

APPENDIX A TO THE AEC EVIDENCE

NOVA SCOTIA UTILITY AND REVIEW BOARD

**IN THE MATTER OF AN APPLICATION BY EFFICIENCYONE (E1) TO THE NOVA
SCOTIA UTILITY AND REVIEW BOARD FOR APPROVAL OF A 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 2023-2025 DEMAND SIDE MANAGEMENT
(DSM) RESOURCE PLAN**

MATTER NO. M10473

**Direct Evidence of
Brian Gifford
Affordable Energy Coalition**

**On Behalf of
Affordable Energy Coalition**

May 19, 2022

Q: Please state your name and business

A: I am Brian Gifford and I am testifying on behalf of the Affordable Energy Coalition, a coalition of Nova Scotia organizations and individuals working to ensure universal access to electricity services regardless of income.

Q: By whom and in what capacity are you employed?

A: I am retired. I have been the voluntary Chair of the Affordable Energy Coalition since 2013.

Q: Please state your education and experience

A: I have an MBA from Dalhousie and have worked in a variety of positions in non profit organizations including 3 years as the manager of Gloucester Non Profit Housing Corporation. In my volunteer capacity as the Chair of the Affordable Energy Coalition I have represented the AEC on the HomeWarming Advisory Council and on the Low Income Rental Advisory Group and I have examined various sources regarding the level of energy poverty in Nova Scotia and written a report titled “Energy Poverty Characteristics in Nova Scotia” A review of various sources and new Statistics Canada custom tabulations in 2020-21. Revised in 2022.

Q: What is the purpose of your testimony?

A: To present evidence regarding the prevalence of energy poverty in Nova Scotia.

Q: Please provide a summary of your findings and conclusions.

A: Efficiency Canada has published a report stating that 37% of households in Nova Scotia experience energy poverty.¹ This means they are paying over 6% of After Tax income on home energy. This is tied for the 3rd highest rate in Canada. This includes many modest income households who can’t afford major energy efficiency retrofits.

¹ Efficiency Canada – 2021 Provincial Energy Efficiency Scorecard, James Gaede, Brendan Haley, Micaila Abboud, Mohammed Nassar, p 50

It also includes some higher income households. Although more research is needed to figure out what an appropriate income threshold is to remove those higher income households, our current estimate is that 26.2% of households or 105,106 households in Nova Scotia experience energy poverty in that they pay over 6% of income on home energy and their income is \$60,000 or less.

Q: What evidence does Efficiency Canada provide about the extent of energy poverty in Canada and Nova Scotia?

A: Efficiency Canada’s national reports on Efficiency Programs across Canada since 2019 have quoted a figure of 37% of Nova Scotia households or 147,085 households experience energy poverty – that is they pay over 6% of After Tax income on home energy. Research by Maryam Rezaie showed that “... more seniors tend to be in energy poverty than have low incomes (with the exception of the lone senior category) and more importantly... renters...are more likely to be low-income than in energy poverty.” This is likely because many renters have their heat and/or electricity included in the rent, so the impact of high energy costs affects them indirectly through their rents. Rezaie continues “The majority of those who suffer from energy poverty, then, tend to own their dwellings (which are often larger and single detached), but spend a disproportionately large portion of their income on maintaining it at comfortable temperatures.”

Q: Is there any other evidence that Nova Scotia’s rate of energy poverty is this high?

A: Yes - the Town of Bridgewater’s Energy Poverty Reduction Program concluded 38% of households in that community experience or are at risk of energy poverty, based on their own surveys.² Their definition of energy poverty is a little different since they include transportation energy and use 10% of income for home and transportation energy. But it supports the notion that the figure is quite high. Anecdotal evidence of some of the outreach workers in the HomeWarming program confirms that some seniors in large drafty homes can’t afford to do the retrofits required to cut their energy bills although they don’t qualify for HomeWarming – one reason is likely that the income cutoff for single people is low at about \$27,000 per year.

² Bridgewater’s Smart Cities Final Application – Vision p. 6: A community census ... can confirm that 38% of residents currently experience, or are highly at risk of, energy poverty.

Q: Do you think these figures are a fair reflection of energy poverty in Nova Scotia?

A: Not entirely. They indicate that there is a serious problem here that is more acute than anywhere outside of Atlantic Canada. But we received data directly from Statistics Canada that shows more like 33% of households being in energy poverty using Efficiency Canada's definition. I'm not clear why there is this difference.

More importantly, the figures include some households with incomes high enough that they likely could afford their own efficiency upgrades with traditional efficiency incentives that aren't as comprehensive as the support provided in low income programs. The question is at what income threshold does this become impossible or highly unlikely?

Efficiency Canada plans to study this question in the fall. In the meantime, we have the numbers of households that pay over 6% of income on home energy by income – but not by family size. For various reasons we think that \$60,000 is a reasonable figure to use as the cutoff until further research is done to find out at what incomes households are able to afford major retrofits on their own or with less than 100% funding. At that income, 26.2% of households in Nova Scotia pay over 6% of their after tax income on home energy. This is 105,160 households.

The table below shows the how many households pay over 6% of their after tax income, by income level.

TABLE 6: Nova Scotia households spending above 6 % of After Tax income on home energy at different incomes

Total Household Income	Households that pay above 6% of income at each income level.	Households that pay above 6% of income, as a % of all NS households that pay above 6%	Households that pay above 6% of income as a % of all NS Households	Cumulative households that pay above 6% of income	Cumulative households that pay above 6% of income, as a % of all NS households
Under \$10,000	8,550	6%	2.13%	8,550	2.1%
\$10,000 to \$19,999	17,815	13%	4.43%	26,365	6.6%
\$20,000 to \$29,999	22,810	17%	5.67%	49,175	12.2%
\$30,000 to \$39,999	23,335	17%	5.80%	72,510	18.0%
\$40,000 to \$49,999	18,395	14%	4.58%	90,905	22.6%
\$50,000 to \$59,999	14,255	11%	3.55%	105,160	26.2%
\$60,000 to \$69,999	10,235	8%	2.55%	115,395	28.7%
\$70,000 to \$79,999	6,995	5%	1.74%	122,390	30.4%
\$80,000 to \$89,999	4,555	3%	1.13%	126,945	31.6%
\$90,000 to \$99,999	2,695	2%	0.67%	129,640	32.2%
\$100,000 and over	4,600	3%	1.14%	134,240	33.4%
Total Households	134,240	100.00%			

Q: What is your conclusion from this?

A: There are many ways to look at this and some uncertainties that need some more work but I think this evidence is very compelling that the numbers of Nova Scotia households that struggle with energy poverty and are not able to pay for their own efficiency upgrades is most certainly higher than the 21% figure that EfficiencyOne used in its determination of what proportion of the funding in the proposed agreement would be directed to Low-Income programs.