



EfficiencyOne

IN THE MATTER OF *The Public Utilities Act, RSNS 1989, c 380, as amended*

- and -

IN THE MATTER OF An Application by EfficiencyOne for Approval of the 2026 DSM Extension for Demand-Side Management Activities between EfficiencyOne and Nova Scotia Power Inc., and for Approval of the Amendment to the 2023-2025 Demand-Side Management Purchase Agreement between EfficiencyOne and Nova Scotia Power Inc.

**Application of EfficiencyOne
as Holder of the Efficiency Nova Scotia Franchise**

FILED WITH THE NOVA SCOTIA ENERGY BOARD

APRIL 30, 2025

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF The *Public Utilities Act*, RSNS 1989, c 380, as amended

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IN THE MATTER OF An Application by EfficiencyOne for Approval of the 2026 DSM Extension for Demand-Side Management Activities, and for Approval of the 2023-2025 Amendment to the Demand-Side Management Purchase Agreement between EfficiencyOne and Nova Scotia Power Inc.

NOTICE OF APPLICATION

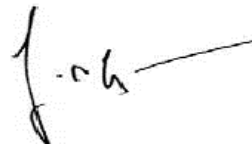
TO: The Nova Scotia Energy Board (“Energy Board”)

1. EfficiencyOne is the holder of the Franchise issued by the Minister of the Department of Energy with an effective date of January 01, 2025, to provide demand-side management activities, programs and plans as provided for in the *Public Utilities Act*, RSNS 1989, c 380, as amended (“PUA”) to Nova Scotia Power Inc. (“NS Power”).
2. Pursuant to the PUA, EfficiencyOne is required to develop a demand-side management plan (“DSM Plan”), which is subject to Energy Board approval.
3. Pursuant to the PUA, EfficiencyOne is also required to enter into an agreement with NS Power for the supply of demand-side management activities (“DSM Agreement”), which is subject to Energy Board approval.
4. On November 8, 2022, the Nova Scotia Utility and Review Board (as it then was) issued an order approving the 2023-2025 DSM Plan and approving the corresponding 2023-2025 DSM Agreement between EfficiencyOne and NS Power, the terms of which extended to the end of the 2025 calendar year.
5. On March 25, 2025, the Nova Scotia government enacted a legislative amendment to the PUA that:
 - extends the term of the existing 2023-2025 DSM Plan by one additional year, to December 31, 2026;

- extends the term of the 2023-2025 DSM Agreement to include the 2026 calendar year, with a new expiry of December 31, 2026; and
 - prescribes the demand-side management investment amount at \$63,750,000.
6. EfficiencyOne brings this Application before the Energy Board pursuant to the PUA, seeking an order approving its targets for the 2026 DSM year, and approving the amendments to the Board-approved 2023-2025 DSM Agreement necessary to incorporate the legislative changes and the approved 2026 targets.
7. In support of this 2026 DSM Extension Application, EfficiencyOne relies on the following materials filed together with this Notice of Application:
- a) Evidence of EfficiencyOne;
 - b) 2026 DSM Extension Targets;
 - c) 2026 Rate and Bill Impact Analysis; and
 - d) Draft amended DSM Agreement.
8. EfficiencyOne respectfully submits that, based on the materials filed in support of this Application, the Order sought under this 2026 DSM Extension Application is in the public interest.

Dated this 30th day of April, 2025.

EFFICIENCYONE



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EVIDENCE

April 30, 2025

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1. INTRODUCTION

Over the last two and a half years, EfficiencyOne (E1) has been successful in implementing its 2023-2025 Demand-Side Management (“DSM”) Plan. The important work entrusted to E1 pursuant to the DSM Plan has achieved measurable energy savings for Nova Scotians. 2023 and 2024 together saw energy savings of 304.3 GWh and demand savings of 58.3 GWh.¹ The lifetime benefit of these savings amounts to \$454.2 million – exceeding the forecasted benefit by over \$100 million.²

The savings and benefits to Nova Scotians that have already been achieved are clear, and E1’s work pursuant to the 2023-2025 DSM Plan since January 2023 continues in full force today. Within this time, significant legislative changes have taken place in Nova Scotia that will directly impact Nova Scotia’s energy future and E1’s future DSM applications in particular. Notably, a new Nova Scotia Energy Board (“Energy Board”) has been created, with a broadened mandate to consider sustainable development, sustainable prosperity, energy efficiency, and achievement of greenhouse gas emissions reduction goals, all as part of its regulatory decision-making.

It was against this backdrop with the new Energy Board mandate that the Nova Scotia government enacted legislation that extended the term of the current DSM Plan to 2026, with a prescribed investment level of \$63.75 million and extended the DSM purchase agreement (previously approved, and referred to, as the DSM Supply Agreement) to include the 2026 calendar year. This Application does not seek approval of a new DSM Plan; rather the March 26, 2025, legislation requires E1 to seek Energy Board approval for 2026 targets for the one-year extension to the existing Nova Scotia Utility and Review Board (NSUARB) approved 2023-2025 DSM Plan.

The extension will allow E1 to continue delivering results under its existing suite of programs to the end of 2026 while it engages in an early consultation process with stakeholders on the 2027-2031 DSM Plan. This timing will also allow the 2027-2031 DSM Plan to be informed by the new Energy Board mandate, as well as the outcome of E1’s application for a new benefit-cost analysis test, which will be filed in Q2 of 2025. Through this Application, E1 seeks Energy Board approval of its targets for the 2026 DSM Extension and approval of the corresponding amendments to the E1 and NS Power DSM Purchase Agreement.

¹ M11630, E1 2023 Annual Progress Report, April 1, 2024 and M12186, E1 2024 Annual Progress Report, March 31, 2025

² *Ibid.*, page 42 and page 44

1.1 2026 DSM EXTENSION SNAPSHOT

E1 seeks Energy Board approval to invest the legislated \$63,750,000 to achieve the following targets under the four categories that were approved through the 2023-2025 DSM Plan:

a) Incremental annual net energy savings:	116.0 GWh
b) Incremental annual net demand savings:	18.9 MW
c) Total available capacity from demand response:	16.3 MW
d) Incremental annual net energy savings from dedicated low-income and equity programs:	4.0 GWh

The energy efficiency measures under the 2026 Extension are forecasted to offset approximately 1,300 GWh of energy production over the lifetime of the measures that are installed. Combined with the reduction of annual system-peak demand from energy efficiency and available capacity provided by demand response, the lifetime financial benefit from the 2026 DSM year is forecast to be \$138 million.

Given the term of the 2023-2025 DSM Plan has been statutorily extended by an additional year, with a prescribed investment amount, the Board approved 2023–2025 DSM Plan performance targets must be revised to establish targets for the extended 2023-2026 term. Globally, the legislated 2026 DSM Extension results in the following revised performance targets for the extended 2023-2026 DSM period:

• Cumulative Annual Net Energy Savings (GWh)	528.7
• Cumulative Annual Net Peak Demand Savings (MW)	97.7
• Available Capacity (MW)	16.3
• Cumulative Annual Net Energy Savings (GWh) applicable to dedicated low-income and equity programs:	19.8

The 2026 prescribed investment amount of \$63,750,000 brings the total investment amount over all four years, from 2023-2026, to \$236.8 million.

Portfolio insights for the extended 2023 to 2026 DSM period are more fully described in Table 1, below.

1 Table 1: 2023-2026 DSM Extension Insights

Insights	2023-2025 Plan as Approved	2026 DSM Extension	2023-2026
Carbon Emissions Avoided			
First-Year CO ₂ e Savings (kt)	326	26	352
Lifetime CO ₂ e Savings (kt)	1,742	134	1,877
Portfolio Summary)			
First-Year Energy Savings (GWh)	412.7	116.0	528.7
Peak Demand Savings (MW)	78.8	18.9	97.7
Available Capacity (MW)	17.9	16.3	16.3
First-Year Energy Savings (GWh) applicable to low-income and equity programs	15.8	4.0	19.8
Investment (\$ million)	173.0	63.75	236.8
% of Investment in Low-Income & Equity ^a	20.9%	20.2%	20.8%
Energy & Demand Savings			
Lifetime Energy Savings (GWh)	4,681	1,322	6,002
Weighted Average Measure Life (yrs)	11.3	11.4	11.4
Energy Savings as % of NS Power Load	1.2%	1.03%	1.2%
Energy Savings (EE) Split (RES/BNI) ^b	46/54	35/65	43/57
Demand Savings (EE) Split (RES/BNI)	45/55	26/74	41/59
Available Capacity (DR) Split (RES/BNI)	40/60	29/71	29/71
Energy Efficiency (EE) Investment			
EE Investment Split (RES/BNI) ^c	55/45	51/49	54/46
First-Year Unit Cost (\$/kWh) ^d	0.39	0.49	0.42
Lifetime Unit Cost (\$/kWh) ^d	0.03	0.04	0.04
Lifetime Benefits (\$ million) ^e	542	135	677
Net Benefits (\$ million) ^f	379	77	456
Demand Response (DR) Investment			
Lifetime Benefits (\$ million) ^e	3	3	6
Net Benefits (\$ million) ^f	-8	-3	-11
DR Investment Split (RES/BNI) ^c	54/46	60/40	57/43

^a Investment includes EE and DR program investments and Enabling Strategies investment. 2026 results closely align with the DSM Extension design objectives of investment in low-income and equity of 15% to 20% of total energy efficiency portfolio investment.

^b 2026 EE results closely align with the 2026 DSM Extension design objectives of an energy savings split of 40% Residential and 60% BNI programs.

^c Excluding Enabling Strategies investment. 2026 EE investment closely aligns with the DSM Extension design objectives of an investment split of 50% Residential and 50% BNI programs. 2026 DR investment split differs slightly from the 2026 DSM Extension design objectives as E1 ramps up its Residential DR activity in 2026.

^d Including Enabling Strategies investment. First-Year Unit Cost for EE is the quotient of first-year energy savings and investment (EE program + Enabling Strategies). Lifetime unit cost is the quotient of lifetime energy savings and investment (EE program + Enabling Strategies).

^e Lifetime benefits for EE are expressed as the net present value of the avoided costs, including energy, capacity, transmission, and distribution over the life of the program measures, using utility WACC. For DR, lifetime benefits are expressed as the avoided costs, including capacity, transmission, and distribution, resulting from operating DR in 2023-2026 (four years of benefits).

^f EE and DR net benefits are calculated based on the Program Administrator Cost (PAC). For EE, the lifetime benefits are counted and, for DR, the first four years (2023-2026).

1.2 GUIDING PRINCIPLES

In developing the 2026 DSM Extension, E1 followed the same guiding principles as those which informed the 2023-2025 DSM Plan development: transparency, accessibility and equity.

In terms of transparency, E1 is committed to continuing its collaborative approach with the Demand Side Management Advisory Group (“DSMAG”) to inform the key objectives in an open and transparent way. In furtherance of this objective, having this 2026 DSM Extension in place will pave the way for E1 to continue its early engagement process with the DSMAG with respect to the upcoming inaugural five-year plan. This process is already well underway, given the consultation sessions that have already taken place for the (then) 2026-2030 DSM Plan. The continued consultations will build upon the valuable work that has already been done in this regard. Importantly, the 2027-2031 DSM Plan will also be informed by the recent legislative changes in Nova Scotia, which create a dedicated Energy Board with a broadened mandate for evaluation of future DSM Plans and by the proposed Benefit Cost Analysis Framework (subject to Energy Board approval).

The performance target categories approved by the Board following a rigorous hearing process for the 2023-2025 DSM Plan have been maintained in this 2026 DSM Extension. Maintaining this continuity further supports the principle of transparency by ensuring that the stakeholder-tested, and Board-approved, target categories remain consistent throughout the extended term.

In terms of accessibility and equity, E1 remains steadfast in its commitment established in the 2023-2025 DSM Plan of ensuring the programs are both designed and delivered on an equitable and non-discriminatory basis. Specifically, the 2026 DSM Extension will continue providing equity-based programs, and allocates 20.2 percent of its total investment to low-income and equity communities. The dedicated equity-based program components include the following:

- Affordable Multi-Family Housing and Non-Profit Organizations;
- Affordable Single-Family Homes; and
- Mi’kmaw Home Energy Efficiency Project.

1.3 DESIGN OBJECTIVES

E1's overarching objectives in developing the 2026 DSM Extension were as follows:

- a) program continuity with the 2023-2025 DSM Plan;
- b) achievability of performance targets;
- c) continued cost-effectiveness; and
- d) delivery of a balanced plan.

The specific design objectives E1 employed in the development of the 2026 DSM Extension are consistent with those used in the development of the 2023-2025 DSM Plan. These include the following:

- investment in low-income and equity: approximately 20% of total energy efficiency portfolio investment;
- investment split: approximately 50% Residential and 50% BNI programs; and
- energy savings split: approximately 40% Residential and 60% BNI programs.

The single change to the design objectives employed in the development of the 2026 DSM Extension, was to reduce the percentage investment range for low-income and equity to 15-20 percent (down from 17 to 22 percent under the 2023-2025 DSM Plan). This change was made to account for updated census data showing that the percentage of low-income Nova Scotians had reduced from 17.2 percent to 14.9 percent.³

1.4 KEY INPUTS

The key input categories that informed the 2026 DSM Extension were as follows:

- a) The prescribed statutory investment level of \$63,750,000;
- b) The 2023-2025 DSM Plan portfolio and corresponding programs;
- c) To date 2023-2025 DSM Plan implementation results and observations; and

³ Statistics Canada, 2021 Census of Population for Nova Scotia, percentage calculated based on the Low-Income Measure After Tax (LIM-AT).

d) The 2025 forecast.

1.5 RATE CLASS ALLOCATIONS

Rate class spending estimates for 2026 are largely aligned with expectations for 2025. The planned expenditures under each rate class forecasted for the 2026 DSM Extension are reflected in Table 2, below.

Table 2: 2026 DSM Extension Rate Class Expenditures

Rate Class	2026 (\$ million)
Residential/Charitable (2,3,4)	33.9
Small General (10)	3.1
General Demand (11)	17.0
Large General (12)	1.6
Small Industrial (21)	1.4
Medium Industrial (22)	2.4
Large Industrial (23,25)	3.9
Municipal (24)	0.5
Unmetered (999)	0.0
Total	63.75

To develop the 2026 rate class spending estimates E1 used the available data from 2022, 2023 and 2024. In the NSUARB's decision on NS Power's Application for the 2025 DSM Cost Recovery Rider (DCRR), E1 was directed to "take notice of the concerns raised by the Industrial Group and be prepared to address them in its pending application in early 2025 for the approval of a new DSM program and Supply Agreement."⁴ Each year, spending by rate class is influenced by the mix of participating customers or program activity, particularly in the BNI sector, where the exact timing of project completions can be difficult to predict.

E1 recognizes the importance of reporting on rate class spending variances and is committed to full transparency with regard to this reporting. To implement this commitment, commencing with the 2025 forecast as reported in the 2024 Annual Progress Report, E1 will provide current year forecast by rate class in quarterly reports and Plan-period forecast by rate class in the Annual Progress Report, and enhanced

⁴ M11912, NSUARB Decision, NS Power, Application for 2025 DSM Cost Recovery Rider (DCRR), December 23, 2024, page 28-30

discussion on variances to the approved Plan and rate class spending to date in both quarterly and annual reports.

1.6 PROGRAM CONTINUITY

Consistent with the concept of an extension to the existing Board approved DSM Plan, there are no new programs contemplated under the 2026 DSM Extension. The three residential energy efficiency programs categories are: 1) Residential Efficient Product Rebates, 2) Existing Residential, and 3) New Residential (the New Home Construction program component was retired at the end of 2023). The three existing BNI energy efficiency program categories are: 1) BNI Efficient Product Rebates, 2) Custom Incentives, and 3) Direct Installation. The demand response programs will also continue.

As a matter of course, E1 regularly monitors the performance of all its programs, and makes in-term adjustments as required. Consistent with this general application, there has been some modifications at the program component level, as well as some program component retirements, which are reflected in the 2026 DSM Extension.

Section 4 discusses the programs that are proposed for the 2026 DSM Extension at a high level. Appendix A contains more specific details about all program components.

1.7 EXISTING BOARD APPROVED COST-EFFECTIVENESS TEST

E1 has applied the current NSUARB-approved cost-effectiveness test to the 2026 DSM Extension as the 2023-2025 DSM Plan – the Total Resource Cost (TRC). This test compares inputs (costs of program design and delivery) with NS Power’s avoided costs (energy costs, capacity, transmission, distribution, and carbon). The Program Administrator Cost (PAC) test is also offered as a comparator to the TRC for informational purposes only. The TRC test is applied at the measure, program component, program, and portfolio levels. Applying the TRC to all four levels is important in the demand-side management context, as different program components may be designed to target different outcomes. Pursuant to the *Public Utilities Act (PUA)*, the Energy Board “evaluate(s) the proposed cost-effective demand-side management at the portfolio level that would be the aggregate amount of demand-side management programs”.⁵ The

⁵ *Public Utilities Act*, RSNS 1989, c 380, as amended, section 79H (2).

2026 DSM Extension cost effectiveness results under the TRC, applied in accordance with the *PUA* at the portfolio level, exceed the threshold ratio of 1.0, with a ratio of 1.6, thereby satisfying the statutory requirement of “cost-effective” under the *PUA*.

E1 looks forward to bringing an application before the Energy Board in Q2 2025 to seek approval for a new benefit-cost analysis framework, which, if approved by the Board, will be applied to the 2027-2031 DSM Plan Application.

1.8 DSMAG ENGAGEMENT

The DSMAG consultation timeline in relation to the 2026 DSM Extension has been condensed as a result of the legislation being first introduced in February 2025 and brought into force March 26, 2025. Despite this shortened consultation period, E1 has engaged with the DSMAG in advance of filing in the following ways:

- In March and April 2025, E1 engaged in two rounds of one-on-one meetings to discuss the 2026 DSM Extension (first with key DSMAG members, and then key DSMAG members joined by their consultants); and
- On April 22, 2025, E1 hosted a DSMAG Technical Briefing for the 2026 DSM Extension.

E1 looks forward to continuing to engage with intervenors during the application process for the 2026 DSM Extension.

2. BACKGROUND TO 2026 DSM EXTENSION

2.1 DEVELOPMENTS IN LAW AND POLICY

Nova Scotia’s electricity sector is in an era of significant change. Driven by ambitious federal and provincial environmental goals, NS Power is phasing out its coal fleet by 2030, with a target to achieve an electricity grid powered by 80 percent renewable energy by 2030.

1 In furtherance of these legislated environmental goals, on April 20, 2023, the Nova Scotia government
2 created the Clean Electricity Solutions Task Force (“Task Force”). The mandate of the Task Force was to
3 explore ways to modernize electricity infrastructure, and how it is regulated.

4
5 The Task Force released its report on January 31, 2024, entitled *Modernizing Energy from Transition to*
6 *Transformation: A Report of the Clean Electricity Solutions Task Force* (“Clean Energy Report”).⁶ The first
7 of the Task Force’s 12 recommendations in the Clean Energy Report was to enact energy modernization
8 legislation to create an independent energy system operator (“IESO”), a standalone energy regulator, and
9 broaden the mandate of the energy regulator to include legislated environmental goals.

10
11 The Nova Scotia government has implemented these recommendations. Specifically, the *Energy Reform*
12 *(2024) Act*, SNS 2024, c 2, (“*Energy Reform Act*”) which was passed in early April 2024, establishes two new
13 statutes:⁷

- 14
- 15 • The *Energy and Regulatory Boards Act*
- 16 • The *More Access to Energy Act*
- 17

18 The *Energy Reform Act* also makes substantive amendments to many existing energy-related statutes,
19 including but not limited to the following:

- 20
- 21 • The *Electricity Act*;
- 22 • The *Gas Distribution Act*; and
- 23 • The *PUA*.
- 24

25 The *Energy and Regulatory Boards Act* broadens the mandate of the Energy Board to consider the
26 following factors in relation to regulatory decision-making function:

⁶ Alison Scott & John MacIsaac, Nova Scotia Clean Electricity Solutions Task Force: Modernizing Energy From Transition to Transformation A Report of the Clean Electricity Solutions Task Force (2024), online (pdf): <cetaskforce.ca/wp-content/uploads/2024/02/Final-Report-February-23.pdf>

⁷ Bill 404, An Act to Reform the Law Respecting Energy and Electricity (Energy Reform (2024) Act), April 5, 2024, <https://nslegislature.ca/sites/default/files/legc/PDFs/annual%20statutes/2024%20Spring/c002.pdf>

6 (2) In approving or fixing rates, tolls, charges, tariffs, capital applications and all other matters over which the Energy Board has authority, the Board shall give appropriate consideration to the extent to which such rates, tolls, charges, tariffs, capital applications or other matters

(a) support competition and innovation in the provision of energy resources in the Province;

(b) support the development of a competitive electricity market;

(c) ensure the provision of safe, secure, reliable and economical energy supply in the Province;

(d) support sustainable development and sustainable prosperity; and

(e) support such other factors as prescribed by the regulations, with the goal of approving rates, tolls, charges, tariffs, capital applications or other matters that are consistent with the purpose of this Act, the *More Access to Energy Act* and the regulations.

The *More Access to Energy Act* establishes the following purposes:

2 The purpose of this Act is to

(a) increase competition and innovation in the Province's energy sector;

(b) ensure the provision of a safe, secure, reliable and economical energy supply in the Province;

(c) ensure a transparent, efficient and coordinated approach to Provincial energy-supply planning;

(d) provide for competitive procurement practices for new energy-system resources;

(e) support the sustainable development, sustainable prosperity, energy efficiency and greenhouse gas emissions reduction goals of the Province articulated in the *Environmental Goals and Climate Change Reduction Act*; and

(f) provide for a phased transition of the system operator from Nova Scotia Power Incorporated to an Independent Energy System Operator.

The meaning of sustainable development and sustainable prosperity for the purposes of the above-noted legislation have the same meaning as set out under the *Environment Act* and *Environmental Goals and Climate Change Reduction Act* respectively, which state as follows:

3 (aw) “sustainable development” means development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs

2 (l) "sustainable prosperity" means prosperity where economic growth, environmental stewardship and social responsibility are integrated and recognized as being interconnected.

The legislative changes noted above have altered the mandate of the energy regulator in Nova Scotia and have broadened the scope of what it must consider when assessing the applications that come before it.

These recent changes to the legislative landscape in Nova Scotia have, for the first time, expressly linked legislated environmental goals with energy regulation. For E1, this means that for all future applications, the Energy Board is required to consider whether E1’s proposed plan(s) support a competitive and innovative energy market, ensure reliable, safe, secure, and economical energy supply, and support sustainable development and sustainable prosperity.

This of course means that, in turn, E1 must consider all these factors in all future planning. This will take time and will require careful consideration. It will also require input from all stakeholders. With such a seismic shift in the legislative landscape, comes a commensurate responsibility on the part of E1 to align its objectives and planning processes with the new legislative regime.

2.2 LEGISLATIVE AMENDMENTS TO THE PUBLIC UTILITIES ACT

In light of the aforementioned shift in the purpose and mandate of the newly formed Energy Board, the Nova Scotian government amended the *PUA* to extend the term of the current DSM Plan to 2026.⁸ The amended *PUA* came into force on March 26, 2025, with a new language to enact the extension as follows:

Agreement extended

79J (1) Notwithstanding clause 79I(2)(a), the demand-side management purchase agreement approved by the Board to the end of the 2025 calendar year is extended to include the 2026 calendar year.

(2) The amount payable under the one-year extension is \$63,750,000.

⁸ [Bill 6 - An Act Respecting Agriculture, Energy and Natural Resources](#) Chapter 4 Acts of 2025, s. 20, Part IV *Public Utilities Act*, Chapter 380 Amendments, Royal Assent, March 26, 2025

(3) The franchise holder shall submit its targets for the one-year extension to the Board for approval in sufficient time to allow for the Board to approve the extension plans prior to January 1, 2026.

(4) For greater certainty, the next demand-side management purchase agreement begins on January 1, 2027, and the franchise holder must file the new five-year agreement for Board approval in sufficient time to allow for the Board to approve the agreement prior to January 1, 2027.

These amendments will allow for E1 and all stakeholders to properly consider the revised mandate of the Energy Board as part of the consultation process for the upcoming 2027-2031 DSM Plan. While the 2027-2031 DSM Plan will not take effect until January 1, 2027, the stakeholder engagement process that has already commenced will continue from now until the filing of the 2027-2031 DSM Plan in early 2026. It is integral for this engagement process, and of course the 2027-2031 DSM Application before the Energy Board, to take account of the new Energy Board mandate.

In particular, the extension will allow E1 to consult with stakeholders about how demand-side management should evolve to reflect the broadened mandate of the energy regulator. As the Honourable Trevor Boudreau, Minister of Energy, explained when discussing the legislative amendment to the *PUA* in the House of Assembly on March 7, 2025, this is the first time in Nova Scotia that climate change goals are being tied to energy regulation:⁹

Building on our natural resources is part of the route to making Nova Scotia a clean energy powerhouse. Another is the historic legislation our government introduced last Spring to modernize our electricity system. We're changing how it is structured and regulated. **For the first time, we're tying climate change goals to regulation of the energy sector.**

Through this bill, we're taking care of one of the many moving parts to get all of that done. We're adding a clause to the Public Utilities Act to allow Efficiency Nova Scotia to extend its current demand-side management plan by one year. **Efficiency Nova Scotia is moving from a three-year to a five-year planning cycle. The extension of its current plan will give time for key changes in the electricity system to be put in place.**

[emphasis added]

⁹ Nova Scotia Legislature, Assembly Debates (Hansard), 65-1 General Assembly, March 7, 2025, page 1065

1 E1 looks forward to continuing to work with the DSMAG in developing the 2027-2031 DSM Plan, and to
2 consider Nova Scotia's *Energy Reform (2024) Act* as part of those discussions.

4 2.3 ECONOMIC UNCERTAINTY

5 A context-setting exercise in the current era would not be complete without noting the significant
6 economic uncertainty that has arisen due to America's ever-evolving trade policies. The United States (US)
7 tariffs against Canada are likely to create considerable volatility and could result in marked price
8 escalation. These effects must be considered in combination with existing labour market constraints and
9 supply chain disruptions – vestiges of COVID-19 which have diminished but have not disappeared.

11 Specifically, current economic and geopolitical uncertainty arising from the imposition of tariffs by the US
12 government have the potential to impact program delivery. While the exact impacts of these trade policies
13 cannot be fully assessed at this time, any economic hardship for Nova Scotians and Nova Scotian
14 businesses (or perceived threat of same) has the potential to materially impact participation in E1
15 programs. This would have a corresponding impact on both 2025 and 2026 results.

17 E1 notes that while this US trade policy will likely create economic uncertainty and does have the potential
18 to materially impact DSM costs and delivery, given the unpredictability of forward focused policy adoption,
19 there has been no specific adjustment made in the 2026 target development at this time.

21 2.4 APPLICATION FOR NEW COST-EFFECTIVENESS TEST

22 E1 is always seeking to maximize value for ratepayers in its DSM planning. As a vital input for DSM planning,
23 how this value is measured is of critical importance. In Q2 of 2025, E1 will be filing an Application with the
24 Energy Board to seek approval of a new benefit-cost analysis test.

26 In addition to the legislative changes noted above, the outcome of the Application for a new cost-
27 effectiveness test will also inform the development of demand-side management activities on a go-
28 forward basis. From a purely logistical planning point of view, it is beneficial to E1, stakeholders, and
29 ratepayers alike to have the outcome of the new benefit-cost analysis test in hand before the application
30 for the 2027-2031 DSM Plan is filed.

2.5 ENGAGEMENT ON 2027-2031 DSM PLAN

E1 intends to utilize the intervening time between now and the anticipated 2027-2031 DSM Plan filing in Q1 2026 by continuing the engagement process with the DSMAG on E1's first five-year DSM Plan which now covers the 2027-2031 plan period - a process that, as of the time of filing, is already underway. E1 anticipates that these consultations will be accelerated throughout Q3 and Q4 2025 with a current planned filing of the 2027-2031 DSM Plan in Q1 2026.

3. MODELLING FOR 2026 DSM EXTENSION

3.1 OVERVIEW

In support of the 2026 DSM Extension Application, E1 has conducted a fulsome modelling process. An overarching objective of E1 in its modelling process for the 2026 DSM Extension was to adopt learnings drawn from the actual results from the 2023 and 2024 years. The modelling therefore focuses on accounting for the 2023 and 2024 actual results under the 2023-2025 DSM Plan, as well as the 2025 forecast, to ensure the 2026 DSM Extension targets are informed by what has taken place in 2023 and 2024, and what is forecasted for 2025.

E1 notes at the outset that an 'alternate scenario' has not been modelled for this 2026 DSM Extension Application. In 2015, the NSUARB (as it then was) directed that E1 present one or more alternative scenarios with respect to each application for approval of a DSM Plan:¹⁰

Finally, in future applications, E1 is to provide one or more alternate scenarios of **DSM budgets** for the Board to consider, and NSPI is to provide rate impact analysis caused by these scenarios.

[emphasis added]

E1 supports this requirement as an important part of DSM planning and has adhered to it for each subsequent DSM Plan application. However, in this extension application, the investment amount is statutorily mandated. As such, there is no "alternate [scenario] of DSM budgets" available to consider. E1 therefore submits that the Board directive is inapplicable to this 2026 DSM Extension application.

¹⁰ M06733, NSUARB Decision, 2016-2018 DSM Plan, August 12, paragraph 93

E1 looks forward to working with stakeholders as part of the consultation process for the 2027-2031 DSM Plan to develop an alternative scenario for inclusion in the Application for that plan period.

3.2 UPDATES TO AVOIDED COST CALCULATION

In its decision approving the 2023-2025 DSM Plan, the NSUARB (as it then was) made note of the fact that updates to NS Power Integrated Resource Planning process will have an impact on the avoided cost calculations used by E1 in relation to its DSM planning. In their decision, they directed that E1 update its avoided cost calculation to reflect the most updated Integrated Resource Plan (IRP) information:¹¹

The Board understands that recently legislated climate change reduction goals are not addressed in IRP Reference Plan 2.0C, nor are they fully addressed in Reference Plan 3.1C. The Board agrees that these factors need to be incorporated in updated avoided costs; however, there is no immediate urgency and directs that this issue be tasked to the DSMAG to be resolved in time for use during preparation of the 2026-2028 DSM Plan.

In keeping with this directive, E1 has incorporated the latest IRP results from the 2022 IRP evergreen process into its avoided cost calculation for the 2026 DSM Extension. Specifically, E1 has used the avoided costs provided by NS Power from the 2022 Evergreen IRP process (provided to the DSMAG in August 2024). One notable difference between the avoided costs used for the 2023-2025 DSM Plan and the calculation used for the 2026 DSM Extension is that the avoided costs of carbon are now embedded in the avoided costs of energy for the 2026 DSM year. The avoided cost of carbon has not been provided by NS Power as a separate input.

E1 notes that while the August 2024 avoided costs provided by NS Power have been used for purposes of 2026 Extension benefits calculations, further work remains to be done in this area. Ongoing discussions with respect to updated avoided costs will be completed through the DSMAG in preparation for, and inclusion in, the 2027-2031 DSM Plan Application.

E1 notes that section 11(1) of the *More Access to Energy Act* requires that the Nova Scotia Independent Energy System Operator (IESO) commence its first integrated resource planning exercise within one year of the coming into force of that section. E1 looks forward to working with the new IESO in relation to their

¹¹ M10473, NSUARB Decision, 2023-2025 DSM Plan, September 6, 2022, paragraph 64

IRP process generally, and in particular, its statutory mandate as franchise holder to cooperate with the IESO to:¹²

(a) develop avoided cost calculations for demand-side management resources; and

(b) identify the maximum amount of cost-effective demand-side management reasonably available.

3.3 MODEL INPUTS AND ASSUMPTIONS

In collaboration with its consultant Guidehouse, E1 developed a set of inputs to use in the modelling process for the 2026 DSM Extension for both the Energy Efficiency Model and the Demand Response Model.

These inputs included line losses, avoided costs, discount rates, and various technical information such as annual energy savings, peak demand savings, incremental costs, and incentives.

4. 2026 DSM PROGRAMS

4.1 OVERVIEW

As noted above, there are no new programs contemplated for the 2026 DSM Extension. There are some modifications to existing programs, and some program retirements. Table 3 shows the modifications and retirements at the program component level that have been considered in the 2026 DSM Extension.

Table 3: Program Modifications and Retirements in the 2026 DSM Extension

Program	Program Component	Changes and Enhancements in the 2026 DSM Extension as compared to the 2023-2025 Plan	Continued/Modified/Retired
Residential Energy Efficiency			
Residential Efficient Product Rebates	Appliance Retirement	E1 ended Appliance Retirement on January 8, 2025. This was influenced several considerations. Delivery costs are rising, and savings are declining as eligible units being retired were newer and more efficient. There are also very few service providers in this space in Canada.	Retired

¹² Public Utilities Act, C 380, R.S.N.S 1989, as amended; 79W

Program	Program Component	Changes and Enhancements in the 2026 DSM Extension as compared to the 2023-2025 Plan	Continued/Modified/Retired
	Instant Savings	- In 2026, Instant Savings will focus on year-round set rebates in place of seasonal campaigns. - Starting in 2025, the program component transitioned to year-round set rebates on all qualifying products in place of seasonal campaign due to the adoption of a LED baseline in early 2025. E1 discontinued point-of sale rebates on LED lamps and most LED lighting fixtures at the end of 2024 due to the change in baseline.	Modified
Existing Residential	Affordable Multi-Family Housing & Non-Profit Organizations	Continued support.	Continued
	Affordable Single-Family Homes	No longer offering appliance replacements, in alignment with the Appliance Retirement program component changes outlined above.	Modified
	Efficient Product Installation	- Added new electrician-installed measures in late 2024, with an emphasis on auto-enrolling eligible devices to support the Eco Shift demand response offering (offered within E1's demand response program). - Discontinued the direct installation of LED lamps in mid-2025 due to the shift in the LED baseline and increased measure saturation.	Modified
	Green Heat	E1 will close Green Heat in 2025 due to the continued decline in savings and participation over the last three years. The participation decline is attributed to the launch of the federal Canada Greener Homes Grant program, co-delivered through Home Energy Assessment (HEA) which led participants to choose HEA over Green Heat due to higher, stackable incentives for heat pump measures offered through HEA. Further, billing analysis results conducted as part of the 2024 program evaluation resulted in a reduction in unitary savings for mini-split heat pumps and a significant reduction in unitary energy savings for biomass measures.	Retired (Will be integrated with Home Energy Assessment)
	Home Energy Assessment	- Introduction of an additional virtual audit stream to expand customer support. - Continue to support traditional audit stream and customer rebates.	Modified
	Mi'kmaw Home Energy Efficiency Project	Extended eligibility to support Mi'kmaw homeowners in 2024, in addition to Band owned homes.	Modified

Program	Program Component	Changes and Enhancements in the 2026 DSM Extension as compared to the 2023-2025 Plan	Continued/Modified/Retired
		No longer offering appliance replacements, in alignment with the Appliance Retirement program component changes outlined above.	
	Residential Behaviour	Continued support.	Continued
New Residential	New Home Construction	E1 ended the New Home Construction program component in 2023 as outlined in the 2023-2025 Plan.	Retired
BNI Energy Efficiency			
BNI Efficient Product Rebates	Business Energy Rebates	Continued support.	Continued
Custom Incentives	Custom	Continued support.	Continued
	Strategic Energy Management	- Continued support. - Renamed Strategic Energy Management for 2026. In the 2023-2025 Plan, this program component was named Strategic Energy Management & Energy Management Information Systems.	Continued
Direct Installation	Small Business Energy Solutions	Expanded measures in commercial direct installation.	Modified
Demand Response			
Demand Response	Residential Demand Response	- Continued support via Eco Shift. - Increased installations of compatible devices via the Efficient Product Installation program component.	Continued
	BNI Demand Response	- Continued support via the BNI aggregator and Eco Shift. Eco Shift may include a direct install option using existing program components like Business Energy Rebates and Small Business Energy Solutions. - Addition of commercial batteries during the 2025/26 demand response season.	Continued

1

2 **4.2 ANTICIPATED ACHIEVEMENT**

3 In the demand-side management sector, it is typical for the simpler and lower cost energy efficiency
4 opportunities to be undertaken first. These opportunities often require less investment, and are easier to
5 implement, which makes them more accessible to a wider range of participants. For example, simple
6 measures like installing LED lighting can significantly reduce energy consumption at a relatively low cost.

Tackling this ‘low-hanging fruit’ first also sets the stage for more ambitious and complex energy efficiency projects by achieving proven results for participants: this raises awareness, builds confidence, and demonstrates the value of efficiency programs (both in terms of time, and in cost). This means that, over time, as the lower cost opportunities are completed, more complex and more expensive opportunities will form a larger part of the DSM portfolio. This often results in a progressively higher unit cost of energy savings, which corresponds with a maturing of the efficiency utility.

This evolution is part of the reason why DSM planning processes take place on a multi-year basis, and why performance targets are cumulative: some harder-to-reach targets have a larger up-front time commitment and/or cost, and are slower to mature, which can be balanced out with other lower-cost components with faster implementation, which achieve maturity faster. This can give rise to intra-plan over or under-achievement that is smoothed over the course of the term of the plan.

This effect is observable in the current 2023-2025 DSM Plan. For example, the actual results from years 2023 and 2024 demonstrate overachievement. Of particular note were the overachievement levels under E1’s residential Home Energy Assessment and Instant Savings program components.

E1 has closely reviewed the actual results for 2023 and 2024 and forecasted results for 2025, to inform this 2026 DSM Extension. A particular focus was paid to whether the overachievement levels in the earlier years of the DSM term were expected to change during the latter years of 2025 and 2026, and if so, how. E1 anticipates the following factors will contribute to lowered energy savings and demand savings in 2025 and 2026 compared to those achieved in 2023 and 2024:

- Overachievement in 2024 was driven by the Home Energy Assessment Program and the Instant Savings program components:
 - E1 experienced higher-than-expected volume of ratepayer uptake under the Instant Savings program as part of the ‘last chance’ for rebates for certain LED lighting products that took place in 2024, which will not be continuing into 2026; and
 - The Canada Greener Homes grant program funding, which topped up the costs of participation in E1’s Home Energy Assessment program, has been exhausted.

