EfficiencyOne

IN THE MATTER OF: The Public Utilities Act

- and -

IN THE MATTER OF:
EfficiencyOne 2023 Audited Financial Statements,
December 31, 2023

M11677

EfficiencyOne Responses to Information Requests (RIRs)

E1 (NSUARB) RIRs 01-05

FILED
July 26, 2024

Request IR-01:

Re: Consolidated Statement of Operations;

(a) Please provide further details regarding the Interest Revenue increase of approximately $8.5 million from 2022.

(b) Please provide further details regarding the Incentives Direct Cost increase of approximately $59 million from 2022.

Response IR-01:

(a) The $8.5 million increase is directly attributable to short-term investments within the unregulated Provincial Fund as set out in the EfficiencyOne (E1) Consolidated Statement of Operations. The increase in the Demand Side Management (DSM) Fund interest revenue from 2022 to 2023 was $0.488 million and was the result of higher interest rates (three interest rate increases by the Bank of Canada throughout 2023) earned on deposits.

(b) The $59.0 million Incentives Direct Cost increase is related to the Consolidated Statement of Operations, for all E1 Funds. The DSM Fund portion of the incentive expense increase from 2022 to 2023 was $1.646 million and is the result of the increased incremental annual net energy savings achieved and the mix of program components. In 2023, E1 achieved 131.6 GWh of incremental annual net energy savings as compared to 121.9 GWh in 2022. Incentive costs are driven by the level of program participation in, and the measures that participants select. As a result, incentive costs often do not directly correlate to savings achieved at an aggregate level. Incentives flow to customers either directly or through services provided by third parties with these costs directly influenced by the level of participation at a program component level.

E1 Responses to Nova Scotia Utility and Review Board (NSUARB) Information Requests
NON-CONFIDENTIAL

Request IR-02:

Re: Consolidated Statement of Changes in Fund Balance:

(a) Please provide further details pertaining to the endowment contributions from the Province of Nova Scotia, including any restrictions on these.

(b) Please advise what the endowment contributions were utilized for and if any were transferred to be used for operations in 2024.

Response IR-02:

(a) Halifax Climate Investment, Innovation and Impact Fund (HCi3) and services provided represent unregulated activities of EfficiencyOne (E1). HCi3's Financial Statements are available publicly on the HCi3 website.

(b) Please refer to E1's IR Response to (a).

E1 Responses to Nova Scotia Utility and Review Board (NSUARB) Information Requests
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Request IR-03:

Re: Consolidated Statement of Changes of Financial Position:

(a) Please provide further details of the large balance in accounts receivable at year end, including if E1 has any concerns surrounding collection of this balance.

(b) Please provide further details regarding the Short-term investments increase of $60 million from 2022.

Response IR-03:

(a) 98.5% of the accounts receivable balance and 100% of the short-term investments are related to the unregulated Provincial and Other Funds. These services are not "demand side management" activities as defined and regulated pursuant to the *Public Utilities Act*, c 380, RSNS, 1989, as amended (the "PUA"); nor are they franchise activities as referenced at 79C(2)(a) of the PUA. For purposes of business efficacy, both the Provincial Fund services and Other Fund services are delivered by EfficiencyOne, yet remain distinct from the regulated activities and provision of demand-side management pursuant to the provision of the Grant of Franchise between EfficiencyOne (E1) and the Province of Nova Scotia, and subject to oversight by the Nova Scotia Utility and Review Board through the PUA.

(b) Please refer to E1's IR Response to (a).

Request IR-04:

Re: Note 5. Loan Receivable/Payable: Given that these were repaid in full in 2023, does E1 expect any further loans in future years?

Response IR-04:

EfficiencyOne does not anticipate any loans in future years, unless there is specific direction provided by the Nova Scotia Utility and Review Board for exploration of Demand Side Management financing options.

Request IR-05:

Re: Note 13. Cost Allocation methodology: Office and Insurance categories list both a FTE and a Direct cost allocation. Please advise of general examples where these costs would have a Direct allocation.

Response IR-05:

In 2023, $6,000 of the total Office and Insurance costs were directly allocated to Halifax Climate Investment, Innovation and Impact Fund (HCi3). These would be costs directly incurred by HCi3 and not shared with EfficiencyOne. The remaining $626,000 were shared costs and were allocated using the Cost Allocation Model. As an example, office equipment costs are allocated using the Direct Cost allocator, while costs related to the telephone system are allocated using the FTE allocator.