

1 2025

M12249

2 **NOVA SCOTIA ENERGY BOARD**

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

4 **IN THE MATTER OF:** An Application by EfficiencyOne for approval of the 2026 DSM
5 Extension for Demand-Side Management Activities between
6 EfficiencyOne and Nova Scotia Power Inc., and for approval of
7 the amendment to the 2023-2025 Demand-Side Management
8 Purchase Agreement between EfficiencyOne and Nova Scotia
9 Power Inc.

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11 **NON-CONFIDENTIAL PEACH RESPONSES TO**

12 **THE INDUSTRIAL GROUP IRs**

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To: The Industrial Group

From: H. Gil Peach, PhD

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1 **Request IR-1:**

2 **Reference: Figure 1: Savings Verification in DSM Cycle, page 9.**

3 Please explain how savings verification feeds forward into program planning. Specifically, please
4 provide examples of how the work done in prior periods has been employed by E1 in its Program
5 Planning & Design and in its Cost Tests.

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7 **Response IR-1 a:**

8 As shown in the diagram, which is copied below, savings verification feeds forward into program
9 planning, just like evaluation does. Savings verification is like evaluation, but evaluation reports
10 to the DSM administrator, while savings verification checks evaluation and reports to NSEB,

11
12 Savings verification does not have a decision-making role for program or planning. However, we
13 try to catch problems in the evaluation through review of the work of the evaluation consultant
14 and in program operations and designs from our site visits and discussions with customers as
15 we check work on site.

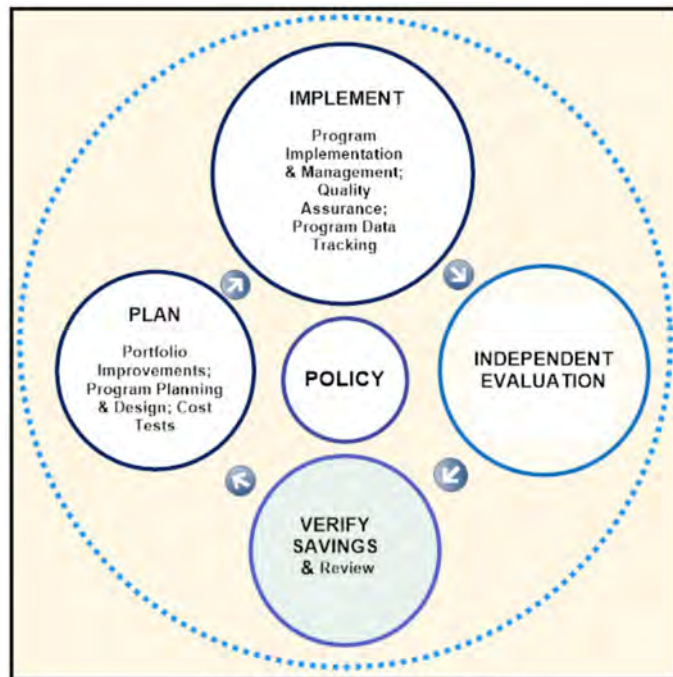


Figure 1: The Policy, Planning, Program Cycle.

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17 The feed forward happens in two ways. First, our review of the work of the evaluation consultant
18 is put forward in the Savings Verification study each year and we usually put recommendations
19 in the study. These can be recommendations for program changes and/or for changes in
20 evaluation methods, as well as recommendations for accepting or changing the energy savings

1 and demand reduction credited to each program by the evaluator. The DSM program
2 administrator, Efficiency Nova Scotia (or “E-1”) reviews our recommendations and responds
3 stating which they accept and how they are implementing changes and which recommendations
4 they do not accept.

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6 Second, though it feeds forward, our site visit work does not appear in a formal report, other
7 than the number of site visits. However, in some years we find problems in program operations,
8 sometimes related to program design. We talk with customers and customers alert us to
9 problems. We relay these field visit results to the Efficiency Nova Scotia Evaluation Manager
10 and ENS determines resolution of any issues. Sometimes the problem is just customer
11 perception, but in other cases customer insights lead to catching actual problems. When we
12 catch a problem, the idea is to catch it and report so that the DSM administrator can investigate
13 and resolve it before it becomes bigger.

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15 Some examples: Here are three examples of how work we do feeds forward to program
16 planning and policy:

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18 (1) In the 2016 Savings Verification report, we recommended as the behavioural program
19 was being closed out that if there were to be another behavioural program, all analysis
20 should be done by the independent evaluation consultant. The current evaluation for
21 2024 is the next year a residential behavioural program was evaluated, and this time the
22 evaluator had full control of the data, the random sampling, and the analysis.

23
24 (2) One year, while doing Savings Verification site visits our engineer noticed large numbers
25 of missing bulbs at some sites where they were recorded as being installed. We followed
26 up with increased inspections and found more, then reported the issue to the DSM
27 administrator and to NSEB. The DSM administrator organized a full-scale check and the
28 group diverting the bulbs from the warehouse and altering program records was caught.
29 A catch like this makes an organization smarter, so it has an informal but positive effect
30 on operative planning and policy.

31
32 (3) One year, we caught a situation where a contractor was stiffing a small business
33 customer for two heat pumps that failed to work, but the contractor stalled over a whole
34 summer and into the fall, failing to make good on the guarantee. We reported the issue
35 to the DSM administrator, and Efficiency Nova Scotia followed up with the contractor and

1 the heat pumps were replaced within a week. This does not technically affect planning,
2 but it does make the organization more vigilant, which changes how things work.

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4 We try to catch problems, and flag them to make Efficiency Nova Scotia more cost-effective,
5 more sound as an overall operational business, and more alert and efficient.

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8 **Request IR 1-b:**

9 To what extent has H. Gil Peach & Associates been involved, if at all, in the development
10 of E1's proposed new Benefits Costs Analysis (BCA) test? Please explain.

11 **Response IR 1-b:**

12 We do not have a direct role in the development of E1's proposed new Benefits Costs
13 Analysis (BCA) test.

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15 **Request IR 1-c:**

16 How, if at all, should E1 utilize the annual verification reports in developing its new BCA?

17 **Response IR 1-c:**

18 We are suggesting that, in addition the screening step at the program planning stage
19 where the benefit-cost testing is applied, that in the evaluation step, when the evaluation
20 consultant finds a program with very weak results [in energy savings or demand reduction;
21 or their dollar equivalents for lowering cost to customers and/or the utility] these programs
22 should be flagged for examination and either a new business case for the program would
23 need to be developed and the program redesigned, or the program should be cancelled
24 to make more effective use of ratepayer dollars. Adding this responsibility to the evaluator
25 could help catch and cull (or redesign) the weakest programs and, in that way, improve
26 the efficiency and effectiveness of the overall portfolio of programs.