Request IR-01:

Refer to Exhibit E-1 EfficiencyOne 2026 DSM Extension Application ("Application"), Appendix B, Figure 1, Average Rate and Bill Impacts (2026-2041) as a Result of DSM Activities in 2026, page 4 of 24, line 1. EfficiencyOne explains Figure 1 as follows, at lines 2-8:

> **"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."**

(a) Does this explanation mean that the average rate and total customer bill impacts will be much higher or less negative when the incremental investment amount proposed is included?

(b) Is Figure 2 Average Rate Impacts (2026-2041 as a Result of 2026 DSM Activities, found in the Application, Appendix B, on page 8 of 24, the equivalent of Figure 1 with the impact of the proposed incremental investment included?

(c) Please confirm that Figure 2, Average Rate Impacts (2026-2041 as a Result of 2026 DSM Activities, shows that the Small General and Small Industrial rate classes are expected to have the highest average rate impact over the 2026-2041 period, of all the rate classes shown.

(d) Please confirm that the results shown in Figure 2, Average Rate Impacts (2026-2041 as a Result of 2026 DSM Activities, are consistent with those shown in Table 1, Application, Appendix B, page 10 of 24, Average Rate Impact compared to No-DSM Scenario, 2023-2025 Plan to 2026 DSM Extension Results Comparison, which include the highest percentage increases for the Small General and the Small Industrial classes.

(e) If confirmed, please explain EOne's justification for the impact on these two SBA rate classes given that the DSM program is supposed to provide benefits to all classes, including small businesses?

(f) Please explain how this expected increased average rate impact will affect EOne's ability to obtain greater participation of the SBA classes in its DSM programs?

Response IR-01:

(a) No. The statement is intended to clarify the scope and limits of the forward-looking rate and bill analysis (RBIA) and does not provide insights into the impacts that the incremental DSM Extension investment will have on the average rate and total customer bill impacts. The RBIA is an analysis of how the 2026 DSM Extension investment will impact customer rates and bills in the future compared to no investment in DSM in 2026. It does not analyze how the 2026 DSM Extension investment will impact customer rates and bills in the future compared to current DSM investment; the RBIA analysis does not assess the incremental impact of the planned 2026 DSM Extension investment to customers' existing rates and bills.

(b) The average rate impacts shown in purple in Figure 1: Average Rate and Bill Impacts (2026-2041) as a Result of DSM Activities in 2026 of Appendix B, are equivalent to the rate impacts shown in Figure 2: Average Rate Impacts (2026-2041) as a Result of 2026 DSM Activities in blue. The difference between the two figures is that Figure 1 also illustrates the average total customer bill impact (in green). Both figures illustrate the impacts of the total 2026 DSM Extension investment compared to a scenario with no DSM investment in 2026.

(c) Confirmed. The average rate impacts over 2026-2041 for the Small General and Small Industrial rate classes from the 2026 DSM Extension, are +0.45% and +0.34% respectively, compared to no investment in DSM in 2026.

(d) Confirmed.

(e) Although the average rate impacts for the Small General and Small Industrial Classes from the 2026 DSM Extension RBIA are +0.45% and +0.34% respectively, these rate classes are shown to have the largest participant bill decrease at 8.8% and 5.8% respectively. Additionally, the RBIA demonstrates that total customer bills decrease for both of these rate classes as well.

(f) EfficiencyOne does not consider the 2026 DSM Plan extension rate impacts from the RBIA analysis to be a barrier to DSM participation, as participation in DSM has been consistently shown through the RBIA to more than offset any rate impacts on customer bills.

Request IR-02:

Refer to the Application, Appendix B, Figure 5: Average Bill Impact (2026-2041 as a Result of 2026 DSM Extension Activities on page 12 of 24, line 13.

(a) Please confirm that Figure 5 shows that the SBA classes Small General, General and Small Industrial are expected to have the largest percentage decrease in Average Bill Impact over 2026 -2041.

(b) How will EOne confirm that it will achieve the expected investment spend and participation rates among Small General and Small Industrial customers to be able to achieve the estimated percentage decrease in average bill impacts over 2026-2041?

(c) Please proved a version of Figure 5 that shows these same metrics but for 2025 and 2026 separately.

