compared to $34 million for 2019. Although very similar to the preferred plan from an energy savings perspective, even E1's alternate plan comes at a significant annual and cumulative cost to customers above what they currently pay.

In NS Power's view the intent of the UARB's direction to provide one or more alternate scenarios of DSM budgets for the Board to consider was not for E1 to file plans that are inherently similar, but rather to produce DSM plans that that provide meaningful alternate points of reference for the benefit of those participating in the process.

E1's first year kwh cost for 2019 is $0.27/kwh. NS Power requests E1 model a plan that does not exceed an average first year unit savings cost of $0.24. This model run would be consistent with the UARB Decision that E1 has historically been able to provide similar energy savings at a unit cost 10% below its modelling estimates. NS Power also requests that E1 produce a DSM plan that more closely aligns with a minimum 25% lower energy savings level in order to provide meaningful alternate points of reference for consideration.

NS Power requests that E1 develop scenarios for the 2020 to 2022 period at the following spending levels;

- E1's Preferred Plan
- A status quo plan of $34 million
- A near-term affordability plan of $27 million

Nova Scotians have made an extraordinary effort to add renewable energy resources and reduce pollution over the past 10 years. These efforts have provided significant benefits, but with a cost to customers that will continue to increase rate pressure in the near term. We look forward to working with E1 on the next DSM agreement and would urge E1 to consider putting forward a preferred plan that recognizes cost pressures faced by Nova Scotians. To put this another way, we must ask if this is the appropriate time to be seeking any budgetary increase, let alone one in the magnitude of 25%.

NS Power requests that E1 work with the Company to design an affordable 2020-2022 DSM Supply Agreement that is in the best interests of customers and can be presented to the UARB and stakeholders for approval.

Please contact me if you have any questions

Kind regards,

David Landrigan

Synapse
Energy Economics, Inc.

December 21, 2018

RE: Comments and Questions on EfficiencyOne's proposed DSM plans for 2020-2022

As expert consultant to Board Counsel of the Nova Scotia Utility and Review Board, Synapse Energy Economics, Inc. (Synapse) respectfully submits the following comments in regard to EfficiencyOne's (E1) December 7, 2018 presentation on the Demand Side Management (DSM) plan for 2020 to 2022.

Summary of E1's 2020-2022 DSM Plan

We compared the proposed scenarios from E1's 2020-2022 DSM Plan presentation with E1's actual achievements in 2016 and 2017 and to planned achievements in 2018 and 2019. The results of this review are presented in Figures 1 through 5 below.

As shown in Figure 1, spending for the Preferred Plan ($43.2 million) would be 27 percent higher than the highest spending amount over the past four years, i.e. the projected expenditure of $34.1 million in 2019. On average, the Preferred Plan is expected to produce higher levels of energy and demand savings (2 and 70 percent higher, respectively) than the highest savings levels for the last four years. (See Figures 2 and 3.) Notably, the demand savings for this plan are significantly higher (1.7 times) than the high point in 2016. Figure 4 shows that first year unit cost under the Preferred Plan also increases by 16 percent relative to the high in 2019. Spending for the Preferred Plan is estimated to be 3.0 percent of revenues.[1]

In the Alternate Plan, spending is 9 percent higher than the highest point historically, as shown in Figure 1. While energy savings from the Alternate Plan are higher than planned for 2019, they are lower than the historical high point in 2018 (Figure 2). Demand savings, shown in Figure 3, are 47 percent higher than the highest point in 2016. As seen in Figure 4, first year unit costs are 4 percent higher than previous years. Spending is estimated to be 2.6 percent of revenues.

[1] EfficiencyOne 2020-2022 DSM Resource Plan: Presentation to the DSMAG. December 7, 2018. Slide 7.