- Projected results from E1's recently completed demand response season (December 1, 2024, to February 28, 2025) indicate lower-than-forecasted adoption of certain demand response devices.

Per the 2025 forecast as provided in E1's 2024 DSM Annual Progress Report¹³ E1 expects to achieve 128.7 GWh with an investment of \$62 million. The 2026 DSM Extension targets are slightly lower at 116 GWh. Table 4, below, details where the reductions are occurring, and why.

Table 4: Program Component Comparison of 2025 Forecast and 2026 DSM Extension Year

Program Component	Comparison of 2025 Forecast and 2026 DSM Extension Year
Instant Savings	Further reduction in energy savings and increase in unit cost is expected as a result of the removal of LED lighting from the program component. Due to the timing of data submission from retailers there remains LED lighting savings from the 2024 fall campaign that will be claimed in 2025. This has been factored into the 2025 forecast and will not occur in 2026.
Affordable Multi-Family Housing	Slight decline in energy savings and increase in unit cost is expected in 2026 compared to 2025 forecast as a result of the provincial government rebate top-up no longer being available in 2026.
Affordable Single Family Housing	Savings have been decreased in the 2026 extension compared to the 2025 forecast to balance the prescribed budget constraint (i.e., the 2026 prescribed legislated investment level) with the other portfolio objectives.
Efficient Product Installation	Slight increase in savings is expected to support the growth in residential Demand Response.
Green Heat	There are no savings in 2026. The program component is not part of the portfolio in 2026 as E1 looks to incorporate a product stream under Home Energy Assessment.
Home Energy Assessment	Further reduction in energy savings and increase in unit cost is expected as a result of the closure of Canada Greener Homes to new participants. Due to the cycle project time some projects are still expected to close in 2025 which has been factored into the 2025 forecast and is not expected to occur in 2026.
Mi'kmaw Home Energy Efficiency Project	Savings are consistent with 2025 forecast expectations.
Residential Behaviour	A slight increase in savings is expected in 2026 compared to 2025. This is related to projected higher average savings per participant as awareness and engagement with the energy reports, recommendations and data increases with the program being fully launched and well established.
Business Energy Rebates	Slight increase in savings as E1 prepares to see a shift in LED baselines in 2027/2028. This is expected to increase the uptake of these measures as participants look to take advantage of the remaining opportunity.

¹³ M12186, E1 2024 Annual Progress Report, March 31, 2025

Program Component	Comparison of 2025 Forecast and 2026 DSM Extension Year
Custom	Savings have been decreased in the 2026 extension compared to the 2025 forecast to balance the prescribed budget constraint with the other portfolio objectives.
Strategic Energy Management	Savings are consistent with 2025 forecast expectations.
Small Business Energy Solutions (SBES)	Savings have been decreased in the 2026 extension compared to the 2025 forecast to balance the prescribed budget constraint with the other portfolio objectives. Additionally, the commercial direct install offer is anticipated to grow in 2026 which has a higher unit cost compared to the main SBES stream.

Given the aforementioned factors, the unit cost of energy efficiency savings will, as expected, increase over time due to several factors, including the following:

- diminishing returns: the most cost-effective and easiest measures are typically implemented first, such as upgrading lighting. As these opportunities are completed, the remaining measures tend to be more complex and expensive;
- increased complexity: later-stage energy efficiency improvements often require more advanced technology, specialized skills and additional planning such as implementing advanced building controls;
- market maturity: as knowledge and awareness increases, so does demand; for certain technologies and services this can drive prices for such services and technologies up.

At the portfolio level, the 2026 unit cost (cost of energy efficiency per kWh) is \$0.49/kWh. This is an increase from the 2025 forecast of \$0.44/kWh, which is in turn an increase from the \$0.39/kWh included in the approved 2023-2025 Plan. Over the four-year 2023-2026 period, the portfolio unit cost is \$0.42/kWh.

Unit cost is a calculated output of E1's investment and savings over a defined time period. Factors that influence unit cost results typically include:

- the level of participation in a program or a program component;
- the mix of products in the programs (referred to as the "measure mix");

- changes to savings in programs (e.g., changes to evaluated unitary savings, free-ridership levels, adjustment ratios, etc.); and
- changes to costs in programs (e.g., changes to delivery agent costs, marketing efforts, number of program full-time equivalents, etc.).

The 2026 unit cost is attributable to the mix of programs that are generating the savings. For example, in 2026, where the energy efficiency investment represents a 51%/49% split between the Residential and BNI sectors, the energy savings split is 35%/65% respectively. This is demonstrative of how several of E1's Residential sector programs will see a higher unit cost in 2026, attributed to the phase out of lighting as a low-cost opportunity (Instant Savings and Efficient Product Installation), and the expected decrease in participation in Home Energy Assessment.

4.3 PROGRAMS AND INVESTMENT FOR THE 2026 DSM EXTENSION

Table 5, below, summarizes the programs and corresponding investment amounts for the 2026 DSM Extension.

1 Table 5: 2026 Program Savings and Investment

2026	Investment ^a (\$ million)	Lifetime Benefits ^b (\$ million)	First Year Energy Savings (GWh)	Lifetime Energy Savings ^c (GWh)	Peak EE Demand Savings (MW)	Available Capacity (MW)	Total Resource Cost Test (TRC) ^d	Program Administrator Cost Test (PAC) ^e
Residential Energy Efficiency (EE) Programs								
Efficient Product Rebates	2.5	5.1	4.8	47	0.5	-	1.0	2.0
Instant Savings	2.5	5.1	4.8	47	0.5		1.0	2.0
Existing Residential	23.0	30.6	35.2	277	4.3	-	0.9	1.3
Affordable Multi-Family Housing	1.8	2.0	1.0	17	0.5		0.6	1.1
Affordable Single-Family Homes	7.7	5.9	2.7	48	1.4		0.8	0.8
Efficient Product Installation	5.3	10.8	10.5	110	0.6		2.0	2.0
Green Heat	0.0	0.0	0.0	0	0.0		n/a	n/a
Home Energy Assessment	5.0	8.7	3.8	78	1.7		0.6	1.7
Mi'kmaw Home Energy Efficiency Project	1.1	0.9	0.4	7	0.2		0.8	0.8
Residential Behaviour	2.1	2.3	17.0	17	0.0		1.1	1.1
Residential Low-Income & Equity ^f	12.8	13.1	10.3	115	2.3		0.9	1.0
Residential EE Programs Subtotal	25.5	35.7	40.0	324	4.9	-	0.9	1.4
Business, Non-Profit & Institutional (BNI) Energy Efficiency (EE) Programs								
Efficient Product Rebates	8.1	44.9	31.9	486	5.2	-	3.4	5.5
Business Energy Rebates	8.1	44.9	31.9	486	5.2		3.4	5.5
Custom Incentives	10.8	44.5	38.0	417	7.4	-	2.8	4.1
Custom	9.8	41.7	34.0	395	7.0		2.7	4.2
Strategic Energy Management	0.9	2.8	4.0	22	0.4		5.4	3.0
Direct Installation	5.8	9.6	6.1	95	1.5	-	1.3	1.7
Small Business Energy Solutions	5.8	9.6	6.1	95	1.5		1.3	1.7
BNI Low-Income & Equity ^f	0.1	0.4	0.2	4	0.0		2.4	3.5
BNI EE Programs Subtotal	24.7	99.0	76.0	997	14.0	-	2.7	4.0
Total EE Programs	50.2	134.7	116.0	1,322	18.9	-	1.8	2.7
Enabling Strategies (ES)								
Education and Outreach	1.6							
Development and Research	2.4							
Other Enabling Strategies	3.0							
Enabling Strategies Subtotal (ES)	7.0							
EE Portfolio Total (EE + ES)	57.2	134.7	116.0	1,322	18.9	-	1.6	2.4
Demand Response (DR) Program								
Residential Demand Response	4.0					4.7	0.3	0.3
BNI Demand Response	2.6					11.6	1.7	0.9
DR Program Total	6.5	3.2				16.3	0.7	0.5
DSM Portfolio Total (EE + ES + DR)	63.75	137.9	116.0	1,322	18.9	16.3	1.6	2.2

3 Currency is expressed in 2026 dollars. Columns may not add correctly, due to rounding.

4 Avoided costs of both energy and capacity were based on NS Power's Evergreen IRP and avoided costs of transmission and distribution were provided by NS Power, both provided to the DSMAG on August 23, 2024. Avoided costs of carbon are embedded in the avoided costs of energy that NS Power calculated from the Evergreen IRP. Therefore, in contrast to the 2023-2025 Plan, E1 has not developed a separate utility stream of avoided costs of carbon.

8 Cost-effectiveness ratios in the total row are calculated using 2026 present values of each year's costs and lifetime benefits.

9 ^a Investment for DR includes E1's required investment for the 2026 Extension. In order for DR benefits to be realized, NS Power collaboration and investment is required.

11 ^b Lifetime benefits for EE are expressed as the net present value of the avoided costs, including energy, capacity, transmission, and distribution over the life of the program measures, using utility WACC. For DR, lifetime benefits are expressed as the avoided costs, including capacity, transmission, and distribution, resulting from operating DR in 2023-2026 (four years of benefits).

14 ^c Based on values of program Weighted Average Measure Lives, which have been derived from the 2023 and 2024 Evaluation process.

15 ^d TRC is a benefit/cost ratio comparing lifetime benefits to the sum of E1's and participants' costs. For DR, a 10-year program life is used to calculate benefits/costs.

17 ^e PAC is a benefit/cost ratio comparing lifetime benefits to E1's costs. For DR, a 10-year program life is used to calculate benefits/costs.

18 ^f Reflects planned participation by low-income & equity customers. Numbers are a subset of Existing Residential, BNI Efficient Product Rebates, Custom Incentives, and Direct Installation.

5. ONGOING COMPLIANCE WITH BOARD DIRECTIVES

As always, E1 remains committed to complying with all Board directives.

Several directives from the 2023-2025 DSM Plan Decision relate to, and contemplate, the next complete DSM Plan filing (as opposed to the current Extension application). Given that the Extension application was not known at the time of the 2023-2025 DSM Plan Board decision, and having regard to the legislative intention of the extension, E1 respectfully proposes that certain directives be dealt with, and included, in the 2027-2031 DSM Plan application, including:¹⁴

- (e) to provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in future resource plan applications; and
- (f) 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.

All other directives arising from the Board's decision in approving the 2023-2025 DSM Plan have, or are being, incorporated into the ongoing activities of E1.

6. EVALUATION AND REPORTING

E1 intends to follow the current Board approved measurement and evaluation activities as established in the 2023-2025 Plan. This includes an annual impact evaluation for each program.

Similarly, throughout the 2026 DSM Extension, E1 proposes to follow the same DSM reporting as in the Board approved 2023-2025 Plan. 2026 DSM Extension reporting activities would include 2026 Quarterly Reports, the 2026 Annual Progress Report, Audited Financial Statements, the Rate and Bill Impact Analysis (RBIA) and DSMAG activities.¹⁵

¹⁴ M10473, NSUAR Decision, 2023-2025 DSM Plan, September 6, 2022, para 197

¹⁵ M10473, 2023-2025 DSM Resource Plan Compliance Filing, October 4, 2022, Schedule E, page 143-145

7. CONCLUSION

The 2026 DSM Extension Application is a filing brought about through recently enacted legislative amendments to the Public Utilities Act which;

- (1) extends the demand-side management purchase agreement approved by the Board to the end of the 2025 calendar year is extended to include the 2026 calendar year; and
- (2) prescribes the amount payable under the one-year extension at \$63,750,000.

The 2026 Extension Application is not a stand-alone DSM plan. Rather, it adopts the legislatively prescribed concept of extending the existing 2023-2025 DSM Plan by one year, making it a four year DSM Plan period. The legislation requires E1 to submit its targets for the one-year extension, which, subject to Board approval, will result in four year DSM Performance Targets for the 2023-2026 DSM Plan period. This legislative approach is also followed with the current 2023-2025 Supply Agreement which is similarly extended by legislation, subject to Board approval of the 2026 extension targets.

The 2026 DSM Extension proposes to deliver 116.0 GWh of energy savings, 18.9 MW of demand savings, 16.3 MW of demand response available capacity and 4.0 GWh of energy savings from dedicated low-income and equity programs. The 2026 DSM Extension portfolio meets the legislated requirement for cost-effectiveness having a TRC result of 1.6.

Aligning with the legislative intent of the one-year extension to the existing Board approved plan, 2026 maintains programming continuity with the 2025 program offerings, thereby ensuring DSM program accessibility for customers and consistency with E1's service delivery partners.

E1 repeats and relies upon the foregoing and respectfully requests that the Board approve the 2026 DSM Extension as filed.

Appendix A

2026 DSM Extension

April 30, 2025

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Attachment 1: DSMAG Electricity System Avoided Costs Summary Document

Attachment 2: Estimation of DSM Low-Income and Equity Impacts

Attachment 3: 2026 DSM Extension Measure-level Energy Efficiency Technical Tables (Filed Electronically)

Attachment 4: 2026 DSM Extension Demand Response Technical Tables (Filed Electronically)

1. INTRODUCTION

On March 26, 2025, the Nova Scotia government passed legislation to extend EfficiencyOne's (E1) current approved 2023-2025 DSM Plan by an additional year with a prescribed investment level of \$63,750,000 for the 2026 one-year extension.¹ As a result, the legislation extends E1's current 2023-2025 Plan term to encompass four years, thereby establishing the 2023-2026 DSM Plan. The legislation further requires E1 to submit its targets for the 2026 one-year extension to the regulator for approval and establishes the next five-year DSM Plan period to be 2027-2031.

E1 is the current holder of the electricity efficiency and conservation franchise in Nova Scotia. This grants E1 the exclusive right to supply Nova Scotia Power Incorporated (NS Power) with "reasonably available, cost-effective demand-side management."² Additionally, the *Public Utilities Act*, requires that NS Power "undertake cost-effective demand-side management that is reasonably available in an effort to reduce costs for its customers."³

E1 developed the 2026 DSM Extension using a continuation plan approach that was based on the approved 2023-2025 DSM Plan.⁴ In developing the 2026 DSM Extension, E1 maintained continuity with the 2025 forecast and established achievable amended Performance Targets for the new 2023-2026 Plan period at the legislated investment level. To support quantitative development of the 2026 DSM Extension, E1 modelled the energy efficiency and demand response portfolio with targets informed by 2023 and 2024 actual results and the 2025 forecast.

E1's 2026 DSM Extension reflects an investment of \$63.75 million for both energy efficiency and demand response programming that delivers 116.0 GWh of energy savings, 18.9 MW of demand savings and 16.3 MW of demand response available capacity. With a Total Resource Cost result of 1.6, the 2026 DSM Extension passes the Total Resource Cost test screening at the portfolio level for cost effectiveness.

The 2026 DSM Extension submits E1's targets for the 2026 one-year extension for the Nova Scotia Energy Board's approval. By extending the currently approved 2023-2025 DSM Plan to include 2026 as a fourth

¹ [Bill 6 - An Act Respecting Agriculture, Energy and Natural Resources](#) Chapter 4 Acts of 2025, s. 20, Part IV *Public Utilities Act*, Chapter 380 Amendments, Royal Assent, March 26, 2025

² *Public Utilities Act*, RSNS 1989, c 380, s.79C, 2(a)

³ *Public Utilities Act*, RSNS 1989, c 380, s.79I

⁴ The NSUARB approved E1's 2023-2025 DSM Resource Plan on November 8, 2022. M10473, NSUARB Order, November 8, 2022

year, E1's currently approved 2023-2025 Performance Targets would be amended to cover the 2023-2026 Plan period.

Section 2 provides details on the 2026 DSM Extension development approach including consideration of 2023 and 2024 historical results, E1's 2025 forecast, and the modelling process. Section 3 provides insights on 2026 investment and savings targets at the portfolio and program level. Sections 4 through 6 provide an overview of the DSM programs offered in the 2026 portfolio, and Section 7 outlines Enabling Strategies. Section 8 outlines the proposed amended Performance Targets and Performance Indicators and Section 9 and 10 provides details on evaluation and reporting activities.

2. 2026 DSM EXTENSION DEVELOPMENT APPROACH

E1 developed the 2026 DSM Extension for the supply of demand-side management activities to NS Power in accordance with the provincial legislation that extends the approved 2023-2025 DSM Resource Plan for one additional year.⁵ E1 undertook a full modelling process to support the quantitative development of the 2026 DSM Extension.

E1's objectives in developing the 2026 DSM Extension were to achieve cost-effective savings within the legislated \$63.75 million investment level by:

- maintaining program continuity in 2026 that remains largely the same as 2025 program offerings. This maintains program accessibility for customers, providing consistency for service delivery partners and E1;
- focusing on the achievability of Performance Targets; and
- demonstrating cost-effectiveness through modelling.

To develop the 2026 DSM Extension, E1 was informed by the following, and described further, below:

- the prescribed investment level of \$63,750,000 as per the legislation;
- the approved 2023-2025 portfolio and suite of programs and services and 2023 and 2024 actual results; and
- the 2025 Plan forecast.

⁵ Supra note 1

2.1 LEGISLATIVE AMENDMENTS TO THE PUBLIC UTILITIES ACT

The Nova Scotia government enacted legislation on March 26, 2025 extending E1's current 2023-2025 DSM Plan by one year.⁶ For greater clarity, Bill 6, amended Chapter 380 of the *Public Utilities Act (PUA)* by adding immediately after Section 79I the following section:⁷

79J (1) Notwithstanding clause 79I(2)(a), the demand-side management purchase agreement approved by the Board to the end of the 2025 calendar year is extended to include the 2026 calendar year.

(2) The amount payable under the one-year extension is \$63,750,000.

(3) The franchise holder shall submit its targets for the one-year extension to the Board for approval in sufficient time to allow for the Board to approve the extension plans prior to January 1, 2026.

(4) For greater certainty, the next demand-side management purchase agreement begins on January 1, 2027, and the franchise holder must file the new five-year agreement for Board approval in sufficient time to allow for the Board to approve the agreement prior to January 1, 2027.

2.2 2023-2025 DSM RESOURCE PLAN

E1 developed the 2023-2025 Plan based on a full resource modelling approach with a comprehensive stakeholder engagement process. On November 8, 2022, the Nova Scotia Utility and Review Board (NSUARB) approved E1's 2023-2025 DSM Resource Plan with an aggregate investment of \$173.0 million and established the following four Performance Targets:⁸

- 412.7 GWh of cumulative annual energy savings;
- 78.8 MW of cumulative annual peak demand savings;⁹
- 17.9 MW of available capacity attributed to demand response initiatives; and

⁶ *Ibid.*

⁷ *Ibid.*

⁸ M10473, NSUARB Order, November 8, 2022, page 1. The Order notes 96.7 MW of cumulative demand savings, this includes 78.8 MW of cumulative annual net peak demand savings and 17.9 MW in demand response available capacity over the Term.

⁹ M10473, E1 2023-2025 DSM Resource Plan Compliance Filing, Executed Supply Agreement, October 4, 2022, Appendix C, Schedule A, page 1

- 15.8 GWh of cumulative annual energy savings applicable to E1's dedicated low-income and equity programs which includes Affordable Multi-Family Housing, Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project.

The 2023-2025 Plan portfolio included three Residential sector and three BNI sector energy efficiency programs, a demand response program and enabling strategies activities. E1 has completed the first two years (2023 and 2024) of this Plan and is building on these results in 2025.

2.2.1 2023 AND 2024 PLAN RESULTS

Table 1, below, provides E1's evaluated results for 2023 and 2024 as compared to the approved 2023-2025 Plan. E1's 2023 and 2024 annual impact evaluations provide up-to-date impacts on the net electrical energy and net system peak-demand savings and available capacity as progress indicators towards the overall approved 2023-2025 Plan Performance Targets.¹⁰

Table 1: Approved 2023-2025 Plan and 2023 and 2024 Results

2023-2025	Year	Investment (\$ million)	Lifetime Benefits (\$ million) ^a	First-Year Energy Savings (GWh)	Lifetime Energy Savings (GWh)	Peak Demand Savings (MW)	Available Capacity (MW)	Low- Income & Equity (GWh) ^b	Weighted Average Measure Life (years)
Plan as Approved	2023	53.1	172.6	120.7	1,502	26.9	3.0	5.3	12.4
	2024	57.5	179.7	142.6	1,540	25.6	10.0	5.3	10.8
	2025	62.5	192.6	149.5	1,639	26.3	17.9	5.3	11.0
	2023-2025	173.0	544.8	412.7	4,681	78.8	17.9	15.8	11.3
Results	2023	45.3	211.2	131.6	1,913	27.6	2.4	3.5	14.5
	2024	65.7	243.0	172.8	2,431	30.7	8.1	5.3	14.1
	2025	-	-	-	-	-	-	-	-
	2023-2025	111.0	454.2	304.3	4,344	58.3	8.1	8.8	14.3
% Progress		64%	83%	74%	93%	74%	45%	55%	-

Columns may not add correctly due to rounding.

2023 and 2024 results reflect evaluated savings results and expenditure amounts as per E1's 2023 and 2024 Annual Progress Reports. 2023 results have been approved by the NSUARB's verification consultant. 2024 results are pending verification review.

^aE1's 2023 and 2024 results for lifetime benefits are expressed as the net present value of the avoided costs, including energy, capacity, transmission, and distribution, and carbon.

^bLow-income & equity refers to the first-year energy savings applicable to the Affordable Single-Family Homes, Affordable Multi-Family Housing, and Mi'kmaw Home Energy Efficiency Project.

Savings achieved in 2023 and 2024 mark continued progress towards the achievement of E1's approved Performance Targets for the 2023-2025 Plan. As outlined in Table 1 above, at the end of 2024, E1 has achieved the following results towards its Performance Targets:

¹⁰ M11630, E1 2023 DSM Programs Evaluation Reports, Final DSM Reports, March 28, 2024 [Filed April 1, 2024] and M12186, E1 2024 DSM Programs Evaluation Reports, Final DSM Reports, March 27, 2025 [Filed March 31, 2025]

- 74% of the energy savings target;
- 74% of the peak demand savings target;
- 45% of the available capacity target; and
- 55% of the low-income and equity target.

In both 2023 and 2024, E1 overachieved annual energy and peak demand savings, with 2024 being a particularly strong year achieving 172.8 GWh of energy savings and 30.7 MW of peak demand savings. E1's overachievement of its energy and peak demand savings targets for its energy efficiency programs was driven by both the Residential and the Business, Non-Profit and Institutional (BNI) sectors.

In 2024, the Residential sector's two program components – Home Energy Assessment and Instant Savings – were primarily responsible for the overachievement. For Instant Savings, higher-than-expected uptake on increased rebates introduced in both the spring and fall campaigns for certain light emitting diode (LED) lighting products led to significant increases in energy and demand savings achieved (Instant Savings' energy savings in 2024 were double 2023 results). The higher rebates were designed to offer Nova Scotians a final opportunity to access rebates on these products and to capture remaining potential for these products before LED baseline changes in 2025. For Home Energy Assessment, Canada Greener Homes Grant participant completions, which E1 co-delivers with Natural Resources Canada, contributed to the over-achievement of savings. (Greener Homes provided a rebate top up for eligible Home Energy Assessment measures which drove participation and savings in 2024). In the BNI sector, Custom Incentives overachieved its targets, driven by project completions in the Retrofit and New Construction services.

This level of energy efficiency savings achieved in 2024 is not expected to continue in 2025 or 2026 as discussed in subsequent sections.

For demand response, E1 has seen a shortfall in its 2023 and 2024 available capacity targets, attributable to challenges in launching a new DSM resource including customer awareness, customer retention from one season to the next, and quality concerns with domestic hot water direct load controllers. After completion of the third and final Demand Response season within the 2023-2025 Plan (i.e., December 2024-February 2025), E1 expects to fall short of the Performance Target of 17.9 MW. Initial indications for the 2024/25 season (December 2024-February 2025) show that there was lower adoption of certain demand response devices, particularly batteries, than originally modelled in the 2023-2025 DSM Plan.

For E1's dedicated low-income and equity program components, E1 met its target in 2024, yet fell short in 2023. In 2023, the introduction of Affordable Single-Family Homes was slow to establish related to capacity challenges for delivery agents and heat pump installers.

E1 will build on these results in 2025 as it strives to achieve its 2023-2025 Plan Performance Targets. E1 expects to spend its 2023-2025 Plan approved investment level of \$173 million and at the end of 2025, is presently forecasting it will achieve the compliance threshold of 90 percent or greater for three of its four Performance Targets – energy savings, demand savings, and its dedicated low-income and equity target applicable to Affordable Single-Family Homes, Affordable Multi-Family Housing, and the Mi'kmaw Home Energy Efficiency Project.

E1 is forecasting to fall short of its fourth Plan Performance Target of 17.9 MW of available capacity. Throughout its first three demand response seasons, E1 has continued to learn and adapt this offering, which was described in the 2023-2025 DSM Plan as an innovative and “an ambitious testing period for E1 and NS Power to further define how DR will be operationalized in Nova Scotia, to determine the optimal mix of DR delivery pathways, optimize costs, and learn more about possible use cases and their benefits.”¹¹ The lessons learned and experience gained in the 2023-2025 demand response seasons will be valuable as E1 grows and evolves this program in the years ahead.

E1's 2024 Annual Progress Report filed on March 31, 2025, provides further discussion of these results.¹²

2.3 2025 PLAN FORECAST

In the final year of the 2023-2025 DSM Plan, E1's 2025 forecast projects an achievement of 128.7 GWh of energy savings, 17.2 MW of peak demand savings, 10.0 MW of available capacity, within an investment level of \$62.0 million. In 2025, E1's focus remains on the continued delivery of DSM programs, services, and portfolio activities consistent with initiatives outlined in E1's approved 2023-2025 DSM Resource Plan.

¹¹ M10473, 2023-2025 DSM Resource Plan Compliance Filing, October 4, 2022, Appendix C, Schedule E, page 113

¹² M12186, E1 2024 DSM Annual Progress Report, March 31, 2025

E1 provided its 2025 forecast in its 2024 Annual Progress Report, filed on March 31, 2025, and noted that energy savings and demand savings are forecast to be lower in 2025, as compared to 2024 results. E1 provided the following observations on the 2025 forecast, as compared to 2024 results:¹³

- Substantial decreases in participation and energy savings are expected in Instant Savings (approximately 40% lower energy savings in 2025 forecast as compared to 2024 results). This is attributable to a change in baseline for certain LED lighting measures as of January 1, 2025.
- Decreases in participation and energy savings are expected in the Home Energy Assessment program component in 2025 as demand for initial home assessments has declined significantly following Canada Greener Homes Grant closing to new applications in February 2024, which will lead to reduced energy savings in 2025 (approximately 84% lower energy savings in 2025 forecast as compared to 2024 results). Greener Homes provided a rebate top up for eligible Home Energy Assessment measures which drove participation and savings in 2024.
- There will be minimal savings from Appliance Retirement in 2025, as the program component ended as of January 8, 2025, following a thorough review in 2024.
- There will be minimal savings from Green Heat in 2025. E1 will close Green Heat in 2025 due to the continuing decline in savings and participation over the last three years. The participation decline in Green Heat is attributed to participants choosing Home Energy Assessment over Green Heat due to the higher incentives offered by Greener Homes for heat pump measures. In addition, the 2024 DSM evaluation included a billing analysis in Green Heat for those participants that are fully electrically heated and those that are mainly electrically heated (i.e., they have a secondary heating system) to update unitary savings for heat pumps and wood/pellet burning equipment. The billing analysis resulted in significantly lower unitary savings for these measures for both types of participants.
- In 2025, the Custom program component is expected to achieve results that align with 2024 as the New Construction service continues to see growth in terms of customer participation. As compared to 2024, Custom will see an increase in unit cost. This is reflective of the mix of measures generating the savings. For example, in Custom, the New Construction service has a higher unit cost than Retrofit and New Construction and is expected to generate a significant portion of 2025 savings.

¹³ *Ibid.*, page 16-18

- In Small Business Energy Solutions, the higher unit cost in 2025 as compared to 2024 reflects the introduction of expanded commercial direct installation measures later in 2025.
- With the 2024/2025 demand response season now concluded (December 2024-February 2025), the 2025 forecast for available capacity includes E1's projected results from this recently completed demand response season. E1 also notes that the full available capacity results from the 2024/25 peak period season will not be available until mid-2025, therefore the 2025 forecast reflects E1's projected 2024/25 peak period season available capacity results.

In 2025, the total DSM investment is forecast to be \$62.0 million slightly below the \$65.7 million investment in 2024. This level of investment for 2025, along with a forecast of significantly lower energy savings and demand savings forecast than 2024, reflects the further transformation of the energy efficiency marketplace in Nova Scotia. As outlined in the 2023-2025 Plan, as residential lighting markets have achieved maturity, E1 is encountering more complex and dynamic DSM opportunities to deliver value for customers. As high market penetration for lighting continues to diminish (lowest-cost opportunities), E1 must evolve its DSM portfolio to focus on more complex markets and projects, and as a result the historically low first year unit costs of DSM are increasing. This outlook remains accurate for 2025.

Additionally, E1 anticipates that the current economic and geopolitical uncertainty associated with the imposition of tariffs by the United States government could impact program delivery, participation and achieved results in 2025. While the exact ramifications of such action cannot be determined at this point, the tariffs could lead to economic hardship for Nova Scotians, including job losses as well as increased costs and uncertainty for Nova Scotia businesses. Uncertainty for businesses and job losses/job security concerns for Nova Scotians generally, have the potential to materially impact participation in E1 programs, thus impacting results for 2025.

E1 has established targets for 2026 considering these factors in addition to leveraging its 14 years of experience delivering DSM in Nova Scotia, its deep relationship with customers, and knowledge of the Nova Scotia market.

2.4 2026 DSM EXTENSION PORTFOLIO ASSUMPTIONS & DESIGN OBJECTIVES

In developing 2026 as an extension of the current 2023-2025 Plan, E1 also relied on the design objectives and portfolio assumptions from the 2023-2025 Plan.

2.4.1 GUIDING PRINCIPLES AND BALANCED PLAN CONSIDERATIONS

For the 2026 DSM Extension, E1 applied the same guiding principles as the approved 2023-2025 Plan which included a focus on transparency, accessibility and equity. As in the 2023-2025 approved Plan, E1 also followed the Balanced Plan¹⁴ principles from the Standardized Filing Framework that articulates that DSM Plans must balance multiple aspects of DSM for the benefit of customers as follows:

- short- and long-term energy and capacity avoidance;
- program delivery costs;
- avoided energy and capacity investments;
- non-electric and non-energy benefits;
- diversity of program delivery;
- business relationships and maintenance of market presence;
- access to programs by all market sectors and rate classes by addressing barriers to participation; and
- rate impacts.

In the approved 2023-2025 Plan, the following design objectives were applied, influenced by the Balanced Plan approach:¹⁵

- investment in low-income and equity: 17% to 22% of total energy efficiency portfolio investment
- investment split: 50% Residential and 50% BNI programs; and
- energy savings split: 40% Residential and 60% BNI programs.

In the 2026 DSM Extension, the following design objectives were applied:

- investment in low-income and equity: 15% to 20% of total energy efficiency portfolio investment;
- investment split: 50% Residential and 50% BNI programs; and

¹⁴ M07543, 2016-2018 DSM Deferred Matters, Exhibit 3, Executed Revised Consensus Agreement, Appendix 1: Standardized Filing Framework, Section 4.3.1 Balanced Plan Approach, July 22, 2016, page 10

¹⁵ M10473, 2023-2025 DSM Resource Plan Compliance Filing, Appendix C, Schedule E, page 24-25, October 4, 2022

- energy savings split: 40% Residential and 60% BNI programs.

E1 modified the investment in low-income and equity communities objective for the 2026 DSM Extension as compared to the approved 2023-2025 Plan to reflect the updated Statistics Canada Census Profile, 2021 Census of Population for Nova Scotia prevalence of low-income in Nova Scotia (%) based on the Low-Income Measure, After Tax (LIM-AT).¹⁶ The updated 2021 Census identified a low-income prevalence of 14.9%, a change from the 2023-2025 Plan where E1 used a 17.2% low-income prevalence from 2016 Census Profile data (the most recently available Census data at the time of Plan development).¹⁷

2.5 MODELLING APPROACH

For the 2026 DSM Extension, E1 utilized the same modelling process and software tools as in the approved 2023-2025 Plan. Modelling supports quantitative development by providing the following:

- detailed cost effectiveness impacts;
- detailed energy and demand impacts, as applicable, to support the development of performance indicators and performance targets;
- detailed views and estimations of DSM participation; and
- detailed views and estimations of DSM investment.

2.5.1 ENERGY EFFICIENCY MODEL

Following the same approach as in the approved 2023-2025 Plan, E1 engaged Guidehouse, to provide its ProCESS™ short-term DSM planning tool for modelling the 2026 energy efficiency portfolio.

E1 and Guidehouse developed a set of input data to serve as the basis for modelling. Input data included line loss factors, customer rate information, avoided costs, discount rates, and all measure technical information (e.g., measure life, annual energy and system-peak demand savings, incremental costs, incentives). Measure data was developed from current E1 data, including the 2023 evaluation reports, and modified to reflect differences in characterization expected for 2026. Following the development and inputting of data into the model, Guidehouse prepared and ran the model.

¹⁶ Statistics Canada, 2021 Census of Population for Nova Scotia, [Profile table, Census Profile, 2021 Census of Population - Nova Scotia \[Province\]](#)

¹⁷ Statistics Canada, [Census Profile, 2016 Census - Nova Scotia \[Province\] and Canada \[Country\]](#)

2.5.2 DEMAND RESPONSE MODEL

As with the energy efficiency model, E1 worked with Guidehouse to complete demand response modelling using Guidehouse's DRSim™ model. This modelling approach was consistent with the approach used for E1's 2023-2025 DSM Plan.

The demand response model assessment is based on a bottom-up analysis that utilizes primary data from E1 and relevant secondary sources of information. The model was customized to represent E1's customer base and characteristics. The general steps of modelling and assessment include:

1. Segment customers based on rate classes and customer segment;
2. Develop baseline projects for customer counts and peak demand;
3. Define and characterize DR options including participation, unit impacts, and costs; and
4. Estimate peak demand reduction (available capacity), costs, and cost-effectiveness.

2.5.3 MODEL INPUTS AND ASSUMPTIONS

Table 2 describes the key global model inputs and assumptions applied to the 2026 DSM Extension and updated or changed from the 2023-2025 approved Plan for 2026 DSM Extension modelling. The column "Model" denotes the applicability of described model inputs and assumptions to the model type, i.e., energy efficiency (EE) or demand response (DR), and in some cases, both.

Table 2: Key Global Model Input & Assumptions in 2026 DSM Extension Development

Item	Description of Key Global Model Inputs & Assumptions	EE	DR
Avoided Costs	- Avoided costs of both energy and capacity were based on NS Power's Evergreen Integrated Resource Plan (IRP) and provided to the DSM Advisory Group (DSMAG) on August 23, 2024. - DR is assumed to have no energy impacts, and therefore, avoided cost of energy is negated (i.e., zero). - Attachment 1 of Appendix A – Avoided Costs Brief, provides details on E1's methodology.	X	X
	- Transmission and distribution avoided costs were developed by NS Power and circulated to the DSMAG on August 23, 2024. - Attachment 1 – Avoided Costs Brief, provides details on E1's methodology.	X	X

Item	Description of Key Global Model Inputs & Assumptions	EE	DR
	• Avoided cost of carbon are embedded in the avoided costs of energy that NS Power calculated from the Evergreen IRP and provided to the DSMAG on August 23, 2024. Therefore, in contrast to the 2023-2025 DSM Plan modelling, E1 has not developed a separate utility stream of avoided costs of carbon and has only applied the avoided costs of energy (provided above) for 2026 modelling. • Attachment 1 – Avoided Costs Brief, provides details on E1's methodology.	X	
Line Loss Factors	• Energy and Demand: E1 developed average energy line loss factors for each program component, using rate-class line loss data from NS Power's 2014 Cost of Service Study (COSS) combined with the historical energy and demand savings from each rate class within each program component based on E1 2022-2024 evaluated results. This impacts the conversion from energy and demand savings at meter to energy and demand savings at the generator. • For demand response, rate class level demand line loss factors were applied, consistent with NS Power's 2014 COSS line loss factors.	X	X
Incentive Development	• Energy Efficiency: Incentives for existing measures were informed by historical incentive levels. As appropriate, current incentive levels were adjusted in the model to account for historical experience/trends, future expectations and/or specific program activity goals. Incentive levels continue to be analyzed against thresholds contained in E1's Incentive Setting Methodology.	X	
	• Demand Response: Incentives are based on incentive levels in current DR programs offered by E1.		X
Incremental Costs	• Incremental costs are intended to represent the difference in cost between established baseline technologies and efficient energy efficiency measures and have been adapted from previous E1 work products (e.g., the 2023-2025 DSM Resource Plan) or sourced by E1's consultant. For most energy efficiency measures, E1's consultant Apex Analytics compiled estimates of base and efficient material cost and efficient labour costs, drawing on Technical Reference Manuals and planning studies from other jurisdictions, online cost databases, contractor interviews, internet web scraping and historical program data. Where historical program data was available, this was the preferred approach.	X	
Administrative Costs	• Energy Efficiency administrative costs are currently based on average administrative cost profiles by program over the last four years (i.e., 2021-2024) for program support and other direct costs. It also includes estimates for marketing and evaluation costs by program and direct FTE costs based on the current FTE allocator and any incremental FTEs expected to be added at this time.	X	
	• Demand Response administrative costs have been updated from the 2023-2025 Plan model based on updated information from E1 based on experience delivering demand response. Demand response categories include:		X

Item	Description of Key Global Model Inputs & Assumptions	EE	DR					
	○ Program administration & development (E1 resources) ○ Evaluation ○ Marketing ○ Third-party program delivery costs ○ Enabling technologies ○ Incentives (Upfront and annual)							
Participation Estimation	● Energy Efficiency participation estimates were developed by internal subject matter experts using historical measure data, historical program trends and future expectations.	X						
	● Available capacity reflects a ramp up from 2023, 2024 results and expectations for 2025. There is a direct connection between the Efficiency Product Installation program component assumptions for smart thermostats and water heaters and the DR assumption.		X					
Market Rates	● Discount Rate: For the purpose of calculating the net present value of costs and benefits under the TRC and PAC, NS Power’s 2024 pre-tax Weighted Average Cost of Capital (WACC) of 6.72% is used to calculate the present values of avoided utility costs.	X	X					
	● Inflation Rate – Administrative costs: Based on the inflation rate from the 2022 NS Power Evergreen IRP Inflation Forecast: ● 2026- 2.01%	X	X					
	● Inflation Rate – Direct Install costs: E1 assumed 3.23% annual inflation for ‘direct installation’ type measures, where E1 covers the full costs of implementation, and pays the installers directly.	X						
	● Inflation Rate – Incremental costs (labour and material costs): For EE, E1 used the following forward looking inflation rates. <table><tr><td>Year</td><td>Escalation-Material</td><td>Escalation - Labour</td></tr><tr><td>2026</td><td>2.01%</td><td>3.23%</td></tr></table>	Year	Escalation-Material	Escalation - Labour	2026	2.01%	3.23%	X
Year	Escalation-Material	Escalation - Labour						
2026	2.01%	3.23%						
Measure Characterization	● Net-to-gross ratios (NTG) for energy efficiency largely use the latest figures established in E1’s 2023 and 2024 DSM Program Evaluation Report.	X						
	● Unitary energy and demand impacts for EE measures: For higher volume “deemed savings” measures where E1 claims the same savings for each installation, unitary energy and demand savings and measure lives were largely updated using figures established in E1’s 2023 and 2024 DSM Program Evaluation Report. For lower-volume measures where in practice savings are calculated based on system and site specifications, E1 used average tracked/evaluated savings and measure lives to reflect the mix of technologies and applications in Nova Scotia.	X						

2.5.4 MODELLING PROCESS

The 2026 DSM Extension modelling process remained consistent with the process followed and outlined and described in the approved 2023-2025 Plan:¹⁸

- model configuration;
- measure characterization;
- estimation of participation;
- model interactivity of EE and DR;
- review, revision and vetting; and
- quality assurance.

