NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: **THE PUBLIC UTILITIES ACT**

- 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.

NON-CONFIDENTIAL INFORMATION REQUESTS

To: **EfficiencyOne**
James Gogan, Counsel
McInnes Cooper

James.gogan@mcinnescooper.com

From: **Nova Scotia Energy Board**
Board Staff

Responses Due: **Wednesday, June 25, 2025**

Copies: 1 electronic copy (PDF searchable)

Contact Person: **Steve Pronko, P.Eng.**
Director, Electrical Advisory Services
Nova Scotia Energy Board
T 902 424 1332
TF 1 833 809 0040
F 902 424 3919

steve.pronko@novascotia.ca

Issued at Halifax, Nova Scotia, this 4th day of June, 2025.

Crystal Henwood

Crystal Henwood, Clerk of the Board

Request IR-1:

Has E1 conducted a risk assessment related to its cyber security? If so, please describe. [MAY REQUIRE CONFIDENTIAL RESPONSE]

Request IR-2:

a) How does E1 protect the personal information of customers within E1's activities? [MAY REQUIRE CONFIDENTIAL RESPONSE]

b) How does E1 protect personal information of customers in its dealings with third parties? [MAY REQUIRE CONFIDENTIAL RESPONSE]

Request IR-3:

Does E1 currently have cyber insurance coverage? If so, please describe this coverage. [MAY REQUIRE CONFIDENTIAL RESPONSE]

Request IR-4:

Regarding complaints, for the years 2020 to 2025 year-to-date:

a) Please state how many complaints were received each year.

b) For each year, please identify the percentage of those complaints that were related to regulated and to non-regulated programs and identify the percentages raised by customers and by contractors.

c) Does E1 consider that complaints related to non-regulated programs may have an impact on the success or effectiveness of regulated programs? Please elaborate.

d) If E1 is not able to satisfactorily resolve a complaint, what process is available to the complainant for resolution?

e) Does E1 have a written policy or practice for complaint resolution? If so, please file a copy of that document.

Request IR-5:

a) Please file a copy of E1's organizational chart.

b) Please state the total employee complement for each of the past 5 years. Please note whether that number includes only full-time employees or if it includes any part-time or other FTEs.

Request IR-6:

Regarding E1's annual expenditures:

a) What dollar amount was spent on salaries and benefits during each of the past 5 years?
b) Did any employees receive bonuses? If so, are bonuses available to all employees?
c) How many employees received bonuses in each year?
d) What was the dollar value of bonuses paid each year?
e) What criteria are used to determine and award bonuses? If such a policy is in place, please provide a copy of that document.

Request IR-7:

The Board's Decision in Matter M10473 approved the 2023-2025 DSM Plan with specific annual expenditures and performance targets. Amended legislation extended that DSM Plan to include the 2026 calendar year with an expenditure level of $63,750,000 and requires E1 to seek Board approval of its targets for the one-year extension. However, on page 2 of 25 in E1's Evidence, E1 states: "the Board approved 2023-2025 DSM Plan performance targets **must be revised** to establish targets for the extended 2023-2026 term." [emphasis added]

a) Given that a specific expenditure level and specific performance targets are being set for 2026, please explain why the targets for 2026 cannot be treated separately from the targets already established for the 2023-2025 term.
b) Is there any benefit to ratepayers to combine the 2026 targets with the 2023-2025 targets? Please explain.
c) If E1 is not successful in achieving its already established 2023-2025 targets and related expenditure levels, does it believe that the shortcomings could merely carry over to 2026? Please explain.
d) Does E1 believe that the Board is restricted from establishing new or different performance standards or performance targets for 2026 and must only revise the targets previously established for 2023-2025? Please explain.
e) As a mature public utility with annual ratepayer funding in the range of $60 million, does E1 consider it appropriate for additional performance metrics to be established relative to customer service or other administrative matters? Please explain.

Request IR-8:

Page 14 of 25 of E1's Evidence states:

> 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.

Table 1 on page 4 of 51 in Appendix A shows that first-year energy savings (GWh) and peak demand savings (MW) targets were both exceeded in 2023 and in 2024, while cumulative expenditures for those two years were 64% of the approved 3-year funding, and the cumulative results for energy and peak demand performance targets were 74% of the corresponding 3-year savings targets .