Figure 1. DSM Spending

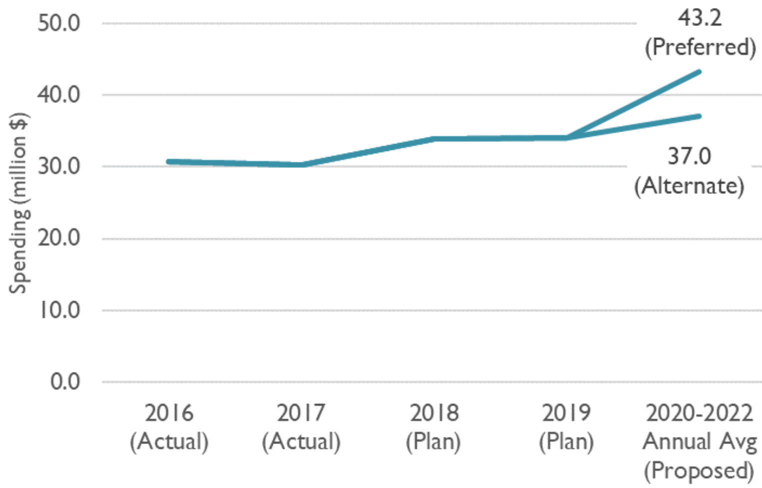


Figure 2. Annual Net Energy Savings

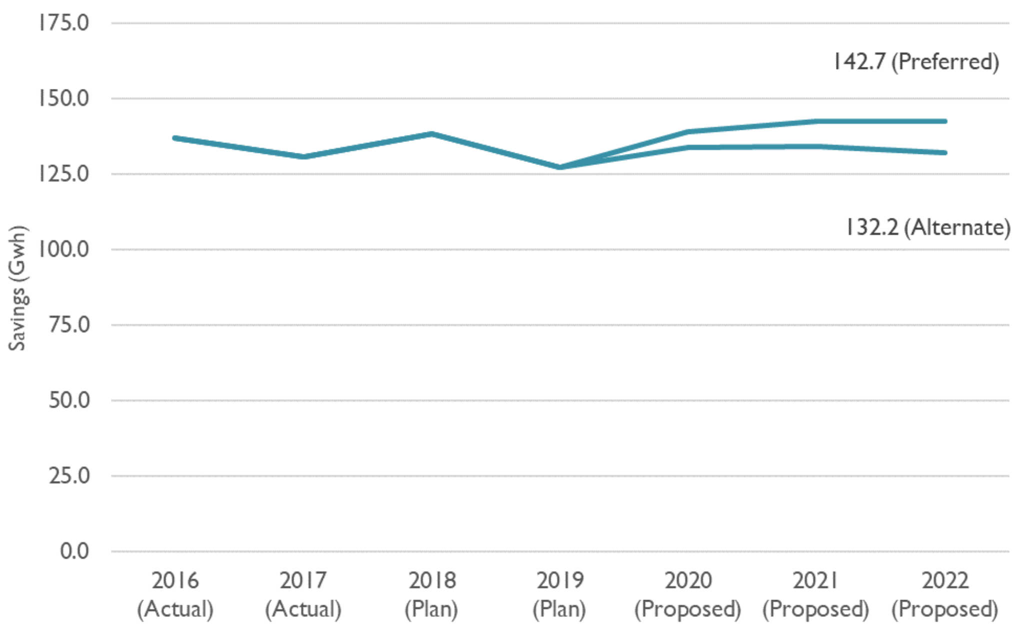


Figure 3. Annual Net Demand Savings

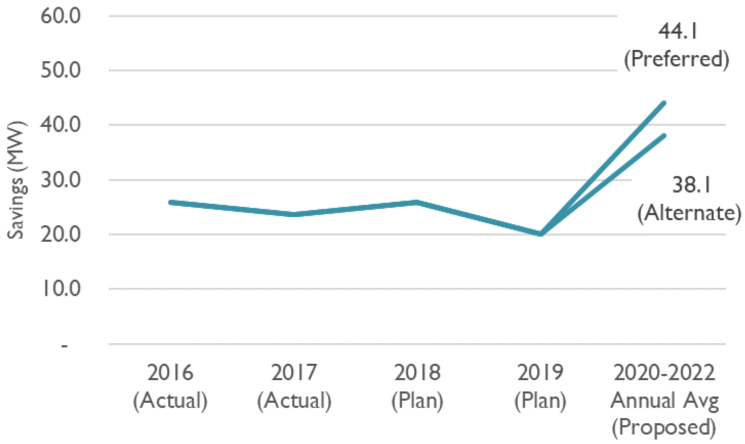


Figure 4. First Year Unit Cost

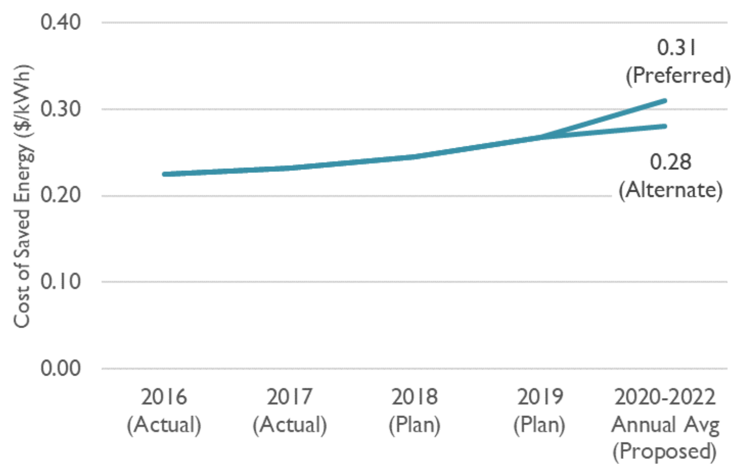
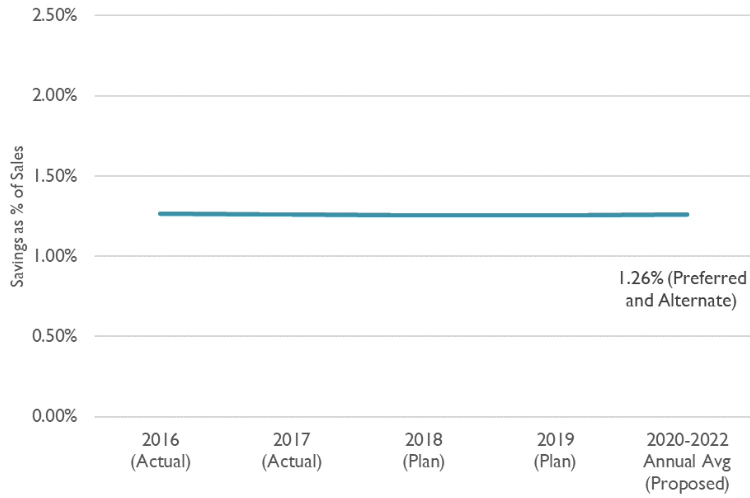