2.5.5 DSMAG ENGAGEMENT

The DSMAG is a forum to provide strategic or directional advice on current or emerging DSM issues including development of future DSM applications and plans. In developing the 2026 DSM Extension, E1 engaged the DSMAG through one-on-one meetings with key DSMAG members in March and April 2025 and a DSMAG technical briefing on April 22, 2025. The DSMAG members include the Consumer Advocate (CA), Small Business Advocate (SBA), Synapse Energy Economics, Inc. (consultant to the Energy Board), NS Power, Industrial Group (IG), Province of Nova Scotia, Assembly of Nova Scotia Mi'kmaw Chiefs, Affordable Energy Coalition (AEC), Ecology Action Centre, the Municipal Electric Utilities (MEU), and Halifax Regional Municipality (HRM). This engagement process was more limited compared to the robust engagement process for the 2023-2025 Plan due to the timing of the legislative amendments introduced in February 2025 that required a one-year extension to the current 2023-2025 Plan. Prior to the introduction of the one-year extension legislation, E1 was leading a comprehensive engagement process for the 2026-2030 Plan which included one-on-one meetings, DSMAG sessions, opportunities for written stakeholder feedback, and DSMAG involvement in developing a new Nova Scotia specific (jurisdictional-specific) benefit-cost analysis (BCA) test. In mid-2025, E1 will continue engagement activities for the 2027-2031 five-year DSM plan.

¹⁸ M10473, 2023-2025 DSM Resource Plan Compliance Filing, October 4, 2022, Appendix C, Schedule E, page 29

3. 2026 DSM EXTENSION

The 2026 DSM Extension savings targets were informed by the 2023 and 2024 actual results and the 2025 forecast. Proposed targets for 2026 were based on maintaining continuity with the 2025 forecast to establish achievable Performance Targets at the legislated investment level. Table 3, below, provides 2026 portfolio level highlights along with the insights from the approved 2023-2025 Plan.

Table 3: 2023-2026 DSM Extension Portfolio Level Insights

Insights	2023-2025 Plan as Approved	2026 DSM Extension	2023-2026
Carbon Emissions Avoided			
First-Year CO ₂ e Savings (kt)	326	26	352
Lifetime CO ₂ e Savings (kt)	1,742	134	1,877
Portfolio Summary			
First-Year Energy Savings (GWh)	412.7	116.0	528.7
Peak Demand Savings (MW)	78.8	18.9	97.7
Available Capacity (MW)	17.9	16.3	16.3
First-Year Energy Savings (GWh) applicable to Low-Income & Equity	15.8	4.0	19.8
Investment (\$ million)	173.0	63.75	236.8
% of Investment in Low-Income & Equity ^a	20.9%	20.2%	20.8%
Energy & Demand Savings			
Lifetime Energy Savings (GWh)	4,681	1,322	6,002
Weighted Average Measure Life (yrs)	11.3	11.4	11.4
Energy Savings as % of NS Power Load	1.2%	1.03%	1.2%
Energy Savings (EE) Split (RES/BNI) ^b	46/54	35/65	43/57
Demand Savings (EE) Split (RES/BNI)	45/55	26/74	41/59
Available Capacity (DR) Split (RES/BNI)	40/60	29/71	29/71
Energy Efficiency (EE) Investment			
EE Investment Split (RES/BNI) ^c	55/45	51/49	54/46
First-Year Unit Cost (\$/kWh) ^d	0.39	0.49	0.42
Lifetime Unit Cost (\$/kWh) ^d	0.03	0.04	0.04
Lifetime Benefits (\$ million) ^e	542	135	677
Net Benefits (\$ million) ^f	379	77	456
Demand Response (DR) Investment			
Lifetime Benefits (\$ million) ^e	3	3	6
Net Benefits (\$ million) ^f	-8	-3	-11
DR Investment Split (RES/BNI) ^c	54/46	60/40	57/43

^a Investment includes EE and DR program investments and Enabling Strategies investment. 2026 results closely align with the DSM Extension design objectives of investment in low-income and equity of 15% to 20% of total energy efficiency portfolio investment.

^b 2026 EE results closely align with the 2026 DSM Extension design objectives of an energy savings split of 40% Residential and 60% BNI programs.

^c Excluding Enabling Strategies investment. 2026 EE investment closely aligns with the DSM Extension design objectives of an investment split of 50% Residential and 50% BNI programs. 2026 DR investment split differs slightly from the 2026 DSM Extension design objectives as E1 ramps up its Residential DR activity in 2026.

^d Including Enabling Strategies investment. First-Year Unit Cost for EE is the quotient of first-year energy savings and investment (EE program + Enabling Strategies). Lifetime unit cost is the quotient of lifetime energy savings and investment (EE program + Enabling Strategies).

^e Lifetime benefits for EE are expressed as the net present value of the avoided costs, including energy, capacity, transmission, and distribution over the life of the program measures, using utility WACC. For DR, lifetime benefits are expressed as the avoided costs, including capacity, transmission, and distribution, resulting from operating DR in 2023-2026 (four years of benefits).

^f EE and DR net benefits are calculated based on the Program Administrator Cost (PAC). For EE, the lifetime benefits are counted and, for DR, the first four years (2023-2026).

3.1 PORTFOLIO SAVINGS & INVESTMENT

In 2026, E1 will invest \$63.75 million (in nominal dollars) to achieve 116.0 GWh of incremental annual net energy savings, 18.9 MW of incremental annual net peak demand savings for energy efficiency, and 16.3 MW of available capacity for demand response. Table 4, below, provides the investment and savings for the 2026 DSM Extension, the approved 2023-2025 Plan, and the total for the 2023-2026 DSM Plan period.

Table 4: 2026 DSM Extension Portfolio Savings & Investment

Year	Investment ^a (\$ million)	Lifetime Benefits ^b (\$ million)	First-Year Energy Savings (GWh)	Lifetime Energy Savings (GWh)	Peak EE Demand Savings (MW)	Available Capacity (MW)	Low-Income & Equity ^c (GWh)	Weighted Average Measure Life (years)	Total Resource Cost Test (TRC) ^d	Program Administrator Cost Test (PAC) ^e
2023-2025 Plan as Approved										
2023	53.1	172.6	120.7	1,502	26.9	3.0	5.3	12.4	2.0	2.9
2024	57.5	179.7	142.6	1,540	25.6	10.0	5.3	10.8	2.0	2.9
2025	62.5	192.6	149.5	1,639	26.3	17.9	5.3	11.0	2.0	2.9
2023-2025	173.0	544.8	412.7	4,681	78.8	17.9	15.8	11.3	2.0	2.9
2026 DSM Extension										
2026	63.75	137.9	116.0	1,322	18.9	16.3	4.0	11.4	1.6	2.2
2023-2026	236.8	682.7	528.7	6,002	97.7	16.3	19.8	11.4	1.9	2.7

Currency is expressed in nominal dollars. Columns may not add correctly due to rounding.

Avoided costs of both energy and capacity were based on NS Power's Evergreen IRP and avoided costs of transmission and distribution were provided by NS Power, both provided to the DSMAG on August 23, 2024. Avoided costs of carbon are embedded in the avoided costs of energy that NS Power calculated from the Evergreen IRP. Therefore, in contrast to the 2023-2025 Plan, E1 has not developed a separate utility stream of avoided costs of carbon.

Cost-effectiveness ratios in the 2026 row were calculated using 2026 present values of each year's costs and lifetime benefits.

Cost-effectiveness ratios in the 2023-2026 row were calculated using an average of the cost-effectiveness ratio for all four Plan years (2023, 2024, 2025, 2026).

^a Investment for DR includes E1's required investment for the 2026 Extension. In order for DR benefits to be realized, NS Power collaboration and investment is required.

^b Lifetime benefits for EE are expressed as the net present value of the avoided costs, including energy, capacity, transmission, distribution, and carbon (for 2023-2025) over the life of the program measures, using utility WACC. For DR, lifetime benefits are expressed as the avoided costs, including capacity, transmission, and distribution, resulting from operating DR in 2023-2026 (four years of benefits).

^c Low-income & equity refers to first-year energy savings applicable to Affordable Multi-Family Housing, Affordable Single-Family Homes, and Mi'kmaw Home Energy Efficiency Project.

^d TRC is a benefit/cost ratio comparing lifetime benefits to the sum of E1's and participants' costs. For DR a 10-year program life is used to calculate benefits/costs.

^e PAC is a benefit/cost ratio comparing lifetime benefits to E1's costs. For DR a 10-year program life is used to calculate benefits/costs.

The modelled scenario for the 2026 DSM Extension was based on the following:

- An investment equal to the legislated level of \$63.75 million.
- Energy efficiency energy savings of 116.0 GWh that are lower than the 172.8 GWh achieved in 2024 and the 128.7 GWh forecast for 2025. Consistent with the 2025 forecast, energy savings in 2026 will continue to be lower than what was achieved in 2024, as residential lighting is no longer

part of the Instant Savings program with LED lighting becoming the standard in January 2025. Additionally, with the Canada Greener Homes closing to new registrants, Home Energy Assessment energy savings are expected to continue to decline in 2026.

- Energy efficiency peak demand savings of 18.9 MW that are aligned with energy savings modelled for 2026 and the 2025 forecast.
- Demand Response available capacity of 16.3 MW at the end of 2026 is within the 90% threshold of the 2023-2025 Performance Target of 17.9 MW. The demand response program components were first introduced in the 2023-2025 DSM Plan and targets were based on limited information E1 had at that time of modelling. Implementation ramp-up has been slower than anticipated and E1 is currently forecasting that at the end of 2025, E1 will be below the 2023-2025 DSM Plan demand response performance target. The 2026 DSM Extension leverages the demand response infrastructure that has been built to date and represents growth over 2025 performance. The 16.3 MW is within 10% of the approved performance target for 2025.
- Dedicated low-income and equity programs target of 4.0 GWh applicable to the Affordable Multi-Family Housing, Affordable Single-Family Homes, and Mi'kmaw Home Energy Efficiency Project program components that will achieve a cumulative total of 19.8 GWh for 2023-2026. The introduction of Affordable Single-Family Homes was slow to establish in 2023 (the first year that the program was launched) but has seen growth in participation and savings in 2024 which is expected to remain stable in 2025. While participation has grown to exceed the estimates in the 2023-2025 DSM Plan, the average savings per home have declined compared to the Plan estimates as an outcome of the recent billing analysis. (The 2024 DSM Evaluation for Home Energy Assessment included a billing analysis to update the overestimation ratios for the HOT2000 modelling software. As Affordable Single-Family Homes and Mi'kmaw Home Energy Efficiency Project also use HOT2000, these evaluation results also apply to these program components.) Given the gap in savings stemming from the shortfall in year one, the target for 2026 establishes an amended Performance Target for the 2023-2026 Plan Period that is reasonable and achievable.

2026 DSM Extension investment for energy efficiency is reflective of the mix of programs generating the savings. In 2026, whereas the investment levels in Residential and BNI sector programs are approximately the same, residential sector programs will generate approximately 35% of the portfolio savings and BNI sector programs providing 65% of the portfolio savings. This reflects the evolution of the Nova Scotia electricity efficiency market with the adoption of a residential LED baseline in January 2025, and a

permanent shift towards non-lighting measures in its residential programs components, such as Instant Savings and Efficient Product Installation, as well as the expected decline in savings in Home Energy Assessment with the closure of the Canada Greener Homes program.

2026 DSM Extension investment in Enabling Strategies (\$7.0 million) is slightly below the 2025 forecast investment (\$7.1 million). Similar to 2025, this investment in Enabling Strategies supports the development of the 2027-2031 DSM Plan and its regulatory process. Further, this investment supports E1's work with the Independent Energy System Operator (IESO), and its first Integrated Resource Plan (IRP), including the initiation of an updated Potential Study.

E1 notes that section 11(1) of the *More Access to Energy Act* requires that the Nova Scotia Independent Energy System Operator (IESO) commence its first integrated resource planning exercise within one year of the coming into force of that section.¹⁹ E1 looks forward to working with the new IESO in relation to their IRP process generally, and in particular, its statutory mandate as franchise holder to cooperate with the IESO to:

- (a) develop avoided cost calculations for demand-side management resources; and
- (b) identify the maximum amount of cost-effective demand-side management reasonably available.²⁰

3.2 UNIT COST

At the portfolio level, the 2026 unit cost (cost of energy efficiency per kWh) is \$0.49/kWh.²¹ This is an increase from the 2025 forecast of \$0.44/kWh and \$0.39/kWh from the approved 2023-2025 Plan. Over the four-year 2023-2026 period, the portfolio unit cost is \$0.42/kWh.

Unit cost is a calculated output of E1's investment and savings over a defined time period. Factors that influence unit cost results typically include:

- the level of participation in a program or program component;
- the mix of products in the programs (measure mix);

¹⁹ Bill 404, Chapter 2, An Act to Reform the Law Respecting Energy and Electricity (Energy Reform (2024) Act), Schedule B: An Act Respecting an Independent Energy System Operator, s 11 (1), Royal Assent, April 5, 2024

<https://nslslegislature.ca/sites/default/files/legc/PDFs/annual%20statutes/2024%20Spring/c002.pdf>

²⁰ Public Utilities Act, C 380, R.S.N.S 1989, as amended; 79W

²¹ Includes Energy Efficiency + Enabling Strategies

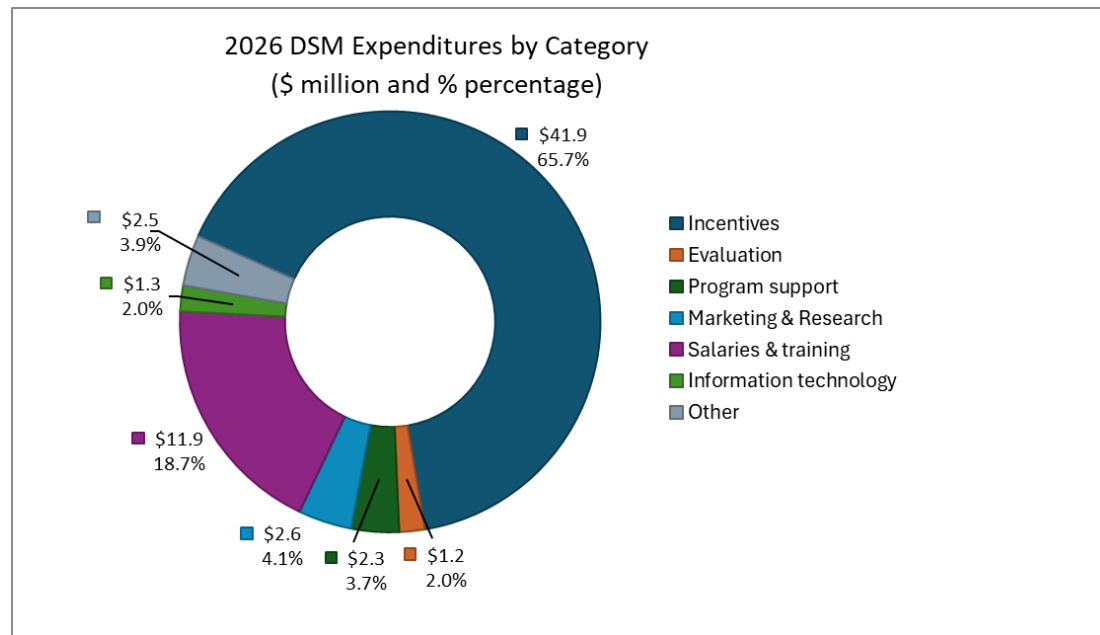
- changes to savings in programs (e.g., changes to evaluated unitary savings, free-ridership levels, adjustment ratios, etc.); and
- changes to costs in programs (e.g., changes to delivery agent costs, marketing efforts, number of program full-time equivalents, etc.).

The 2026 unit cost is attributable to the mix of programs that are generating the savings. For example, in 2026, where the energy efficiency investment represents a 51/49% split between the Residential and BNI sectors, the energy savings split is 35/65%, respectively. This is demonstrative of how several of E1's Residential sector programs will see a higher unit cost in 2026, attributed to the phase out of lighting as a low-cost opportunity (Instant Savings and Efficient Product Installation), and the expected decrease in participation in Home Energy Assessment.

3.3 DSM EXPENDITURES BY EXPENSE CATEGORY

The legislated investment amount, \$63.75 million represents a 2% increase over the approved 2025 investment of \$62.5 million. Figure 1, below, provides 2026 DSM Extension expenditures by expense category.

Figure 1: 2026 DSM Extension Expenditures by Expense Category



In 2026, E1's investment in customer incentives continues to be the largest expense category at \$41.9 million or 65.7% of total expenditures. E1 notes that incentives provide direct support to Nova Scotians participating in energy efficiency and demand response programs and are directly linked to the first-year energy savings of 116.0 GWh and demand response available capacity of 16.3 MW. Incentive types for energy efficiency and demand response programs include the following:

- rebates paid directly to customers (e.g., Home Energy Assessment, Demand Response);
- rebates that flow through to customers (e.g., Business Energy Rebates);
- total costs of customer upgrades which may include energy audit costs, materials, installation & labour (e.g., Affordable Single-Family Homes);
- energy audit costs (e.g., Home Energy Assessment); and
- third-party delivery agent costs (e.g., Instant Savings, Demand Response).

The incentive costs are influenced by various factors such as high measure costs in certain programs (e.g., full retrofit costs in Affordable Single-Family Homes) and the level of participation expected in programs.

For E1's salary and training expenditures, which are 18.7% of the total expenditures, E1 engaged a compensation consultant who provided market insights on an appropriate increase from 2025 of 3.23%. All other E1 expenditures were informed by either contractual obligations or where appropriate a 2% inflation factor was applied.

3.4 PROGRAMS SAVINGS, INVESTMENT & PARTICIPATION

Programs for the 2026 DSM Extension remain largely the same as the approved 2023-2025 Plan, with some changes and enhancements noted below. Table 5 provides investment budgets and savings targets by program component.

1 Table 5: Program Savings & Investment 2026 DSM Extension

2026	Investment ^a (\$ million)	Lifetime Benefits ^b (\$ million)	First Year Energy Savings (GWh)	Lifetime Energy Savings ^c (GWh)	Peak EE Demand Savings (MW)	Available Capacity (MW)	Total Resource Cost Test (TRC) ^d	Program Administrator Cost Test (PAC) ^e
Residential Energy Efficiency (EE) Programs								
Efficient Product Rebates	2.5	5.1	4.8	47	0.5	-	1.0	2.0
Instant Savings	2.5	5.1	4.8	47	0.5		1.0	2.0
Existing Residential	23.0	30.6	35.2	277	4.3	-	0.9	1.3
Affordable Multi-Family Housing	1.8	2.0	1.0	17	0.5		0.6	1.1
Affordable Single-Family Homes	7.7	5.9	2.7	48	1.4		0.8	0.8
Efficient Product Installation	5.3	10.8	10.5	110	0.6		2.0	2.0
Green Heat	0.0	0.0	0.0	0	0.0		n/a	n/a
Home Energy Assessment	5.0	8.7	3.8	78	1.7		0.6	1.7
Mi'kmaw Home Energy Efficiency Project	1.1	0.9	0.4	7	0.2		0.8	0.8
Residential Behaviour	2.1	2.3	17.0	17	0.0		1.1	1.1
New Residential	0.0	0.0	0.0	0	0.0		n/a	n/a
Residential Low-Income & Equity ^f	12.8	13.1	10.3	115	2.3		0.9	1.0
Residential EE Programs Subtotal	25.5	35.7	40.0	324	4.9	-	0.9	1.4
Business, Non-Profit & Institutional (BNI) Energy Efficiency (EE) Programs								
Efficient Product Rebates	8.1	44.9	31.9	486	5.2	-	3.4	5.5
Business Energy Rebates	8.1	44.9	31.9	486	5.2		3.4	5.5
Custom Incentives	10.8	44.5	38.0	417	7.4	-	2.8	4.1
Custom	9.8	41.7	34.0	395	7.0		2.7	4.2
Strategic Energy Management	0.9	2.8	4.0	22	0.4		5.4	3.0
Direct Installation	5.8	9.6	6.1	95	1.5	-	1.3	1.7
Small Business Energy Solutions	5.8	9.6	6.1	95	1.5		1.3	1.7
BNI Low-Income & Equity ^f	0.1	0.4	0.2	4	0.0		2.4	3.5
BNI EE Programs Subtotal	24.7	99.0	76.0	997	14.0	-	2.7	4.0
Total EE Programs	50.2	134.7	116.0	1,322	18.9	-	1.8	2.7
Enabling Strategies (ES)								
Education and Outreach	1.6							
Development and Research	2.4							
Other Enabling Strategies	3.0							
Enabling Strategies Subtotal (ES)	7.0							
EE Portfolio Total (EE + ES)	57.2	134.7	116.0	1,322	18.9	-	1.6	2.4
Demand Response (DR) Program								
Residential Demand Response	4.0					4.7	0.3	0.3
BNI Demand Response	2.6					11.6	1.7	0.9
DR Program Total	6.5	3.2				16.3	0.7	0.5
DSM Portfolio Total (EE + ES + DR)	63.75	137.9	116.0	1,322	18.9	16.3	1.6	2.2

3 Currency is expressed in 2026 dollars. Columns may not add correctly, due to rounding.

4 Avoided costs of both energy and capacity were based on NS Power's Evergreen IRP and avoided costs of transmission and distribution were
5 provided by NS Power, both provided to the DSMAG on August 23, 2024. Avoided costs of carbon are embedded in the avoided costs of energy
6 that NS Power calculated from the Evergreen IRP. Therefore, in contrast to the 2023-2025 Plan, E1 has not developed a separate utility stream
7 of avoided costs of carbon.

8 Cost-effectiveness ratios in the total row are calculated using 2026 present values of each year's costs and lifetime benefits.

9 ^a Investment for DR includes E1's required investment for the 2026 Extension. In order for DR benefits to be realized, NS Power collaboration
10 and investment is required.

11 ^b Lifetime benefits for EE are expressed as the net present value of the avoided costs, including energy, capacity, transmission, and distribution
12 over the life of the program measures, using utility WACC. For DR, lifetime benefits are expressed as the avoided costs, including capacity,
13 transmission, and distribution, resulting from operating DR in 2023-2026 (four years of benefits).

14 ^c Based on values of program Weighted Average Measure Lives, which have been derived from the 2023 and 2024 Evaluation process.

15 ^d TRC is a benefit/cost ratio comparing lifetime benefits to the sum of E1's and participants' costs. For DR, a 10-year program life is used to
16 calculate benefits/costs.

17 ^e PAC is a benefit/cost ratio comparing lifetime benefits to E1's costs. For DR, a 10-year program life is used to calculate benefits/costs.

18 ^f Reflects planned participation by low-income & equity customers. Numbers are a subset of Existing Residential, BNI Efficient Product Rebates,
19 Custom Incentives, and Direct Installation.

3.4.1 PROGRAM CHANGES AND ENHANCEMENTS IN 2026

Table 6, below, highlights the program changes and enhancements in the 2026 DSM Extension as compared to the approved 2023-2025 Plan.

Table 6: Program Changes and Enhancements in the 2026 DSM Extension

Program	Program Component	Changes and Enhancements in the 2026 DSM Extension as compared to the 2023-2025 Plan
Residential Energy Efficiency		
Residential Efficient Product Rebates	Appliance Retirement	E1 ended Appliance Retirement on January 8, 2025. This was influenced by several considerations. Delivery costs are rising and savings are declining as eligible units being retired were newer and more efficient. There are also very few service providers in this space in Canada.
	Instant Savings	- In 2026, Instant Savings will focus on year-round set rebates in place of seasonal campaigns. - Starting in 2025, the program component transitioned to year-round set rebates on all qualifying products in place of seasonal campaign due to the adoption of a LED baseline in early 2025. E1 discontinued point-of sale rebates on LED lamps and most LED lighting fixtures at the end of 2024 due to the change in baseline.
Existing Residential	Affordable Multi-Family Housing & Non-Profit Organizations	Continued support.
	Affordable Single-Family Homes	No longer offering appliance replacements, in alignment with the Appliance Retirement program component changes outlined above.
	Efficient Product Installation	- Added new electrician-installed measures in late 2024, with an emphasis on auto-enrolling eligible devices to support the Eco Shift demand response offering (offered within E1's demand response program). - Discontinued the direct installation of LED lamps in mid-2025 due to the shift in the LED baseline and increased measure saturation.
	Green Heat	- E1 will close Green Heat in 2025 due to the continued decline in savings and participation over the last three years. - E1 will incorporate a streamlined offering through Home Energy Assessment. This may include remote energy assessments with heating system upgrade recommendation reports.
	Home Energy Assessment	- Continued support. - E1 will incorporate a streamlined offering for residential customers seeking heating system upgrades exclusively, with the ending of the Green Heat program component. This may include

Program	Program Component	Changes and Enhancements in the 2026 DSM Extension as compared to the 2023-2025 Plan
		remote energy assessments with heating system upgrade recommendation reports.
	Mi'kmaw Home Energy Efficiency Project	- Extended eligibility to support Mi'kmaw homeowners in 2024, in addition to Band owned homes. - No longer offering appliance replacements, in alignment with the Appliance Retirement program component changes outlined above.
	Residential Behaviour	Continued support.
New Residential	New Home Construction	E1 ended the New Home Construction program component in 2023 as outlined in the 2023-2025 Plan.
BNI Energy Efficiency		
BNI Efficient Product Rebates	Business Energy Rebates	Continued support.
Custom Incentives	Custom	Continued support.
	Strategic Energy Management	- Continued support. - Renamed Strategic Energy Management for 2026. In the 2023-2025 Plan, this program component was named Strategic Energy Management & Energy Management Information Systems.
Direct Installation	Small Business Energy Solutions	Expanded measures in commercial direct installation.
Demand Response		
Demand Response	Residential Demand Response	- Continued support via Eco Shift. - Increased installations of compatible devices via the Efficient Product Installation program component.
	BNI Demand Response	- Continued support via the BNI aggregator and Eco Shift. Eco Shift may include a direct install option using existing program components like Business Energy Rebates and Small Business Energy Solutions. - Addition of commercial batteries during the 2025/26 demand response season.

1

2

3.5 COST-EFFECTIVENESS

3 Cost-effectiveness results are provided for two cost effectiveness tests – the Total Resource Cost (TRC),
4 Program Administrator Cost (PAC). The TRC test compares the costs incurred to design and deliver
5 programs and customers' costs with avoided energy and other supply-side resource costs, including
6 capacity, transmission, distribution, and carbon. Currently, the TRC test forms the decision-making screen
7 for cost effectiveness testing methodology employed in Nova Scotia, which takes place at the portfolio

level. In 2022, amendments to the *Public Utilities Act* requires the regulator in evaluating an application to “evaluate the proposed cost-effective demand-side management at the portfolio level that would be the aggregate amount of demand-side management programs.”²²

E1 believes the PAC test provides another valuable perspective on cost-effectiveness because it represents only the electric utility costs and benefits. The PAC is provided for information purposes. E1 has included the cost of carbon in both the TRC and PAC tests as per the 2019 directive from the NSUARB.²³

For E1’s upcoming five-year DSM Plan to be filed in 2026 (2027-2031 DSM Plan), the organization aims to provide results for a new jurisdiction-specific cost-effectiveness test. In Q2 2025, E1 plans to file an Application to the Nova Scotia Energy Board seeking approval for a new cost effectiveness test. This initiative is an outcome of the NSUARB 2023-2025 Plan directive that required E1 to “work with the DSM Advisory Group to assess and develop an optimal DSM cost-effectiveness testing methodology.”²⁴ Throughout 2023 and 2024, E1 worked with the DSMAG to develop a new Nova Scotia specific (jurisdictional-specific) BCA test with the support of a third-party expert Energy Futures Group.

Cost-effectiveness results for the 2026 DSM Extension are provided in Table 7, below. Results provided include cost-effectiveness results at the portfolio level (*PUA* approved level) and by program and program component.

²² Bill No. 228, An Act to Amend Chapter 380 of the Revised Statutes, 1989, the Public Utilities Act, Respecting Efficiency Nova Scotia, Royal Assent, November 9, 2022 [Nova Scotia Legislature - Bill 228 - Public Utilities Act \(amended\) - RA](#). *Public Utilities Act*, RSNS 1989, c 380, as amended, section 79H (2).

²³ M08604, NSUARB Order, 2019 DSM Plan, July 23, 2018

²⁴ M10473, NSUARB Order, 2023-2025 DSM Plan, November 8, 2022

1 Table 7: 2026 DSM Extension Cost Effectiveness Results

Programs	Total Resource Cost (TRC) Test ^a	Program Administrator Cost (PAC) Test ^b
	2026	2026
Residential Energy Efficiency (EE) Programs		
Efficient Product Rebates	1.0	2.0
Instant Savings	1.0	2.0
Existing Residential	0.9	1.3
Affordable Multi-Family Housing	0.6	1.1
Affordable Single-Family Homes	0.8	0.8
Efficient Product Installation	2.0	2.0
Home Energy Assessment	0.6	1.7
Mi'kmaw Home Energy Efficiency Project	0.8	0.8
Residential Behaviour	1.1	1.1
<i>Residential Low-Income & Equity^c</i>	0.9	1.0
Residential Sector EE Total	0.9	1.4
Business, Non-Profit & Institutional (BNI) Energy Efficiency (EE) Programs		
Efficient Product Rebates	3.4	5.5
Business Energy Rebates	3.4	5.5
Custom Incentives	2.8	4.1
Custom	2.7	4.2
Strategic Energy Management	5.4	3.0
Direct Installation	1.3	1.7
Small Business Energy Solutions	1.3	1.7
<i>BNI Low-Income & Equity^c</i>	2.4	3.5
BNI Sector EE Total	2.7	4.0
EE Portfolio Total (including EE + ES)	1.6	2.4
Demand Response (DR) Program		
Residential Demand Response	0.3	0.3
BNI Demand Response	1.7	0.9
DR Total	0.7	0.5
Total (EE + ES + DR)	1.6	2.2

2 Portfolio total cost effectiveness tests are calculated using the sum of the 2026 present value of benefits and costs.

3 ^aTRC is a benefit/cost ratio comparing lifetime benefits to the sum of E1's and participants' costs. For DR, a 10-year program life is used to

4 calculate benefits/costs.

5 ^bPAC is a benefit/cost ratio comparing lifetime benefits to E1's costs. For DR, a 10-year program life is used to calculate benefits/costs.

6 ^c Reflects planned participation by low-income & equity customers. Numbers are a subset of Existing Residential, BNI Efficient Product Rebates,

7 Custom Incentives, and Direct Installation.

9 Key observations on the cost-effectiveness of the 2026 DSM Extension include:

- 10 • E1's 2026 portfolio total (EE + DR + ES) passes the TRC and PAC test.
- 11 • Affordable Multi-Family Homes, Affordable Single-Family Homes and Mi'kmaw Home Energy
- 12 Efficiency Project program components do not pass TRC. These are dedicated low-income and
- 13 equity program components, within the Existing Residential program, which are expected to have
- 14 lower TRC values.

- The Home Energy Assessment program component does not pass TRC. This is attributable to avoided costs updated in the 2026 DSM Extension, lower energy savings for Home Energy Assessment as a result of the 2024 evaluation billing analysis, and higher incremental costs. Home Energy Assessment, compared to Affordable Single-Family Homes and Mi'kmaw Home Energy Efficiency Project does not assume government funding top ups in 2026, assumes larger heating systems being installed based on recent trends which have a higher cost, and a lower net-to-gross ratio, all of which contribute to the lower TRC result.
- E1's BNI sector has a moderately higher TRC value when compared to the Residential sector. This is largely attributable to savings opportunities in the BNI sector generally producing more benefits per dollar invested.
- BNI Efficient Product Rebates program component possesses the highest TRC and PAC test results at a program component level within the portfolio.
- For energy efficiency programming, PAC test results are typically higher when compared to TRC test results, owing to the inclusion of incremental costs (total cost difference between the standard and efficient option) in the TRC test results, while the PAC only contains the incentive portion of incremental costs. This situation is reversed for certain Direct Installation measures.

3.6 RATE CLASS ALLOCATIONS

Rate class expenditures for the 2026 DSM Extension are provided in Table 8, below. Rate class spending for 2026 is largely consistent with E1's 2025 forecast by rate class.²⁵ E1's 2026 rate class spending was established with the three most recent years data (i.e., reflective of 2022, 2023, 2024 allocators).

²⁵ M12186, E1 DSM 2024 Annual Progress Report, March 31, 2025, Attachment 1: 2024 Rate Class Results, Table 9, page 8

1 Table 8: 2026 DSM Extension Rate Class Expenditures

Rate Class	2026 (\$ million)
Residential/Charitable (2,3,4)	33.9
Small General (10)	3.1
General Demand (11)	17.0
Large General (12)	1.6
Small Industrial (21)	1.4
Medium Industrial (22)	2.4
Large Industrial (23,25)	3.9
Municipal (24)	0.5
Unmetered (999)	0.0
Total	63.75

2 Includes EE and DR program investment, and Enabling Strategies investments
3

4 In the NSUARB's decision on NS Power's Application for the 2025 DSM Cost Recovery Rider (DCRR), E1
5 was directed to "take notice of the concerns raised by the Industrial Group and be prepared to address
6 them in its pending application in early 2025 for the approval of a new DSM program and Supply
7 Agreement."²⁶

8
9 In the 2025 DCRR matter, the Industrial Group raised concerns regarding DSM costs shifts and unexpected
10 cost impacts between rate classes arising from variations in E1's planned and actual DSM program
11 spending by customer class through mid-course adjustments.²⁷ E1 notes that it is the actual spending by
12 rate class that is reported to NS Power for purposes of collecting by rate class through the DSM rate rider
13 and that the mid-course adjustment is not used for these purposes.

14
15 In the 2024 Annual Progress Report (APR), E1 provided historical expenditure results by rate class as
16 compared to the approved Plan from 2016-2024.²⁸ Historically, actual spending by rate class has been
17 closely aligned with the approved Plans. In recent years, E1 has seen participation growth of medium and
18 large industrials in the BNI programs including Demand Response (specifically Medium Industrial
19 participation in Demand Response has grown in 2024 in the BNI Demand Response program component).
20 In 2023 BNI Demand Response had nine participants; in 2024, there were 76 participants with over 50%
21 of incentives going to medium industrials in 2024.

²⁶ M11912, NSUARB Decision, NS Power, Application for 2025 DSM Cost Recovery Rider, December 23, 2024, page 28-30

²⁷ M11912, NS Power, Application for 2025 DSM Cost Recovery Rider, Industrial Group Comments, December 3, 2024, page 6-8

²⁸ M12186, E1 2024 Annual Progress Report, March 31, 2025, Attachment 1: 2024 Rate Class Results, Table 1, page 3

Each year, spending by rate class is influenced by the mix of participating customers or program activity, particularly in the BNI sector, where the exact timing of project completions can be difficult to predict. E1 understands the importance of reporting on rate class spending variances and is committed to enhancing the rate class spending reporting (refer to Section 10, Reporting). E1 will also continue to ensure that programs provide equity and access to all Nova Scotians so the benefits to those participating continue to be realized.

3.7 LOW-INCOME AND EQUITY

In developing the 2026 DSM Extension, E1 maintained its commitment to supporting low-income and equity communities. The 2026 DSM Extension allocates 20% of its total investment to these communities, consistent with the 21% level of investment from 2023-2025.

Consistent with 2023-2025, E1 offers dedicated programming that exclusively serves low-income and equity communities, which includes the Affordable Multi-Family Housing and Non-Profit Organizations, Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project program components. E1 has also assumed that customers from low-income and equity communities participate in other E1 programs in varying proportions (non-targeted programs). These are "incidental" low-income and equity impacts from non-targeted programs. In the 2026 DSM Extension, E1 updated its assumptions on how it estimates low-income and equity impacts, provided in Attachment 2.

4. 2026 DSM PROGRAMS

The 2026 DSM Extension establishes the programs and components for delivery of the 2026 portfolio. The 2026 portfolio consists of Residential and BNI energy efficiency programs, and a demand response program.

4.1 2026 MARKETING

Marketing plans and strategies are essential to DSM Plan implementation. Marketing efforts drive customer participation in programs and support the communication and implementation aspects of DSM Plan delivery. 2026 program marketing strategies and tactics will align with those outlined in the approved 2023-2025 DSM Plan and for the 2026 DSM Extension, marketing strategies will be data-driven and adopt an omnichannel approach.

