

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: **The *Public Utilities Act***, R.S.N.S. 1989, c.380 as amended

IN THE MATTER OF: An Application by EfficiencyOne (E1) to the Nova Scotia Utility and Review Board for Approval of Supply Agreement for Electricity Efficiency and Conservation Activities between E1 and Nova Scotia Power Inc. (NS Power), the establishment of a final agreement between the parties, and approval of a 2020-2022 Demand Side Management (DSM) Resource Plan

INFORMATION REQUESTS

To: Nova Scotia Power Inc. ("NSPI")

From: The Industrial Group

Responses Due: May 13, 2019

Contact Person: Nancy G. Rubin, Q.C.
Stewart McKelvey
Suite 900 - 1959 Upper Water Street
P.O. Box 997
Halifax NS B3J 2X2
Telephone: (902) 420-3200 / Fax (902) 420-1417

Issued at Halifax, Nova Scotia, this 29th day of April, 2019.

Request IR-1:

Reference: Page 7.

...Residential rates have increased an average of 0.8 percent per year since 2014. customers have seen an effective decrease in costs since 2014 as NS Power has been able to maintain non-fuel rates in the face of inflationary cost pressures.

(a) Please provide the annual increase in non-fuel rates for each year from 2012 to 2019 for the Large Industrial Interruptible class, and Medium Industrial class. Include annual and cumulative percentage increase.

(b) Please provide a table listing the non-fuel cost components for each year since 2012. Identify separately the balance of all deferred regulatory accounts.

(c) Please provide the most current forecast of non-fuel costs for 2020-2022.

Request IR-2:

Reference: At page 8, NSPI states, it “is not currently forecasting further capacity additions in the near to mid term.”

What time period is this referencing?

Request IR-3:

Reference: NSPI Evidence, page 10

NS Power requested and Navigant produced plans ranging between \$27 million and \$34 million that focus on maximizing demand response programs. If E1 were to develop a similar plan in that range through its iterative vetting process, customers would benefit from the peak reduction required by the system at a lower cost.

(a) Does NSPI agree with (or accept) E1’s distinction between “demand reduction”) and “demand response” measures? If not, please explain NSPI’s view.

(b) Please describe NSPI’s experience with “demand reduction” and “demand response” measures.

(c) Please provide NSPI’s view of the relative effectiveness of each type of measure.

(d) Please confirm that Tampa Electric, an Emera company, has a Load Management program that offers a credit to General Service customers who allow the utility to cycle off specified customer equipment?

(e) Would this be considered a “demand response” measure?

(f) Has information about this Load Management program been shared with E1? If no, why not.

1 **Request IR-4:**

2 **Reference:** Page 23, lines 1-11.

3 ***“Non-customer funded DSM occurring in the electricity sector is helping***
4 ***reduce the need for subsidized DSM. Since 2012, NS Power has been***
5 ***supporting the conversion from electric baseboard heat to heat pumps ...***
6 ***In 2017 there were 19,030 customers who benefitted from this program.***
7 ***Approximately 45% of those who benefitted from the program replaced***
8 ***electric baseboard heat (8,563 customers). ... Each customer that***
9 ***participated in the NS Power program without participating in the Green***
10 ***Heat program provided the system with 3,000 kWh of non-subsidized***
11 ***energy savings ...***

12 (a) Please explain how NSPI “supports” conversion and provide the annual
13 participants and costs since 2012.

14 (b) Please confirm that the costs of this program are borne by ratepayers.

15 (c) If the support is for conversion “from electric baseboard heat”, but only
16 approximately 45% replaced electric baseboard heat, please explain the
17 nature of the support provided to the remaining 55% and how these
18 customers benefitted from the program. If those 55% converted from
19 another fuel, provide details.

20 **Request IR-5:**

21 Please file the 2018 10-Year System Outlook or provide a link to it for use in this matter.

22 **Request IR-6:**

23 **Reference:** Page 30.

24 ***NS Power proposes that DSM costs be dealt with either as part of the FAM***
25 ***or in a similar manner...***

26 (a) Please elaborate on the proposal and how this differs from the DSM Rider
27 which was in place prior to legislative changes.

28 (b) Please discuss the cost allocation of DSM versus cost allocation of the
29 FAM. How would NSPI propose to address the different cost allocation if
30 DSM variances were assigned to the FAM account?

31 (c) In the Board’s decision letter of April 11, 2016 in M07151, it said this:

1 *Regarding true-ups, several parties favoured adjusting any required variances at*
2 *the end of the DSM contract term. Although the SBA preferred to have variances*
3 *corrected annually, legislation precludes rate adjustments prior to January 1,*
4 *2020. The Board approves NSPI's proposal to annually track comparisons of*
5 *DSM cost recoveries to DSM expenditures, and then adjusting any required*
6 *variances during the next GRA.*

7 Please explain and reconcile NSPI's proposal with the Board's decision.

- 8 (d) Please provide a variance analysis showing the forecasted E1 budget
9 and actual spend, by customer class, for each of 2015, 2016, 2017, 2018,
10 2019 (to date).

11 **Request IR-7:**

12 Please discuss what, if any, system requirement risks there are both during the three year
13 contract period and in the medium term if DSM is funded the level contemplated:

- 14 (a) in the E1 Preferred Plan;
15 (b) in the "Alternative Scenario";
16 (c) in the range of \$27 million to \$34 million annually.

17 **Request IR-8:**

18 Please discuss what, if any, risks of non-compliance with Renewable Energy Standards there
19 are in funding DSM at the level contemplated:

- 20 (a) in the Preferred Plan;
21 (b) in the "Alternative Scenario";
22 (c) in the range of \$27 million to \$34 million annually.

23 **Request IR-9:**

24 The 2014 IRP discussed operational advantages from lower levels of DSM investment through
25 to 2030 including minimum curtailment, minimal uneconomic exports of excess energy and
26 maximum economic Maritime Link and New Brunswick energy purchases (slides 46-48, Ex. E-
27 69). Please elaborate on whether or not those operational advantages continue to hold true and

the operational considerations at the various proposed funding levels i.e., the E1 Preferred Plan, Alternate Scenario and at \$27 million annually.

Request IR-10:

Reference: Appendix A, Levitan Evidence, Page 50 (PDF 87)

From 2020 - 2022, the annual impact resulting from DSM activities in Nova Scotia will peak in 2021. For residential customers, retail rates will increase 3.25%. For Small General and General customers, retail rates will increase 4.28% and 5.75%, respectively. For Large General customers retail rates will increase by 7.07%. Small Industrial customers will experience a 7.7% increase, while Medium and Large Industrial customers will see a 3.38% and 4.11% increase, respectively. Municipal customers will see a 4.10% increase.

(a) Is the 4.11% increase to Large Industrial customer for the firm customers, the interruptible customers or the combined class? If the latter, what is the increase to the interruptible customers?

(b) Please confirm that these rate increases do not include fuel cost rate increases.