Figure 5. Savings as a Percent of Sales (including DSM)



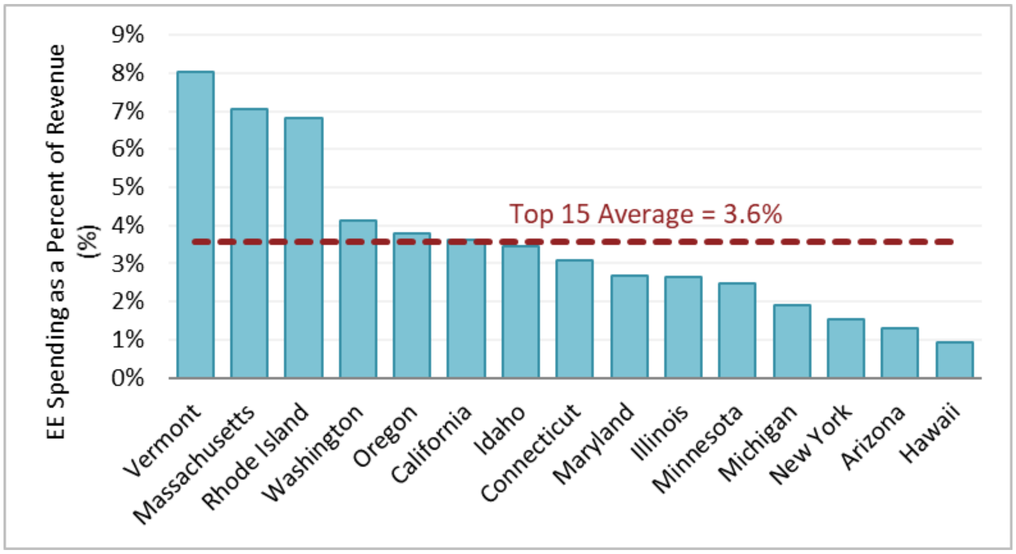
Compared to previous years, savings as a percent of sales are flat for the Preferred Plan and the Alternate Plan. On average, both plans would provide savings of about 1.26 percent of sales. This level of savings as a percent sales is the same as E1 has historically achieved, taking DSM savings into account.

Comments

In its presentation, E1 claims that energy efficiency costs less than NS Power's lowest fuel cost. As a lower cost—if not the lowest cost—resource, energy efficiency should continue to be the "first fuel" in resource planning. Energy efficiency and demand response may also play a critical role in avoiding investment in new capacity resources.

There appears to be considerable room to increase savings from DSM beyond the levels in the preferred and alternative plans. As compared to top-performing jurisdictions in North America (shown in Figure 6), Nova Scotia's historical actual and planned savings as a percent of sales and spending as a percentage of revenue are average. E1's presentation shows less energy efficiency savings in the 2020-2022 DSM Plan than in the 2014 IRP preferred resource plan. Savings associated with the Alternate Plan are 17 to 20 percent lower than the 2014 IRP preferred resource plan. The savings associated with the preferred plan are considerably lower (10 to 15 percent lower) as well. And, during E1's presentation, it was noted that previous energy efficiency potential studies have projected more achievable energy efficiency savings opportunity than has been captured by E1's energy efficiency program plans.

Figure 6. DSM spending in jurisdictions with the highest savings as a percent of sales



In 2017, savings as a percent of sales for the jurisdictions shown above ranged from 1 to 3.3 percent, with an average of 1.7 percent. Spending for these jurisdictions ranged from roughly 1 to 8 percent of revenue, with an average of 3.6 percent. Source: 2017 ACEEE Scorecard.