In 2026, E1's omnichannel marketing approach focuses on delivering consistent branding and messaging across all channels, including paid media, social media, website, and email. This strategy focuses on the customer and delivers personalized content that caters to customers' preferences and leads them to an E1 program or service, leading to increased customer satisfaction, participation, and engagement.

2026 marketing strategies will also be data-driven. Leveraging data analytics tools including segmentation data, website user behaviour insights, and advanced metering infrastructure (AMI) data, 2026 marketing campaigns will include personalized messaging for differentiated customer types and potential customers. For the Residential and BNI sector, this may include personalized email messaging, customized website offers, geo-targeted emails based on customer proximity to retailers, automated co-program marketing techniques (e.g., Instant Savings smart thermostat re-promoted to enroll in E1's Demand Response program), and targeted BNI email campaigns based on electricity use patterns using AMI data.

Data-driven marketing also involves continuous internal tracking and measurement to assess how well the marketing creative resonates with customers. This may involve internal tracking and measurement of how many people open and engage with emails, real-time feedback such as opinions and reactions from customers, and A/B testing, which compares two versions of content/messaging to determine which resonates better with customers. These data-driven strategies provide insights into marketing efforts, customer behaviour and overall performance, allowing E1 to continuously optimize its marketing tactics, messaging, media and campaign strategies for current and future campaigns.

5. ENERGY EFFICIENCY

The 2026 DSM Extension continues to deliver cost-effective energy savings benefits for Nova Scotia's residential and BNI customers. In the program sections that follow, E1 has highlighted changes, modifications or enhancements in the 2026 DSM Extension as compared to the approved 2023-2025 Plan.

RESIDENTIAL ENERGY EFFICIENCY PROGRAMS

5.1 RESIDENTIAL EFFICIENT PRODUCT REBATES

The Residential Efficient Product Rebates program offers residential customers financial incentives for consumer products through retail channels. In the 2023-2025 DSM Plan, the program included two program components: Instant Savings and Appliance Retirement. In January 2025, E1 ended the Appliance

Retirement program component due to rising delivery costs and a decline in savings, as eligible units being retired were newer and more efficient. In the 2026 DSM Extension, Residential Efficient Product Rebates is comprised of one program component: Instant Savings.

5.1.1 INSTANT SAVINGS

Instant Savings offers year-round, point-of-sale rebates to retail customers who purchase eligible energy efficient products. Table 9 provides a summary of the Instant Savings program component for the 2026 DSM Extension.

Table 9: 2026 Summary of the Instant Savings Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (products)
2026 Total	2.5	4.8	0.5	33,682
Program Component Changes	- In the 2026 DSM Extension, Instant Savings will offer customers year-round set rebates on qualifying products through participating retail stores. In January 2025, Instant Savings transitioned to offering year-round rebates coordinated with the discontinuation of seasonal incentive campaigns and in-store events. The seasonal campaigns ended in 2024 in part due to changes in the eligible measures (i.e., discontinuation of rebates on LED lamps and most LED lighting fixtures with a shift to an LED baseline in 2025)²⁹ and the lessening impact of the seasonal in-store events. - In the 2026 DSM Extension, eligible rebated measures include: - ENERGY STAR® certified room air purifiers - ENERGY STAR® certified air source heat pump hot water heaters - ENERGY STAR® certified variable speed pool pumps - ENERGY STAR® certified inverter room air conditioners - Select ENERGY STAR® certified clothes washers - Select ENERGY STAR® certified clothes dryers (including heat pump dryers) - Select ENERGY STAR® certified combination washer/dryer units - Select ENERGY STAR® certified dishwashers - Select ENERGY STAR® certified bathroom and utility room fans - Select ENERGY STAR® certified LED fixtures with motion sensors - Select ENERGY STAR® certified solar LED fixtures - Programmable thermostats for electric heating - Smart thermostats for electric heating			

²⁹ LED non-A-type bulbs, LED fixtures, and LED recessed downlights have been removed from the product offerings in Instant Savings starting January 1, 2025. LED fixtures with motion sensors and solar fixtures with motion sensors are still offered to target electrical savings generated from the motion sensors.

	○ Dimmer switches and/or wifi enabled switches ○ Indoor and outdoor motion sensors ○ Outdoor clothesline kits and outdoor drying racks ○ Smart power bars, power bars with built-in timers, and outdoor heavy-duty timers ○ Domestic hot water heater smart controllers ○ Cordless electric lawn mowers ● Marketing in 2026 includes omnichannel integrated campaigns. This may include paid media (radio and television commercials), digital advertising, cross-promotion with other E1 programs, targeted emails and email journeys, and social media. Other tactics include social media influencer marketing, creation of educational video content on new products, website updates, Residential Switch newsletter, website personalization, and in-store signage (POP). Campaigns will promote products by season (e.g., spring: clothes washers, clotheslines, solar LED fixtures, variable speed pool pump), and utilize data and analytics to leverage geo-targeting (e.g., paid media and email delivered to customers near a participating retailer).
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Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for additional detail.

5.2 EXISTING RESIDENTIAL

The Existing Residential program provides residential customers with access to information, technical support, and financial assistance to identify, assess and implement energy efficiency behaviours and upgrades. In the approved 2023-2025 Plan, Existing Residential was comprised of seven program components. In 2026, Existing Residential will include six program components, as it plans to end Green Heat in 2025. E1 will close Green Heat in 2025 due to the continued decline in savings and participation over the last three years.

In the 2026 DSM Extension, Existing Residential includes the following six program components:

- Affordable Multi-Family Housing and Non-Profit Organizations;
- Affordable Single-Family Homes;
- Efficient Product Installation;
- Home Energy Assessment;
- Mi'kmaw Home Energy Efficiency Project; and
- Residential Behaviour.

5.2.1 AFFORDABLE MULTI-FAMILY HOUSING & NON-PROFIT ORGANIZATIONS

Affordable Multi-Family Housing and Non-Profit Organizations assists affordable housing owners and non-profit organizations (e.g., shelters, transition houses, community hubs etc.) with financial incentives, technical guidance, and project management support for energy efficient building retrofit projects. Projects are completed through a prescriptive or comprehensive stream. The program component was designed specifically to help low-income renters and non-profits that provide shelter or serve as community hubs access the benefits of energy efficiency through reduced utility bills and stable rents. Table 10 provides a summary of the Affordable Multi-Family Housing program component for the 2026 DSM Extension.

Table 10: 2026 Summary of Affordable Multi-Family Housing & Non-Profit Organizations Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (projects)
2026 Total*	1.8	1.0	0.5	88
Program Component Changes	- Affordable Multi-Family Housing will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. 2026 marketing strategies will include campaigns directed to affordable housing building owners, property managers, landlords of multi-unit residential buildings (MURBs), and non-profit organizations such as churches, legions, food banks, community halls, shelters, etc.). Campaigns will be data-driven and leverage AMI data for high potential customers. Media campaign tactics include paid media, social media, targeted emails, success stories, and customer journey emails (e.g., emails at certain touchpoints as customers move through various project phases). Efforts will also include development of resources and collateral to support the Business Development Manager in outreach, including case studies on past participants.			

*Affordable Multi-Family Housing & Non-Profit Organizations is a 100% low-income and equity program component; all figures are low-income and equity figures.

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for additional detail.

5.2.2 AFFORDABLE SINGLE-FAMILY HOMES

Affordable Single-Family Homes, marketed as HomeWarming, provides a fully project managed, whole-home retrofit service at no-cost to income-qualified Nova Scotians.³⁰ Upgrades delivered may include an

³⁰ HomeWarming is marketed to all Nova Scotians (both electric and non-electric homes). Provincial government and federal Natural Resources Canada funds are utilized for non-electrically heated homes. DSM funds are utilized for electrically heated homes and projects that generate electric savings.

energy efficiency assessment, building envelopes upgrade (including air tightness and insulation), space heating (e.g., heat pump), and ventilation upgrades. Table 11 provides a summary of the Affordable Single-Family Homes program component for the 2026 DSM Extension.

Table 11: 2026 Summary of Affordable Single-Family Homes Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (homes)
2026 Total*	7.7	2.7	1.4	800
Program Component Changes	- Affordable Single-Family Homes will largely follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. - Appliance replacements will no longer be offered, in alignment with the Appliance Retirement program component changes. All other measures remain the same. 2026 will include the following enhancements: - Service delivery partners will manage building envelope upgrades and heat pump installations as distinct projects, accelerating the completion of projects (additional heat pump contractors were added in 2024 to help meet customer interest in the program); - Introduced in 2024, automated customer journey emails have increased customer satisfaction. Customer journey emails provide notifications including application status, next steps, eligible upgrades, delivery agent assignment, preparing the home for upgrades, etc.; and - Continue to build strategic partnerships with key organizations and associations in the target market. 2026 marketing includes a focus on automated customer journey emails to enhance customer satisfaction and updates to the website including a customer dashboard to provide details on application status.			

*Affordable Single-Family Homes is a 100% low-income and equity program component; all figures are low-income and equity figures.

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for additional detail.

5.2.3 EFFICIENT PRODUCT INSTALLATION

Efficient Product Installation conducts energy efficient upgrades for homeowners and renters, at no-cost. During a home visit, qualified installers provide free installation of energy efficient products such as domestic hot water measures, smart technologies and electrical load controls, and other electricity-saving equipment. Eco Shift (E1's Demand Response program) compatible devices, including smart thermostats and domestic hot water heater smart controllers, are also installed and customers are auto-enrolled in Eco Shift to help rapidly build available capacity in homes. Efficient Product Installation offers the opportunity to engage directly with customers during the home visit. Installers demonstrate energy efficient and demand response enabled products and their benefits, educate customers on their new

technologies, and advise customers on other E1 programs available to them. Table 12 provides a summary of the Efficient Product Installation program component for the 2026 DSM Extension.

Table 12: 2026 Summary of Efficient Product Installation Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (products)
2026 Total	5.3	10.5	0.6	49,338
Program Component Changes	- Efficient Product Installation will follow the same approach for the 2026 DSM Extension as the approved 2023-2025 Plan. - In the 2026 DSM Extension, Efficient Product Installation will focus on electrician installed measures as LED lighting measures are phased out in mid-2025 due to the shift in the LED baseline and increased measure saturation. (E1 first introduced electrician installed measures in 2024 with smart thermostats, motion sensors, and dimmer switches). 2026 DSM Extension enhancements will include further integration of energy efficiency and demand response programming for cost efficiencies and ease of participation (e.g., electrician-installed devices that enable participation in E1's demand response program) and continued collaboration and cross-promotion with other E1 programs. - In the 2026 DSM Extension, eligible no-cost measures will include: - pipe insulation - hot water tank wraps - kitchen and bathroom faucet aerators - low-flow showerheads - thermostatic shower valves - foam gaskets (participant installed/leave behind) - window air sealing kits (participant installed/leave behind) - smart thermostats for electric heating systems (e.g. electric baseboard, mini-split heat pumps) - domestic hot water heater smart controller (co-marketed with the Eco-Shift pilot as part of the Residential demand response program component) - dimmer switches and motion sensors - bathroom fan humidity sensor - solar powered outdoor security light fixtures - Marketing in 2026 includes omnichannel integrated campaigns. Tactics may include digital media, targeted email journeys, social media, radio, Switch newsletters, website updates, success stories, development of new photo/video outlining products, cross promotion from other programs' customer journeys, and community blitzes. Community blitzes are data driven to target high-potential communities, inclusive of media blitzes, signage, and targeted emails to reach potential customers.			

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level details.

5.2.4 HOME ENERGY ASSESSMENT

Home Energy Assessment helps homeowners make informed choices about energy efficient and deep savings upgrades to their homes. Home energy assessments performed by Natural Resources Canada (NRCAN) registered Energy Advisor (EAs), educate and inform customers on potential home upgrades with prioritized, customer-tailored recommendations. Deep energy savings measures, such as building envelope improvements, and the installation of efficient heating systems, can deliver significant energy savings to customers. Rebates are offered to help homeowners overcome the financial barrier to implementing retrofits.

Table 13 provides a summary of the Home Energy Assessment program component for the 2026 DSM Extension.

Table 13: 2026 Summary of Home Energy Assessment Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (homes)
2026 Total	5.0	3.8	1.7	1,900
Program Component Changes	- Home Energy Assessment will largely follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. 2026 enhancements will include a streamlined offering with the ending of the Green Heat program component for residential customers seeking heating system upgrades exclusively. This may include remote energy assessments with heating system upgrade recommendation reports. - Marketing in 2026 includes omnichannel integrated campaigns (paid media, social, web and targeted emails) including cross promotion amongst relevant programs. Tactics also include a content library (video demonstrations or testimonials), customer journey emails, and home show outreach.			

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level details.

5.2.5 MI'KMAW HOME ENERGY EFFICIENCY PROJECT

Mi'kmaw Home Energy Efficiency Project is a whole-home retrofit service offered to customers at no-cost, available to band-owned homes and privately-owned homes in Mi'kmaw communities. It provides a fully project-managed service inclusive of energy efficiency assessments and systematic improvements to building envelopes (including draft proofing, insulation, windows, and doors), energy efficient space heating equipment and ventilation systems to improve the energy efficiency and comfort of participating homes. Where possible, E1's delivery agents hire qualified Mi'kmaw and community-preferred contractors to complete the work. Table 14 provides a summary of the Mi'kmaw Home Energy Efficiency program component for the 2026 DSM Extension.

Table 14: 2026 Summary of Mi'kmaw Home Energy Efficiency Project Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (homes)
2026 Total*	1.1	0.4	0.2	180
Program Component Changes	- Mi'kmaw Home Energy Efficiency Project will largely follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. - Appliance replacements will no longer be offered, in alignment with the Appliance Retirement program component changes. All other measures remain the same. - Eligibility was extended to support Mi'kmaw homeowners in 2024, in addition to Band owned homes, in Mi'kmaw communities. Marketing in 2026 includes educational materials (including videos), social media posts with housing managers and community partners, and the Mi'kmaw Home Energy Efficiency Project annual impact report.			

*Mi'kmaw Home Energy Efficiency Project is a 100% low-income and equity program component; all figures are low-income and equity figures.

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level details.

5.2.6 RESIDENTIAL BEHAVIOUR

Residential Behaviour encourages Nova Scotians to adopt more energy-conscious behaviours and activities, leading to electricity savings and reduced utility bills. Through personalized and timely energy-use feedback and analysis, residential customers are given tools to make more informed choices about their energy consumption behaviours and directed to existing E1 programs and services that can help reduce electricity consumption. Residential Behaviour, marketed as Efficiency Insights, features a customer portal with electronic home energy reporting tools enabled through advanced metering

infrastructure data. Paper and electronic home energy reports (HERs) are delivered to participants each billing cycle. Table 15 provides a summary of the Residential Behaviour program component for the 2026 DSM Extension.

Table 15: 2026 Summary of Residential Behaviour Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (homes)
2026 Total	2.1	17.0	0	205,000
Program Component Changes	- For the 2026 DSM Extension, Residential Behaviour will follow the same approach as outlined in the approved 2023-2025 Plan. 2026 DSM Extension enhancements include: - Ongoing personalization of HERs, including regularly enhancing customer tips and recommendations. - Marketing in 2026 includes further development of a strong content library for the HER customer reports to ensure personalization of energy consumption tips and effective cross-promotion of E1 programs.			

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level details.

BNI ENERGY EFFICIENCY PROGRAMS

5.3 EFFICIENT PRODUCT REBATES

The Efficient Product Rebates program provides BNI customers with financial incentives, in the form of prescriptive rebates or financing for the installation of energy efficient and system-peak demand-reducing equipment. The program focuses on equipment that has predictable savings and applicability across a variety of non-profit, commercial, industrial, and institutional customers. The BNI Efficient Product Rebates program has one program component, Business Energy Rebates.

5.3.1 BUSINESS ENERGY REBATES

The Business Energy Rebates program component offers two pathways: Instant Rebates and Application Rebates. For Instant Rebates, customers have access to prescriptive rebates³¹ on a limited suite of energy

³¹ The term 'prescriptive rebate' refers to a particular rebate value that is calculated prior to a participant purchasing or submitting a proposal for an eligible measure. If a given measure or technology demonstrates energy savings potential and meets all eligibility requirements, a corresponding rebate value is applied to the purchase of said measure or technology.

efficiency equipment through point-of-purchase discounts delivered through a network of participating distributors across the province. For Application Rebates, customers have access to prescriptive rebates on a larger suite of energy efficiency equipment through a project application to E1 (available on the Efficiency Nova Scotia website). Through Application Rebates, customers can have their rebate adjusted in some cases to reflect the energy savings resulting from the specific conditions of the facility. Customers may choose to submit a Before-You-Buy or After-You-Buy application depending on whether they want to ensure their products meet the programs' eligibility criteria prior to purchase. Table 16 provides a summary of the Business Energy Rebates program component for the 2026 DSM Extension.

Table 16: 2026 Summary of Business Energy Rebates Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (products)
2026 Total	8.1	31.9	5.2	159,941
Program Component Changes	- Business Energy Rebates will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. - Marketing in 2026 includes omnichannel integrated campaigns for paid media, social and email. Paid media tactics include LinkedIn and geo-targeting (advertisements are served to contractors near distributor locations). Other tactics include in-store promotion and signage, distributor appreciation events, direct email marketing showcasing business success stories, outreach and participation in trade shows and industry events, outreach to Efficiency Preferred Partner contractors and trade professionals, and website upgrades (e.g., online application improvements).			

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level details.

5.4 CUSTOM INCENTIVES

The Custom Incentives program provides financial incentives and technical assistance to help non-profit, institutional, commercial, and industrial customers reduce their electrical energy consumption and system-peak demand. Support is customized based upon consideration of project-specific savings. E1 collaborates directly with customers to accommodate projects that are not supported by other E1 programs. Custom Incentives is comprised of the following two program components:

- Custom; and
- Strategic Energy Management (SEM).

5.4.1 CUSTOM

Custom provides large business, non-profit and institutional participants with technical assistance and financial incentives to help reduce electricity consumption and demand and includes four services: Retrofit, Building Optimization, Pay-for-Performance, and New Construction. Table 17 provides a summary of the Custom program component for the 2026 DSM Extension.

Table 17: 2026 Summary of Custom Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (projects)
2026 Total	9.8	34.0	7.0	172
Program Component Changes	- Custom will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. - The 2026 marketing strategy includes business development engagement, paid media, targeted email, customer journey emails, customer success stories, search engine marketing, placements in trade publications and sponsorships. Media campaigns may target by market vertical and leverage AMI data for eligible customers. Marketing tactics may also include onsite banners, trade shows and industry events, recruitment and engagement of professionals (e.g., architects and consultants involved in retrofits and new construction) and contractors to the Efficiency Preferred Partner network.			

Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level details.

5.4.2 STRATEGIC ENERGY MANAGEMENT

Strategic Energy Management focuses on operational and procedural changes companies can make to reduce their energy usage. The goal of Strategic Energy Management is to help develop an energy management plan within organizations that focuses on business practice changes (e.g., operations, maintenance, and behaviour changes) that enhance long-term energy performance and help participants achieve continuous energy savings. Participants work with a service provider to identify energy saving opportunities and execute an action plan using a 12-month, staged approach. Table 18 provides a summary of the Strategic Energy Management program component for the 2026 DSM Extension.

1 Table 18: 2026 Summary of Strategic Energy Management Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (participants)
2026 Total	0.9	4.0	0.4	11
Program Component Changes	- Strategic Energy Management will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. E1 merged Strategic Energy Management with the Energy Management Information Systems offering as outlined in the approved 2023-2025 Plan. Energy Management Information Systems, which assists institutional and industrial participants in using energy consumption data from metered systems to inform decisions about their processes is offered as a tool to Strategic Energy Management customers. - The 2026 marketing strategy includes business development engagement, industry events, and trade shows. The strategy also includes an annual Energy Management event which showcases innovative technologies within the industry and provides a collaborative networking opportunity for current SEM customers and potential customers from facilities across the province.			

2

3 Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level
4 details.

5

6 5.5 DIRECT INSTALLATION

7 Direct Installation provides small businesses with access to financial incentives and technical assistance
8 for the installation of energy efficient equipment upgrades in their facilities. The program consists of one
9 program component, Small Business Energy Solutions.

10

11 5.5.1 SMALL BUSINESS ENERGY SOLUTIONS

12 Small Business Energy Solutions provides small business customers with access to technical assistance and
13 financial incentives for the installation of energy efficient equipment. A small commercial direct
14 installation pilot also offers the free installation of select products to eligible small businesses. Table 19
15 provides a summary of the Small Business Energy Solutions program component for the 2026 DSM
16 Extension.

1 Table 19: 2026 Small Business Energy Solutions Program Component

Extension	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (products)
2026 Total	5.8	6.1	1.5	42,096
Program Component Changes	• Small Business Energy Solutions will largely follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. • Changes were introduced in 2024 that increased the eligibility cap for businesses from 350,000 kWh of electrical energy consumption annually to 600,000 kWh annually and extended the preapproval window from 120 days to 180 days. • 2026 will include the following enhancements: ○ Ongoing improvements to the partner portal to allow contractors real-time visibility on project status; and ○ Growth of the commercial direct installation service (launched as a pilot in 2021). • Marketing strategies in 2026 include omnichannel integrated campaigns including paid media, search engine marketing, social and content, email marketing, placements in trade publications and sponsorships. Other tactics include contractor engagement, business development engagement, business and industry association outreach, trade shows, industry events, and contractor training and outreach.			

2

3 Please refer to Attachment 3 – 2026 Measure-level Energy Efficiency Technical Tables for measure level

4 details.

5

6 6. DEMAND RESPONSE

7 In the 2023-2025 Plan, E1 introduced a new demand response (DR) program, a significant new

8 development for the Nova Scotia electricity sector and E1. In the 2020 IRP, DR was selected as a new cost-

9 effective resource for the provincial electricity grid because of the on-demand capacity and grid services

10 it can provide. Since 2019, E1 and NS Power have worked collaboratively to develop, launch, and assess

11 DR pilots to ascertain their feasibility and scalability.

12

13 In developing the 2023-2025 Plan to include DR, E1 engaged the expertise of Guidehouse for modelling

14 DR and development of a DR Roadmap. The DR modelling for the 2023-2025 Plan built on the work

15 conducted for the 2019 Potential Study which was also completed by Guidehouse.

16

17 In the 2023-2025 DSM Plan, E1 proposed several DR pathways, including direct load control, battery

18 control, behavioural DR, electric vehicle managed charging, enabling technologies through critical peak

19 pricing (CPP) behind-the meter battery and BNI curtailment. As outlined in the approved 2023-2025 DSM

Plan, these DR pathways were seen as an ambitious testing period for E1 and NS Power to further define how DR will be operationalized in Nova Scotia, to determine the optimal mix of DR delivery pathways, optimize costs, and learn more about possible use cases and their benefits.

E1 has gained valuable insights and learnings through delivery of the DR program in 2023 and 2024, and the initial DR pilots launched by the E1 and NS Power DR working group in 2019. The 2019 Potential Study (also used in the 2022 Evergreen IRP Update) was developed prior to DR implementation in Nova Scotia and included three programs: critical peak pricing (CPP), BNI curtailment, and water heater direct load control.

Since that time, E1 has learned more about the achievable potential, and costs, of DR in Nova Scotia, and has implemented additional DR activities compared to the 2019 DSM Potential Study including direct load control of batteries, electric vehicles and smart thermostats.

In the 2026 DSM Extension, E1 plans to expand and build upon these DR initiatives.

Note: E1's Performance Target for demand response is defined as the available capacity E1 achieves during NS Power's utility peak period. E1's 2026 target for demand response would be achieved during the December 2025 – February 2026 utility peak period. This differs from E1's energy efficiency savings targets which are achieved during the full calendar year period of January-December 2026. With the DR season concluding in Q1 of 2026 (based on the 2025/26 DR season), E1's focus for the remainder of 2026 shifts to preparing for the next demand response season (2026/27), which includes ongoing participant recruitment and marketing efforts.

6.1 DEMAND RESPONSE PROGRAM

E1's Demand Response program is comprised of two program components:

- Residential Demand Response; and
- BNI Demand Response.

6.1.1 RESIDENTIAL DEMAND RESPONSE

The Residential DR program component aims to help residential customers reduce their electric load during peak events called by NS Power by providing financial incentives for the DR capacity made available

for those events. Table 20 provides a summary of the Residential Demand Response program component for the 2026 DSM Extension.

Table 20: 2026 Summary of the Residential Demand Response Program Component

Extension	Investment (\$M)	New Capacity (MW) ^a	Available Capacity (MW)	Participation (participants)
2026 Total	4.0	3.7	4.7	10,303
Program Component Changes	- Residential Demand Response will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. - E1 will focus on the following DR pathways in 2026 (marketed as Eco Shift): - Direct Load Control (DLC) smart thermostats: utility control of smart thermostats (mini-split heat pumps, central heat pumps, and electric baseboards). E1 has included both a bring-your-own-device option and a direct install option through the Efficient Product Installation energy efficiency program component. Customers receive an annual payment to participate in DR events. Direct installation customers also receive a small upfront financial incentive to encourage them to install these Eco Shift auto-enrolled devices. - DLC water heaters: utility control of electric water heaters through smart controllers. E1 has included both a bring-your-own-device option and a direct install option through the Efficient Product Installation energy efficiency program component. Customers receive an annual payment to participate in DR events. - DLC Electric Vehicle Managed Charging: managed charging of electric vehicles (EV) either through EV supply equipment (EVSE) or on-board charging control (telematics). Customers receive an upfront and annual incentive payment for participating. - DLC Battery Control: utility control of behind-the-meter batteries for load shifting and dispatching to the grid. Customers receive an upfront incentive to install batteries as well as an annual performance-based incentive (\$/kW) to participate in DR events. - Marketing strategies in 2026 include omnichannel integrated campaigns with radio, television advertisements, social media, and social media influencers. Other tactics include video content (product demonstrations), targeted emails including geo-targeting and co-program marketing (e.g., smart thermostat promotion in Instant Savings retargets to Eco Shift), in-store point-of-purchase signage, and outreach to retailers, distributors, and Efficiency Preferred Partner contractors. Strategies also include partnership development with auto-dealers and industry groups.			

^a 2026 New Capacity (MW) is based on E1's 2025 Residential DR forecast

Please refer to Attachment 4 – 2026 Demand Response Technical Tables for additional details.

6.1.2 BNI DEMAND RESPONSE

The BNI DR program component offers financial incentives to BNI customers for the DR capacity made available during peak events called by NS Power, aiming to reduce their electric load during these peak times. Table 21 provides a summary of the BNI Demand Response program component for the 2026 DSM Extension.

Table 21: 2026 Summary of the BNI Demand Response Program Component

Extension	Investment (\$M)	New Capacity (MW) ^a	Available Capacity (MW)	Participation (participants)
2026 Total	2.6	2.6	11.6	439
Program Component Changes	- BNI Demand Response will follow the same approach for the 2026 DSM Extension as outlined in the approved 2023-2025 Plan. - E1 will focus on the following DR pathways in 2026: - BNI Curtailment: Enrolled customers make a capacity reduction commitment and receive an annual \$/kW payment based on their performance reducing load during DR events. - Commercial Batteries: Enrollments will begin in 2025/2026. Enrolled customers will receive an annual \$/kW payment based on their performance discharging their battery during DR events. - Eco Shift pilot, including: - DLC smart thermostats: utility control of smart thermostats (mini-split heat pumps, central heat pumps, and electric baseboards). E1 has included a bring-your-own-device option and may include a direct install option delivered through the Business Energy Rebates and Small Business Energy Solutions program components. Customers receive an annual payment to participate in DR events. - DLC controllers for electric water heaters: utility control of electric water heaters. E1 may include a direct install option, delivered through Small Business Energy Solutions. Customers receive an annual payment to participate in DR events. - DLC Electric Vehicle Managed Charging: managed charging of electric vehicles (EV) either through EV supply equipment (EVSE) or on-board charging control (telematics). Customers receive an upfront and annual incentive payment for participating. - DLC Battery Control: utility control of behind-the-meter batteries for load shifting and dispatching to the grid. Customers receive an upfront recruitment incentive to install batteries as well as an annual performance-based incentive (\$/kW) to participate in DR events. - The 2026 marketing strategy is data-driven using AMI data to identify high potential customers. Tactics include LinkedIn, and targeted customer journey emails, which includes marketing collateral (one-pagers, case studies, educational messaging). Other tactics include business development and energy manager engagement, and promotion in the BNI Switch newsletter.			

^a 2026 New Capacity (MW) is based on E1's 2025 BNI DR forecast

Please refer to Attachment 4 – 2026 Demand Response Technical Tables for additional details.

7. ENABLING STRATEGIES

The Enabling Strategies program has been a component of E1's DSM Plans since 2012. Historically, E1 has invested an average of 10% of its total DSM portfolio investment in Enabling Strategies.³²

As E1 developed the Enabling Strategies program for the 2026 DSM Extension, E1's approach was to continue, and maintain initiatives outlined in the approved 2023-2025 Plan. These are initiatives that have historically proven successful and been included: Education and Outreach, Development and Research, and Other Enabling Strategies categories.

The total level of investment in Enabling Strategies for the 2026 DSM Extension is \$7.0 million. The investment level in the Education and Outreach category closely aligns to 2023-2025. Investment for Development and Research has increased in 2026 compared to 2023-2025 to support the continuation of E1's heat pump water heater market transformation pilot, launched in 2024.³³ Investment for the Other Enabling Strategies category has increased in 2026 compared to 2023-2025 levels to support the development of the 2027-2031 DSM Plan and the initiation of the updated Potential Study to inform the Independent Energy System Operator's first IRP. Table 22, below, describes the activities of each Enabling Strategy category and the level of investment in the 2026 DSM Extension.

Table 22: 2026 DSM Extension Enabling Strategies

Enabling Strategy Category	2026 Investment (\$ million)	2026 Areas of Focus
Education & Outreach	\$1.6	- Areas of focus for 2026 Education & Outreach activities align with the approved 2023-2025 Plan, which includes the following: - Community Outreach and Education; - Diverse & Underserved/Equity Seeking Communities; - Partnership Development; and - Green Schools & Post-Secondary Education.
Development & Research	\$2.4	- Areas of focus for 2026 Development & Research activities align with the approved 2023-2025 Plan, which includes the following: - Innovation and Emerging Technologies;

³² M10473, 2023-2025 DSM Resource Plan Compliance Filing, October 4, 2022, Schedule E, page 123

³³ M12186, E1 2024 DSM Annual Progress Report, March 31, 2025, page 43

Enabling Strategy Category	2026 Investment (\$ million)	2026 Areas of Focus
		- Market Research; - Market Transformation: Continuation of the heat pump water heater market transformation pilot; and - Data & Analytics.
Other Enabling Strategies	\$3.0	- Areas of focus for 2026 for Other Enabling Strategies align with the approved 2023-2025 Plan, which includes the following: - DSM Plan Development & Reporting; - Stakeholder Engagement; and - Other Regulatory Initiatives. - Investment in this category has been increased in 2026 as compared to 2023-2025 to support the development of the 2027-2031 DSM Resource Plan and initiation of an updated Potential Study to inform the new Independent Energy System Operator's first IRP. 2026 activities include the following: - development of the 2027-2031 DSM Resource Plan; - engagement with the DSMAG on development of the 2027-2031 DSM Resource Plan; - participate and contribute to the integrated resource planning process under the new Independent Energy System Operator as under Bill 404, including an updated Potential Study; 2026 DSM Extension reporting activities including Quarterly Reports, Evaluation Reports, Annual Progress Report, Audited Financial Statements; and - Respond to directives from the 2026 DSM Extension regulatory process.

8. PERFORMANCE REQUIREMENTS

For the 2026 DSM Extension, E1 proposes to use the same definitions of performance metrics, targets, performance indicators, and thresholds as in the approved 2023-2025 Plan.³⁴

8.1 PERFORMANCE TARGETS

The currently approved 2023-2025 Plan has been extended to include 2026 as a fourth year as outlined in the recently amended *PUA*. Consequently, E1's Performance Targets for the 2023-2025 period would be amended to incorporate the 2026 targets as approved by the Nova Scotia Energy Board.

³⁴ M10473, 2023-2025 DSM Resource Plan Compliance Filing, October 4, 2022, Appendix C – Supply Agreement, Schedule C, page 4 and Schedule E, page 146-147

E1's four 2023-2025 Performance Targets include:

- cumulative annual net energy savings;
- cumulative annual net peak demand savings;
- demand response available capacity during the winter peak period over the three-year plan; and
- cumulative annual energy savings applicable to E1's dedicated low-income and equity program components which include Affordable Multi-Family Housing, Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project.

Table 23 presents E1's amended Performance Targets for the 2023-2026 period. The amended targets include the approved 2023-2025 Performance Targets in addition to the proposed targets for the 2026 DSM Extension. In Appendix C, E1 has provided amendments to the Schedules in the existing approved Supply Agreement and provided a redline version in Appendix D.

E1 is deemed to be in substantial compliance with the approved 2023-2026 Performance Targets if ninety percent (90%) or greater achievement is reached on each of the four Performance Targets at the end of the four-year Plan period (2023-2026).

Table 23: 2023-2026 Performance Targets

2023-2026 Performance Targets					
Year	Energy Savings (GWh)	Demand Savings (MW)	Available Capacity (MW)	Low-Income & Equity ^a (GWh)	Investment (\$ million)
2023	120.7	26.9	3.0	5.3	53.1
2024	142.6	25.6	10.0	5.3	57.5
2025	149.5	26.3	17.9	5.3	62.5
2023-2025	412.7	78.8	17.9	15.8	173.0
2026	116.0	18.9	16.3	4.0	63.75
2023-2026	528.7	97.7	16.3	19.8	236.8

Columns may not add correctly due to rounding.

^a Low-income & equity refers to E1's dedicated program components that exclusively serve low-income and equity communities, including Affordable Multi-Family Housing, Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project.

For clarity, E1's 2023-2026 Performance Targets, to be achieved over the four-year period, would be comprised of the following:

- **528.7 GWh** of cumulative annual net energy savings;
- **97.7 MW** of cumulative annual net peak demand savings;

- **16.3 MW** of demand response available capacity during the winter peak period over the four-year plan; and
- **19.8 MW** cumulative annual energy savings applicable to E1's dedicated low-income & equity programs which includes Affordable Multi-Family Housing, Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project.

The investment in aggregate over the 2023-2026 four year period would be \$236.8 million.

8.2 PERFORMANCE INDICATORS

Performance indicators are a set of selected performance metrics used to indicate or monitor progress towards performance targets and DSM Plan implementation. E1 provides the status of the organization's annual performance indicators in the Annual Progress Reports and provides quarterly and YTD results for certain metrics in its quarterly reports (e.g., savings by program and rate class, spending by program and rate class, low-income and equity performance indicators, etc.).

For the 2026 DSM Extension, E1 proposes to use the same performance indicators as in the approved 2023-2025 DSM Plan.³⁵ By extending the currently approved 2023-2025 Plan to include 2026 as a fourth year, E1's currently approved Performance Indicators would be amended to encompass the 2023-2026 period. In Appendix C, E1 has provided amendments to the Schedules in the existing approved Supply Agreement, and provided a redline version in Appendix D.

Table 24, below, provides the proposed 2023-2026 performance indicators, alongside the approved 2023-2025 performance indicators. The column "2026" denotes the applicability of the performance indicator to the 2026 DSM Extension and the column "2023-2026" denotes the applicability for the 2023-2026 Plan period.

Table 24: 2023-2026 Performance Indicators

Approved 2023-2025 Performance Indicators	2026	2023-2026
• Annual incremental energy savings (reported by program and rate class) (GWh)	✓	✓
• Cumulative annual energy savings (reported by program and rate class) (GWh)	✓*	✓

³⁵ *Ibid.*, page 147

Approved 2023-2025 Performance Indicators	2026	2023-2026
• Annual lifetime energy savings (reported by program and rate class) (GWh)	✓	✓
• Cumulative lifetime energy savings (reported by program and rate class) (GWh)	✓*	✓
• Annual incremental system-peak demand savings (reported by program and rate class) (MW)	✓	✓
• Cumulative annual system-peak demand savings (reported by program and rate class) (MW)	✓*	✓
• Annual demand response new capacity and available capacity (MW)	✓	✓
• Total ratepayer benefits (\$million)	✓	✓
• Total spending (reported by program and rate class) (\$million)	✓	✓
• Customer satisfaction (%)	✓	✓
• Incidental cumulative annual energy savings applicable to low-income and equity communities from nontargeted programs (23.6 GWh in 2023-2025)	✓ 6.6 GWh	✓ 30.2 GWh
• Reporting on low-income program participation, expenditures and savings through a variety of methods, including estimation based on geographic census information (participation, investment, GWh, MW)	✓	✓

* In the context of a one-year Extension, annual incremental and cumulative values are equivalent.

8.2.1 LOW-INCOME AND EQUITY PERFORMANCE INDICATORS

In the approved 2023-2025 DSM Plan, the NSUARB established a performance indicator of 23.6 GWh of incidental cumulative annual energy savings from E1's non-targeted programs applicable to low-income and equity.³⁶

For 2026, E1 proposes 6.6 GWh of incidental cumulative annual energy savings from non-targeted programs, resulting in a total of 30.2 GWh for the 2023-2026 Plan period. Attachment 2 provides E1's assumptions used to estimate the incidental low-income and equity impacts from non-targeted programs for the 2026 DSM Extension. E1's performance indicators also include reporting on low-income and equity program participation, expenditures, and savings. In Table 25, below, E1 has provided the 2026 DSM Extension performance indicators for the incidental low-income and equity impacts from non-targeted program components.

³⁶ M10473, NSUARB Order, November 8, 2022, page 2

Table 25: 2026 Low-income and Equity Performance Indicators - Non-Targeted Program Components

2026	Investment (\$)	First-Year Energy Savings (GWh)	Lifetime Energy Savings (GWh)	Peak Demand Savings (MW)	Participation	Unit
Efficient Product Installation	1.8	3.8	41	0.23	18,026	Products
Residential Behaviour	0.3	2.5	3	0	30,545	Participants
Business Energy Rebates	0.002	0.1	2	0.0	388	Units Rebated
Custom	0.05	0.1	2	0.0	1	Projects
Small Business Energy Solutions	0.07	0.04	1	0.02	305	Products
Total	2.2	6.6	47	0.3	-	-

Columns may not add correctly, due to rounding.

9. EVALUATION

In the 2026 DSM Extension, E1 proposes to follow the same measurement and evaluation activities as approved in the 2023-2025 Plan. This includes an annual impact evaluation for each program.

