

**NOVA SCOTIA UTILITY AND REVIEW BOARD****IN THE MATTER OF:**

The Public Utilities Act RSNS 1989, c. 380 7

**- and -**

**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

**CLOSING STATEMENT  
AFFORDABLE ENERGY COALITION (AEC)**

**Correction:** AEC Evidence May 19, 2022, pp 2: “From 2001 to 2012 electricity rates increased by. During the same period home oil heating prices increased even more.”

This should have read **“From 2001 to 2012 electricity rates increased by 58%. During the same period home oil heating prices increased even more – by 90%.<sup>1</sup> By 2022, electricity pricing had increased by about 95% from 2001, compared to 120% for home oil heating prices. By May of this year, oil heating prices had skyrocketed by an increase of 263% compared with 2001.”**

**Historic Transformation to zero carbon, more affordable energy**

We are in the midst of a historic transformation of our electricity system primarily driven by the need to decarbonize the system. We applaud this shift. The role that efficiency plays in reducing bills is essential as system costs rise. This is especially true for low income households.

Nova Scotia has one of the highest rates of energy poverty in the country because of our high oil and electricity rates, our generally lower incomes and our larger, older, and less well insulated homes. Skyrocketing oil prices underscore this – home heating oil prices in May 2022 had increased by over 250% compared with 2001 prices. In view of the volatility and

With sufficient investment in low income energy programs, we have the potential to protect the electricity system’s most vulnerable customers and even to reduce historic levels of energy poverty through efficiency as we decarbonize the electricity system.

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1 Solving Nova Scotia’s Electricity Pricing Problem: Energy Affordability vs Rising Electricity Prices, Ecology Action Centre, Brian Gifford, August 2013, p. 2. On Ecology Action Centre website:  
<https://www.ecologyaction.ca/files/images-documents/file/Energy/AffordabilityRep%20RevFeb14%20LoRes.pdf>

### **Proposed level of expenditure on low income programs**

We support the increased percent of program funding directed at low income programs to 21% of the total or \$36 Million over the 3 year Agreement for an average of \$12 Million/year.

This increased investment remains well below the level that national estimates of energy poverty in Nova Scotia households would support. In our May 19 submission we provided evidence to this effect, in contrast to arguments made by others that the investment level is too high.

While national estimates of 37% of households in energy poverty (paying over 6% of income on home energy) should be reduced by removing some higher income households included in this figure, we are confident that in Nova Scotia over 25% of households spend over 6% of income on home energy and cannot afford to invest in energy efficiency because they are income challenged.

### **Proposed Low Income Program elements**

The Affordable Energy Coalition supports the proposed low income programs in the application submitted by EfficiencyOne and endorsed by Nova Scotia Power. Low income households and many moderate income households simply can't afford to invest in energy efficiency.

***Affordable Single-family Homeowner program:*** We support the new Affordable Single-family Homeowner program (ASFHP) for the following reasons:

1. It ensures that this program element will be in the regulated system as it was before 2015.
2. This investment is an important step in the right direction for Efficiency Nova Scotia's services as it shifts away from simpler, shorter term measures such as lighting to more comprehensive retrofits. We support this shift toward comprehensive retrofits throughout the Agreement and support the ASFHP as part of that shift.
3. It is vital that low income Nova Scotians are able to benefit from efficiency related savings as we transition to a zero carbon energy system. ASFHP is a vital support for that transition, to ensure it is equitable and leaves no one behind.

### ***Recommendations:***

1. We recommend that the Affordable Single-family Homeowner program increase the level of savings from 30% to 50% of previous bills and GHGs for each participating household. This makes compelling sense from an overall system point of view in our efforts to shift to a zero carbon economy as well as from the point of view of the individual homeowner.
2. We also encourage the program to overcome the artificial barrier to participation in African Nova Scotian communities through an alternative to land title, as E1 indicated it is negotiating with the Land Titles Initiative in its Response to AEC's IRs.
3. We recommend Beneficial Electrification by replacing expensive, high GHG oil heating with highly efficient heat pumps as an element of this program. This will make it possible to reach 50% energy bill/GHG savings. The oil customer and electricity customer are the same person. From an energy system view and a customer view, the UARB should be able to consider the broader energy impacts of energy efficiency measures such as conversion of oil heating to heat pumps.

***Affordable Multi-family Housing and Non Profit Organizations Program:*** We also support continued funding for the Affordable Multi-family Housing and Non Profit Organizations Program (AMHP). As shown by E1 research, over 50% of low income households are tenants and must benefit from program spending and savings. This is also part of the fair transition to a zero carbon economy.

We oppose suggestions from the Investment Property Owners Association that rental increase limits be abandoned or tied to CMHC's inadequate definition of "affordable housing". It is especially important in this era of renovictions that a program aimed at providing the benefits of efficiency to low income households prevent participating rental homes from becoming unaffordable. We are happy to engage with IPOANS and others through the Low Income Advisory Group to find other ways to make the program attractive to landlords.

***Mi'kmaw programs:*** We support increases in Mi'kmaw programming, expanding from band owned homes to band owned businesses and additional training and recruitment of Mi'kmaw to join the workforce in this aspect of the Green Economy. We support this as part of the equitable transition to a zero carbon economy.

### **3% Spending Target**

We believe the percent of NS Power spending on efficiency should increase to 3% as soon as possible, while relying ever more heavily on deeper retrofits with deeper savings. The Settlement Agreement is an important step in this direction.

### **Summary of the Affordable Energy Coalition's Position**

The Affordable Energy Coalition strongly supports the proposed Agreement and in particular the increased investment in low income programs.

This increased investment remains well below the level that national estimates of energy poverty in Nova Scotia households would support. In our May 19 submission we provided evidence to this effect, in contrast to arguments made by others that the investment level is too high.

The level of investment in the proposed Agreement is an essential step toward ensuring the transition to a zero carbon energy system is equitable. With efficiency, including insulation and highly efficient new technology like heat pumps it is possible to reduce household energy costs significantly and reduce energy poverty at the same time as reducing GHGs.

We applaud the important steps in this direction taken in this proposed Agreement and we fully support its approval.

Submitted by

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Chair

  
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