The discussion after E1's presentation included comparisons between the 2019 DSM Plan and 2020-2022 DSM Plan. Historical achievements and spending (including the 2019 approved DSM plan and energy efficiency modeled in the 2018 load forecast) can inform but should not artificially constrain DSM going forward. We note that the continuation approach set forth in the Electricity Plan Implementation Act called for spending in 2019 that was in line with the previous three years, or $34,050,000. We are aware of no such constraint for the years 2020-2022. Accordingly, under either of E1's current proposals, spending and savings are higher than for the 2019 DSM Plan.

The Board previously expressed its view that "it is in the interest of ratepayers that they be provided a reasonable opportunity to achieve the overall long term cost savings identified in the IRP." (August 12, 2015 Decision in M06733) This suggests that at least one alternative should reflect the levels of DSM in the 2014 IRP preferred resource plan.

During the last DSMAG meeting, NSPI indicated that it interpreted the Board's call for an alternative plan as requiring one that is lower than current efforts, e.g. one that looks more like NSPI's 2018 Load Forecast. We note that the Board's requirement that E1 file at least two plans did not specify what those plans should look like. (August 12, 2015 Decision in M06733) We also note that NSPI has identified significant changes in the region and in the energy sector. We feel that these require a different outlook and approach. An example of a new approach is E1's increased emphasis on peak savings in the proposed framework. Given anticipated increases in avoided capacity costs and the findings of the Generation Optimization study, this approach seems likely to result in benefits to ratepayers.

Recommendations and Requests

Based on the foregoing, we make the following recommendations and requests for the 2020-2022 DSM Plan:

- The Preferred Plan should be designed to attain the levels of savings in the 2014 IRP preferred resource plan.
- We do not see the need to model an Alternate Plan with lower levels of energy efficiency savings than what is currently shown.
- We ask that E1 provide data that show shifts in the end-uses and measures targeted in the portfolio, including for non-lighting and lighting, and heat pumps.
- We request that the final proposal explain E1's shift in focus towards demand savings, describe how such savings would be achieved, and at what cost.

We thank the DSMAG for the opportunity to provide these comments.

Sincerely,

Jennifer Kallay, Senior Associate

Alice Napoleon, Senior Associate

Janet MacDonald

From: Nancy G Rubin <nrubin@stewartmckelvey.com>
Sent: December 21, 2018 1:35 PM
To: albert e dominie; DSMAG; Alice Napoleon; Bill Mahody (bill@mjswm.com); Bob Green; Brian (Brian.Curry@nspower.ca); Brian (brian.gifford@eastlink.ca); David Landrigan; Debbie Nielsen; Emily Mason; Emma Norton; Gina Thompson; Holly Brown; Jennifer Kallay; Jennifer Ross; Jessie Wallace; Jim Gogan; John Aguinaga; John Athas (jathas@daymarkea.com); Kate McDonald; Mark Drazen (mmd@drazen.com); Mark Robertson; Matthew Davidson; Mel Whalen (mci@accesscable.net); Melissa MacAdam; Melissa Whitten (mwhitten@daymarkea.com); Nancy Rondeaux (rondeana@gov.ns.ca); Nelson Blackburn (nblackburn@blackburnenglish.com); Nicole Godbout; Paul Chernick; Peter Craig (craigpt@gov.ns.ca); Sally Martin; Shannon Miedema; Sheena Parris; Stephen Thomas; Suman Gautam; Tim Wood (tim.wood@nspower.ca)
Subject: RE: Request for DSMAG comments on 2020-2022 DSM Plan update by December 21, 2018

All –

The Industrial Group has reviewed the comments of NSPI and concurs with them. We would like to see additional plans that model alternatives relative to the status quo. Comparing to the IRP (done in 2014 and based on data which preceded it) is not particularly helpful as a benchmark given the significant changes on the system since then. While efficiency programs save energy, ratepayers are still paying for the generation on the system, including high cost renewables, and those fixed costs are being spread out over fewer kwh.

We believe that most appropriate efficiency programs are not just those “at large” but those that have a sharper focus on demand savings (as the peaks continue to grow) and if appropriate, a focus on CO_2 reductions.

The Industrial Group also continues to believe that given the short payback periods for a number of these measures, incentives can be reduced further, thereby freeing up additional funds within the overall budget envelope. To that end, we’d ask E1 to sharpen its pencil in the delivery of the measures when developing its plan alternatives.

The Industrial Group does not necessarily agree that another single year DSM plan should be undertaken. The three-year DSM plan is now aligned with NSPI’s legislated rate stability plan, leaving it open for another three year RSP, should that be determined to be appropriate. However, given that an updated IRP is being undertaken in 2019-2020, this should provide greater clarity going forward as to the appropriate level of DSM investment. It would be helpful, in the presentation of the Plans, if E1 could indicate whether a single year could be carved out for approval from any of the Plan alternatives submitted.