As in the approved 2023-2025 Plan, evaluation activities will be condensed where appropriate, in recognition of the maturity level that some E1 program components have reached. For process and market evaluations, E1 will work with the Evaluator to determine what program components should be evaluated, following the same approach as in the 2023-2025 Plan.

10. REPORTING

In the 2026 DSM Extension, E1 proposes to be subject to the same DSM reporting as in the approved 2023-2025 Plan. 2026 DSM Extension reporting activities would include 2026 Quarterly Reports, the 2026 Annual Progress Report, Audited Financial Statements, the Rate and Bill Impact Analysis (RBIA) and DSMAG activities.³⁷ In Table 26, below, E1 has highlighted the changes and/or enhancements to its DSM reporting in the 2026 DSM Extension as compared to the approved 2023-2025 Plan.

Table 26: Changes and Enhancements to 2026 DSM Extension Reporting

Reporting	Changes and/or Enhancements in the 2026 DSM Extension as compared to the 2023-2025 Plan
Quarterly and Annual Progress Reports	In 2025, E1 enhanced its rate class reporting within its DSM reports. E1 will build on these enhancements in 2026 as follows:

³⁷ M10473, 2023-2025 DSM Resource Plan Compliance Filing, October 4, 2022, Schedule E, page 143-145

	○ in the quarterly DSM reports, provision of a year-end forecast by customer rate class. This will provide additional insight on the expected rate class expenditures by year-end. ○ in the Annual Progress Report, provision of a 2023-2026 Plan period forecast by rate class for an outlook on projected rate class expenditures for the entire Plan period and anticipated variances from the approved Plan. ○ enhanced discussion on variances to the approved Plan (forecast and/or YTD results to the approved Plan) at the portfolio and program level; and ○ enhanced discussion on rate class spending to date, including participation results, program activity and participating customer classes.
Rate and Bill Impact Analysis	• E1 has filed a forward-looking RBIA for the 2026 DSM Extension in Appendix B. • E1 will file its historical RBIA and its next forward-looking RBIA as part of the 2027-2031 DSM Plan application in 2026.

11. CONCLUSION

The 2026 DSM Extension extends the approved 2023-2025 DSM Resource Plan for an additional year. E1 developed the 2026 DSM Extension using a continuation plan approach that was based on the approved 2023-2025 DSM Plan. In developing the 2026 DSM Extension, E1 maintained continuity with the 2025 forecast and established achievable amended Performance Targets for the new 2023-2026 Plan period at the legislated investment level of \$63.75 million. To support quantitative development of the 2026 DSM Extension, E1 modelled the energy efficiency and demand response portfolio with targets informed by 2023 and 2024 actual results and the 2025 forecast.

By extending the currently approved 2023-2025 Plan to include 2026 as a fourth year, E1's currently approved Performance Targets would be amended to cover the 2023-2026 Plan period.

Energy efficiency delivery under the 2026 DSM Extension will offset just over 1,300 GWh of energy production over the lifetime of installed measures and reduce annual system-peak demand by 18.9 MW from energy efficiency, providing lifetime benefits of \$134.7 million. The 2026 DSM Extension will also deliver flexible capacity to the electricity grid, with 16.3 MW of available capacity by the end of 2026, resulting in an additional \$3.2 million in lifetime benefits.

Appendix A

Attachment 1: DSMAG Electricity System
Avoided Costs Summary Document

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1. ISSUE

The purpose of the avoided costs discussion with the Demand Side Management Advisory Group (DSMAG) was to achieve the following deliverable as described in the DSMAG Terms of Reference:

“Developing a methodology and process for ensuring current avoided costs information is regularly updated and available”

In 2024, NS Power led the development of electric utility avoided costs using the 2022 Evergreen Integrated Resource Plan (IRP) Update. While E1 has used the avoided costs resulting from this development work as provided on August 23, 2024 by NS Power, for the 2026 DSM Extension, E1 continues to note several unresolved items that remain. E1 believes it is important to work through these items in time to incorporate updated avoided costs (should they result from resolving the remaining issues) in the 2027-2031 DSM Plan.

2. BACKGROUND

On September 28, 2023 the initial session on avoided costs was held with the DSMAG. Since that session the following activities have occurred:

- Sept 28, 2023: DSMAG Session – NS Power reviewed their methodology for calculating avoided costs of transmission, distribution, energy and capacity with the DSMAG.
- Nov 6, 2023: NS Power provided an updated presentation on their methodology for calculating avoided costs of transmission, distribution, energy and capacity which was circulated to the DSMAG.
- Nov 17, 2023: Written comments received from the Nova Scotia Department of Natural Resources and Renewables (DNR).
- Nov 20, 2023: Written comments received from Synapse and E1.
- Nov 27, 2023: DSMAG Session – NS Power walked through the comments received and their responses.
- Dec 4, 2023: Written comments received from E1 following the November 27, 2023 DSMAG session.
- Dec 12, 2023: NS Power written responses to DSMAG comments were circulated to the DSMAG.
- April 4, 2024: DSMAG Session – NS Power presented avoided costs results (transmission, distribution, energy, capacity) to the DSMAG.
- April 24, 2024: NS Power materials from the April 4, 2024 DSMAG session were circulated to the DSMAG.
- May 7, 2024: Additional avoided costs workbook was circulated to the DSMAG in addition to the April 24 package.
- May 7, 2024: Written comments received from Synapse.
- May 13, 2024: Written comments received from E1.
- May 30, 2024: DSMAG Session – NS Power walked through the comments received and their responses.
- June 12, 2024: NS Power materials circulated to the DSMAG as a follow up to the May 30, 2024 DSMAG session.
- June 24, 2024: Clarifying questions from E1 sent to NS Power on the June 12, 2024 avoided cost information from NS Power.

- July 22, 2024: Written comments received from Synapse.
- August 23, 2024: Responses to the E1 and Synapse comments/questions and updated avoided costs from NS Power circulated to the DSMAG.
- December 12, 2024: E1 noted questions and comments on the Augst 23, 2024 avoided costs in the 2026-2030 DSM Plan Round 2 Modelling package circulated to the DSMAG.
- January 17, 2025: NS Power included responses to E1 comments/questions in their written comments on the 2026-2030 DSM Plan Round 2 Modelling package.
- April 7, 2025: Clarifying questions and comments from E1 sent to NS Power on the August 23, 2024 avoided costs information.

3. AVOIDED COSTS USED BY E1 FOR 2026 DSM EXTENSION

DSM PLANNING MODELS THAT USE AVOIDED COST INPUTS

Table 1, below, identifies the categories of electric utility system avoided costs that were used to calculate the benefits of the energy efficiency, and demand response resources in the 2026 DSM Extension modelling as well as the Rate and Bill Impact Analysis (RBIA).

Table 1: Categories of Electric Utility System Avoided Costs Used in 2026 DSM Extension

Electric Utility System Avoided Costs Category	Energy Efficiency Process Model	Demand Response DRSim Model	Rate and Bill Impact Analysis (RBIA)
Energy Winter-On Peak	✓	X	X
Energy Winter Off-Peak	✓	X	X
Energy Non-Winter	✓	X	X
Energy - Average	X	X	✓
Capacity	✓	✓	✓
Transmission	✓	✓	✓
Distribution	✓	✓	✓

Cost Effectiveness Screening:

- For modelling of the 2026 DSM Extension, the Total Resource Cost (TRC) test, and Program Administrator Cost (PAC) test, have been provided.
- Cost effectiveness testing has been performed for the energy efficiency and demand response.
- While Table 1 above indicates the avoided cost streams included in each of the resource models, E1 notes that their inclusion in some instances is non-material.

AVOIDED COSTS USED IN 2026 DSM EXTENSION MODELS

1. AVOIDED COSTS OF ENERGY

A. Energy Efficiency Process Model

For the 2026 DSM Extension modelling, E1 used seasonal avoided costs of energy as calculated by NS Power. More specifically, E1 used the following three streams of avoided costs of energy as calculated by NS Power for the Evergreen IRP No Atlantic Loop Base Scenario (CE1-E1-R2) and provided to the DSMAG on August 23, 2024, for the energy efficiency portfolio in the 2026 DSM Extension:

- On-Peak Winter Actual Annual AVC-Energy (\$/MWh)
- Off-Peak Winter Actual Annual AVC-Energy (\$/MWh)
- Non-Winter Actual Annual AVC-Energy (\$/MWh)

These values are provided in Table 2 and presented as nominal:

Table 2: Seasonal Avoided Costs of Energy as calculated by NS Power

Year	On Peak Winter	Off Peak Winter	Non-Winter
Actual Annual AVC - Energy (\$/MWh)			
2026	\$239.96	\$129.01	\$115.60
2027	\$193.49	\$156.81	\$126.02
2028	\$211.25	\$145.28	\$172.28
2029	\$150.29	\$127.75	\$149.86
2030	\$129.71	\$79.41	\$92.34
2031	\$68.56	\$94.74	\$71.10
2032	\$75.74	\$117.28	\$78.45
2033	\$88.64	\$81.35	\$92.00
2034	\$137.73	\$152.39	\$107.37
2035	\$141.47	\$175.83	\$111.45
2036	\$124.40	\$166.93	\$107.38
2037	\$132.44	\$173.98	\$104.29
2038	\$172.99	\$156.55	\$89.29
2039	\$158.97	\$147.00	\$99.24
2040	\$179.10	\$169.50	\$96.94
2041	\$153.86	\$160.60	\$98.21
2042	\$169.01	\$173.84	\$101.76
2043	\$203.73	\$177.77	\$108.98
2044	\$215.10	\$184.61	\$123.98
2045	\$198.47	\$196.29	\$128.32
2046	\$216.50	\$204.01	\$135.01
2047	\$203.77	\$217.96	\$133.75
2048	\$223.10	\$198.58	\$136.11

Year	On Peak Winter	Off Peak Winter	Non-Winter
	Actual Annual AVC - Energy (\$/MWh)		
2049	\$233.41	\$176.03	\$132.64
2050	\$250.63	\$182.00	\$132.15
2051-2055	Extrapolated using 2% annual inflation		

B. Demand Response DRSim Model

E1 has not included avoided costs of energy in the cost effectiveness testing of demand response.

C. Rate and Bill Impact Analysis

E1 used the actual average annual avoided costs of energy as calculated by NS Power and provided to the DSMAG on August 23, 2024 for the E1 RBIA. These values are provided in Table 3 and presented as nominal:

Table 3: Actual Average Annual Avoided Costs of Energy as calculated by NS Power

Year	Actual Average Annual Series – AVC-Energy (\$/MWh)
2026	137
2027	141
2028	174
2029	147
2030	96
2031	74
2032	84
2033	90
2034	119
2035	126
2036	119
2037	119
2038	112
2039	116
2040	121
2041	116
2042	123
2043	134
2044	147
2045	150
2046	158
2047	157

Year	Actual Average Annual Series – AVC-Energy (\$/MWh)
2048	159
2049	155
2050	157
2051-2055	Extrapolated using 2% annual inflation

2. AVOIDED COSTS OF CAPACITY

A. Energy Efficiency ProCESS Model

For the 2026 DSM Extension modelling, E1 used the Actual Annual AVC-Capacity stream of avoided costs of capacity as calculated by NS Power for the Evergreen IRP No Atlantic Loop Base Scenario (CE1-E1-R2) and provided to the DSMAG on August 23, 2024 for energy efficiency. These values are provided in Table 4 and presented as nominal:

Table 4: Actual Annual AVC-Capacity Stream of Avoided Costs of Capacity as calculated by NS Power

Year	Actual Annual AVC- Capacity (\$/kW-Yr)
2026	\$149.80
2027	\$110.35
2028	\$180.54
2029	\$123.53
2030	\$153.97
2031	\$128.07
2032	\$135.79
2033	\$126.00
2034	\$123.12
2035	\$120.00
2036	\$134.78
2037	\$148.70
2038	\$131.70
2039	\$142.53
2040	\$129.14
2041	\$141.46
2042	\$134.24
2043	\$154.80
2044	\$136.40
2045	\$150.02
2046	\$134.01
2047	\$161.08

Year	Actual Annual AVC- Capacity (\$/kW-Yr)
2048	\$153.92
2049	\$155.20
2050	\$148.22
2051-2055	Extrapolated using 2% annual inflation

B. Demand Response DRSim Model

For the 2026 DSM Extension, E1 also used the Actual Annual AVC-Capacity stream of avoided costs of capacity as calculated by NS Power for the Evergreen IRP No Atlantic Loop Base Scenario (CE1-E1-R2) and provided to the DSMAG on August 23, 2024 for the demand response portfolio. These values are outlined in Table 4 above.

C. Rate and Bill Impact Analysis

E1 also used the actual annual stream of avoided costs of capacity as calculated by NS Power and provided to the DSMAG on August 23, 2024 for the E1 RBIA. These values are outlined in Table 4 above.

3. AVOIDED COSTS OF TRANSMISSION & DISTRIBUTION (T&D)

A. Energy Efficiency ProCESS Model

In the 2026 DSM Extension modelling, E1 used the system wide avoided costs of T&D as calculated by NS Power (circulated to the DSMAG on August 23, 2024) for energy efficiency. These values are provided in Table 5 and presented as nominal:

Table 5: System Wide Avoided Costs of Transmission & Distribution (T&D) as calculated by NS Power

System Wide Avoided T&D Costs			
Year	Transmission (\$/kW-yr)	Distribution (\$/kW-yr)	Total (\$/kW-yr)
2023	\$28.32	\$30.44	\$58.77
2024	\$28.89	\$31.05	\$59.94
2025	\$29.47	\$31.67	\$61.14
2026	\$30.06	\$32.30	\$62.36
2027	\$30.66	\$32.95	\$63.61
2028	\$31.27	\$33.61	\$64.88
2029	\$31.90	\$34.28	\$66.18
2030	\$32.54	\$34.97	\$67.50
2031	\$33.19	\$35.67	\$68.85
2032	\$33.85	\$36.38	\$70.23
2033	\$34.53	\$37.11	\$71.64
2034	\$35.22	\$37.85	\$73.07

System Wide Avoided T&D Costs			
Year	Transmission (\$/kW-yr)	Distribution (\$/kW-yr)	Total (\$/kW-yr)
2035	\$35.92	\$38.61	\$74.53
2036	\$36.64	\$39.38	\$76.02
2037	\$37.37	\$40.17	\$77.54
2038	\$38.12	\$40.97	\$79.09
2039	\$38.88	\$41.79	\$80.67
2040	\$39.66	\$42.63	\$82.29
2041	\$ 40.45	\$43.48	\$83.93
2042	\$41.26	\$44.35	\$85.61
2043	\$42.09	\$45.23	\$87.32
2044	\$42.93	\$46.14	\$89.07
2045	\$ 43.79	\$47.06	\$90.85
2046	\$44.66	\$48.00	\$92.67
2047	\$45.56	\$48.96	\$94.52
2048	\$46.47	\$49.94	\$96.41
2049	\$47.40	\$50.94	\$98.34
2050	\$48.35	\$51.96	\$100.31
2051-2055	Extrapolated using 2% annual inflation	Extrapolated using 2% annual inflation	—

B. Demand Response DRSim Model

For the 2026 DSM Extension E1 used the same system wide avoided costs of T&D (provided above in Table 5) for the demand response portfolio.

C. Rate and Bill Impact Analysis

For the 2026 DSM Extension RBIA, E1 used the same system wide avoided costs of T&D (provided above in Table 5).

4. AVOIDED COST OF CARBON

The intent of this section is to provide detail on the electric utility avoided cost of carbon used in the 2026 DSM Extension modelling.

A. Energy Efficiency ProCESS Model

E1 understands from NS Power that the avoided costs of carbon (electric utility compliance costs) are embedded in the avoided costs of energy that NS Power calculated for the Evergreen IRP No Atlantic Loop Base Scenario (CE1-E1-R2) and provided to the DSMAG on August 23, 2024. Therefore, in contrast to the 2023-2025 DSM Plan modelling, E1 has not developed a separate utility stream of avoided costs of carbon

1 and has only applied the avoided costs of energy (provided above in Table 2) for modelling energy efficiency
2 in the 2026 DSM Extension.

3 B. Demand Response DRSim Model

4 E1 has not included avoided costs of energy (with embedded costs of carbon) in the cost effectiveness
5 testing of demand response.

6
7 C. Rate and Bill Impact Analysis

8 For the 2026 DSM Extension RBIA, E1 used the same approach for its RBIA as it uses for cost effectiveness
9 testing of energy efficiency programs.

Appendix A

Attachment 2: Estimation of DSM Low-Income and Equity Impacts

EfficiencyOne

Estimation of DSM Low-Income and Equity Impacts

Date Filed:
April 30, 2025



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1. OBJECTIVE

EfficiencyOne's (E1) DSM portfolio offers dedicated program components that exclusively serve low-income and equity communities. E1 has also assumed that customers from low-income and equity communities participate in other E1 programs in varying proportions (non-targeted programs). These are "incidental" low-income and equity impacts from non-targeted programs. This document describes the following:

1. The assumptions and calculations for how low-income and equity impacts were estimated for the 2026 DSM Extension. This includes E1's dedicated low-income and equity program components (Affordable Multi-family Housing and Non-Profit Organizations, Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project). This also includes E1's non-targeted programs with incidental low-income and equity impacts. For most program components with incidental impacts, E1's historical low-income and equity reporting relies on information about actual projects (e.g., building type, income level) which is not available through modelling. For this reason, most estimates were scaled based on the reported 2023 and 2024 incidental low-income and equity impacts.
2. The assumptions and calculations for how low-income and equity impacts are estimated in DSM reporting. (This methodology will be used for 2025 DSM reporting.) This includes E1's dedicated low-income and equity program components (Affordable Multi-Family Housing and Non-Profit Organizations, Affordable Single-Family Homes, and the Mi'kmaw Home Energy Efficiency Project). This also includes E1's non-targeted programs with incidental low-income and equity impacts. These results and estimated impacts are provided in E1's Quarterly and Annual Progress Reports as progress towards its low-income and equity

Performance Target and Performance Indicator.¹ E1 reviews and updates its assumptions and calculations for DSM reporting as updated assumptions data becomes available.

2. DEDICATED LOW-INCOME AND EQUITY PROGRAMS

E1's DSM portfolio offers dedicated program components that exclusively serves low-income and equity communities. This includes the following program components:

- Affordable Multi-Family Housing and Non-Profit Organizations;
- Affordable Single-Family Homes (HomeWarming); and
- Mi'kmaw Home Energy Efficiency Project.

As these programs exclusively serve and benefit low-income and equity communities, it is assumed that the total savings achieved in these programs are entirely (100%) low-income and equity savings. This assumptions applies to both the calculation of low-income and equity savings for the 2026 DSM Extension and DSM reporting as provided in Table 1, below.

Table 1: Dedicated Low-Income and Equity Program Components

Program Component	Assumptions	Calculation for 2026 DSM Extension	Calculation for DSM Reporting
Affordable Multi-Family Housing and Non-Profit Organizations (AMF)	• Exclusively low income & equity. Focus is on low-income renters and non-profits that provide shelter or serve as community hubs.	Low-income & equity AMF savings = total AMF savings	Low-income & equity AMF savings = total AMF savings
Affordable Single-Family Housing (ASF)	• Exclusively low income & equity. Focus is on lower-income qualified homeowners.	Low-income & equity ASF savings = total ASF savings	Low-income & equity ASF savings = total ASF savings
Mi'kmaw Home Energy Efficiency Project (MHEEP)	• Exclusively low income & equity. Focus on community members who have the greatest need.	• Low-income & equity MHEEP savings = total MHEEP savings	• Low-income & equity MHEEP savings = total MHEEP savings

¹ For the 2023-2025 Plan period, the NSUARB established a Performance Target of 15.8 GWh for cumulative annual energy savings, applicable to Affordable Multi-family Housing, Affordable Single-family Homes, and the Mi'kmaw Home Energy Efficiency Project. The NSUARB also established a Performance Indicator of 23.6 GWh of incidental cumulative annual energy savings from non-targeted programs applicable to low-income, diverse, and underserved communities.

The calculations use the general term "savings". The same calculations are applied to energy savings, peak demand savings, and program expenditures.

3. INCIDENTAL LOW-INCOME AND EQUITY IMPACTS FROM NON-TARGETED PROGRAMS

E1 has also assumed that customers from low-income and equity communities participate in other E1 programs in varying proportions. These are “incidental” low-income and equity impacts from non-targeted programs. In the sections below, E1 describes the assumptions used to estimate the incidental low-income and equity impacts from non-targeted programs. Section 3.1 outlines the assumptions and methodology used for the 2026 DSM Extension and Section 3.2 outlines the assumptions and methodology used for DSM reporting.

3.1 2026 DSM EXTENSION ASSUMPTIONS: INCIDENTAL IMPACTS

To estimate the incidental low-income and equity impacts for the 2026 DSM Extension from non-targeted programs, E1’s historical low-income and equity reporting relies on information about actual projects (e.g., building type, income level) which is not available through modelling. For this reason, most estimates were scaled based on the reported 2023 and 2024 incidental low-income and equity impacts. Table 2 provides the assumptions and calculations for incidental low-income and equity impacts for the 2026 DSM Extension for non-targeted program components.

Table 2: 2026 DSM Extension - Low-Income & Equity: Assumptions & Calculations for Incidental Impacts for Non-Targeted Program Components

Program Component	Assumptions	Calculation for 2026 DSM Extension
Residential Program Components		
Instant Savings	- Assumed to be no incidental low-income & equity impacts (participation & savings). - Beginning in 2025, lighting has been removed from Instant Savings. Therefore, more expensive products remain and E1 has assumed no incidental low-income & equity participation.	n/a

Program Component	Assumptions	Calculation for 2026 DSM Extension
Efficient Product Installation (EPI)	- Estimates were scaled based on the reported 2023 and 2024 incidental low-income & equity impacts. In 2023 and 2024, low-income & equity participation in EPI represented: 37% of energy savings 41% of demand savings 34% of expenditures	- Incidental low-income & equity EPI energy savings = (total EPI savings) * (37%) - Incidental low-income & equity EPI demand savings = (total EPI savings) * (41%) - Incidental low-income EPI expenditures = (total EPI expenditures) * (34%)
Residential Behaviour (RB)	- Estimates were scaled based on the reported 2024 incidental low-income & equity impacts. In 2024, low-income & equity participation in RB represented: 14.9% of energy savings 0% of demand savings 14.9% of expenditures	- Incidental low-income & equity RB energy savings = (total RB savings) * (14.9%) - Incidental low-income & equity RB demand savings = (total RB savings) * (0%) - Incidental low-income & equity RB expenditures = (total RB expenditures) * (14.9%)
BNi Program Components		
Business Energy Rebates (BER)	- Estimates were scaled based on the reported 2023 and 2024 incidental low-income & equity impacts. In 2023 and 2024, low-income & equity participation in BER represented: 0.2% of energy savings 0.4% of demand savings 0.02% of expenditures	- Low-income & equity BER energy savings = (total BER energy savings) * (0.2%) - Low-income & equity BER demand savings = (total BER demand savings) * (0.4%) - Low-income & equity BER expenditures = (total BER expenditures) * (0.02%)
Custom	- Estimates were scaled based on the reported 2023 and 2024 incidental low-income & equity impacts. In 2023 and 2024, low-income & equity participation in Custom represented: 0.3% of energy savings 0.03% of demand savings 0.5% of expenditures	- Incidental low-income & equity Custom energy savings = (total Custom energy savings) * (0.3%) - Incidental low-income & equity Custom demand savings = (total Custom demand savings) * (0.03%) - Incidental low-income & equity Custom expenditures = (total Custom expenditures) * (0.5%)
Small Business Energy Solutions (SBES)	- Estimates were scaled based on the reported 2023 and 2024 incidental low-income & equity impacts. In 2023 and 2024, low-income & equity participation in SBES represented: 0.7% of energy savings 1.7% of demand savings 1.1% of expenditures	- Incidental low-income & equity SBES energy savings = (total SBES energy savings) * (0.7%) - Incidental low-income & equity SBES demand savings = (total SBES demand savings) * (1.7%) - Incidental low-income & equity SBES expenditures = (total SBES expenditures) * (1.1%)

The calculations use the general term "savings". The same calculations are applied to energy savings, peak demand savings, and program expenditures.

3.2 DSM REPORTING ASSUMPTIONS: INCIDENTAL IMPACTS

Table 3 provides the assumptions and calculations for incidental low-income and equity impacts for DSM reporting from E1's non-targeted program components.

Table 3: DSM Reporting: Incidental Low-Income Impacts for Non-Targeted Program Components

Program Component	Assumptions	Calculation for DSM Reporting
Residential Program Components		
Instant Savings	- Assumed to be no incidental low-income & equity participation and savings. - Beginning in 2025, lighting has been removed from Instant Savings. Therefore, more expensive products remain and E1 has assumed no incidental low-income & equity participation.	n/a
Efficient Product Installation (EPI)	- Income disclosure is optional for this program component. Disclosed Income group: Low-income participants and savings are tracked where income information is available. These savings are considered 100% low-income & equity savings. Undisclosed income group: Incidental savings from the undisclosed income group are calculated using the overall prevalence of low-income Nova Scotians, with the assumption that low-income Nova Scotians are as likely to participate as the general population. - From the Census Profile, 2021 Census of Population for Nova Scotia, the prevalence of low-income, based on the low-income measure, after tax (LIM-AT) (%), is 14.9%.² This is referred to as the Overall Prevalence. - The Overall Prevalence of low-income Nova Scotians is 14.9%.	Incidental low-income & equity savings = (Homes with tracked low-income savings from disclosed income group) + (Homes from undisclosed income group * (Overall Prevalence))

² 2021 Census of Population for Nova Scotia, [Profile table, Census Profile, 2021 Census of Population - Nova Scotia \[Province\]](#)

Program Component	Assumptions	Calculation for DSM Reporting
Residential Behaviour (RB)	- Low-Income Nova Scotians are assumed to be as likely to participate as the general population.³ - From the Census Profile, 2021 Census of Population for Nova Scotia, the prevalence of low-income, based on the low-income measure, after tax (LIM-AT) (%), is 14.9%. This is referred to as the Overall Prevalence. - The Overall Prevalence of low-income Nova Scotians is 14.9%.	Incidental low-income & equity savings = (total RB savings) * (Overall Prevalence)
BNI Program Components		
Business Energy Rebates – Application Rebates (BER-AR) and Instant Rebates (BER-IR)	- BER-AR: Actual program participants are apartment building owners. Avoided energy benefits are assumed to flow-through to tenants either: - directly, where tenants pay power bills, or - indirectly, by means of deferred increases in rent. - Upgrades completed in apartment buildings & residential projects that exclusively serve low-income Nova Scotians (e.g., non-profit organizations, affordable housing projects, provincial, municipal, regional housing authorities), are considered low-income savings. - BER-IR: Actual program participants are apartment building owners. Avoided energy benefits are assumed to flow-through to tenants either: - directly, where tenants pay power bills, or - indirectly, by means of deferred increases in rent. - The exact installation location of products receiving BER-IR is unknown, as it is a point-of-sale rebate program. The proportion of low-income BER-IR measures installed in apartment buildings is assumed to be the same as the proportion of low-income BER Application Rebates (BER-AR) measures installed in apartment buildings.	- Incidental low-income & equity savings = (BER-AR low-income) + (BER-IR low-income) - BER-AR: Incidental low-income & equity savings = (total savings from residential dedicated low-income & affordable housing projects “Housing*”) - BER-IR: BER-IR Incidental low-income & equity savings = [(BER-AR low-income savings) / (BER-AR total savings)] x BER-IR total savings]

³ Data from Opower auto-enroll programs and internal analyses of Home Energy Report programs deployed at four investor-owned utilities found that low-income customers generated savings commensurate with non-low-income customers. ACEEE Summer Study on Energy Efficiency in Buildings, Myths of Low-Income Energy Efficiency Programs, Figure 6, page 7-39, 2014.” <https://www.aceee.org/files/proceedings/2014/data/papers/7-287.pdf>

Program Component	Assumptions	Calculation for DSM Reporting
Custom	- Actual program participants are apartment building owners. Avoided energy benefits are assumed to flow-through to tenants either: a) directly, where tenants pay power bills, or b) indirectly, by means of deferred increases in rent. - Upgrades completed in apartment buildings & residential projects that exclusively serve low-income Nova Scotians (e.g., non-profit organizations, affordable housing projects, provincial, municipal, regional housing authorities), are considered low-income savings.	Incidental low-income & equity savings = (total savings from residential dedicated low-income & affordable housing projects ("Housing*"))
Small Business Energy Solutions (SBES)	- Actual program participants are apartment building owners. Avoided energy benefits are assumed to flow-through to tenants either: a) directly, where tenants pay power bills, or b) indirectly, by means of deferred increases in rent. - Upgrades completed in apartment buildings & residential projects that exclusively serve low-income Nova Scotians (e.g., non-profit organizations, affordable housing projects, provincial, municipal, regional housing authorities), are considered low-income savings.	Incidental low-income & equity savings = (total savings from residential dedicated low-income & affordable housing projects ("Housing*"))

1 The calculations use the general term "savings". The same calculations are applied to energy savings, peak demand savings, and program
2 expenditures.

Filed Electronically

Appendix A

Attachment 3: 2026 DSM Extension Measure-level
Energy Efficiency Technical Tables

Filed Electronically

Appendix A

Attachment 4: 2026 DSM Extension Demand Response
Technical Tables

Appendix B

Rate and Bill Impact Analysis of the 2026 DSM Extension

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1. EXECUTIVE SUMMARY

EfficiencyOne (E1) delivers demand side management (DSM) programs that offer benefits to customers and the electric utility. While DSM is a key resource option for delivering clean, affordable, reliable and safe energy services to Nova Scotian customers, concerns about possible rate impacts often represent a significant barrier to expanding investments in DSM.

It is generally understood that DSM programs typically result in reductions in customer bills that more than offset any increase in rates, if they do occur. These rate and bill effects impact customers in different ways. Those customers that participate in DSM programs may experience higher rates but lower bills, while those customers that do not participate in DSM programs may only experience the higher rates. Thus, rate and bill impact concerns are effectively an issue of customer equity. Understanding the degree to which rates may increase over the long-term, together with the expected bill reductions and the level of participation in DSM programs can help inform how ratepayers fare overall from investments in DSM.

E1's Rate and Bill Impact Analysis (RBIA) provides insight on the questions above through an assessment of the rate and bill impacts of DSM in Nova Scotia. The forward looking RBIA is filed by E1 in conjunction with each DSM Plan Application.¹ The forward-looking RBIA is used to provide understanding of the impact on future rates and bills associated with the DSM Plan activities proposed under the current Application.

E1's 2026 DSM Extension RBIA, provides a broad trend-based picture of the rate and bill impacts of proposed DSM activities to be carried out during the 2026 period, looking forward until 2041, when the modelled impacts of 2026 measures expire. These results offer a frame of reference for considering the appropriate balance of these impacts across electricity customers.

The 2026 DSM Extension RBIA compares the differences between two scenarios – a no-DSM scenario that does not include 2026 DSM impacts, and a DSM scenario that allocates program investments, avoided costs, and recovery of lost revenues arising from 2026 DSM activities to each participating rate class, excluding Unmetered. It is important to note that the RBIA examines DSM effects in isolation of utility effects, such as timing of infrastructure upgrades or general rate applications. As such, it provides insight

¹ In the case of 2026, while it is not a stand-alone DSM Plan Application but rather a one-year extension to the 2023-2025 DSM Plan, E1 has conducted a rate and bill impact analysis to provide insight on the one year extension.

1 into the average pressure of the proposed DSM Plan investment on rates and bills and is not intended to
2 estimate the actual rates or bills experienced by customers in a particular rate class or year. The RBIA is
3 intended to provide insight into average long-term trends of rate and bill impacts on rate classes,
4 comparing a scenario with DSM and a counter-factual scenario of no-DSM. Key outputs of the analysis are
5 how much more non-participants will pay due to DSM (non-participant bill impacts), and how many non-
6 participants there are. Cost effectiveness testing of DSM Plans demonstrates whether the investment is
7 beneficial for customers as a whole; while the RBIA looks more closely at the worst-case scenario (a non-
8 participant in each rate class) to see how much higher their bills are due to DSM. This information is critical
9 in addressing issues of DSM affordability.

10
11 From the time E1 filed its forward looking RBIA for the 2020-2022 DSM Resource Plan on February 28,
12 2019, a significant level of stakeholder engagement was undertaken through a RBIA Technical Session
13 with the Demand Side Management Advisory Group (DSMAG), written stakeholder submissions, and
14 subsequent stakeholder discussions. As a result, several revisions were made for the 2020 Historical RBIA,
15 the most significant of which was the removal of all cost allocation functionality. Effective with the 2020
16 RBIA, this work is now performed by Nova Scotia Power (NS Power) to align with their Cost-of-Service
17 Study (COSS) more closely, such that rate impacts presented in the RBIA more accurately reflect NS
18 Power's cost recovery across all rate classes. The general perspective remains the same – rate impacts are
19 measured relative to a scenario with no DSM at all; they are not incremental impacts relative to current
20 rates. Following the filing of the 2020 Historical RBIA in December 2020, stakeholder engagement was
21 undertaken through meetings and email correspondence to discuss the remaining items raised by
22 stakeholders in the 2020 Historical RBIA proceeding. The most significant change made to E1's subsequent
23 RBIA, in 2021, was the use of updated avoided costs from the 2020 Integrated Resource Plan (IRP). In
24 addition, NS Power also made improvements to the NS Power Rate Model by incorporating transfer tables
25 and cost allocation summary tables. Further changes made in the 2023-2025 DSM Plan RBIA (and included
26 in E1's 2022 historical RBIA) were the:

- 27 • use of avoided costs of carbon for the first time in DSM planning;
- 28 • incorporation of demand response (DR) program components into the E1 RBIA and NS Power cost
- 29 of service models; and
- 30 • addition of partial year measure lives in the E1 and NS Power model.

Since the filing of E1's 2023-2025 DSM Plan RBIA, the most significant changes made in the 2026 DSM Extension RBIA as discussed with the DSMAG through engagement on E1's upcoming five-year DSM Plan are the:

- use of updated avoided costs from the 2022 Evergreen IRP;
- incorporation of additional DSM resources, specifically solar-PV, batteries, and strategic electrification into the E1 RBIA and NS Power rate models (however, these are not yet used in the current analysis);
- refinements to the participation methodology. E1 worked with Elenchus, its RBIA consultant, to revise its participant methodology to more accurately reflect total active participants and to revise how participation data is displayed in the model. These changes are detailed in the modelling and assumptions section below.

Key highlights of the 2026 forward-looking RBIA² include:

- Over the 16-year study period, participants in DSM programs see average annual bill reductions ranging from a low of 0.1 percent (typical Municipal participant) to a high of 8.8 percent (typical Small General participant).
- Over the 16-year study period, the average bill impacts to non-participants (by rate class) range from 0.1 to 0.4 percent.
- Over the 16-year study period, the average upward rate pressure of DSM varies from a low of 0.08 to a high of 0.45 percent across all rate classes.
- Nova Scotian ratepayers will save \$74 million³ as a result of energy and demand reductions achieved by 2026 DSM programs.
- Maximizing customer participation in DSM programs mitigates rate impacts by increasing the number of customers who experience net bill reductions.

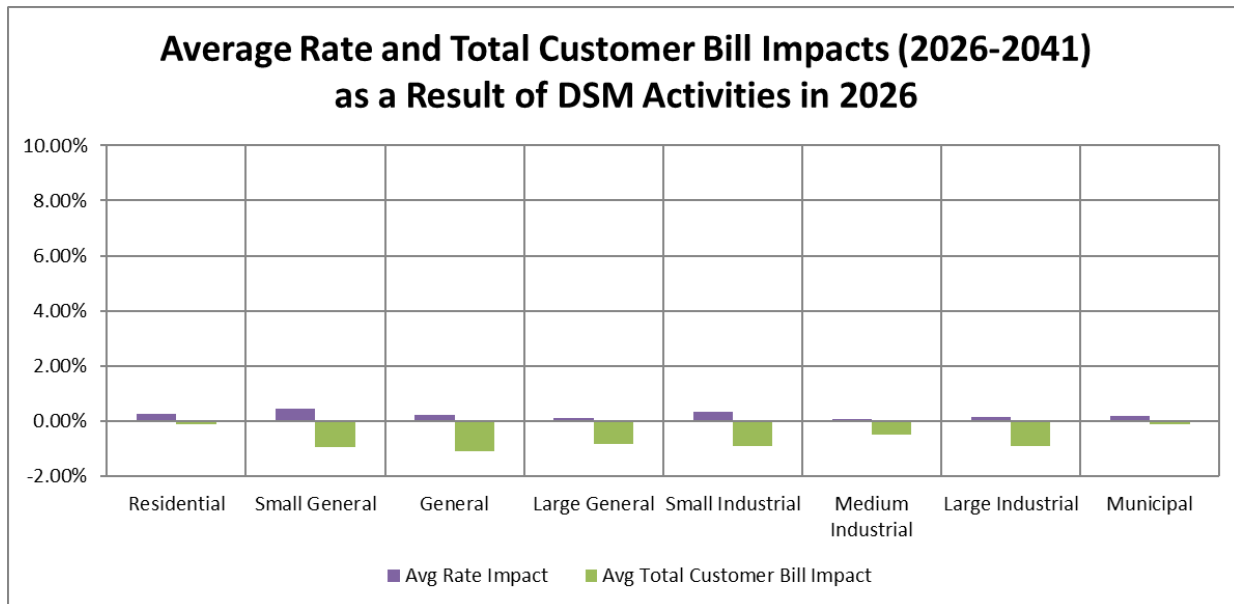
Average rate and bill impacts of DSM for total ratepayers are shown below in Figure 1.

² Includes both energy efficiency and demand response activities

³ Net benefits = net present value of utility benefits (avoided costs) minus program costs
\$77.4M net benefits (EE) +(-\$3.4M) net benefits (DR) = \$74.1M total net benefits

1

Figure 1: Average Rate and Bill Impacts (2026-2041) as a Result of DSM Activities in 2026



2. INTRODUCTION

The forward-looking RBIA is an analysis of the rate and bill impacts associated with the proposed DSM investment only. The forward-looking rate and bill impact analysis associated with a DSM Plan or Extension Application compares the impacts of the proposed DSM investment to a scenario where there is no DSM investment during the DSM Application period. It does not assess the rate pressure of the incremental investment amount proposed, compared to what is currently being collected by ratepayers for DSM. E1, the regulator, and other stakeholders use this forward-looking RBIA to inform their consideration of the proposed DSM investment levels; in particular, it augments cost effectiveness test results by estimating the effects of DSM on non-participants.