(d) Please explain how much of the expected decrease in average bill impact, shown in Figure 5, is due to assumed non-energy benefits and describe the different types of those non-energy benefits.

Response IR-02:

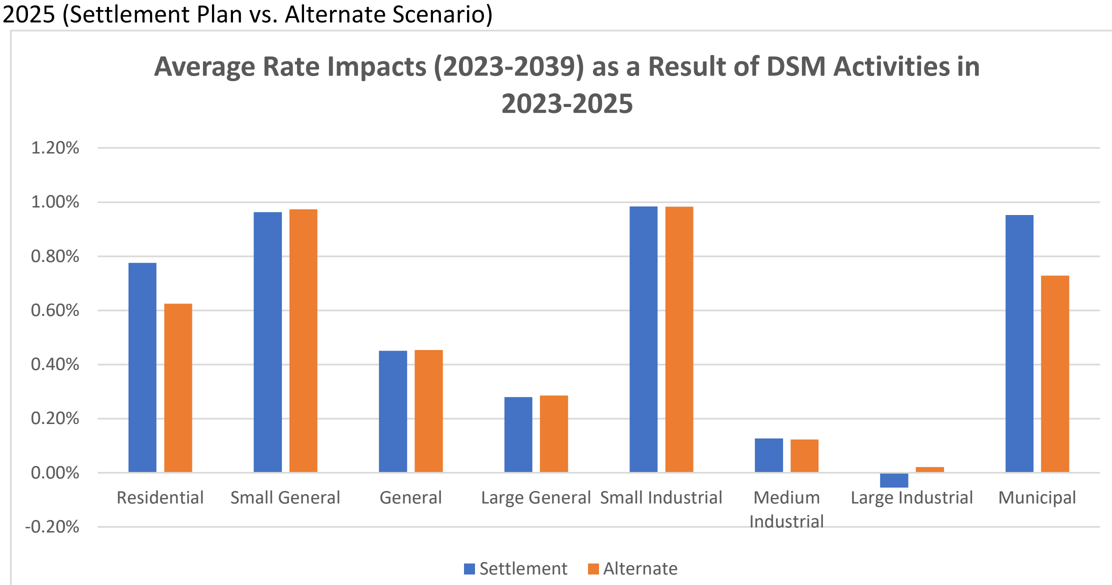
(a) Confirmed.

(b) EfficiencyOne (E1) cannot confirm that it will achieve the exact investment spend or participation rates projected for the Small General and Small Industrial customers in the model. The Rate and Bill Impact Analysis (RBIA) is a forecast, developed at a point in time and is subject to change based on actual market conditions, customer uptake trends, and other external factors experienced during plan implementation. E1 actively manages its portfolio during each resource plan implementation to best meet targets while aligning program delivery as closely as possible with the approved DSM Plan; however, flexibility is required in order for E1 to adapt to real-time conditions.

(c) Figure 5 reflects the average bill impact over 2026-2041 as a result of the planned investment included in the 2026 DSM Plan Extension. It does not include investment related to the 2023-2025 DSM Plan or any bill impacts for 2025.

In the 2023-2025 DSM Plan, Figure 10 provides the average bill impact over 2023-2039 as a result of the planned investment in the DSM 2023-2025 Plan. It has been reproduced below, for reference.[1]

2023-2025 DSM Plan, Figure 1: Average Rate Impacts (2023-2039) as a Result of DSM Activities in 2023-2025 (Settlement Plan vs. Alternate Scenario)



[1] M10473, E1 2023-2025 DSM Plan, Appendix B, March 11, 2022, page 35.

Please also refer to IG IR-25 Attachment 1, which includes updated summary results for the forward-looking RBIA inclusive of planned DSM activities in 2023-2025 and 2026.

(d) To clarify, non-energy benefits (NEBs) are not included in the RBIA shown in Figure 5. The expected decrease in average bill impact is driven entirely by the planned DSM investment in 2026, based on energy-related savings and program expenditures. The RBIA compares a scenario with DSM to a scenario with no DSM during the planning period and reflects only those impacts that directly effect Nova Scotia Power customer’s electricity rates. As such, no portion of the decrease in average bill impact is attributable to assumed non-energy benefits.

Request IR-03:

(a) Is the Benefit Cost Ratio for the Application evaluated at the total DSM Plan level only?