Finally, the Industrial Group would like to see the $15 million refund in relation to HST be returned immediately to customers in the form of an on-bill credit within the first quarter of 2019, and not applied to the next three year DSM Plan.

Thank you for the opportunity to provide these comments.

Nancy Rubin

Nancy G. Rubin, Q.C. I Stewart McKelvey
902.420.3337 I www.stewartmckelvey.com I Halifax, NS

From: DSMAG <DSMAG@efficiencyns.ca>
Sent: December 20, 2018 12:44 PM
To: Albert Dominie (aedominie@hotmail.com); Alice Napoleon; Bill Mahody (bill@mjswm.com); Bob Green; Brian (Brian.Curry@nspower.ca); Brian (brian.gifford@eastlink.ca); David Landrigan; Debbie Nielsen; Emily Mason; Emma Norton; Gina Thompson; Holly Brown; Jennifer Kallay; Jennifer Ross; Jessie Wallace; jim@bretonlawgroup.com; John Aguinaga; John Athas (jathas@daymarkea.com); Kate McDonald; Mark Drazen (mmd@drazen.com); Mark Robertson; Matthew Davidson; Mel Whalen (mci@accesscable.net); Melissa MacAdam; Melissa Whitten (mwhitten@daymarkea.com); Nancy Rondeaux (rondeana@gov.ns.ca); Nancy Rubin (nrubin@stewartmckelvey.com); Nelson Blackburn (nblackburn@blackburnenglish.com); Nicole Godbout; Paul Chernick; Peter Craig (craigpt@gov.ns.ca); Sally Martin; Shannon Miedema; Sheena Parris; Stephen Thomas; Suman Gautam; Tim Wood (tim.wood@nspower.ca)
Subject: Request for DSMAG comments on 2020-2022 DSM Plan update by December 21, 2018

Good Afternoon,

During the recent DSMAG meeting on December 7, 2018, E1 invited comments from DSMAG stakeholders regarding the 2020-2022 DSM Plan update. E1 would like to know the following, in relation to the Preferred and Alternate DSM Plans detailed in the presentation (as noted in slide 16):

- What are you hearing from your clients?; and
- Is there anything we are missing?

The presentation slides from the meeting are attached, as well as the meeting minutes. These are also both located on the DSMAG SharePoint site in the "*DSMAG Meetings*" folder.

Please send any comments to the DSMAG email account (this address) by Friday December 21, 2018.

Please do not hesitate to get in touch if you have any questions.

Kind regards,

Sally Martin
Regulatory Specialist

Direct 902 470 3625
Main 877 999 6035
Fax 902 470 3599

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vous avez reçu ce courriel par erreur, veuillez nous aviser et éliminer ce courriel, ainsi que les pièces jointes, de votre système informatique et de vos dossiers.

Janet MacDonald

From: albert e dominie <aedominie@hotmail.com>
Sent: December 21, 2018 12:20 PM
To: DSMAG; Alice Napoleon; Bill Mahody (bill@mjswm.com); Bob Green; Brian (Brian.Curry@nspower.ca); Brian (brian.gifford@eastlink.ca); David Landrigan; Debbie Nielsen; Emily Mason; Emma Norton; Gina Thompson; Holly Brown; Jennifer Kallay; Jennifer Ross; Jessie Wallace; Jim Gogan; John Aguinaga; John Athas (jathas@daymarkea.com); Kate McDonald; Mark Drazen (mmd@drazen.com); Mark Robertson; Matthew Davidson; Mel Whalen (mci@accesscable.net); Melissa MacAdam; Melissa Whitten (mwhitten@daymarkea.com); Nancy Rondeaux (rondeana@gov.ns.ca); Nancy Rubin (nrubin@stewartmckelvey.com); Nelson Blackburn (nblackburn@blackburnenglish.com); Nicole Godbout; Paul Chernick; Peter Craig (craigpt@gov.ns.ca); Sally Martin; Shannon Miedema; Sheena Parris; Stephen Thomas; Suman Gautam; Tim Wood (tim.wood@nspower.ca)
Subject: Re: Request for DSMAG comments on 2020-2022 DSM Plan update by December 21, 2018

Please note the following from MEUNSC--The comments are related to the totality of the plan rather than specific program details . Given the expected upward pressure on rates for at least 2020 we believe the plan to be some what aggressive with a better than 25% increase (Preferred) from current spending levels .Even the alternate plan encompasses upwards of a 10% increase .The additional spending brings much smaller percentage gains in KWH savings .At a minimum we would at least prefer to see what could be accomplished under current spending levels .We would agree that any new plan should continue with an increased emphasis on demand reduction .Consideration might also be given to a plan at a reduced funding level in an effort to contribute to some overall rate stability effort .Alternatives might be to consider a one year proposal as an extension of the 2019 plan with a three year plan for 21-23 .This would allow for the use of updated marginal costs from the upcoming IRP and allow for input from any new NSP rate impacts per upcoming rate proceedings .Previous email requests from Nancy R for the Industrial group indicate that updated rate impacts as a result of fuel pressure may become clearer at the next FAM meeting . Two additional plans (current -- inflation adjusted ?-- and reduced funding levels) , when compared to the present proposals , should provide the necessary benchmarks to allow for the best decision going forward . We feel that rate pressure will point to a need for some restraint in developing a plan for at least 2020 rather than the somewhat aggressive approach in the current proposal .Thank you for the opportunity to provide comments .They are respectively submitted . Al D