11

The historical RBIA provides insights into the rate and bill impacts resulting from DSM activities that have been carried out since 2011, as well as those that have been approved by the Nova Scotia Utility and Review Board (NSUARB) for future years (2023-2025). E1's most recent historical RBIA was filed on October 31, 2022. In the 2023-2025 DSM Resource Plan, E1 proposed to eliminate the filing of the historical RBIA in any year other than a DSM Plan Application year. In its decision letter on the 2022 RBIA report dated February 23, 2024, the NSUARB stated that, *"The Board accepts the proposal to file historical RBIA reports with future DSM Plan applications. The next historical RBIA will be filed as part of the next*

1 *DSM Resource Plan application.*⁴ The next historical RBIA will be filed as part of the 2027-2031 DSM
2 Resource Plan Application, expected to be in February/March 2026.

3
4 The analysis provides the reader with a picture of these impacts for the following groups of ratepayers by
5 rate class:

- 6 • Non-participants – those ratepayers that do not participate in DSM program activities;
- 7 • Participants – those ratepayers that do participate in DSM program activities and achieve
8 statistically ‘average’ savings for a given rate class; and
- 9 • Total Customers – a perspective that does not consider participation and allocates DSM savings
10 equally among all class members.

11
12 Both the historical and forward-looking RBIA analyses allow stakeholders to obtain an understanding of
13 how DSM investment may impact participating and non-participating ratepayers. Broadly speaking, this is
14 primarily a question of customer equity, given that participants see lower bills, while non-participants may
15 experience higher bills (however, in some rate classes, it is likely that all customers participate each year).
16 The results of the RBIA can be used by stakeholders as one frame of reference to assess any trade-offs
17 between investment in DSM that is cost-effective for customers overall, and the potential upward bill
18 impacts for customers that do not see any direct benefits from DSM (those who do not participate).
19 According to the National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency
20 Resources, *“there is no bright line to determine how to balance these different impacts. Instead, this
21 balance will need to be drawn by efficiency planners, ultimately with guidance and final approval of
22 regulators.”*⁵

23
24 The original RBIA model, filed on 14 November 2013, along with a detailed methodology report, was
25 designed to show the average, long-term effect of DSM on rates and bills. The model was developed by
26 Efficiency Nova Scotia Corporation and Elenchus Research Associates (Elenchus) and built on a sample
27 framework provided by the NSUARB’s consultant on this Matter, Synapse Energy Economics (Synapse).
28 Prior to the 2013 filing, it was reviewed several times by Synapse and subsequently revised to ensure it
29 served its required purposes. It has been further revised several times since then, based on feedback from

⁴ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5

⁵ National Efficiency Screening Project (NESP), National Standard Practice Manual for Assessing Cost-Effectiveness of Energy Efficiency Resources, May 18, 2017, page 126

past filings and discussions with the DSMAG. The current RBIA model includes enhancements made to the version used for the 2022 historical RBIA⁶, which are described in Section 4.

Results are discussed in Section 3 with overall trends followed by individual rate class impacts. Sections 4 and 5 provide an overview of the model framework and discuss key assumptions. Section 6 provides an outlook on future work that will influence the next application of the RBIA. Concluding remarks are made in Section 7.

Attachment 1 provides a summary of results (Filed Electronically) for the 2026 DSM Extension. Attachment 2 provides results for each rate class for the 2026 DSM Extension. Assumptions are provided in Attachment 3 and Attachment 4 provides NS Power's pricing methodology. NS Power's Rate Model (Filed Electronically) and E1's RBIA Model (Filed Electronically) are included as Attachment 5 and 6, respectively.

⁶ M10830, E1 2022 RBIA, October 31, 2022

3. 2026 DSM EXTENSION RBIA RESULTS

The results in this section are for the 2026 DSM Extension. All impacts are calculated relative to a scenario where no DSM is conducted in 2026. Results are summarized in Attachment 1, and have been presented for energy efficiency and demand response separately, as well as combined. Summary sheets for rate, and bill impacts for each applicable rate class are included in Attachment 2. The graphs presented on the summary sheets have been selected based on representative outputs from the model.

3.1 OVERALL RATE IMPACTS

DSM can lower rates by avoiding different types of electricity system costs (avoided energy, capacity, transmission and distribution). DSM may also increase rates, a result of recovering program costs as well as lost revenues due to reduced sales. These upward and downward pressures on rates are examined in the 2026 DSM Extension RBIA to identify the overall impact on rates to each rate class over the long-term. The impacts presented in the analysis should not be read to be the actual rate increases or decreases that are experienced by customers in any year; the important takeaway is the percentage variance between the with DSM and no DSM scenarios.

The RBIA for the 2026 DSM Extension demonstrates the following rate impacts associated with DSM activities:

- average rate impacts (by rate class) over the study period (2026-2041) range from +0.08 to +0.45 percent (shown in Figure 2);
- average rate impacts (by rate class) over those years where DSM program costs are recovered (2026) range from +2.1 to +4.9 percent; and
- average rate impacts (by rate class) over the study period following DSM program cost recovery (2027-2041) range from -0.14 to +0.15 percent.

Figure 2: Average Rate Impacts (2026-2041) as a Result of 2026 DSM Activities

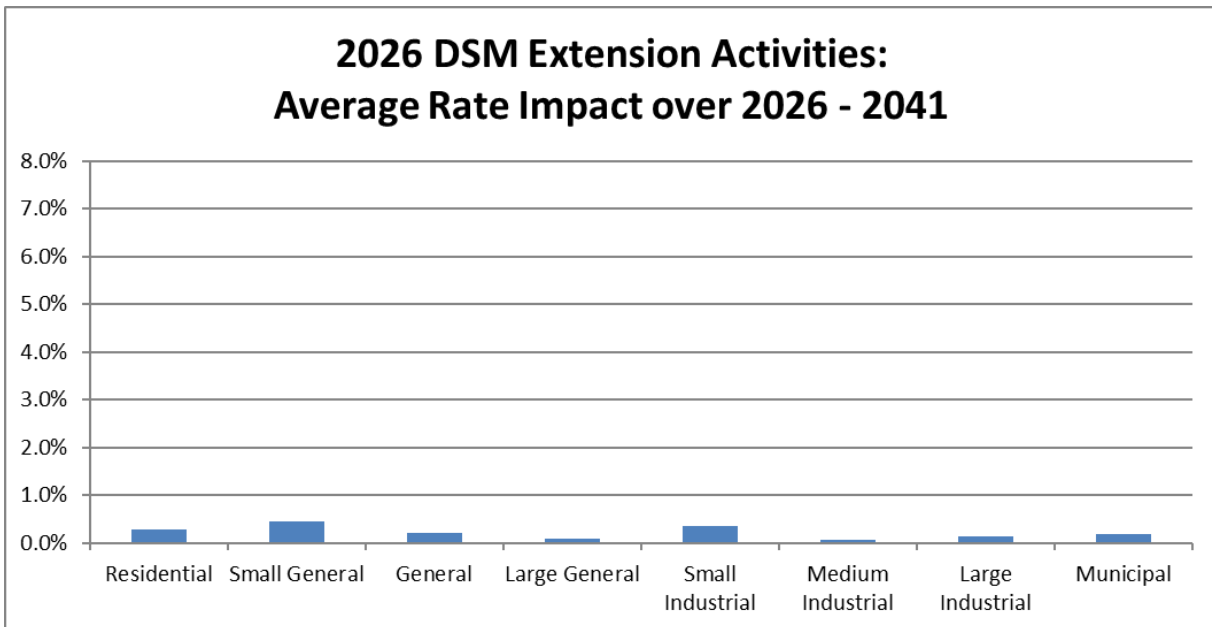
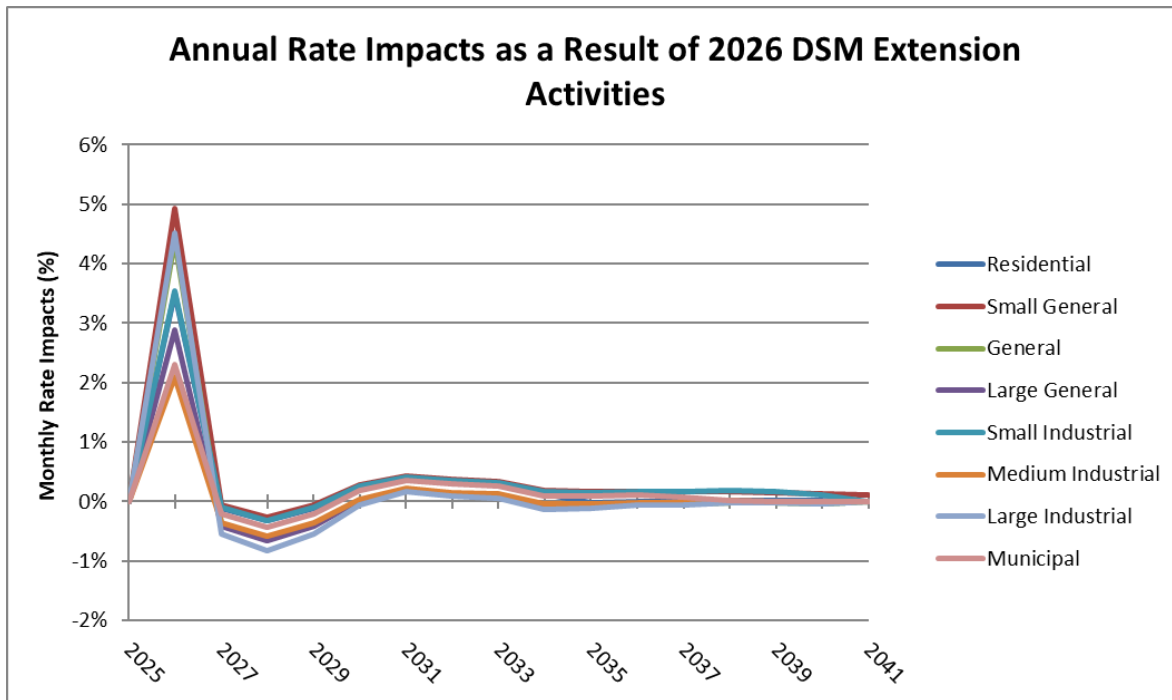


Figure 3, below, illustrates the annual rate effects (difference between the no-DSM scenario and the DSM scenario for each year), assuming that rates change every year. Changes in rate impacts are driven by two main factors: whether DSM program costs are being recovered, and fluctuations in annual avoided costs. The annual impacts depicted in Figure 3 should not be interpreted to be the actual rate changes that will occur in these years as experienced by customers.

Figure 3: Annual Rate Impacts (2026-2041) as a Result of 2026 DSM Extension Activities



NS Power's RBIA Pricing Methodology (Attachment 4) discusses the generic COSS results, including why there are different rate impacts over time and why rate impacts differ between rate classes. Notably, NS Power explains that "classes whose total cost of service bear a relatively higher share of fuel costs, such as the Large Industrial, Municipal, Medium Industrial, and Large General, see higher reduction rate benefits due to the DSM-induced reduction in system costs because more of the utility cost savings come from the reduced fuel consumption than lower utilization of its fixed cost infrastructure. The opposite holds true for rate classes with higher responsibility for the fixed infrastructure costs such as the Domestic and Small General classes."⁷

Another factor in the variation of rate impacts over time is the simplification of lifetime savings to a single weighted-average measure life within each class, and again for the system total, which introduces discontinuous jumps in savings, and which would not be experienced in reality. For example, the model assumes that all Residential measures installed in 2026 have a lifespan of exactly 8.7 years, after which the annual load reduction caused by those measures reappears. In actuality, the lifespan of measures

⁷ Attachment 4, NS Power, Methodology for determination of changes in NS Power's base cost rates as a result of DSM-induced changes in class usage and total system costs, November 27, 2020, page 8

within that class varies widely, and the load reduction will most often never reappear (although it would no longer be accredited to E1's resource acquisition activities, which is the context of this analysis).

Table 1 presents the average rate impacts over the study period (the same values as in Figure 2) compared to the rate impacts from the 2023-2025 Plan RBIA. There are a number of differences between the 2023-2025 RBIA and the 2026 RBIA, including but not limited to:

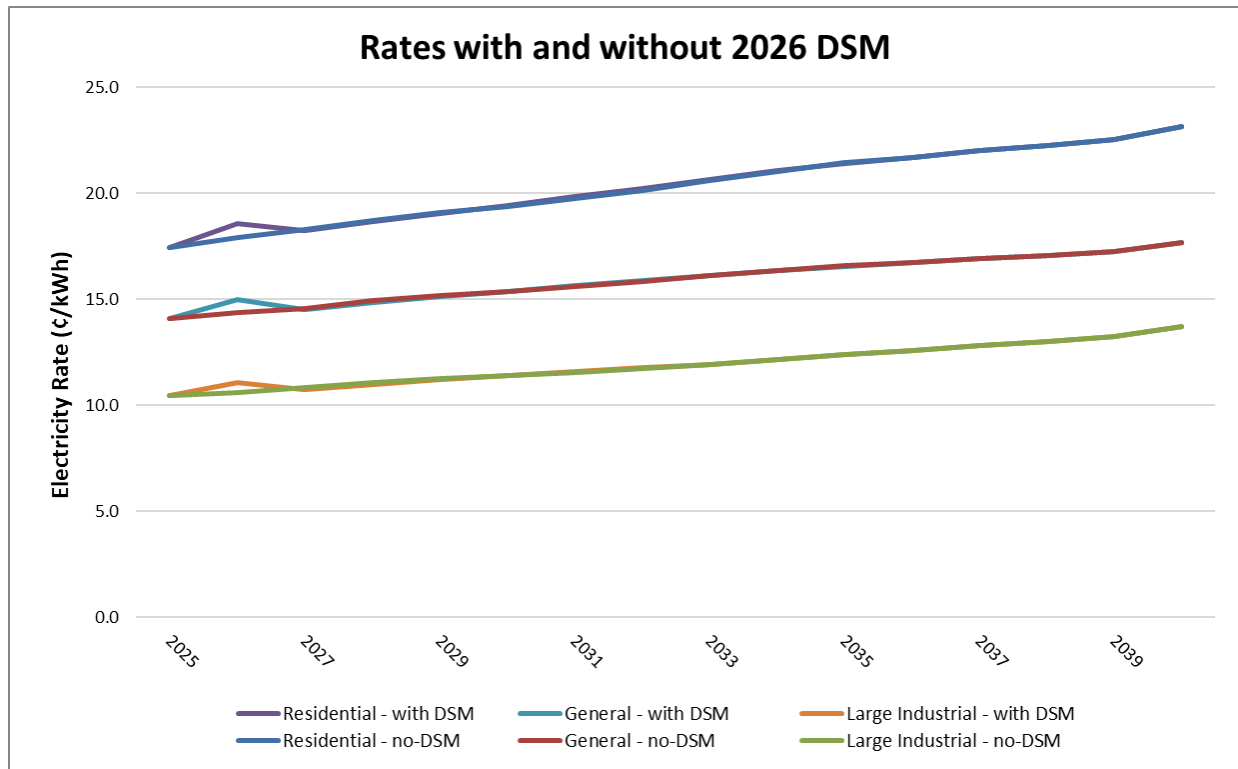
- Savings and investment levels;
- Avoided costs updates;
- Number of years with DSM activity (three for the 2023-2025 RBIA; one for the 2026 RBIA);
- Study period differences (17 years for the 2023-2025 RBIA; 16 years for the 2026 RBIA);
- Changes to load forecasts, customer counts, rates etc.; and
- Changes to the RBIA participation methodology.

Table 1: Average Rate Impact compared to No-DSM Scenario, 2023-2025 Plan to 2026 DSM Extension Results Comparison

Rate Class	2023-2025 Plan RBIA Result (average rate impact over 2023-2039)		2026 DSM Extension RBIA Result (average rate impact over 2026-2041)	
	(cents/kWh)	(%)	(cents/kWh)	(%)
Residential	+0.137	+0.78%	+0.050	+0.27%
Small General	+0.156	+0.96%	+0.078	+0.45%
General	+0.061	+0.45%	+0.028	+0.20%
Large General	+0.030	+0.28%	+0.013	+0.10%
Small Industrial	+0.148	+0.98%	+0.054	+0.34%
Medium Industrial	+0.013	+0.13%	+0.010	+0.08%
Large Industrial	-0.014	-0.06%	+0.015	+0.15%
Municipal	+0.138	+0.95%	+0.012	+0.18%

Figure 4 puts rate impacts from 2026 DSM in context with other assumed rate impacts over the study period. Using the assumption that rates escalate by two percent per year for years when they are not explicitly known, rates will rise by 29 percent (Residential class) over the study period due to factors other than DSM. Both the DSM and no-DSM rates are shown in Figure 4 for three representative classes: Residential, General and Large Industrial. The pattern is similar for the other classes.

Figure 4: Rates with and without 2026 DSM for three classes



3.2 OVERALL BILL IMPACTS

Generally speaking, ratepayers that participate in DSM programs directly benefit by reducing their electricity consumption and thereby lowering their electricity bills. Together, the level of reduced consumption (or lack thereof in the case of non-participants) and the rate impacts, determine the bill impacts of DSM on customers.

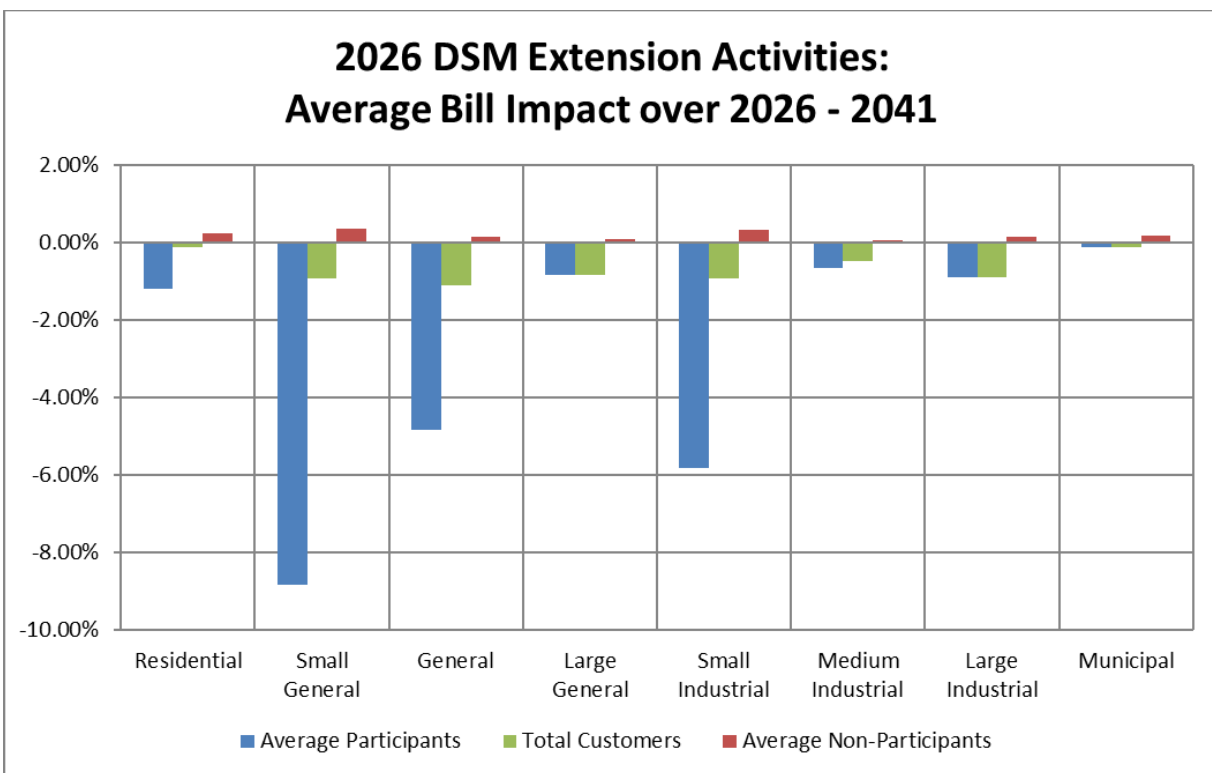
The 2026 DSM Extension RBIA demonstrates the following bill impacts associated with DSM activities:

- average participant bill impacts (by rate class) over the study period (2026-2041) range from -8.8 to -0.1 percent;
- average non-participant bill impacts (by rate class) over the study period (2026-2041) range from +0.1 to +0.4 percent;
- average total customers bill impacts (by rate class) over the study period (2026-2041) range from -1.1 to -0.1 percent; and

- net impacts to Nova Scotia ratepayers are \$74 million⁸ in savings as a result of a reduction in revenue requirement from DSM programs implemented in 2026.

Average bill impacts for participants, non-participants and total customers are presented in Figure 5 by rate class. Variations in average participant savings between classes reflect the ability of a typical energy efficiency project (i.e., a project with a statistically average level of savings) to impact a customer's total bill. Generally, participants in lower-consumption classes can lower their bills by a significant amount through installation of relatively simple lighting, heating, and hot water measures. Implementing these same simple measures for participants in higher-consumption classes, particularly medium and large industrial, typically lowers the bill by a smaller proportion, as a significant portion of their electricity consumption is tied to industrial processes that are more complex in nature.

Figure 5: Average Bill Impact (2026-2041) as a Result of 2026 DSM Extension Activities



⁸ Net benefits = net present value of utility benefits (avoided costs) minus program costs
 \$77.4M net benefits (EE) +(-\$3.4) net benefits (DR) = \$74.1M total net benefits

When examining non-participant bill impacts, it is important to note the broad reach of E1's point-of-sale rebate program components, Instant Savings and the Instant Rebates portion of Business Energy Rebates (BER-IR). These offerings provide discounts on products that can be installed in every home and business; in larger classes it is assumed that each customer does participate every year, either directly or indirectly through contractors that perform work in their facilities. The result is that there are likely very few actual non-participants in the General, Large General, Medium Industrial, Large Industrial and Municipal classes.

Additionally, for an average-consumption customer in any class, the non-participant results represent a 'minimum savings' scenario, where zero DSM savings are included, whereas the participant results represent an 'average-savings' scenario. Consequently, the various depths of savings achieved do not all occur *between* the non-participant and participant results; roughly half of participants save more than the participant results shown.

3.3 RESULTS BY RATE CLASS

This section highlights results in more detail by individual rate class for the 2026 DSM Extension.

3.3.1 RESIDENTIAL

- As modelled, the Residential class includes Rate Codes 2, 3, 6, 9 and 16 (Domestic), as well as 4 and 5 (Charitable).
- The average rate impact over the study period is an increase of 0.3 percent, or 0.05 cents/kWh.
- Participants in the Residential class see an average bill decrease of 1.2 percent over the study period.
- Non-Participants see an average bill increase of 0.2 percent over the study period.
- The class overall sees an average bill decrease of 0.1 percent over the study period.

Residential

↑ 0.3% Rates

↓ 1.2% Participant Bills

↑ 0.2% Non-Participant Bills

↓ 0.1% Total Customer Bills

3.3.2 SMALL GENERAL

- As modelled, the Small General class includes Rate Code 10 only.
- The average rate impact over the study period is an increase of 0.4 percent, or 0.08 cents/kWh.

Small General

↑ 0.4% Rates

↓ 8.8% Participant Bills

↑ 0.4% Non-Participant Bills

↓ 0.9% Total Customer Bills

- Participants in the Small General class see an average bill decrease of 8.8 percent over the study period.
- Non-Participants see an average bill increase of 0.4 percent over the study period.
- The class overall sees an average bill decrease of 0.9 percent over the study period.

3.3.3 GENERAL

- As modelled, the General class includes Rate Code 11 only.
- The average rate impact over the study period is an increase of 0.2 percent, or 0.03 cents/kWh.
- Participants in the General class see an average bill decrease of 4.8 percent over the study period.
- Non-Participants see an average bill increase of 0.2 percent over the study period.
- The class overall sees an average bill decrease of 1.1 percent over the study period.

General

↑ 0.2% Rates
 ↓ 4.8% Participant Bills
 ↑ 0.2% Non-Participant Bills
 ↓ 1.1% Total Customer Bills

3.3.4 LARGE GENERAL

- As modelled, the Large General class includes Rate Code 12 only.
- The average rate impact over the study period is an increase of 0.1 percent, or 0.01 cents/kWh.
- Participants in the Large General class see an average bill decrease of 0.9 percent over the study period.

Large General

↑ 0.1% Rates
 ↓ 0.9% Participant Bills
 ↑ 0.1% Non-Participant Bills
 ↓ 0.9% Total Customer Bills

- Non-Participants see an average bill increase of 0.1 percent over the study period.
- The class overall sees an average bill decrease of 0.9 percent over the study period.
- In this rate class, all customers are assumed to participate in BER-IR each year, so participation reaches 100 percent in 2026. For this reason, the bill effects for the participant group reflect the bill effects for total customers. The non-participant line is still shown, even though no non-participants may exist in the rate class.

3.3.5 SMALL INDUSTRIAL

- As modelled, the Small Industrial class includes Rate Code 21 only.
- The average rate impact over the study period is an increase of 0.3 percent, or 0.05 cents/kWh.
- Participants in the Small Industrial class see an average bill decrease of 5.8 percent over the study period.
- Non-Participants see an average bill increase of 0.3 percent over the study period.
- The class overall sees an average bill decrease of 0.9 percent over the study period.

Small Industrial

↑ 0.3% Rates
 ↓ 5.8% Participant Bills
 ↑ 0.3% Non-Participant Bills
 ↓ 0.9% Total Customer Bills

3.3.6 MEDIUM INDUSTRIAL

- As modelled, the Medium Industrial class includes Rate Code 22 only.
- The average rate impact over the study period is an increase of 0.1 percent, or 0.01 cents/kWh.
- Participants in the Medium Industrial class see an average bill decrease of 0.7 percent over the study period.
- Non-Participants see an average bill increase of 0.1 percent over the study period.
- The class overall sees an average bill decrease of 0.5 percent over the study period.
- In this rate class, all customers are assumed to participate in BER-IR each year, so participation reaches 100 percent participation in 2026. For this reason, the bill effects for the participant group reflect the bill effects for total customers. The non-participant line is still shown, even though no non-participants may exist in the rate class.

Medium Industrial

↑ 0.1% Rates
 ↓ 0.7% Participant Bills
 ↑ 0.1% Non-Participant Bills
 ↓ 0.5% Avg. Total Cust. Bills

3.3.7 LARGE INDUSTRIAL

- As modelled, the Large Industrial class includes Rate Code 23 (Large Industrial), Rate Code 25 (Large Industrial, interruptible service), and the one-part high voltage real time pricing tariff.
- The average rate impact over the study period is an increase of 0.1 percent, or an average increase of 0.01 cents/kWh.
- Participants in the Large Industrial class see an average bill decrease of 0.9 percent over the study period.

Large Industrial

↑ 0.1% Rates
 ↓ 0.9% Participant Bills
 ↑ 0.1% Non-Participant Bills
 ↓ 0.9% Total Customer Bills

- Non-Participants see an average bill increase of 0.1 percent over the study period.
- The class overall sees an average bill decrease of 0.9 percent over the study period.
- In this rate class, all customers are assumed to participate in BER-IR each year, so participation reaches 100 percent participation in 2026. For this reason, the bill effects for the participant group reflect the bill effects for total customers. The non-participant line is still shown, even though no non-participants may exist in the rate class.

3.3.8 MUNICIPAL

- As modelled, the Municipal class includes Rate Code 24 only.
- The average rate impact over the study period is an increase of 0.2 percent, or 0.01 cents/kWh.
- Municipal utilities see an average bill decrease of 0.1 percent over the study period.
- Since there was participation in E1 programs from all Municipal Electric Utilities in each year of the DSM delivery period, the bill impacts for participants match those for total customers exactly. This is a simplification of the rate and bill effects for individual MEU customers, as their individual participation is not modelled in the analysis.

Municipal

↑ 0.2% Rates

↓ 0.1% Average Bills

4. UPDATE ON MODEL EVOLUTION

In 2024-2025, E1 worked with Elenchus, its RBIA consultant, to update the E1 RBIA model and NS Power rate model. Updates include the following:

- Integration of historical and forward-looking RBIA models. Both the NS Power and E1 models were adjusted so each has the functionality to provide results from either DSM delivered since 2011, or from DSM delivered in future years only. The models filed for the 2026 DSM Extension RBIA have been used to assess forward-looking impacts from DSM delivered in 2026. The next historical RBIA will be filed with the 2027-2031 DSM Plan;
- Expansion of the existing resource options (energy efficiency and demand response) in the NS Power rate model and E1 RBIA model to allow up to three additional resources (e.g., strategic electrification, solar-PV, batteries) to be assessed. For the 2026 DSM Extension RBIA model, only energy efficiency and demand response have been assessed;
- Refinement of the RBIA participation methodology to more accurately reflect the total active participants who are achieving savings;
- Revision to how participation data is displayed; data will be organized by rate class participation for all resources: Energy Efficiency participation will no longer be provided by rate class and program level;
- Addition of a change log within the E1 RBIA model and NS Power rate model; and
- Addition of new tabs in the NS Power rate model to provide additional transparency with respect to how the No-DSM and DSM scenarios work in the model.

These changes are further described below.

4.1 INTEGRATION OF HISTORICAL AND DSM PLAN RBIA MODELS

Both the NS Power rate model and E1 RBIA model were adjusted so they have the functionality to provide either historical RBIA results (DSM delivered since 2011) or forward-looking RBIA results over the life of the measures delivered in future years.

4.2 ADDITIONAL DSM RESOURCES

In the planning for E1's first five-year DSM Plan (2027-2031) it was identified that in addition to energy efficiency and demand response, additional resources may need to be included in future DSM Plan RBIA

models. The NS Power rate model and E1 RBIA model were updated accordingly to allow for up to five resources to be modelled at the same time, and in any combination. Table 2 provides a list of the five resources and indicates if they have been included in the 2026 DSM Extension RBIA.

Table 2: 2026 DSM Extension and Resources Included in the RBIA Model

Resource	2026 DSM Extension RBIA
Energy Efficiency	Included
Demand Response	Included
Solar-PV	Not modelled
Batteries	Not modelled
Electrification	Not modelled

As shown in Table 2, solar-PV, battery, and electrification resources have not been modelled as part of the 2026 DSM Extension RBIA; however, the functionality to assess these resources has been incorporated into the model and is available for future use.

4.3 PARTICIPATION

4.3.1 ACTIVE PARTICIPATION METHODOLOGY

Previously, participant estimates were calculated using a ‘cumulative’ methodology. This did not account for the measure life of savings, resulting in the potential for the number of cumulative participants to be overestimated in later years of the analysis, and the bill savings per participant to be underestimated.

The previous participation methodology counted any customer who has participated once as a participant indefinitely, regardless of whether their associated savings had expired. For example, under the previous methodology, 2026 savings for the Residential class would be modelled as continuing until 2034 and then drop to zero; however, 2026 participants would contribute to the cumulative participant count even after 2034.

For the 2026 DSM Extension forward-looking RBIA, E1 implemented a systematic approach for analyzing ‘annual’ and ‘active’ participation separately, considering each year a customer participates along with the weighted-average measure life for class savings in each year they participate. This creates a distinction

between active and expired participation and will minimize overestimation of the total number of participants, particularly in later years of the RBIA model.

4.3.2 PROGRAM LEVEL PARTICIPATION

The RBIA model uses rate-class level participation data in its calculations. Historically, the participation data has also been provided in the model at the program level for illustrative purposes.

As more resources are incorporated into the RBIA, the model becomes more complex. Additional time and resources are required to carry out the analysis. Displaying the participation data by program in the RBIA involves an additional step in the RBIA process and does not impact the ultimate RBIA results (rate class level participation, rates and bills). In addition, participation data is now provided at the program level in E1's quarterly and annual reports.

As such, participation data will no longer be broken down by program in the RBIA. This balanced approach allows E1 to provide valuable new insights in the RBIA model overall while ensuring participation data is displayed consistently, by rate class, across all DSM resource types. This change does not impact the RBIA results, and E1 will continue to provide participation data by program in its quarterly and annual reports.

4.4 MODEL CHANGE LOG

During the 2022 Historical Rate and Bill Impact Analysis proceeding, Synapse requested that E1 document any formula changes in the RBIA model and in its Decision Letter dated February 24, 2023, the Board directed E1 to incorporate such a log for the E1 RBIA model and NS Power rate model to capture updates or corrections made over time.⁹ A change log tab was added to both the NS Power and E1 models to assist the parties involved in updating these models to keep track of recent changes.

4.5 NS POWER RATE MODEL SCENARIOS

In the 2022 Historical Rate and Bill Impact Analysis proceeding, Synapse recommended that E1 continue to improve transparency in the RBIA models, and E1 committed to working with NS Power to add

⁹ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5

1 additional information into NS Power’s rate model to explain the various scenarios before the next RBIA
2 report.¹⁰

3
4 E1 and Elenchus worked with NS Power to add additional information into NS Power’s rate model to
5 provide additional clarity with respect to meaning of the various DSM/No-DSM scenarios that can
6 assessed, and a few adjustments were made to the NS Power rate model to improve overall transparency.
7 These adjustments are intended to improve user experience and do not impact the results of the RBIA
8 model. The sections that follow describe the improvements that were made and provide a detailed
9 explanation of how various scenarios are configured within the NS Power rate model.

10
11 Both the E1 RBIA model and NS Power rate model include the actual costs and benefits of historical DSM,
12 and a forecast of DSM programs that are in progress or planned to run throughout 2026, also referred to
13 as the “With DSM” scenario. The NS Power rate model refers to this scenario as the “DSM Benchmark”.
14 NS Power’s revenue requirement without DSM resources (i.e., alternate scenarios such as “No-DSM”,
15 “Demand Response” or “Energy Efficiency”) is calculated by adding avoided costs to the DSM Benchmark.
16 This methodology is consistent with the methodology used in the NS Power rate model used in the 2023-
17 2025 DSM Plan.

18
19 The DSM Benchmark includes all historical and planned DSM savings and is calculated in the ‘COSS DSM
20 Benchmark’ tab in the NS Power rate model. Revenue requirements by functional category and by rate
21 class are forecasted by prorating 2023 GRA revenue requirement components into the future. These cost
22 elements are prorated according to changes in the following cost drivers: consumption volumes, peak
23 demand volumes, and customer counts. Each revenue requirement component is prorated using the
24 relevant cost driver and inflation is applied. In addition to DSM savings, the costs of all DSM resources
25 planned for 2026 are also included in the Benchmark.

26
27 The ‘E1 Data Inputs’ tab provides a dashboard for model users to select DSM resources (i.e., No-DSM
28 resources, or any combination of available DSM resources) and the time frame (historical or forward-
29 looking). This dashboard has been updated so users can include/exclude any of the five DSM resources
30 available in the E1 model; however, as noted above in Section 3.2, only Energy Efficiency and Demand

¹⁰ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5

Response resources are included in the 2026 DSM Extension; Solar-PV, Batteries and Electrification have not been modelled. Users can also adjust the Avoided Cost Scenario relative to the DSM Benchmark avoided cost assumptions in tab 'COSS Outputs 1". Users have the option to select cost scenarios of 75%, 100%, and 125% of estimated avoided costs.

The savings presented in the NS Power rate model in the 'Total-Savings(Added)' tab are the savings associated with any DSM resources that are not selected in the "E1 Data Inputs" tab. For example, if all of the DSM resources are selected in the "E1 Data Inputs" tab, there will be no savings in the 'Total-Savings(Added)' tab. If only Demand Response is selected, only savings associated with the resources that are not selected (Energy Efficiency, Solar, Batteries, Electrification) will populate in the 'Total-Savings(Added)' tab. The avoided costs associated with the DSM resources that are not selected in the "E1 Data Inputs" tab will populate as well. In other words, if no DSM resources are selected in the "E1 Data Inputs" tab, the avoided costs associated with all of the planned-DSM resources are added to NS Power's revenue requirement and will populate in the Savings(Added)' tab.

Alternate scenarios, including a "No-DSM" scenario or a scenario that includes one or some of the available DSM resources, but not all, are calculated in the 'COSS DSM Simulated' tab based on which DSM resources are selected in the 'E1 Data Inputs' tab. The 'COSS DSM Simulated' tab uses alternate consumption and demand volumes in which the volumes associated with resources that are not selected, as calculated in the 'Total-Savings (Added)' tab, are added to the DSM Benchmark volumes. Additionally, the costs that are no longer avoided when those resources are not selected as calculated in the 'Total-Savings (Added)' tab are added to NS Power's revenue requirement by function. Those costs are allocated to rate classes using the same classification and allocation methodology used in NS Power's 2023 Cost of Service Study. The DSM costs of only the selected DSM resources are also included in the 'COSS DSM Simulated' tab. This methodology permits an analysis of avoided costs that are different from the base assumptions. An alternate version of the model which begins with a model that excludes all DSM savings, while potentially more intuitive, would require a single assumption of avoided costs to be used and would not allow for the analysis of scenarios of 75%, 100%, and 125% of estimated avoided costs.

A new "Avoided" savings calculation has been added to the NS Power rate model to summarize the savings of the DSM resources that are selected in the "E1 Data Inputs" tab. The newly added 'Total-Savings (Avoided)' tab summarizes the total energy and demand savings of the selected DSM resources and the

associated avoided costs. Using the previous example noted above, if only Demand Response is selected in the “E1 Data Inputs” tab, the savings associated with Demand Response will populate in the ‘Total-Savings (Avoided)’ tab. For clarity, this tab is for information purposes only and it is the other ‘Total-Savings (Added)’ tab that is used in the NS Power model.

As the number of alternate scenarios has grown with the number of resources, a new “Master Output” tab is included which provides the results of each possible scenario in a single tab. There are separate scenarios generated with and without each DSM resource, with 75%, 100%, and 125% avoided cost scenarios, and two time periods (historical and forward-looking). This tab is copied to the E1 RBIA model. The E1 RBIA model has similarly been revised so users can toggle through options and select each resource, cost scenario, and time period to be modelled. The ‘Input’ tab in the E1 RBIA references the ‘Master Output’ tab in the NS Power rate model based on the selected scenario so that the results produced in that E1 RBIA model use the output data generated from the NS Power rate model.