Please explain in detail how the proposed performance targets for 2026 were determined.

Request IR-9:

On page 13 of 25 of E1's Evidence, in the section titled Economic Uncertainty, E1 stated:

> While the exact impacts of these trade policies cannot be fully assessed at this time, any economic hardship for Nova Scotians and Nova Scotian businesses (or perceived threat of same) has the potential to materially impact participation in E1 programs. This would have a corresponding impact on both 2025 and 2026 results.
>
> …there has been no specific adjustment made in the 2026 target development at this time.

Is E1 suggesting that its 2025 or 2026 targets may not be achieved despite its 2023 and 2024 targets being over-achieved? Please explain.

Request IR-10:

With regards to Table 1 on Page 3 of 25 of E1's Evidence:

a) Under "Energy and Demand Savings", please identify the "% of Energy Non-Lighting Savings" for 2026 and 2023-2026.
b) Under "Energy and Demand Savings", please identify "DR as % of NS Power Peak Load" for 2026 and 2023-2026.
c) Under "Demand Response (DR) Investment", please identify the "10 Year Levelized Cost ($/kW-yr)" for 2026 and 2023-2026.

Request IR-11:

Please provide the Statistics Canada data and related calculations referenced in the footnote on page 5 of 25 of E1's Evidence.

Request IR-12:

Please provide a version of Table 2 on page 6 of 25 of E1's Evidence to show a) expected 2025 DSM rate class expenditures from the 2023-2025 DSM plan, b) expected 2024 DSM rate class expenditures from the 2023-2025 DSM plan, and c) final 2024 DSM rate class expenditures.

Request IR-13:

Page 45 of 51 of Appendix A of the Application states: "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." Further, Table 22 of Appendix A shows a planned investment of $2.4 million in 2026 associated with Development and Research. The 2023-2025 DSM plan includes $1.5 million in each of 2023, 2024 and 2025 for Development and Research.

Please explain specifically why an additional spend of $0.9M is required in 2026 for the "heat pump water heater market transformation pilot".

Request IR-14:

Page 15 of 25 of E1's Evidence states: "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."

Please elaborate on the further work that remains to be done. e.g.,

- What are the current deficiencies?
- Who will be doing that work?
- When is it anticipated to be done?

Request IR-15:

On page 21 of 25 in E1's Evidence, E1 stated that the unit cost of energy savings will increase over time due to factors such as diminishing returns, increased complexity, and market maturity. Indeed, the 2023-2025 Plan projected a unit cost of $0.39/kWh, whereas the 2026 plan extension projects a unit cost of $0.49/kWh, an increase of more than 25%.

In recognition of ratepayer affordability concerns, what steps has E1 undertaken to control costs and minimize such pronounced increases?

Request IR-16:

Regarding the Total Resource Cost (TRC) test, in Table 9 on page 40 of 149 in Appendix A of the 2023-2025 DSM application (M10473), the TRC for Residential EE Programs is presented as 1.4

(including carbon) and the TRC for DR Programs is presented as 1.1 (excluding carbon). Nearly all of the components exceed a TRC of 1.0. However, in Table 5 on page 23 of 25 of E1's Evidence in the current application (M12249), the TRC for Residential EE Programs for 2026 is presented as 0.9, and the TRC for DR Programs for 2026 is presented as 0.7. Furthermore, most of the components of those programs have a TRC of less than 1.0.

Please provide a detailed explanation of the reasons contributing to the TRC deterioration for those two programs and their components.

Request IR-17:

On page 24 of 25 in E1's Evidence, E1 determined that "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)" and therefore chose not to comply with certain Board directives in the current filing. One of those directives requires E1 to provide specific justification, on an individual basis, for each measure that fails the cost effectiveness test.

As noted in the prior IR, a significant number of components in the residential program failed the TRC test. Considering the large 25% step increase in unit cost per kWh, those components should not simply be accepted without understanding why they should be pursued.

Please provide the justification as directed in the Board's Decision in matter M10473.