From: DSMAG <DSMAG@efficiencyns.ca>
Sent: December 20, 2018 12:44 PM
To: Albert Dominie (aedominie@hotmail.com); Alice Napoleon; Bill Mahody (bill@mjswm.com); Bob Green; Brian (Brian.Curry@nspower.ca); Brian (brian.gifford@eastlink.ca); David Landrigan; Debbie Nielsen; Emily Mason; Emma Norton; Gina Thompson; Holly Brown; Jennifer Kallay; Jennifer Ross; Jessie Wallace; jim@bretonlawgroup.com; John Aguinaga; John Athas (jathas@daymarkea.com); Kate McDonald; Mark Drazen (mmd@drazen.com); Mark Robertson; Matthew Davidson; Mel Whalen (mci@accesscable.net); Melissa MacAdam; Melissa Whitten (mwhitten@daymarkea.com); Nancy Rondeaux (rondeana@gov.ns.ca); Nancy Rubin (nrubin@stewartmckelvey.com); Nelson Blackburn (nblackburn@blackburnenglish.com); Nicole Godbout; Paul Chernick; Peter Craig (craigpt@gov.ns.ca); Sally Martin; Shannon Miedema; Sheena Parris; Stephen Thomas; Suman Gautam; Tim Wood (tim.wood@nspower.ca)
Subject: Request for DSMAG comments on 2020-2022 DSM Plan update by December 21, 2018

Good Afternoon,

During the recent DSMAG meeting on December 7, 2018, E1 invited comments from DSMAG stakeholders regarding the 2020-2022 DSM Plan update. E1 would like to know the following, in relation to the Preferred and Alternate DSM Plans detailed in the presentation (as noted in slide 16):

- What are you hearing from your clients?; and
- Is there anything we are missing?

The presentation slides from the meeting are attached, as well as the meeting minutes. These are also both located on the DSMAG SharePoint site in the "*DSMAG Meetings"* folder.

Please send any comments to the DSMAG email account (this address) by Friday December 21, 2018.

Please do not hesitate to get in touch if you have any questions.

Kind regards,

Sally Martin
Regulatory Specialist

Direct 902 470 3625
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Fax 902 470 3599

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Friday, December 21

Sally Martin,
Regulatory Specialist,
Efficiency One

AEC response to 2020-2022 Plan proposals:

For more than a decade AEC members have called for substantial efficiency measures tailored to low income renters. They have been cautiously optimistic as the 2015 research led to a pilot program in 2016-18. They have been watching the development of the pilot into a practical program that can deliver significant savings to low income renters or help keep their rents low while in many cases improving their comfort levels. They are very encouraged to see that both proposed 2020-2022 plans include turning the low income rental pilot into an ongoing program.

Over the longer term, we look to NS Power's $3.7 million average annual charitable contribution to the HomeWarming program as a suitable benchmark for EfficiencyOne investments in low income rental efficiency programming.

In some additional detail the Affordable Energy Coalition provides the following comments on E1's 2 proposed plans:

1. **We strongly support the proposal to fund an Affordable Multi-family Housing Program.**

   As EfficiencyOne's 2015 research concluded, over 50% of low income households in NS live in rental accommodation. To achieve equity in efficiency services, it is vital that the low income rental population be served by efficiency programs designed to overcome the barriers to participation that this population faces.

   The Affordable Multi-family Housing pilot has experimented with different methods of delivery for this program and has devised several program elements that are effective and that are consistent with published research on best practices elsewhere. As a result, the pilot has increased landlord participation rates and is achieving savings in the range of $500/year/household. Such savings are substantially higher than the savings that come from the direct install program (in the order of $70/year for low income households) which was the main efficiency program available to low income renters before the Affordable Multi-family Housing pilot began. Such savings are comparable to the savings achieved in the HomeWarming program for low income homeowners. Such savings will make a substantial difference in the lives of low income renters who will benefit by having their rents remain stable for a longer period or by having their out of pocket expenses lowered by this amount if they pay for their utilities directly. In addition low income rental households will experience warmer, more comfortable and healthy homes in many cases.

   We are very pleased to see that EfficiencyOne is proposing to turn the pilot into an ongoing program and we strongly support this evolution growing out of the pilot. We expect the program, if approved, will continue to refine it's methods and build capacity over the life of the 2020-2022 plan.

