ORDER **M10473**

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **EfficiencyOne (E1)** 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

BEFORE: Stephen T. McGrath, LL.B., Chair
Roberta J. Clarke, K.C., Member
Steven M. Murphy, MBA, P. Eng., Member

EfficiencyOne (E1) applied to the Nova Scotia Utility and Review Board on March 11, 2022, for approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between E1 and Nova Scotia Power Inc. and the establishment of a final agreement between the Parties, including approval of E1's 2023-2025 Demand Side Management (DSM) Resource Plan.

The Board issued its Decision on September 6, 2022, directing that E1 file a Compliance Filing to reflect all the findings.

E1 filed a Compliance Filing on October 4, 2022. Intervenors provided their comments on the Compliance Filing on October 11 and 18, 2022, and reply comments were filed by E1 and NS Power on October 25, 2022.

The Board is satisfied with the Compliance Filing and approves the application, subject to the adjustments and directives outlined in the Board's Decision.

The Board approves a DSM Plan for 2023-2025 in the aggregate amount of $173.0 million, with targeted total cumulative energy savings of 412.7 GWh and targeted cumulative demand savings of 96.7 MW.

- The energy component includes a separate target of 15.8 GWh for cumulative annual energy savings applicable to the Affordable Single-family Homes, Affordable Multi-family Housing and Mi'kmaw Home Energy Efficiency Project.

- The demand component includes a separate target of 17.9 MW attributed to demand response initiatives.

- Approved spending is $53.1 million during 2023; $57.5 million during 2024; and $62.5 million during 2025.

The Board approves the Performance Indicators identified in Schedule "C" of the Supply Agreement based on the values identified in E1's application and includes incidental cumulative annual energy savings of 23.6 GWh from non-targeted programs applicable to low-income and underserved communities.

The Board approves the form of Supply Agreement for electricity efficiency and conservation activities between E1 and NS Power and effective as of the 1st day of January, 2023, attached as Appendix C to the Compliance Filing.

If at any time during the 2023-25 period E1 determines that it cannot achieve the target energy or demand savings, then an application to adjust those targets must be filed with the Board.

The Board accepts the Econoler Evaluation Reports and the Peach Verification Report for the 2021 DSM year.

E1 is directed as follows:

1. To provide detailed plans and processes for each of its research initiatives prior to proceeding with significant expenditures, to be documented and fully discussed with members of the DSM Advisory Group in advance of implementation.

2. To work with NS Power and the DSM Advisory Group to discuss potential updates to avoided costs before the next DSM Resource Plan application.

3. To work with the DSM Advisory Group to assess and develop an optimal DSM cost-effectiveness testing methodology.

4. To provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in future resource plan applications.

5. To include payback information in its measure level tables in future applications for the approval of resource plans and provide additional information about the other factors that E1 has considered in concluding that the proposed incentive level for the measure is appropriate for measures where the payback period is three years or less.

6. To identify any instances where E1 has adjusted the per unit incentive amount for a measure by more than 10% from the amount included in its resource plan and provide an explanation for the variance in its quarterly reports.

7. To file, in its quarterly reports, details describing E1's proposed demand response projects, as well as its progress, including spending to date, towards achieving the targeted 17.9 MW load reduction.

8. To provide updates in its quarterly reports leading up to the establishment and operation of E1's behavioural programs and NS Power's Customer Energy Management system.

9. To liaise with NS Power and stakeholders, and then seek Board approval before implementing new incentives to compensate customers for reducing their load under the Demand Response Program.

DATED at Halifax, Nova Scotia, this 8th day of November, 2022.

Crystal Henwood

Clerk of the Board