THE BRETON LAW GROUP

James R. Gogan
Direct Dial: (902) 563-5920
E-Mail: jim@bretonlawgroup.com

File No. 41736-72

June 6, 2019

Nova Scotia Utility & Review Board
PO Box 1692, Unit "M"
Halifax, Nova Scotia
B3J 3S3

Attention: Doreen Friis, Regulatory Affairs Officer / Clerk

Dear Ms. Friis:

Re: M09096 – EfficiencyOne Application for Approval of Supply Agreement for Electricity Efficiency and Conservation Activities between E1 and Nova Scotia Power (NS Power), the establishment of a final agreement between the parties, and approval of a 2020 – 2022 Demand Side Management (DSM) Resource Plan

EfficiencyOne is pleased to confirm it has reached agreement with the co-applicant Nova Scotia Power in relation to the 2020 – 2022 Demand Side Management (DSM) Resource Plan and Supply Agreement and related issues subject to this proceeding. Enclosed please find the Consensus Agreement executed by both EfficiencyOne and Nova Scotia Power. EfficiencyOne also notes the Assembly of Nova Scotia Mi'kmaq Chiefs, Kwilmu'kw Maw-klusuaqn Negotiation Office, and the Berwick Electric Commission have executed this Consensus Agreement.

EfficiencyOne is also pleased to advise that it has reached an agreement with Heritage Gas Limited. The executed terms of the settlement are attached.

The Consensus Agreement and Settlement Agreement are respectfully submitted to the Board for its consideration in this proceeding.

CONSENSUS AGREEMENT WITH NOVA SCOTIA POWER

The Consensus Agreement between EfficiencyOne and Nova Scotia Power address the issues set out in the Final Issues List issued by the Board, with the exception of the Heritage Gas issue, (to be addressed in further detail below):

Issue 1 - Evaluation Report of 2018 DSM Programs
The Parties confirm no opposition to the Evaluation Report of 2018 DSM programs (Econoler);

Issue 2 – Verification Report of 2018 DSM Programs
The Parties confirm no opposition Verification Report of 2018 DSM programs (Peach);

Issue 3 – Status of 2016-2018 Verification and Evaluation Recommendations
The Parties confirm no opposition to the status of 2016-2018 verification and evaluation recommendations as reported by EfficiencyOne in the Annual Progress Report;

Issues 4, 5, 6 and 7 – Proposed Resource Plan, Alternate Scenario, Relationship to IRP and Performance Targets (excepting natural gas issue)
The Parties agree the 2020-2022 DSM Plan will be delivered in accordance with the Alternate scenario filed by EfficiencyOne as set out in its February 28, 2019 application (subject to adjustment for underserved markets which include the Nova Scotia Mi'kmaq communities and Low Income funding which will remain at the level set out in the Preferred Plan). The total DSM budget for the 2020-2022 DSM Supply Agreement will be $110 million, and will deliver 367.8 GWh in First Year Energy Savings and 98.3MW in Peak Demand Savings. The DSM investment will be delivered across the Plan period at the rate of $34.4M in 2020; $36.5M in 2021 and $39.1M in 2022.

The Parties have agreed to address the issues related to affordability, avoided cost analysis, future evaluation and reporting and the relationship of DSM Plans to Integrated Resource Plans, through the existing DSM Advisory Group by developing revised terms of reference to enhance its effectiveness generally and specifically the development of future DSM Plan applications.

The Consensus Agreement includes a mechanism for timely referral to the UARB in the event the issues cannot be settled through the DSMAG process.

Issue 8 – Disposition of HST refund and interest

The Parties agree that the HST Refund, together with any interest, will be returned by E1 to NS Power and refunded to customers through the FAM, subject to UARB approval. Under the Consensus agreement, E1 and NS Power have agreed to forgo reimbursement of the costs associated with the successful litigation of this matter, in favour of return of the full recovery to NS Power ratepayers.

Issue 9 - Disposition of the surplus funds

The $110 million DSM investment is based on current DSM funding levels of $34.05 million per year plus the accumulated underspend from 2016-2018 DSM Supply Agreement of $7,508,216 inclusive of interest as of June 3, 2019.

Issue 10 – DSM as a FAM expenditure

The Parties support, in principle, DSM funding being expensed through the FAM at the time of the next General Rate Application, subject to review under a further Board process..

Issue 11 – Agreed form of Supply Agreement

EfficiencyOne and NS Power will finalize the Supply Agreement in accordance with the energy savings and investment levels approved by the Board. EfficiencyOne intends to file the Supply Agreement in conjunction with its compliance filing for any approved DSM Plan.

Issue 12 - Outstanding items from the Board Order in Matter M08604

The status of outstanding items from the Board's Order in Matter M08604 as it relates to GHG and C02 emissions are addressed in EfficiencyOne's filed evidence on record.

SETTLEMENT AGREEMENT WITH HERITAGE GAS

The Settlement Agreement with Heritage Gas is intended to address the issue with respect to electricity incentives in the Custom New Construction program where natural gas is a viable alternative fuel source.

In light of the Consensus and Settlement Agreements that have been reached, both of which are respectfully submitted for consideration and approval of the Board, EfficiencyOne will not be filing rebuttal evidence.

Yours very truly,

THE BRETON LAW GROUP

James R. Gogan

cc. M09096 Participants