Nova Scotia POWER
An Emera Company

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July 4, 2022

Ms. Crystal Henwood
Regulatory Affairs Officer/Clerk
Nova Scotia Utility and Review Board
1601 Lower Water Street, 3rd Floor
P.O. Box 1692, Unit "M"
Halifax, NS B3J 3S3

Re: M10473 – EfficiencyOne 2023-2024 Demand Side Management Plan Application – Closing Submission

Dear Ms. Henwood:

On June 20, 2022, the Nova Scotia Utility and Review Board (NSUARB, Board) advised that the proceeding with respect to EfficiencyOne's (E1) 2023-2025 Demand Side Management (DSM) Plan Application would conclude by way of written Closing Submissions due on July 4, 2022 with Reply to Closing Submissions due on July 11, 2022.

Please accept this as Nova Scotia Power Incorporated's (NS Power, Company) Closing Submission.

General Comments

NS Power appreciates E1's transparency and engagement with DSM Advisory Group (DSMAG) members in setting out the principles, assumptions, inputs and scenario development and adjustment that lead to the development of the proposed 2023-2025 DSM Settlement Plan (Settlement Plan) as well as E1's Alternate scenario. This approach has provided stakeholders with the information necessary to understand and evaluate E1's approach to DSM over the next three-year period. E1 is requesting approval of its proposed Settlement Plan with energy savings of 412.7 GWh and 96.7 MW of demand savings (78.8 MW from energy efficiency and 17.9 MW from demand response) based on a total investment level of $173 million across the three-year period.

NS Power has reviewed the evidence filed by the intervenors in this proceeding as well as the Rebuttal Evidence filed by E1 and confirms its continued support for the Settlement Plan. Of particular importance to NS Power is that the Settlement Plan recognizes the need for access by low-income and First Nations customers (diverse and under-served communities). The increase in DSM spending under the proposed Settlement Plan will help support programs for low-income Nova Scotians and First Nations in the province.

In addition, the province is in an unprecedented period of transition to decarbonization over the coming decade. DSM assists in reaching that goal, and E1's proposed Settlement Plan plays a specific role in that transition by not only providing substantial electricity efficiency benefits, but also supporting the reduction of GHG emissions in the province.

Demand Response

In terms of Demand Response (DR), NS Power believes E1 has a role to play and has no objection to E1's phased approach to DR or the amount proposed for DR programs in the Settlement Plan. Both utilities play a role in maintaining DR initiatives which mitigate peak load and serve customers through both rate-based and incentive or behavioural programs.

Avoided Costs

With respect to avoided costs, as set out in the Company's Rebuttal submissions, the methodology for determining avoided costs was developed following a lengthy and extensive stakeholder collaboration. The avoided costs methodology does not have to be revisited in connection with the 2023-2025 DSM Settlement Plan. The Company has confirmed that it will work with E1 and the DMSAG to discuss any potential updates to avoided costs in advance of the 2026-2028 DSM Resource Plan. This timing allows for the alignment of updated costs with changes that may arise in the long-term planning environment in the interim.

The Company agrees with the proposal to consider the effectiveness or role of DSM in decarbonization in Nova Scotia and that this is an issue to be considered by the DSMAG.

Cost-Effectiveness Testing

NS Power supports the existing approach to DSM cost-effectiveness measurement or screening at the program level, particularly as some measures intended to benefit the diverse and under-served customer communities may not meet the cost effectiveness (TRC) threshold at the measure level.

With respect to the proposal that cost effectiveness testing methodologies should be revisited, NS Power agrees that the matter is appropriate to be considered and explored by the DSMAG.

Municipal Electric Utilities

With respect to the Municipal Electric Utilities (MEU) proposals, NS Power confirms that while it does not object to permissible administrative efficiencies that would assist the MEUs in the payment of their allocated DSM costs, it does not support any changes to the current DSM program evaluation and approval processes as part of the 2023-2035 DSM Plan for the reasons set out in the Company's Rebuttal submissions.

NS Power supports the status quo as long as it is clear that the MEUs are responsible for the DSM costs for their customers.

Supply Agreement

The form of Supply Agreement submitted by E1 is similar in form to those previously entered into by NS Power and E1 for prior periods. NS Power anticipates that E1 and NS Power will finalize the Supply Agreement in order to accommodate any matters arising from the NSUARB's decision in this matter and the appropriate payment terms and include it as part of the Compliance Filing. Any outstanding issues related to the final form of Supply Agreement, while not anticipated, would be addressed at that time.

NS Power thanks the NSUARB for the opportunity to submit these comments.

Yours truly,

Brian Curry
Director Regulatory Affairs

c. Judith Ferguson, NSPI
David Landrigan, NSPI
S. Bruce Outhouse, QC
Participants (M10473)