2. **We support a $1 million average annual investment in the Affordable Multi-family Housing Program, with a gradual ramp up over the 3 year period of the Plan.**

   The preferred plan includes an average annual investment of $1 million in the Affordable Multi-family Housing Program. We believe this is appropriate for the 3 year 2020-2022 plan.

   Being a new program it would make sense to expect a lower amount to be spent in the 1st year of the 2020-2022 plan and to expect this to increase as experience, capacity and recruitment build over the 3 year period.

   The annual charitable contribution by NS Power for the HomeWarming Program targetting low income homeowners is in the range of $3.7 million/year (based on 2014's commitment to spend $37 million over 10 years from January 1, 2015). In view of the fact that over 50% of low income households are renters, we believe it is appropriate to consider this level of annual investment to be a benchmark for the eventual annual investments in the rental program in the medium term, following the 2020-2022 Plan.

3. **We support the proposed First Nations efficiency program.**

   In our view it is vital that low income households in First Nations communities experience the benefits of energy efficiency. This is as much a matter of equity as the rental program is. This will improve the lives of low income underserved Mi'kmaw households in the same way that major retrofits will improve the lives of low income renters. We appreciate that there are special circumstances that such a program must respond to related to band ownership of housing and other considerations. It is essential that Mi'kmaw communities experience the benefits of efficiency so they can redirect the funds wasted on energy to pressing community priorities and so that Mi'kmaw households experience the comfort and health benefits of well insulated, draft free homes.

4. **We support the P referred Plan.**

   Efficiency investments create the best long term value for electricity customers. We support the Preferred Plan for this reason and because it will enable a higher investment in the Affordable Multi-family Housing program.

5. **We support research and implementation of moderate income programming.**

   During the discussion at Dal Legal Aid December 5, EfficiencyOne representatives stated that you intend to research programming for moderate income households similar to such programming in Massachusetts. We have since learned that around 2010-11 Conserve NS and then Efficiency Nova Scotia briefly ran a moderate income program with federal funding assistance. Josh Maclean and Donald Dodge would be familiar with this. We recognize that many households above LICO incomes also have difficulty making the investments for deep energy retrofits so programming directed at moderate incomes above LICO makes sense to us although they are not the households we are primarily concerned with. We encourage the development of such programming to ensure Nova Scotians of all incomes are able to participate fully in efficiency upgrades and have equitable access to efficiency measures within the regulated electricity system.

We really appreciated the visit from Steve MacDonald, Gina Thompson, and Kate McDonald December 5 with AEC's Claire McNeil, Brian Gifford and Mackenzie Jamieson to discuss the proposed 2020-2022 plans. We also appreciate the work that Charity Carr has done in recent months in testing different approaches to make the Affordable Multi-family Housing pilot effective as well as the previous work by Liam Cook and several other E1 staff.

Yours sincerely,

Brian Gifford, Chair
Affordable Energy Coalition

Affordable Energy Coalition

Blackburn Law

December 21, 2018

Via email

Sally Martin
Regulatory Specialist
Efficiency Nova Scotia
230 Brownlow Avenue
Suite 300
Dartmouth NS B3B 0G5

Dear Ms. Martin,

Re: 2020-2022 DSM Plan

The Small Business Advocate (SBA) appreciated the high level review of the proposed 2020-2022 DSM Plan at the recent DSMAG meeting. Given that the final details of the proposed plans have not been finalized, it would seem to make sense, at this point, to highlight information we would like to see when the final three-year Plan is filed with the UARB rather than comment on the draft version we have seen. Set out below is some of the information that would useful to include in the next three-year plan for evaluating appropriate levels of DSM investment and associated energy savings:

- The basis of selecting the level of investment of $111.05 million for the Alternate DSM Plan (Slide 15, 2020-2022 DSM Resource Plan, Presentation to the DSMAG on December 7, 2018) proposed by EfficiencyOne.
- The basis for developing sector-level DSM programs and associated budgets proposed in the Alternate Plan (Slide 15).
- The basis of selecting investment level of $129.55 million for the Preferred DSM Plan (Slide 13, 2020-2022 DSM Resource Plan, Presentation to the DSMAG on December 7, 2018) proposed by EfficiencyOne.
- A second Alternate plan that uses the current level of investment, without an increase.
- Comparison of proposed Alternate and Preferred DSM Plans
    - The comparison of DSM activities at the Program level included in the Alternate and Preferred DSM plans
    - Incremental cost analysis of additional DSM activities included in the Preferred Plan and comparison of the unit costs of additional DSM activities included in the Preferred Plan with DSM activities offered in the Alternate Plan.