4.6 DEMAND RESPONSE ASSESSMENT

In the 2022 Rate and Bill Impact proceeding, Synapse recommended that E1 monitor for models used in other jurisdictions that they may adopt to enhance the demand response assessment in the RBIA and E1 indicated that it is committed to considering whether refinements to demand response modelling are appropriate as part of future RBIA reports.¹¹ In its Decision dated February 24, 2023, the NSUARB directed E1 to “report on those developments made to its model in its next report.”¹²

E1 has continued to work closely with its RBIA consultant Elenchus and is committed to updating the RBIA as appropriate to enhance the assessment of all resources, including Demand Response. At this time, E1 has not identified any necessary refinements specific to the Demand Response assessment in the models based on industry trends or best practices.

5. METHODOLOGY AND ASSUMPTIONS

Attachment 3 describes the overall modelling and key assumptions that apply to the 2026 DSM Extension RBIA (forward looking).

¹¹ M10830, E1 2022 RBIA, E1 Reply Comments, January 19, 2023, page 5

¹² M10830, E1 2022 RBIA, NSUARB Decision, February 24, 2023, page 5

6. FUTURE CONSIDERATIONS

E1 understands that NS Power is currently developing an updated Cost of Service Study. Once concluded, E1 will work with stakeholders to consider any potential implications to the RBIA as a result of this update, and how best to reasonably address in the RBIA.

The next application of the RBIA model will be for the 2027-2031 forward looking RBIA and the historical 2026 RBIA, as part of E1's 2027-2031 DSM Resource Plan, expected to be filed in the winter of 2026. E1 looks forward to working with stakeholders in advance of that filing.

7. CONCLUSION

Highlights from the 2026 DSM Extension RBIA analysis include:

- Over the 16 years of the study period, participants in DSM programs see average annual bill reductions ranging from a low of 0.1 percent (typical Municipal participant) to a high of 8.8 percent (typical Small General participant).
- Over the 16 years of the study period, the average bill impacts to non-participants (by rate class) range from 0.1 to 0.4 percent.
- Over the 16 years of the study period, the average upward rate pressure of DSM varies from a low of 0.1 to a high of 0.4 percent across all rate classes.
- Nova Scotian ratepayers will save \$74 million¹³ as a result of energy and demand reductions caused by 2026 DSM programs.
- Maximizing customer participation in DSM programs mitigates rate impacts by increasing the number of customers who experience net bill reductions.

The RBIA for the 2026 DSM Extension estimates the effects of 2026 DSM programs on customer rates and bills throughout the full lifetime of the DSM impacts as compared to a no-DSM scenario, all else being equal. Over the lifetime of measures installed in this period, after accounting for DSM program costs, utility avoided costs, and the reallocation of 'lost' fixed revenues, NS Power customers will save \$74 million on electricity bills.

¹³ Net benefits = net present value of utility benefits (avoided costs) minus program costs
\$77.4M net benefits (EE) +(-\$3.4M) net benefits (DR) = \$74.1M total net benefits

1 It is important to recognize that the RBIA is not intended to represent a comprehensive evaluation of total
2 DSM impacts. The model excludes benefits that do not directly impact electricity rates or bills, such as the
3 societal benefits of reduced greenhouse gas emissions, reduction of energy poverty, investment in local
4 businesses that deliver efficiency services instead of investment in foreign fuel supplies, increased
5 productivity in businesses, and increased occupant comfort in homes and businesses, among others.

6
7 DSM investments produce net benefits for Nova Scotian ratepayers over the long term, as demonstrated
8 through cost-effectiveness testing using the Total Resource Cost (TRC) test and the Program Administrator
9 Cost (PAC) test. However, these tests look at ratepayers as a whole, and do not examine to what degree
10 non-participants may be subsidizing programs that mainly benefit participants. This RBIA subdivides each
11 rate class into groups of participants and non-participants to examine impacts to their rates and more
12 importantly to their total electricity bills, respectively.

13
14 DSM resources can impact both electricity rates and bills. All ratepayers experience the rate impacts from
15 DSM for their applicable rate class as described in Section 3. However, ratepayers will experience different
16 bill impacts depending on whether they participate in E1's DSM programs, in which programs they
17 participate, and how often they participate. One of the main benefits of DSM programs, the reduction of
18 customer energy and demand consumption (i.e., lower bills), are only realized by participants in DSM
19 programs. The analysis shows that on average, their reductions in consumption drive bill decreases that
20 far outweigh the increases caused by higher rates. Thus, achieving higher participation rates limits the
21 number of customers that may only experience higher rates and who do not benefit from lower bills due
22 to reduced consumption.

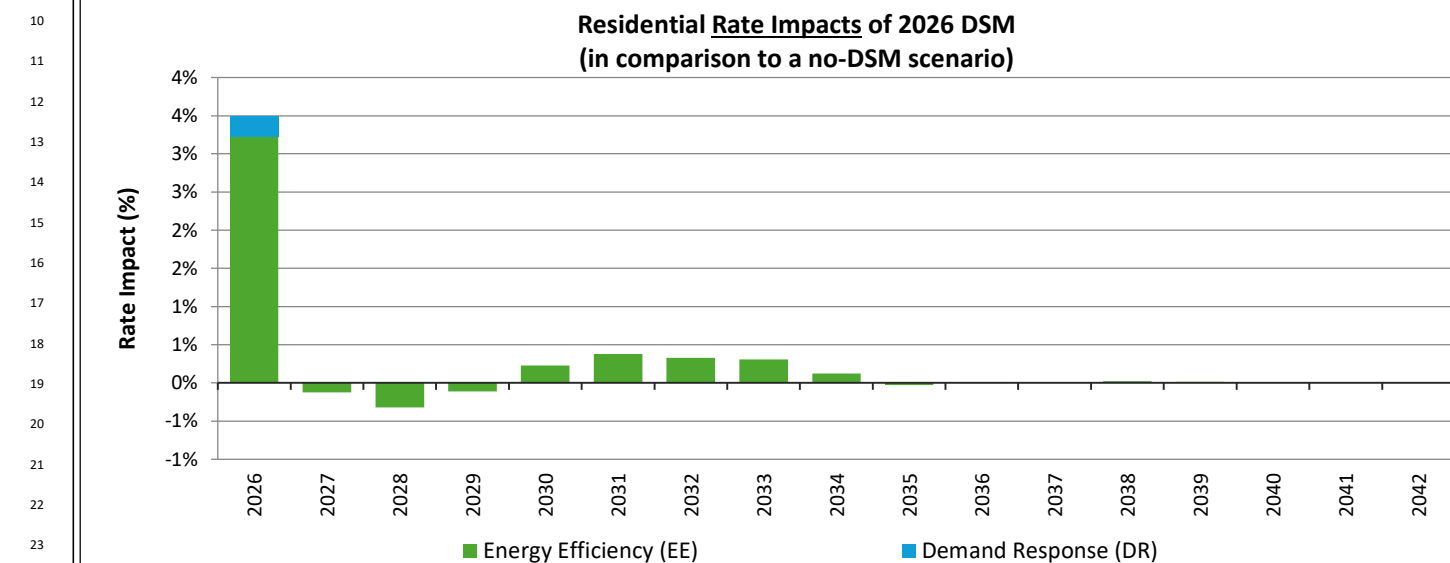
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Appendix B

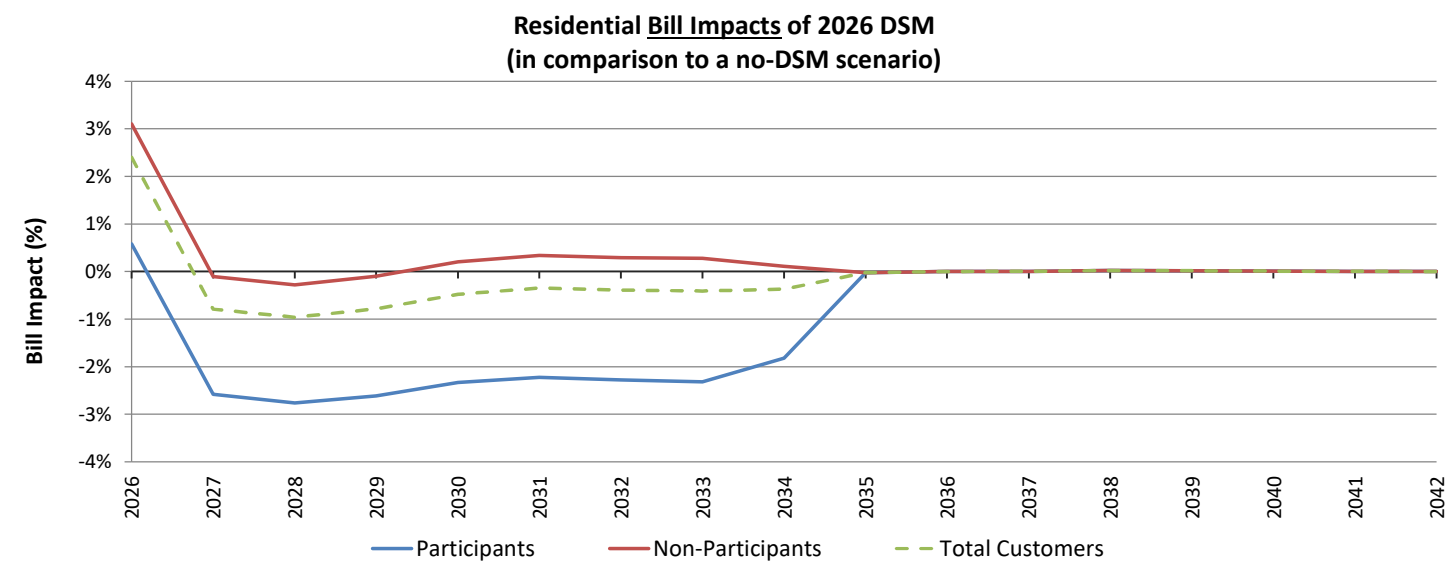
Attachment 1: 2026 DSM Extension Summary Results

Appendix B

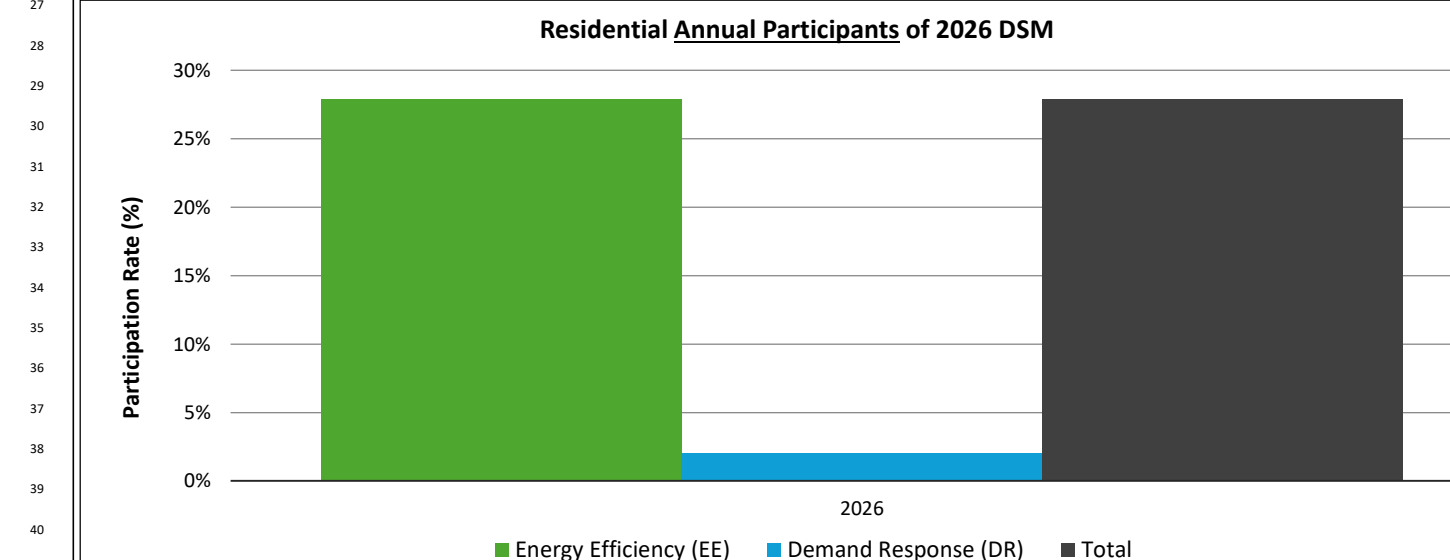
Attachment 2: Results by Rate Class (2026 DSM Extension)

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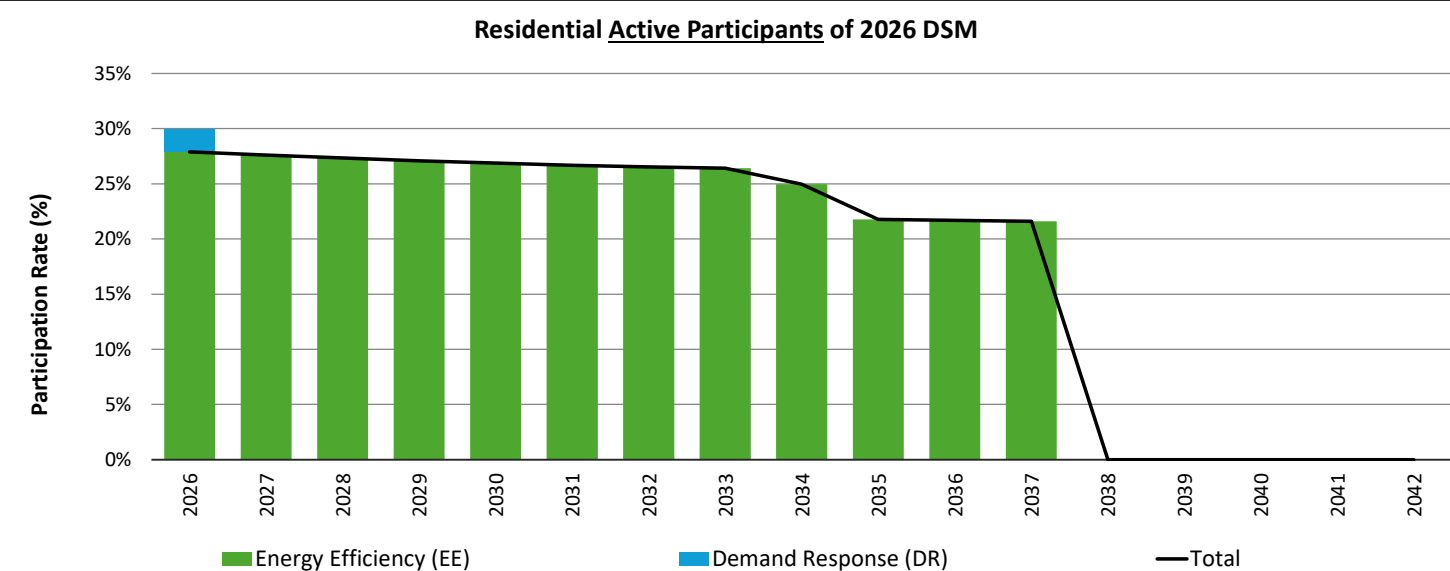
This graph shows estimated rate impacts of DSM by individual DSM resource, all relative to the no-DSM scenario.



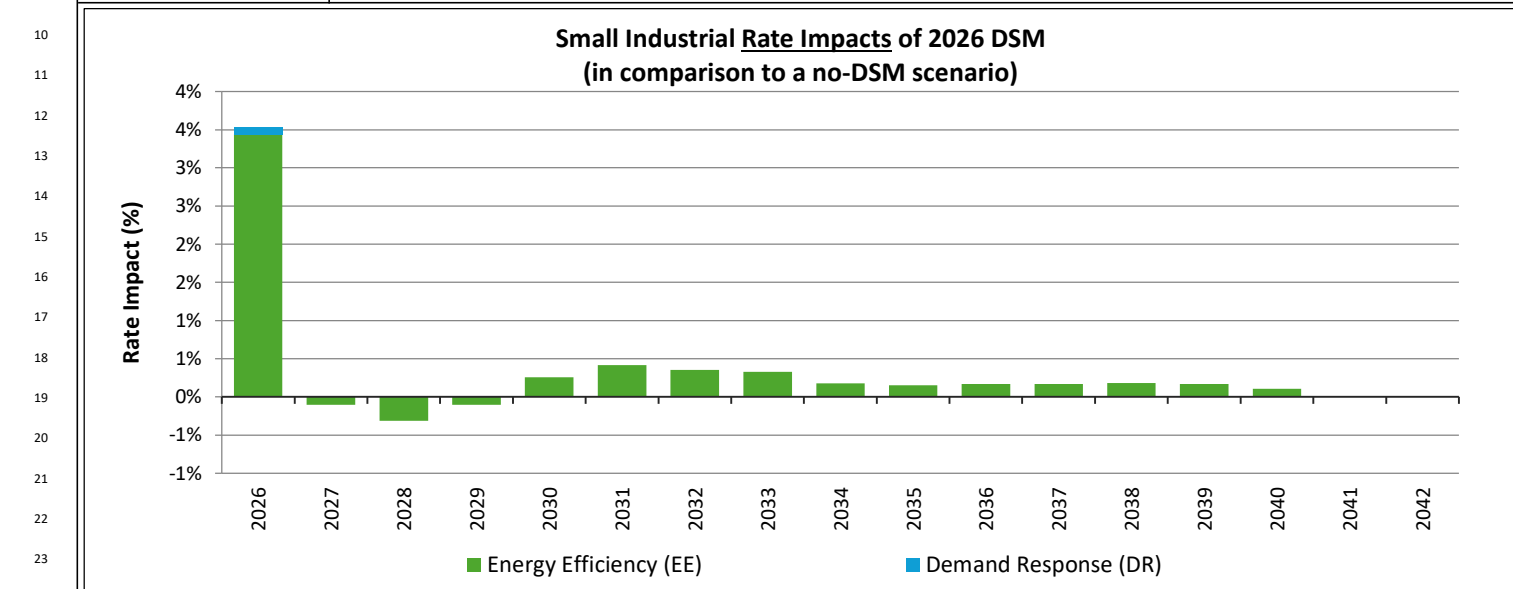
This graph shows bill impacts of all DSM resources combined, as percentage differences relative to the no-DSM scenario. 'Participants' represents a customer with average energy use and average DSM savings. 'Non-Participants' represents a customer with average energy use and no DSM savings. 'Total Customers' is a hypothetical scenario that does not differentiate between Participants and Non-Participants.



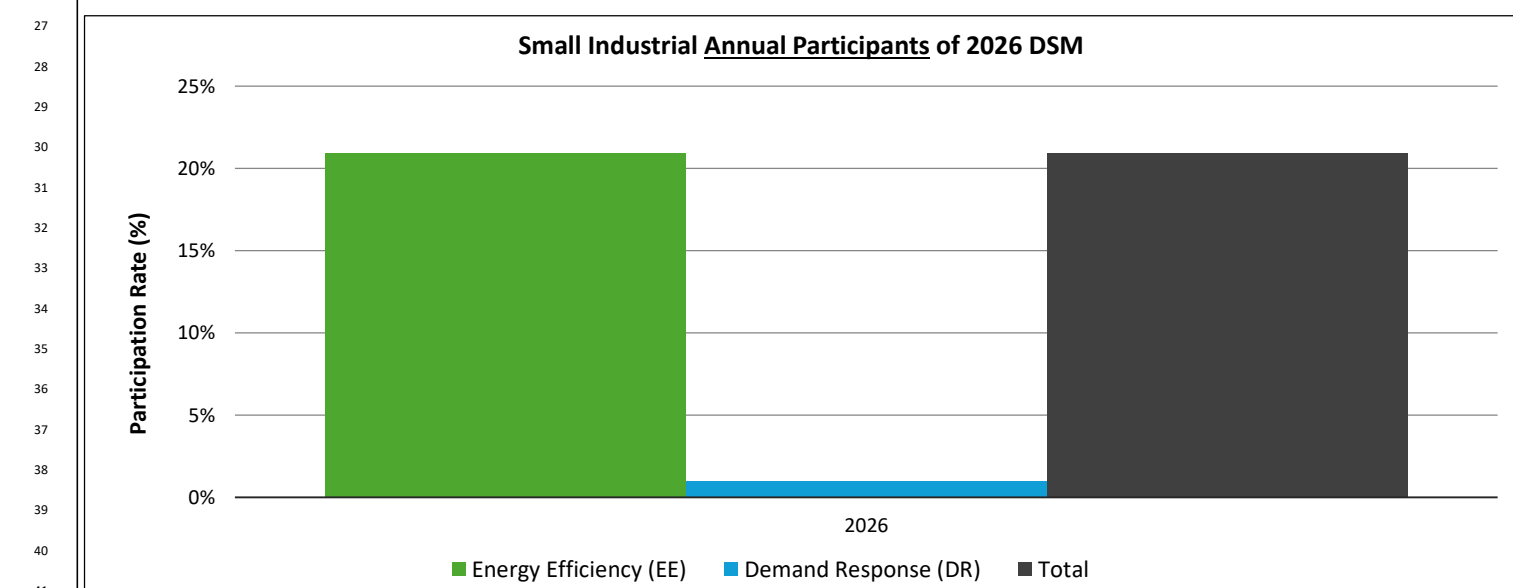
This graph shows 'Annual' participation for the class, by DSM resource. Within each resource, customers are counted once for each year where they participate. Participants are estimated separately for each resource, so the sum of participants from all resources can exceed 100% of customers in the class. The 'Total' series represents grand total participation, after removing double-counting of participants from multiple resources.



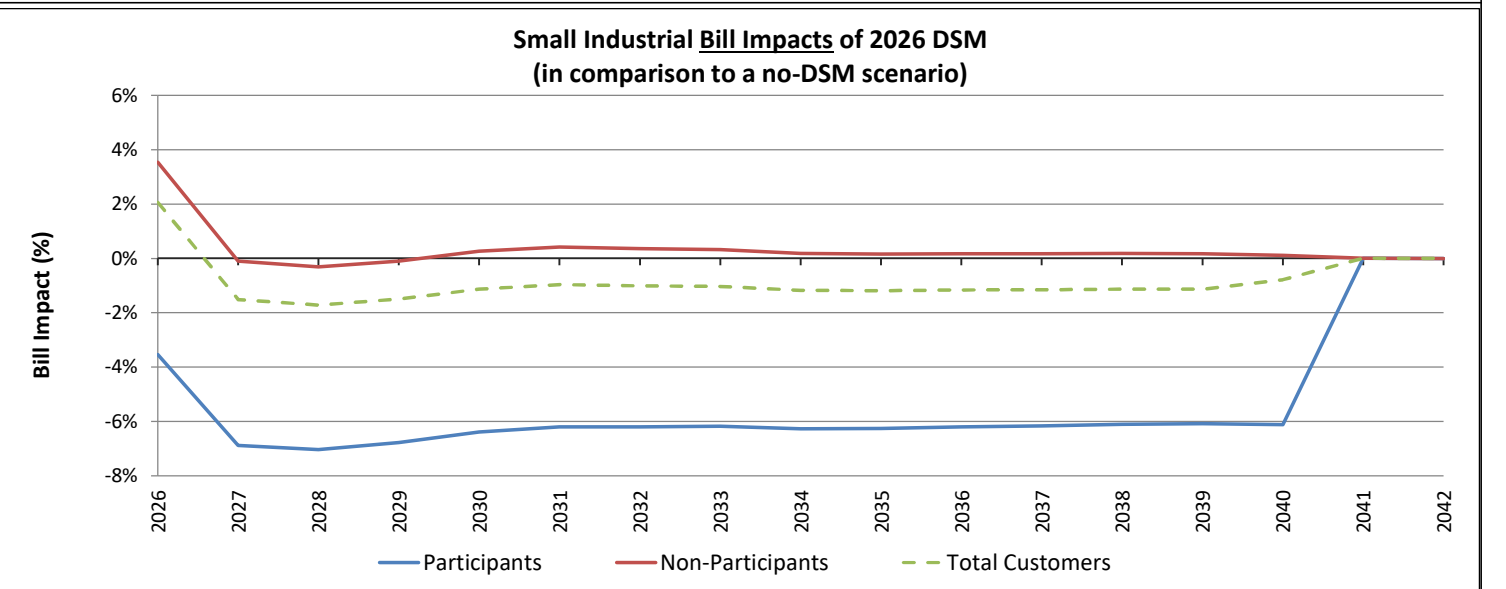
This graph shows 'Active' participation for the class, by DSM resource. When a customer first participates, they become an 'Active' participant for the duration of the weighted-average measure life at the rate class level for whichever resource they participated in. If they participate again while they are already 'Active', they are not counted a second time. Participants are estimated separately for each resource, so the sum of participants from all resources can exceed 100% of customers. The 'Total' line represents grand total participation, after removing double-counting of participants from multiple resources.

[illegible]

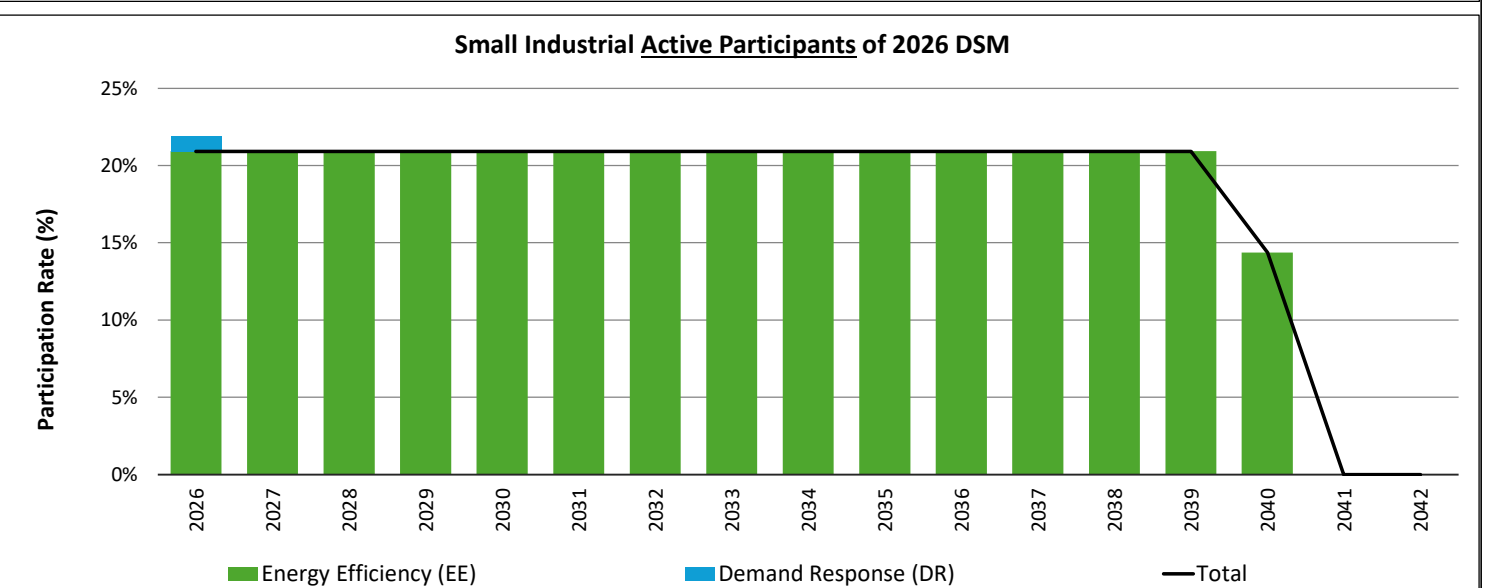
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Appendix B

Attachment 3: Assumptions (2026 DSM Extension)

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This document is intended to provide an overview of the assumptions used in EfficiencyOne's (E1) forward-looking Rate and Bill Impact Analysis (RBIA) for the 2026 DSM Extension.

1. GENERAL APPROACH

E1 has used the "snapshot" approach recommended by Synapse, in which the impacts of specific program years are analyzed (in this case 2026 programs for the forward-looking DSM RBIA) rather than incorporating an assessment of Demand Side Management (DSM) over the long term.

2. RESOURCES AND SCENARIOS

The 2026 DSM Extension Analysis includes the NS Power rate model and the E1 RBIA model, filed in Attachments 5 and 6 respectively. The analysis compares two scenarios: a DSM scenario and a no-DSM scenario. The DSM scenario includes the estimated utility costs and resulting energy and system-peak demand reductions for all DSM resources that are proposed to operate in 2026 (energy efficiency and demand response resources). The no-DSM scenario excludes DSM costs and benefits resulting from DSM resources in 2026.

The rate and bill impacts calculated in E1's RBIA model are differences in rates and bills between the DSM and no-DSM scenarios for the same year, thereby isolating the effects of 2026 DSM. For example, a calculated one-percent rate impact in 2026 indicates that the variance between 2026 rates in the DSM scenario, as compared to the no-DSM scenario, is one percent, all else being equal. A one-percent rate impact in all years would indicate that rates increased by one percent in the first year of DSM programming to begin recovering DSM program costs, after which no further rate changes were caused by DSM. In addition, the rate impact does not reflect actual rate timing increases that will be experienced by ratepayers.

In addition to the DSM scenario which includes all DSM resources planned for 2026, the RBIA model has the functionality to assess alternative scenarios with different combinations of resources, including:

- Energy Efficiency Only – energy efficiency without demand response; and
- Demand Response Only – demand response without energy efficiency.

A summary of the results for the scenarios DSM (all resources), Energy Efficiency, and Demand Response are presented in Attachment 1.

2.1 ENERGY EFFICIENCY INPUTS

For 2026, first-year energy, lifetime energy and demand savings developed at the program component level were allocated to rate classes in proportion with the actual rate class allocation of energy and demand results for each program component over 2022-2024. These savings are added together within each rate class, within each year. Weighted-average measure lives (WAMLs) for each rate class were then developed based on the ratio of expected lifetime energy savings to expected first-year energy saving for each class.

2.2 DEMAND RESPONSE INPUTS

Demand response costs, savings, measure life, and customer incentives are calculated and entered separately in the model from energy efficiency inputs. Demand response inputs are determined separately from energy efficiency to allow multiple scenarios to be produced, including DSM (all resources), energy efficiency only, and demand response only.

Demand response programs are associated with demand impacts and do not include any energy impacts. This assumes that demand response programs cause customers to shift energy consumption to off-peak times, but no energy or energy-related costs are avoided or incurred. Demand response programs are assumed to reduce class coincident peak and non-coincident

peak demands. Demand response programs are modelled with a measure life of one year. While energy and demand savings from energy efficiency programs persist for multiple years, demand response program impacts are assumed to only occur in the year the program was implemented. Demand response capacity and participants are included in each year that the demand response program operates. This means that within demand response programs, the number of annual participants will always be equivalent to the number of active participants. This modelling approach is representative of how demand response programs operate; capacity only has value if the demand response program continues to operate, and if the customer continues to participate.

Demand response inputs for the 2026 DSM Extension RBIA come from Guidehouse's DRSim™ model results. Rate class allocations for the BNI Curtailment program were calibrated for the 2026 DSM Extension RBIA based on historical and forecasted results.

3. ENERGY AND DEMAND SALES

NS Power has provided historical and projected energy and demand sales within each rate class for 2011 – 2040. Energy sales are provided at the customer's meter for both the with DSM and without DSM scenario. Average monthly demand forecast is provided for the with DSM scenario.

4. TIME PERIOD DEFINITIONS

The following time periods apply to the RBIA analysis:

- DSM delivery period: the timeframe over which DSM programs are delivered.
The DSM delivery period included in the 2026 DSM Extension RBIA is 2026.
- Cost recovery period: the timeframe over which DSM program costs are recovered.
Program costs for the 2026 DSM Extension are assumed to be completely recovered within 2026.

- Study period: the full timeframe over which impacts are modelled, and the period over which temporal average impacts are calculated. The study period ends once all average rate class DSM impacts have expired. The study period for the 2026 DSM Extension RBIA is 2026-2041.

5. AVOIDED COSTS

Avoided costs are calculated at the system level using evaluated DSM savings and avoided cost rates in four categories: generation, transmission, distribution, and energy. Avoided costs used for the 2026 Extension and the 2026 RBIA are provided in Appendix A, Attachment 1.

6. RATE CLASSES INCLUDED

E1's RBIA model presents results by rate class for the following NS Power customer classes:

- Residential (rate codes 2, 3, 4, 5, 6, 9 and 16);
- Small General (rate code 10);
- General (rate code 11);
- Large General (rate code 12);
- Small Industrial (rate code 21);
- Medium Industrial (rate code 22);
- Large Industrial (rate codes 23 and 25, and customers under the 'one-part high voltage real time pricing' tariff); and
- Municipal (rate code 24).

The Unmetered, Generation Replacement and Load Following (GRLF), Shore Power, and Extra Large Industrial Active Demand Control (ELIADC) rate classes are not included in the analysis. E1 does not offer programs for the GRLF, Shore Power, and ELIADC classes.

7. CALCULATION OF PARTICIPATION

This section describes the development of participation figures, which are used for the participant bill impact calculations.

7.1 PARTICIPATION COUNTS BY CLASS

Participation estimates used in the RBIA model are different than participation estimates used in development of DSM plans, since the RBIA tracks participating *accounts*, rather than the number of *products* sold or installed. RBIA estimates are also de-duplicated across programs and across years to produce estimates of the number of unique accounts that are expected to participate in each year ('annual' participants) as well as the number of unique accounts experiencing savings in each year regardless of when they participated ('active' participants). The active participants within each year are used to calculate bill savings per participant (total annual energy savings in each year are divided equally amongst that year's active participants).

Within each rate class and year, both the annual and active participant estimates are the sum of three components: tracked participants (customers who participate in a program other than Residential Behaviour where E1 is able to collect customer information, notably utility account ID), untracked participants (customers who participate in a point-of-sale program where E1 does not collect customer information), and Residential Behaviour participants (customers who receive Home Energy Reports). The untracked and Residential Behaviour groups are each adjusted to account for the portion of customers already included in the tracked group, so that all three can be added together within each year. Within each year, the total is then capped at the number of customers in the class.

7.2 TRACKED ENERGY EFFICIENCY PARTICIPATION

The RBIA estimates the number of annual energy efficiency participants and active energy efficiency participants for each rate class in each year of the study period.

Annual participants represent the number of unique customers that participated in DSM programs in a given year. Annual participants are presented for each rate class. Active participants represent the number of unique customers that participated in DSM Programs within the study period, and are experiencing savings in a particular year based on the weighted-average measure life of savings for their rate class.

7.2.1 ANNUAL TRACKED ENERGY EFFICIENCY PARTICIPATION

For 2026, annual tracked participation was first estimated at the program component level. For some program components this was done directly using inputs to Guidehouse's ProCESS model. Where ProCESS inputs could not be used directly to estimate the number of unique account IDs, E1 scaled RBIA participant estimates from 2023. Each 2023 estimate was scaled by an energy factor (reflecting the change in total program component energy savings from 2023 to 2026), and where appropriate, also by a unit factor (reflecting the change in average savings per unit from 2023 to 2026). The resulting annual participation figures at the program component level were then allocated to rate classes and deduplicated across program components to the rate class level in proportion with the historical 2023 allocation of program component participation to rate classes.

7.2.2 ACTIVE TRACKED ENERGY EFFICIENCY PARTICIPATION

For 2026, in the forward-looking RBIA, all annual participants are considered to be active participants, as the forward-looking RBIA does not account for any impacts prior to 2026. Beyond 2026, active participants were assumed to remain flat in all years until they drop to zero in the same year that 2026 energy savings expire within each class.

7.3 UNTRACKED (POINT-OF-SALE PROGRAM) PARTICIPATION

E1 operates two program components that offer rebates at the point-of-sale: residential Instant Savings and the Instant Rebates portion of Business Energy Rebates (BER-IR). These program

components do not collect participant information, so E1 estimates the number of customers that participate each year, and to which rate classes they belong, based on transaction records and ad-hoc primary research. E1 employs the assumption that all customers in large commercial, medium and large industrial, and municipal classes (12, 22, 23/25, 24) participate in BER-IR each year.

7.3.1 ANNUAL UNTRACKED POINT-OF-SALE PROGRAM PARTICIPATION

For 2026, annual untracked participants were estimated using the same methodology as tracked annual participants, based on estimates from the 2026 Extension.

7.3.2 ACTIVE UNTRACKED POINT-OF-SALE PROGRAM PARTICIPATION

For 2026, in the forward-looking RBIA, all annual participants are considered to be active participants, as the forward-looking RBIA does not account for any impacts prior to 2026. Beyond 2026, active participants were assumed to remain flat in all years until they drop to zero in the same year that 2026 energy savings expire within each class.

7.4 RESIDENTIAL BEHAVIOUR PARTICIPATION

The Residential Behaviour program applies the rate class weighted-average measure life to estimate active participants; this is consistent with other tracked programs.

For the purposes of the RBIA, annual and active participation in the Residential Behaviour program component over 2026 is estimated using the same cross-participation rates used for Residential Instant Savings.

7.5 DEMAND RESPONSE PARTICIPATION

Demand response participation inputs come from Guidehouse's DRSim™ model. Customer classes in the DRSim™ model are attributed to NS Power rate classes based on NS Power class

customer counts. The demand response participation represents the total number of active demand response participants in any given year. Demand response is assumed to have a measure of life of one year so there is no cumulation of demand response participants.

In the DSM scenario, where the effects of energy efficiency and demand response together are examined, the rate class participation is assumed to be the greater of the total demand response or energy efficiency participation. This assumption was selected because there is a high amount of program cross-over between energy efficiency and demand response participants – in particular for demand response water heater controls and smart thermostat controls that are delivered through the Efficient Products Installation EE program.

7.6 MUNICIPAL RATE CLASS PARTICIPATION

Municipal customers within the NS Power model are Municipal account numbers that take service under the Municipal tariff. The number of customers within the NS Power model fluctuates from year-to-year between a high of eight and a low of one based on how many customer accounts are taking service under the Municipal tariff.

The E1 RBIA model considers a Municipal customer to be one Municipal Electric Utility, irrespective of what rate class they are taking service under. The number of participants is adjusted accordingly in the E1 model. E1's model controls for the varying number of participants and load represented in the Municipal rate class; however, the results of this rate class tend to be less certain because of the data volatility.