(b) How many of the constituent programs, within the DSM Plan, have a Benefit Cost Ratio of 1.0 or lower?

(c) What percentage of the total DSM Plan cost do these programs represent?

(d) Please identify the programs that have a benefit cost ratio less than 1.0 and whether they are directed towards Residential or BNI customers.

Response IR-03:

(a) Per the *Public Utilities Act*[1], the DSM Plan must be cost effective at the portfolio (i.e., Plan) level using the approved screening test which is currently the Total Resource Cost (TRC) test.

(b) Two DSM programs, the Existing Residential and Demand Response program have a TRC lower than 1.0 at 0.9 and 0.7, respectively. Four of the six program components under the Existing Residential program have a TRC result of less than 1.0, these being the Affordable Multi-Family Housing, Affordable Single-Family Housing, Home Energy Assessment and the Mi'kmaw Home Energy Efficiency Project program components. One of the two program components under the Demand Response program has a TRC result of less than 1.0, this being the Residential Demand Response program component.

[1] Public Utilities Act, 79H (2) public utilities.pdf

(c) These program components represent 31% of the total DSM Plan investment. The low-income and equity program components that have a TRC result lower than 1.0 (Affordable Multi-Family Housing, Affordable Single-Family Housing, Mi’kmaw Home Energy Efficiency Project) represent 17% of the total DSM Plan investment, while market rate program components with a TRC of less than 1.0 (Home Energy Assessment and Residential Demand Response) represent 14% of the total DSM Plan investment. From the electric utility perspective (i.e., the Program Administrator Cost (PAC) Test) those program components that have a PAC result less than 1.0 (Affordable Single-Family Housing, Mi’kmaw Home Energy Efficiency Project, Residential Demand Response, BNI Demand Response) represent 24% of the total DSM Plan investment.

(d) Please refer to part (b) of this IR response.

Request IR-04:

Refer to the Application, Appendix B, Section 7. Conclusion, page 23 of 24 at line 21, where EOne states that "Maximizing customer participation in DSM programs mitigates rate impacts by increasing the number of customers who experience net bill reductions."

(a) Given the results shown in Figure 1 and Figure 2, how confident is EOne that it will be able to maximize small business customer participation? What marketing plans will be used to achieve this goal?

(b) Does reducing the rate impact on small business customers depend solely on participation rates or is EOne pursuing other means to reduce the cost of the DSM Plan, aside from including estimates of non-energy benefits in the calculation of rate impact?

Response IR-04:

(a) EfficiencyOne (E1) does not anticipate that the results shown in Figure 1 and Figure 2 of Appendix B will impact E1's ability to maximize participation given that participation in DSM programs result in positive bill impacts for the Small General and Small Industrial classes. Please refer to E1's response to part (f) of SBA IR-01.

The participation levels modelled in the 2026 DSM Extension and the Rate and Bill Impact Analysis (RBIA) for the Custom, Small Business Energy Solutions, and Business Energy Rebates program components were developed using historical actuals, which were adjusted accordingly to align with participation trends that were incorporated into the 2025 year-end forecast and are expected to continue into 2026.

During implementation, E1 regularly assesses participation to identify whether adjustments to awareness and engagement efforts are needed to increase participation.

At this time, E1 plans to begin several marketing campaigns, including a General Business, Non-profit and Institutional (BNI) campaign, one focused on commercial buildings, and one promoting Business Energy Rebates in-store rebates. Engagement and discussions with a wide range of businesses and organizations will also continue with a focus on completing eligible heating and lighting retrofit projects. Throughout 2025, E1 will also assess whether additional targeted campaigns are required to maximize participation levels in 2026.

(b) The 2026 DSM Extension investment amount of $63.75 million was legislatively prescribed, and the 2026 DSM Extension and RBIA have been modelled using this investment level. Maximizing the number of small business customers participating in DSM will not reduce the overall rate impact of the planned DSM investment; however, it will increase the number of small business customers who will experience net bill reductions.

E1 does not include estimates of non-energy benefits in the calculation of rate or bill impacts in the RBIA. While non-energy benefits are an important consideration in the overall value provided by DSM, they do not reduce the rate impacts calculated in the RBIA because they do not offset utility spending or directly influence rates.