- The basis for allocating three-year DSM investment into annual DSM budgets in both Alternate and Preferred Plans.
- The trajectory of annual investment levels and energy and peak demand savings of both Alternate and Preferred DSM plans beyond 2022 (i.e. the end of three year, 2020 – 2022, DSM plan)

Yours truly,

BLACKBURN LAW

E. A. Nelson Blackburn, Q.C.

Ecology Action Centre

tel. 902.429.2202 2705 Fern Lane,
fax. 902.405.3716 Halifax, NS, B3K 4L3

Friday, December 21

Sally Martin,
Regulatory Specialist,
Efficiency One

RE: Ecology Action Centre's Response to E1's DSM Plan for 2020-2022

The Ecology Action Centre is an environmental charity based in Nova Scotia. We take leadership on critical environmental issues from biodiversity protection to climate change to environmental justice. We are grounded in community, and a strong voice and watchdog for our environment. Our Energy Action Team works to create a future where Nova Scotians prosper and where energy is used as efficiently as possible, achieved through a just transition.

We are grateful for the opportunity to provide comments about EfficiencyOne's proposed Demand Side Management Plan for 2020-2022. We greatly appreciated the time that the EfficiencyOne team put aside to meet in person with our staff, and then to present the 2020-2022 DSM plan to the DSM Advisory Group on December 7th, 2018.

Welcoming a more ambitious plan

EAC would like to see a more aggressive DSM Plan from E1 for 2020-2022. The Preferred Plan provided by E1 is much lower than the DSM Preferred Level indicated in the 2014 IRP. The 2016-2018 and 2019 DSM Plans were also much lower than the 2014 IRP DSM Preferred Plan. Yet, the UARB indicated in their decision (M06733) on August 12, 2015: "it is in the interest of ratepayers that they be provided a reasonable opportunity to achieve the overall long term cost savings identified in the IRP". Restraining future plans based on restrictions from 2015[1] prevent the Nov Scotia from finding the best overall long term cost savings for ratepayers.

The imposed efficiency budget set in the Electricity Implementation Act of 2015 was created to protect Nova Scotians from rising electricity rates, though efficiency is the ratepayer's cheapest fuel source at $0.003/kWh. Investing in energy efficiency at higher levels will provide more reliable protection for Nova Scotians from rising energy costs. More funding for energy efficiency means more energy efficiency measures that have longer lasting energy and cost savings. These investments reduce the burden of fuel price volatility faced by ratepayers by giving them more control over their energy use.

Further, Nova Scotia's citizens and industries are increasingly under pressure to reduce their greenhouse gas emissions. Energy efficiency is the most cost effective mechanism we have to reduce greenhouse gas emissions in Nova Scotia's electricity sector.

[1] *Electricity Plan Implementation (2015) Act, supra* note 5 at s 20(1)

These are some of the most pertinent reasons for which energy efficiency should be utilized as Nova Scotia's first fuel, and thus compelling a more ambitious DSM Plan from E1.

Supporting increased and stable programming for underserved Nova Scotians

EAC supports E1's inclusion of programming for First Nations and low-income tenants. Underserved Nova Scotians will benefit more than most from the programs offered by Efficiency NS and we are pleased to see E1 recognize this. The continuation of the pilots and programs underway is laudable not only for the high amount of potential savings, but also for the community, social, and health benefits associated with these programs.

Supporting the demand response programs

EAC is supportive of E1's inclusion of demand response programs in its budget for 2020-2022. We believe this will help Nova Scotians find their best saving potentials and reduce their greenhouse gas emissions. We also see the benefit this will have for total electricity system planning in Nova Scotia.

Thank you for the opportunity to provide comments and feedback.

Sincerely,

Emma Norton

Emma Norton

Energy Conservation Coordinator
Ecology Action Centre

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Request IR-06:

Please indicate any changes to the filed plan, from the plan reviewed by DSMAG stakeholders , as a result of comments received.

Response IR-06:

Please refer to EfficiencyOne's response to NS Power IR-05.[1]

[1] M09096, 2020-2022 DSM Plan - E1 Responses to NS Power IR Requests 1-69, Exhibit E-3, March 29, 2019.

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Request IR-07:

NSP proposes to incorporate DSM expenditure into its FAM account. Does E1 agree with this proposal or is "greater transparency for customers" (NSP evidence page 30 , line 10) , with respect to affordability, achieved through the DSM rider currently included in the rate pricing structure?

Response IR-07:

In principle, EfficiencyOne does not oppose the inclusion of DSM costs in the NS Power FAM account. However, before conclusively determining that this approach is in the best interest of ratepayers, EfficiencyOne would expect to have more detailed engagement with NS Power, as well as the DSM Advisory Group, to gather additional understanding of the proposal.

EfficiencyOne would however, note its concern with the prospect of increased regulatory burden/cost likely associated with this proposal. DSM, as the Nova Scotia Utility and Review Board has noted, is currently subject to a high degree of regulatory oversight and the resulting costs to ratepayers associated therewith.