8. CALCULATION OF RATE IMPACTS

Rate impacts are calculated in NS Power's Rate Model (Attachment 5) to reflect NS Power's Cost of Service in a more precise manner. NS Power's Rate Model methodology is described in Attachment 4.

E1 utilizes Forecast Unit Revenues from NS Power’s Rate Model as inputs into E1’s RBIA Model, to assess the bill impacts. The unit revenues, provided by NS Power’s model, blend DSM energy and demand impacts into one \$/kWh rate, which E1 utilizes in its RBIA Model.

Forecast Unit Revenue (c/kWh) is made up of the following components (presented in the ‘NSP Input’ tab):

- Forecast Unit Revenue Before DSM Program Costs and Customer Charge (c/kWh) with and without DSM
- Forecast Unit DSM Program Charge (c/kWh) (with DSM only)

All rate effects are assumed to apply to energy rates. Customer charges and demand charges remain the same in the with and without DSM scenarios.

NS Power’s rate model developed in 2020 provides results for a blended energy and demand rate; all rate effects are assigned to this blended rate.

The RBIA model excludes demand charges from the bill savings calculations because these revenue requirements are already incorporated into the blended energy and demand rate provided by NS Power. The blended rate uses the assumption that demand and energy are saved at an equal rate (if a customer saves 15 percent on their consumption, this equates to both 15 percent reduction in energy and demand).

The RBIA does not forecast the timing of general rate applications, or the occurrence of any future rate adjustments. By presenting results as differences between the DSM and no-DSM scenarios, the effects of DSM are isolated from all other utility effects that may also impact rates. Any rate effects presented here should be interpreted as the annual ‘rate pressure’ from DSM, in comparison to a theoretical scenario where no DSM was undertaken.

9. CALCULATION OF BILL IMPACTS

This section describes key elements of the bill impact calculations.

9.1 NO-DSM BILL IMPACTS

In the no-DSM scenario, for each rate class, and for each year, the total class energy consumption is divided by the number of customers to produce an estimate of the average customer's consumption. This average consumption, along with no-DSM scenario rates, are used to calculate average bills for the no-DSM scenario.

9.2 NON-PARTICIPANT BILL IMPACTS

In the DSM scenario, non-participants in DSM programs are assumed to use the same amount of energy as they do in the no-DSM scenario. Their bill impacts are therefore driven only by changes in rates under the with-DSM scenario. Although non-participant bill impacts are only driven by changes in rates, the percentage bill impacts are often different than the percentage rate impacts; this is due to fixed customer charges on bills, which are unaffected by DSM.

9.3 PARTICIPANT BILL IMPACTS

For the DSM scenario, within each rate class in each year, total annual savings (i.e., current-year savings plus persistent savings from past years, note that this is not applicable for the 2026 forward-looking RBIA as it does not consider past years) are divided equally amongst the number of active participants within the study period. The model does not estimate impacts for multiple 'depths of participation,' i.e., all participants in each class are assumed to save the same amount of energy and system-peak demand. In reality, some participants would save more, and others would save less. This average savings, along with the with DSM scenario rates, are used to calculate average bill impacts for participants.

1 E1's RBIA participation figures are intended to reflect all participants, including free-riders
2 (participants who would have installed measures even without E1 support). However, E1 reports
3 net savings, and uses these figures in the RBIA. This results in a low estimate of average savings
4 per participant, as net savings are allocated amongst total participants.

6 9.4 TOTAL CUSTOMER BILL IMPACTS

7 The RBIA also includes a third category of participants, called Total Customers. Impacts for this
8 category are determined by allocating DSM savings for the class equally among all customers in
9 the class. This average savings, along with the DSM scenario rates, are used to calculate the
10 average bill savings for Total Customers. It provides an estimate of bill impacts for the class
11 without differentiating between participants and non-participants.

Appendix B

Attachment 4: NS Power Pricing Methodology



Methodology for determination of changes in NS Power's base cost rates as a result of DSM-induced changes in class usage and total system costs

November 27, 2020

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Attachment A Overview of Spreadsheet Calculations

1.0. Introduction

In an effort to more precisely and accurately align EfficiencyOne's (E1) RBIA Model with the methodological process used by NS Power in setting of its base cost rates, all rate setting functionality from E1's RBIA model has been removed and NS Power, instead, will perform this function in alignment with NS Power's COSS methodology. Under the new approach NS Power is responsible for providing inputs to E1 annually for use in the RBIA per a schedule agreed upon between E1 and NS Power. NS Power will provide the following annual inputs into E1's RBIA model over the entire historic DSM program effect horizon from 2011 to 2035 under the "With DSM" and "No DSM" scenarios:

- Forecast Unit Revenues Before DSM costs (¢/kWh)
- Forecast Unit DSM Program Charges (¢/kWh)
- Sales Forecast at Customer's meter (GWh)
- Average Monthly Demand Forecast (MW)
- Customer Count

NS Power will take responsibility for the cost allocation method, any assumptions used and the data inputs.

2.0. Background

The regulated base cost rate setting process involves the following three sequential analytical steps:

- Determination of total annual revenue requirement;
- COSS concerned with apportionment of total costs among rate classes; and
- Determination of class rates and class revenue responsibilities.

Revenue Requirement

Ordinarily, the base cost rate setting process used in rate case applications requires a great amount of detailed cost inputs to determine revenue requirement. Annual rate base data needs to be collected on a variety of investments such as plant-in-service, construction work in progress (CWIP), reserve for depreciation, working capital allowances, deferred charges, deferred credits, contract receivables, revenues, and operating expenses, to determine utilization of rate base by rate classes for the purpose of estimating cost allocation coefficients. Then the revenue requirement, or total system costs, need to be determined by collecting information on maintenance expenses, grants in lieu of taxes, depreciation, interest, corporate taxes and approved return on investment.

A detailed rate setting analysis, replicating efforts in the General Rate Application (GRA)-based rate applications, for a long-term, multi-year period would be a formidable task. Fortunately, such a detailed analysis is not necessary.

Since the purpose of the RBIA is to provide a long-term study on directional and relative (percent) changes in rates and bills due to only one factor – the DSM Program – it is sufficient to capture in revenue requirement only future changes due to DSM-induced avoided costs keeping all other costs constant.

Cost of Service Studies

COSS provides the most insight into class cost causation as based on changes in its energy and demand usage. It shows in a transparent way how rate class usage of demand and energy services within each functional area of generation, transmission and distribution affects its total responsibility for total the cost of service. To show relative changes in class rates due to DSM, it is important to accurately capture changes in system and class usage of demand and energy. This task can be easily accomplished as NS Power annually files a detailed ten-year Load Forecast Report with the UARB which already reflects the effect of DSM. Further, E1 prepares each year a forecast of long-term changes in class usage due to the implemented DSM programs. The purpose of directional changes in pricing of electric services can, therefore, be accomplished by a simplified COSS analysis which bypasses collection of future detailed annual investment and cost data inputs.

Rates and Revenues

There is little that can be inferred about the cost causation process from the rate structures used by the utility to generate customers' bills. The rates are bundled and therefore do not allow tracking of cost recovery by functional areas of generation, transmission and distribution. Further, NS Power's rates have only two components: an energy charge and a customer charge or an energy charge and a demand charge. Rates for residential and small general classes do not include demand charges. The demand-related costs of these two classes are recovered through energy charges. All other rate classes do not have customer charges. Their customer-related costs are recovered through a combination of demand and energy charges. Further, for rate classes with customer charges there is no alignment between customer-related revenues and customer-related costs and

for rate classes with demand charges there is no alignment between demand charge revenues and demand-related costs from COSS.

Conclusions

Bypassing the detailed COSS ratemaking step, which is intended to show how DSM-induced, cost causative changes in usage affects rates will produce misleading results and create difficulties in interpretation. Any such rate analyses by necessity must be of a marginal nature attempting to illustrate how decremental (lost) avoided costs compare to decremental revenues. This approach, even if enhanced by application of COSS-based allocation coefficients in attributing avoided costs and lost revenues to rate classes, fails to show how reallocation of the remaining embedded system costs among rate classes, due to changes in their usage, affects their rates.

A simplified COSS process will produce more precise results. It will also demonstrate how changes in class usage of energy and demand services within each functional area affects the total cost of service, providing more insight into why class total costs change as a result of DSM.

3.0. Applied Approach

The relative changes in rates due to DSM are determined by conducting two separate rate setting analyses under the “With DSM” and “No DSM” scenarios. The rate setting process under each scenario is broken out by two separate subprocesses: one for the determination of the FAM-related costs, and the other for the non-FAM-related costs.

3.1 Revenue Requirement

The annual revenue requirements under the “With DSM” scenario are kept consistent with the test year information from the preceding rate cases. The non-FAM costs in the years following the 2014 test year from the 2013 Rate Case are kept constant up to 2022, the last year of the current Rate Stability Plan (RSP). Thereafter, they are increased at an annual rate of inflation.

The FAM-related costs in years 2011 to 2022 are set to reflect test year costs set in the GRA or Base Cost of Fuel (BCF) FAM proceedings. Thereafter, they are modified for the marginal effect of change in annual load from the test year 2022 by adding a change in load multiplied by avoided fuel costs projected for a given year, as provided by E1. Also, the fuel costs in years after 2022 are subject to adjustment for annual inflation.

The annual revenue requirements for the recovery under the “No DSM” scenario are determined by modifying the FAM-cost and non-FAM cost requirements from the “With DSM” case, broken out by the three functional areas, for the incremental load effect due to the absence of DSM. The product of the incremental load effect and annual avoided unit costs is added to the annual revenue requirement from the “With DSM” case in all years from 2011 to 2035.

The applied process is based on test year revenue requirements which formed an input into prospective cost of service studies in past rate proceedings. Historic cost true-ups under the FAM are not taken into consideration for the following reasons:

- In the DSM-induced relative rate change study the annual cost true-ups do not have a material effect. The average difference in relative percentage change in rates due to DSM over 2011-2035 falls within hundredths of one percent while annual rate results are within a small fraction of one percent¹.
- The true-up for non-FAM costs (excess non-FAM revenues) lacks the rigour and details of COSS analysis.
- Inclusion of true-up costs would make the calculations unnecessarily more complex for the directional purposes of this RBIA study.

3.2 Cost of Service Studies

Cost of service Studies consist of an application of the following three sequential steps:

- functionalization of revenue requirement to the four areas: generation, transmission, distribution and retail;
- classification of costs within each area among energy, demand and customer; and
- Apportionment of costs within each service of each functional area among rate classes.

Most of the service costs are shared by all customers and are apportioned to rate classes in accordance with their utilization of utility resources. The only costs which are not shared in NS Power's COSS are streetlight fixture costs, all of which are assigned to street and area light customers billed under the unmetered class.

3.2.1 Functionalization of System Costs

As indicated in the Revenue Requirement section above, NS Power has used the test year revenue requirements, already functionalized by the four areas, from the historic rate cases. In the "With DSM" case, the FAM-related revenue requirements falling outside the 2011-2022 period have been subject to adjustment for the effect of change in annual load from the 2022 benchmark year by adding a product of a change in load and avoided unit fuel costs projected for a given year. The total system non-FAM costs in that period are not modified for the changes in annual load because its overall trend is flat and, as such, would not trigger any capacity expansion investment. Both the FAM and Non-FAM costs are increased for the rate of inflation starting in 2023.

¹ For example, consider the effect of true-up for the return of the Maritime Link depreciation costs of about \$100 million in years 2017-2019 on the relative change in the total service cost under the "With DSM" and "No DSM scenarios" over 2011-2035 period.

Without true-up for \$100 million: $\$35,697.6 \text{ million} / \$37,569 \text{ million} - 1 = -4.98\%$

With true-up for \$100 million: $(\$35,697.6 - \$100) \text{ million} / (\$37,569 - \$100) \text{ million} - 1 = -4.99\%$

In the “No DSM” case the annual revenue requirements represent the annual FAM and non-FAM revenue requirements from the “With DSM” case modified for the effect of change in load due to absence of DSM. The load savings in each area due to DSM are multiplied by projected avoided unit costs and added to the revenue requirements from the “With DSM” case.

3.2.2 Classification of System Costs

Costs within each area are classified into appropriate services. Generation and transmission costs are classified into energy and demand. Distribution costs are classified between demand and customer. Retail costs are all classified to customer.

Both in the “With DSM” and “No DSM” cases costs are reclassified into appropriate services in accordance with changes in system usage.

Generation costs are classified between energy and demand depending on the function performed by various generation units. Baseload generation units, which reflect most of the investment in this area, have most of their investment reclassified from demand to energy based on system load factor. Peaking units, such as combustion turbines, are classified only to demand while environmental investments, designed to reduce air emissions, are classified only to energy. A significant portion of non-dispatchable generation is also directly classified to energy. Absent detailed information on how changes in the total generation investment due to DSM affects the overall classification of generation costs, NS Power has used the following linear equation, with the coefficient determined through application of the least squares technique to simulated 2014 COSS data, to estimate the classification of generation costs for the RBIA purposes.

$$\text{Asset Weighted Average Load Factor} = 17.98\% + 0.8060 * \% \text{ System Load Factor.}$$

Transmission costs are appropriately classified to demand and energy in accordance with the system load factor in each year.

As far as the distribution costs are concerned, only demand-related costs are subject to change. The customer-related costs remain static except for the effect of inflation because DSM does not have an effect on changes in the number of customers. Likewise, retail costs are kept static except for changes for rate of inflation.

3.2.3 Allocation of Costs to Rate Classes

Annual cost requirements within each service of each functional area are apportioned to rate classes based on class share in the underlying usage both in the “With DSM” and “No DSM” case.

FAM-related Costs

The FAM-related costs are allocated to rate classes using the following two-step process:

- Annual class energy usage is multiplied by the benchmark unit cost \$/MWh

- o In the “With DSM” case the benchmark unit costs come from the most recent rate case preceding this year.
 - o In the “No DSM” case the benchmark unit costs come from the same year as the “With DSM” case.
- The class annual costs estimated above are then scaled across the board to match annual FAM revenue requirement.

As a result, the relative FAM-related unit costs in years falling outside the 2011-2022 rate period are the same as in 2022. The above process does not account explicitly for the FAM cost differentiation by energy- and demand-related services as is the case with allocation of non-FAM costs discussed below. This is done this way because NS Power’s model was developed a few years ago when FAM demand-related costs accounted for a very small share of the total FAM costs and as a result, capturing the distinction between energy and demand was not material. Recently the share of the demand-related costs grew to a more significant level of 15 percent of the FAM total due to inclusion of the Maritime Link Costs. This aspect of cost allocation can be remodeled in future RBIA applications.

Non-FAM related Costs

The non-FAM-related costs are allocated to rate classes using the following two-step process:

- Annual class usages of energy and demand services are multiplied by benchmark \$/MWh and \$/MW unit costs, respectively
 - o In the “With DSM” case the benchmark unit costs come from the most recent rate case preceding this year.
 - o In the “No DSM” case the benchmark unit costs come from the same calendar year from the “With DSM” case.
- The class annual costs estimated above are then scaled across the board to match the revenue requirement set for each service within each functional area.

DSM Costs

The annual DSM-related costs incurred by individual rate classes, as provided by E1, are apportioned to rate classes based on the 25/75 rule.

75 percent of the costs incurred by each class is treated as direct responsibility of each class.

The remaining 25 percent of total annual DSM costs is apportioned to all rate classes based on their energy and demand usage. These costs are first classified to energy and demand based on system annual load factor. The energy-related costs are then assigned to rate classes based on their

share in the total annual system generation. The demand-related costs are assigned to rate classes based on their share in the three winter month coincident system peaks.

3.2.4 Generic COSS Results

The actual results from the above cost allocation process under the “With DSM” and “No DSM” scenarios are presented in the “COSS Outputs” tab within NS Power’s rate model, where the long-term trends in annual relative unit cost of service differential by rate class between the “No DSM” and “With DSM” scenarios are graphically portrayed.

Generically speaking, each class long-term trend can be broken down by two distinct periods.

- Historic budget period typified by higher increases in unit costs due to inclusion of DSM program cost recovery as well as growing cumulative effect of ramping up DSM measures undertaken in previous years.
- Out year period with
 - lower unit cost differential due to exclusion of DSM Program cost recovery and
 - gradually declining unit cost of service differentials due to ramping down effect of expiring DSM measures undertaken in the historic budget periods.

The diversity in individual class results in the historic budget periods is attributable to differences in both DSM spend on rate classes and changes in class unit costs due to changes in their relative usage on the basis of which costs of services are apportioned to rate classes.

The diversity in individual class results in the out year period is only attributable to differences in changes in class usage on the basis of which costs of services are apportioned to rate classes.

In general, classes whose total cost of service bear a relatively higher share of fuel costs, such as the Large Industrial, Municipal, Medium Industrial and Large General, see higher reduction rate benefits due to the DSM-induced reduction in system costs because more of the utility cost savings come from the reduced fuel consumption than lower utilization of its fixed cost infrastructure. The opposite holds true for rate classes with higher responsibility for the fixed infrastructure costs such as the Domestic and Small General classes.

3.3 Unit Revenue Determination

For the directional purposes of the RBIA model, it is not considered necessary to develop annual rates with all charges under the “With DSM” and “No DSM” cases. Rather, it is sufficient for NS Power to provide class unit blended revenues, separate from the DSM charges, in cent per kWh, without customer charge revenue for the Residential and Small General rate classes, and with all costs in, other than DSM, for all other rate classes. These unit revenues have been determined as unit costs adjusted for annual line losses for each class.

The above approach ignores the effect on class unit revenues of the following factors:

- Annual true-up of fuel and non-fuel costs flown through the FAM AA/BA Riders;
- Deferral of certain costs in revenue requirement which have not been removed from the filed COSS Compliance Filing;
- Smoothing of Rates under multi-year rate plans; and
- Revenue-to-cost ratios which are used to determine class revenue responsibilities.

Exclusion of the above factors has no material effect on the relative changes in unit revenues between the “With DSM” and “No DSM” cases.

Attachment A

Overview of Spreadsheet Calculations

Data Inputs

“COSS Data Inputs” tab

This tab includes all annual test year class usage and embedded costs from the COSS and BCF COSS filed in GRA and BCF proceedings as well as a forecast of annual usage by class per the most recent ten-year Load Forecast Report. It also includes annual DSM Expenditures on rate classes. All the above data is used in determination of class unit costs and revenues.

“E1 Data Inputs” tab

This tab includes information provided to NS Power by E1 on DSM Program measures and avoided unit costs, all of which are used in determination of class unit costs and revenues.

Savings in energy and demand usage by rate class

Savings in energy and demand usage arising from DSM programs for each class are tracked in the following class tabs: R-Savings, SG-Savings, G-Savings, LG-savings, SI-Savings, MI-Savings, LI-Savings, M-Savings, UNM-Savings.

For each class, annual usage savings at the generator’s gate are determined by adding projected annual usage savings effects of DSM Programs undertaken for each class in specific calendar year in the period 2011 to 2022. This computation is the same as used by E1 in support of its RBIA Reports.

Total annual Energy and Demand changes at the generator’s gate are converted to energy sales and demands at customers’ meters by netting out energy and demand losses. The energy and demand losses used in these calculations come from the COSS on public record.

Changes in total Revenue Requirement

“Total-Savings” tab

The “Total-Savings” tab provides a sum of annual class savings in energy and demand usage at the generator’s gate and customer’s meter. In addition, class demand savings at the high side of the bulk power substation are also calculated for each class.

The total energy savings at the generator’s gate are used to determine total avoided fuel costs.

The total demand savings at the generator’s gate are used to determine total avoided costs of generation and transmission infrastructure.

The total demand savings at the high side of the bulk power substation are used to determine total avoided costs of distribution infrastructure.

The FAM-related avoided costs are determined by multiplying unit avoided fuel costs (\$/MWh) by system energy savings (MWh) in each year. This is appropriate as under the FAM customers pay the actual fuel costs incurred.

The non-FAM related avoided costs are determined by multiplying annual avoided costs of generation, transmission, and distribution (\$/MW) by total annual MW demand savings in these functional areas.

Cost of Service Studies

Apportionment of costs to rate classes is done separately for the “With DSM” and “No DSM” cases” in the tabs bearing the same names.

“With DSM” tab

The “With DSM” tab provides annual cost allocation to rate classes based on long-term usage as included in NS Power’s most recent Annual ten-year Load Forecast Report. This usage already reflects inclusion of DSM Program effects.

The FAM-related costs of each class are adjusted only in years 2023-2035 as they fall outside of the most recent rate setting period which ends in 2022. The following two-step process is used to calculate FAM class costs in this period:

- Annual FAM costs for each class are calculated by multiplying the forecast annual MWh usage by blended unit FAM costs in \$/MWh from 2022, the last year for which the FAM rates have been set on the regulatory record.
- The annual class FAM costs above are scaled across the board to match the total FAM costs calculated for a given calendar year.
- The total annual FAM costs in a given calendar year are calculated using the following formula:

$$\text{Annual FAM Cost} = (\text{Previous year FAM Cost}) + (\text{Delta in Energy Requirement from previous year}) * (\text{Unit Avoided FAM cost from the given year}).$$

Comments

The applied process is a simplification of a more elaborate cost allocation process from the COSS where some FAM costs, such as fuel costs, are allocated to rate classes based on their shares in monthly energy requirements; some other FAM costs, such as non-dispatchable energy-related renewable costs, are allocated based on class shares in annual energy requirements; and yet some other FAM costs are classified to demand, such as Maritime Link costs, are classified to Demand based on system load factor, and are allocated based on class shares in three coincident system peaks. To recognize the diversification in the class FAM unit costs, the relative class unit costs from the most recent rate setting procedure are carried forward to subsequent years’ cost

calculation simulation. For example, the relative class unit FAM costs from 2022 are carried over to years 2023 – 2035.

The total of non-FAM costs incurred on serving all rate classes within each functional area is assumed to be fixed between rate cases at a level from the most recent rate case. There is an option in the spreadsheet (cell E3, “COSS Outputs” tab) to increase non-FAM costs in future years (2023-2035) by an annual rate of inflation to approximate rate effects of future GRAs conducted once every several years. The individual class shares in these costs change annually based on changes in total service costs of energy and demand within generation and transmission as based on changes in system load factor.

The total service costs of energy and demand within each service can be adjusted for annual inflation effect in years 2023–2035.

“No DSM” tab

The “No DSM” tab provides annual cost allocation to rate classes absent DSM.

The FAM-related costs in years 2011–2035 are calculated using the following process:

- Annual FAM costs for each class are calculated by multiplying annual MWh usage (without DSM savings) by blended unit FAM costs in \$/MWh from the same year as the “With DSM” case. This calculation is in the table labelled “Before External Effect”.
- The annual class FAM costs above are scaled across the board to match the total FAM costs estimated for a given calendar year. This calculation is in the table labelled “After External Effect”.
- The total annual FAM costs in a given calendar year are calculated using the following formula:

$$\text{Annual FAM Cost} = (\text{FAM Cost from a given year under the “With DSM” case}) + (\text{Delta in Energy Requirement between the “With DSM” and “No DSM” case from a given year}) * \text{Unit Avoided FAM cost from the given year.}$$

This above calculation is in the “Total” column of the “After External Effect” table.

Comments

The applied process is a simplification of a more elaborate cost allocation process where some FAM costs, such as fuel costs, are allocated to rate classes based on their shares in monthly energy requirements; some other FAM costs, such as non-dispatchable energy-related renewable costs, are allocated based on class shares in annual energy requirements; and yet some other FAM costs are classified to demand and are allocated based on class shares in three coincident system peaks. To recognize the diversification in the class FAM unit costs, the relative class unit costs from the

most recent rate setting procedure are carried forward to subsequent year cost calculation simulation.

The non-FAM costs incurred on serving all rate classes in each year are determined as follows:

- The total annual non-FAM costs in each of the functional areas of generation, transmission and distribution in a given calendar year are calculated using the following formula:

Annual non-FAM Cost = (non-FAM Cost from a given year under the “With DSM” case) + avoided costs as estimated in “Total Savings” tab.

The above calculation is in the “Total” column of the “Fixed (functional area) - After Prorating” table.

- Annual non-FAM costs from each area, as estimated above, are split between the energy- and demand-related services based on the load factor derived from system usage in the no-DSM case. For generation, an estimate of asset-weighted load factor is used. It is determined as a function of a linear equation relating an asset-weighted load factor to a system load factor based on the most recent COSS. For transmission, a system load factor is used.
- Annual non-FAM costs for each class within each service and functional area (for example, demand-related generation cost) are calculated by multiplying annual MWh or MW usage (without DSM savings) by blended unit non-FAM costs in \$/MWh or \$/MW from the same year as the “With DSM” case. This calculation is in the table labelled “Fixed (functional area) Costs Streams by Rate classes - Before External Effect”.
- The annual class non-FAM costs above are scaled across the board to match the total FAM costs estimated for a given calendar year within each service in each functional area. This calculation is in the table labelled “Fixed (functional area) Costs Streams by Rate classes - After Prorating”.

The total service costs of energy and demand within each service costs can be adjusted for annual inflation effect in years 2023–2035.

The annual FAM and non-FAM costs above are added up to provide total annual cost for each class in a given year and then divided by energy requirement to provide annual unit cost at generator’s gate.

Comments

The applied process is a simplification of a more elaborate cost allocation process in the COSS where energy- and demand- related non-FAM costs, are determined through application of rate base usage allocators developed separately for various sub-categories of costs (please see exhibits 8A and 8B in the 2014 COSS). To recognize the diversification in the class non-FAM unit costs

the relative class unit costs from the COSS used in the most recent rate setting procedure are carried forward to subsequent year cost calculation simulation.

“COSS Var” tab

“COSS Var” provides differentials between cell values in the “No DSM” and “With DSM” tabs. Please note that the data layouts in the “No DSM” and “With DSM” tabs are identical with the exception for the treatment of DSM costs which in “No DSM” case are excluded.

Results

“COSS Outputs” tab

The “COSS Outputs” tab provides two sets of bar graphs of percentage change in class rates due to DSM over the period 2011–2035 calculated as either arithmetic or load-weighted rate changes. The graphs within each set are broken out by the following effects:

- Change in unit base cost revenues before accounting for the effect of DSM costs
- Change in unit base cost revenues under the “No DSM” scenarios by inclusions of DSM cost.
- Change in unit base cost revenues taking both the above effects into account

This tab also includes a control panel to test the effect of a change in:

- Rate of inflation and
- Avoided cost level (avoided cost scenarios)

on absolutes and relative changes in class unit costs and unit revenues.

“NSPI Inputs into RBIA” tab

“NSPI Inputs into RBIA” provides pricing inputs requested by E1. It includes the following annual class data in years 201-2035 broken out by “With DSM” and “No DSM” scenarios:

- Forecast Unit Revenues Before DSM costs (¢/kWh)
- Forecast Unit DSM Program Charges (¢/kWh)
- Sales Forecast at Customer’s meter (GWh)
- Average Monthly Demand Forecast (MW)
- Customer Count

Filed Electronically

Appendix B

Attachment 5: NS Power Rate Model (2026 DSM Extension)

Filed Electronically

Appendix B

Attachment 6: E1 RBIA Model (2026 DSM Extension)

Appendix C

Amended 2023-2026 Supply Agreement Schedules

SCHEDULE A**ELECTRICITY EFFICIENCY AND CONSERVATION ACTIVITIES****Schedule A****Electricity Efficiency and Conservation Activities**

The figure below identifies the scope of savings (4 year Cumulative Annual Energy Savings, Cumulative Annual Peak Demand Savings, Cumulative Annual Energy Savings from Low Income & Equity (includes Affordable Single-family Homes, Affordable Multi-family Housing and Mi'kmaw Home Energy Efficiency Project programs), and available demand response capacity over the four-year plan associated with carrying out EECAs over the Term.

Performance Targets*	Cumulative Annual Net Energy Savings at Generator over the Term (GWh)	Cumulative Annual Net Peak Demand Savings at Generator over the Term (MW)	Cumulative Annual Energy Savings – Low Income & Equity (GWh)	Available Demand Response Capacity (MW)
2023-2025	412.7	78.8	15.8	17.9
2026	116.0	18.9	4.0	16.3
Total 2023-2026	528.7	97.7	19.8	16.3

The Performance Targets will be achieved in accordance with the EECA Plan as set out in Schedule E.

* For certainty, in accordance with the performance requirements set out in Schedule “C” attached hereto, EfficiencyOne shall be deemed to be in substantial compliance with the approved Performance Targets if the stipulated 90 percent level of achievement is reached on each Performance Targets. If less than the stipulated 90 percent level any of the Performance Targets is achieved, a regulatory process will be triggered.

**

SCHEDULE B**COMPENSATION****Schedule B (Page 1 of 2)****Compensation****I. Net Contract Price**

The figure below identifies the Contract Price to be paid by NSPI allocated for each year of the Term.

	2023	2024	2025	2026	Total
UARB/NSEB Approved Investment Amount	53,000,000	57,500,000	62,500,000	63,750,000	236,750,000
Refund	(273,174)	TBD			(273,174)
Net Contract Amount to be Paid by NSPI	52,726,826	57,500,000	62,500,000	63,750,000	236,476,826

The Parties acknowledge that any surplus realized by EfficiencyOne in delivering the Performance Targets at the end of the Term shall be reported to the UARB/NSEB and refunded to NSPI¹ unless EfficiencyOne is directed to do otherwise by the UARB/NSEB. The 2019 surplus² of \$273,174 will be refunded in 2023. The 2024 Net Contract Amount will be revised to reflect any surplus applicable to the 2020-2022 DSM Plan.

¹ Together with all accumulated interest earned by EfficiencyOne on such surplus.

² Surplus includes any underspend and interest earned.

Schedule B (Page 2 of 2)**Compensation****II. Payments**

In accordance with Section 4.3 of the Agreement, the monthly payments to be made by NSPI to EfficiencyOne over the Term shall be as set out below. The monthly payment amounts referred to following are exclusive of required HST. HST shall be remitted to EfficiencyOne in addition to these monthly amounts.

On the First Business Day of:	2023	2024	2025	2026
January	4,393,902	4,791,666	5,208,333	5,312,500
February	4,393,902	4,791,666	5,208,333	5,312,500
March	4,393,902	4,791,666	5,208,333	5,312,500
April	4,393,902	4,791,666	5,208,333	5,312,500
May	4,393,902	4,791,666	5,208,333	5,312,500
June	4,393,902	4,791,666	5,208,333	5,312,500
July	4,393,902	4,791,666	5,208,333	5,312,500
August	4,393,902	4,791,666	5,208,333	5,312,500
September	4,393,902	4,791,666	5,208,333	5,312,500
October	4,393,902	4,791,666	5,208,333	5,312,500
November	4,393,902	4,791,666	5,208,333	5,312,500
December	4,393,904	4,791,674	5,208,337	5,312,500
Total	52,726,826	57,500,000	62,500,000	63,750,000

The 2024 Payment Schedule will be revised to reflect the carryforward , if any, related to underspend from the 2020-2022 DSM Plan.

SCHEDULE C**Performance Requirements****I. UARB/NSEB-APPROVED PERFORMANCE TARGETS, THRESHOLDS, AND INDICATORS****a) Performance Targets and Thresholds:**

- i. Performance Targets are set over the four year contract period, rather than annually.
- ii. EfficiencyOne is deemed to be in substantial compliance with the UARB/NSEB-approved Plan Performance Targets if ninety percent (90%) or greater achievement is reached on the Performance Targets listed at b) i, ii, iii, and iv below. If less than ninety percent (90%) of the Performance Targets at b) i, ii, iii, and iv below is achieved, a regulatory process will be triggered.

b) Performance Targets consist of:

- i. Cumulative annual net energy savings at generator;
- ii. Cumulative annual net peak demand savings at generator;
- iii. Cumulative annual energy savings applicable to the Affordable Single-family Homes, Affordable Multi-family Housing and Mi'kmaw Home Energy Efficiency Project programs; and
- iv. Available demand response capacity over the four-year plan

c) Performance Indicators (for UARB/NSEB reporting) consist of:

- i. Annual incremental energy savings (reported by program and rate class);
- ii. Cumulative annual energy savings (reported by program and rate class);
- iii. Annual lifetime energy savings (reported by program and rate class);
- iv. Cumulative lifetime energy savings (reported by program and rate class);
- v. Annual incremental system-peak demand savings (reported by program and rate class);
- v. Cumulative annual system-peak demand savings (reported by program and rate class);
- vi. Total ratepayer benefits;
- vii. Total spending (reported by program and rate class);
- viii. Customer satisfaction;

-
- ix. Incidental cumulative annual energy savings applicable to low-income and equity communities from nontargeted programs; and
- x. Reporting on low-income & equity program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information.

SCHEDULE E

EECA PLAN

[Subject to approval by the UARB/NSEB]

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Appendix D

Amended 2023-2026 Supply Agreement Schedules - Redline

SCHEDULE A

ELECTRICITY EFFICIENCY AND CONSERVATION ACTIVITIES

Schedule A

Electricity Efficiency and Conservation Activities

The figure below identifies the scope of savings (~~3-4~~ year Cumulative Annual Energy Savings, Cumulative Annual Peak Demand Savings, Cumulative Annual Energy Savings from Low Income & Equity (includes Affordable Single-family Homes, Affordable Multi-family Housing and Mi'kmaw Home Energy Efficiency Project programs), and available demand response capacity over the ~~three~~four-year plan associated with carrying out EECAs over the Term.

<u>Performance Targets*</u>	Cumulative Annual Net Energy Savings at Generator over the Term (GWh)	Cumulative Annual Net Peak Demand Savings at Generator over the Term (MW)	Cumulative Annual Energy Savings – Low Income <u>& Equity</u> (GWh)	Available Demand Response Capacity (MW)
<u>Performance-Targets2023-2025</u>	412.7	78.8	15.8	17.9
<u>2026</u>	<u>116.0</u>	<u>18.9</u>	<u>4.0</u>	<u>16.3</u>
<u>Total 2023-2026</u>	<u>528.7</u>	<u>97.7</u>	<u>19.8</u>	<u>16.3</u>

The Performance Targets will be achieved in accordance with the EECA Plan as set out in Schedule E.

* For certainty, in accordance with the performance requirements set out in Schedule “C” attached hereto, EfficiencyOne shall be deemed to be in substantial compliance with the approved Performance Targets if the stipulated 90 percent level of achievement is reached on each Performance Targets. If less than the stipulated 90 percent level any of the Performance Targets is achieved, a regulatory process will be triggered.

**

SCHEDULE B
COMPENSATION

Schedule B (Page 1 of 2)

Compensation

I. Net Contract Price

The figure below identifies the Contract Price to be paid by NSPI allocated for each year of the Term.

	2023	2024	2025	<u>2026</u>	Total
UARB/ <u>NSEB</u> Approved Investment Amount	53,000,000	57,500,000	62,500,000	<u>63,750,000</u>	<u>236,750,000</u> ~~173,000,000~~
Refund	(273,174)	TBD			(273,174)
Net Contract Amount to be Paid by NSPI	52,726,826	57,500,000	62,500,000	<u>63,750,000</u>	<u>236,476,826</u> ~~72,726,826~~

The Parties acknowledge that any surplus realized by EfficiencyOne in delivering the Performance Targets at the end of the Term shall be reported to the UARB/NSEB and refunded to NSPI¹ unless EfficiencyOne is directed to do otherwise by the UARB/NSEB. The 2019 surplus² of \$273,174 will be refunded in 2023. The 2024 Net Contract Amount will be revised to reflect any surplus applicable to the 2020-2022 DSM Plan.

¹ Together with all accumulated interest earned by EfficiencyOne on such surplus.

² Surplus includes any underspend and interest earned.

Schedule B (Page 2 of 2)

Compensation

II. Payments

In accordance with Section 4.3 of the Agreement, the monthly payments to be made by NSPI to EfficiencyOne over the Term shall be as set out below. The monthly payment amounts referred to following are exclusive of required HST. HST shall be remitted to EfficiencyOne in addition to these monthly amounts.

On the First Business Day of:	2023	2024	2025	<u>2026</u>
January	4,393,902	4,791,666	5,208,333	<u>5,312,500</u>
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December	4,393,904	4,791,674	5,208,337	<u>5,312,500</u>
Total	52,726,826	57,500,000	62,500,000	<u>63,750,000</u>

The 2024 Payment Schedule will be revised to reflect the carryforward , if any, related to underspend from the 2020-2022 DSM Plan.

SCHEDULE C

Performance Requirements

I. UARB/NSEB-APPROVED PERFORMANCE TARGETS, THRESHOLDS, AND INDICATORS

a) Performance Targets and Thresholds:

- i. Performance Targets are set over the ~~three~~-four year contract period, rather than annually.
- ii. EfficiencyOne is deemed to be in substantial compliance with the UARB/NSEB-approved Plan Performance Targets if ninety percent (90%) or greater achievement is reached on the Performance Targets listed at b) i, ii, iii, and iv below. If less than ninety percent (90%) of the Performance Targets at b) i, ii, iii, and iv below is achieved, a regulatory process will be triggered.

b) Performance Targets consist of:

- i. Cumulative annual net energy savings at generator;
- ii. Cumulative annual net peak demand savings at generator;
- iii. Cumulative annual energy savings applicable to the Affordable Single-family Homes, Affordable Multi-family Housing and Mi'kmaw Home Energy Efficiency Project programs; and
- iv. Available demand response capacity over the ~~three~~four-year plan

c) Performance Indicators (for UARB/~~NSEB~~ reporting) consist of:

- i. Annual incremental energy savings (reported by program and rate class);
- ii. Cumulative annual energy savings (reported by program and rate class);
- iii. Annual lifetime energy savings (reported by program and rate class);
- iv. Cumulative lifetime energy savings (reported by program and rate class);
- v. Annual incremental system-peak demand savings (reported by program and rate class);
- v. Cumulative annual system-peak demand savings (reported by program and rate class);

-
- vi. Total ratepayer benefits;
 - vii. Total spending (reported by program and rate class);
 - viii. Customer satisfaction;
 - ix. Incidental cumulative annual energy savings applicable to low-income and ~~underserved~~equity communities from nontargeted programs; and
 - x. Reporting on low-income & equity program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information.

SCHEDULE E

EECA PLAN

[Subject to approval by the UARB/NSEB]

DRAFT