M09096

IN THE MATTER OF: **THE PUBLIC UTILITIES ACT**

- and -

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

FINAL CLOSING SUBMISSIONS

OF

HERITAGE GAS LIMITED

July 4, 2019

Heritage Gas Limited (“Heritage Gas”) formally intervened in this proceeding because it had concerns with the potential for unintended and counterproductive consequences arising out of the design and operation of EfficiencyOne’s (“E1”) Custom Incentive Program related to electric heat pump and associated measures in multi-unit residential buildings in areas where natural gas is available.

Due to the significance of its concerns, Heritage Gas retained ICF Consulting Canada Inc. (“ICF”), and ICF’s evidence was filed on behalf of Heritage Gas on May 28, 2019 which describes in detail Heritage Gas’ concerns.

Through discussions with E1 following the filing of the ICF evidence, E1 and Heritage Gas were able to reach a Settlement Agreement, filed with the Board by counsel for E1 on June 6, which provides for a go-forward process to deal with Heritage Gas’ concerns. Heritage Gas is hopeful that the process provided for in the Settlement Agreement will effectively deal with the issues raised by Heritage Gas. If E1 and Heritage Gas are unable to reach resolution of the issues raised by Heritage Gas through the agreed process either party may bring the matter back to the Board for adjudication.

Heritage Gas is appreciative of E1’s efforts to work collaboratively pursuant to the Settlement Agreement to attempt to resolve this matter without the need for further Board intervention.

The only party who posed questions on the Settlement Agreement at the Oral Hearing was the Small Business Advocate (“SBA”).

The SBA dealt principally with two issues, the cost of the study referenced in the Settlement Agreement, and ratepayer review.

With respect to E1’s agreement to pay for the cost of the study, Mr. MacDonald of E1 noted that the matter raised by Heritage Gas was how incentives in the Custom Incentive Program were set and the level of such incentives. He confirmed that as the issue is relevant to the setting of electric incentives it is appropriate to be funded by E1 DSM Funds.[1]

Heritage Gas has raised a significant concern with the potential for unintended and counterproductive effects from the Custom Incentive Program in the circumstances noted above, and was fully responsible for retaining and providing the ICF evidence which outlines this issue in detail. E1 has agreed that a study is appropriate in light of the potential issues raised by Heritage Gas, and consistent with the terms of the Settlement Agreement Heritage Gas submits that it is appropriate for E1 to fund this study as it relates directly to an E1 electric incentives program.

[1] Transcript page 63, lines 8-13.

With respect to the issue of ratepayer review the Settlement Agreement, Appendix “A”, Item 7, provides that following the return and evaluation of the study, E1 and Heritage Gas will collaboratively incorporate agreed recommended changes of the study, if any, into the existing Custom Incentive Program and advise the Board. Mr. MacDonald confirmed in response to the SBA’s cross examination that it was E1’s position that other ratepayer parties would have the opportunity to provide input when the outcome of the study is brought back to the Board.[2]

For the reasons set out in this Submission and as noted in Heritage Gas’ Opening Statement during the Oral Hearing, Heritage Gas submits that it is appropriate for the Board to approve the Settlement Agreement between Heritage Gas and E1.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

[2] Transcript page 65, lines 4-8.