M12249

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The *Public Utilities Act*, R.S.N.S. 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.

INFORMATION REQUESTS
On Peach Verification Report

To: EfficiencyOne (EOne)
James Gogan, Counsel
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From: Small Business Advocate

Responses Due: Wednesday July 3rd, 2025

Copies: 1 electronic copy (PDF searchable)

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Issued at Bedford, Nova Scotia on this 19th day of June, 2025

Request IR-1:

Refer to M12249, Exhibit E-2, *Savings Verification Review of Program Year 2024 Evaluation Results, Report for the Nova Scotia Energy Board* (2024 Peach Report) June 4, 2025, authored by H. Gil Peach & Associates, (Peach)

Section IX. General Recommendations includes the following, at pages 16-17:

> SVR24-G-1. The Savings Verification study recommends acceptance of the 2024 evaluation estimates for energy savings and demand reduction *except for four programs*. These are the Residential Behavior program (6.270 GWh; no demand reduction), the Residential Demand Response program (no energy savings, 0.057 MW demand reduction), the BNI Demand Response program, (no energy savings, 8.034 MW demand reduction) and the compressed air part of the BNI Custom Incentive Program (Custom)." [Emphasis in original, except for underline, which was added]

And the second bullet, under SVR24-G-1, which references the Demand Response programs as follows, at page 17.:

- For the Residential Behavior Program and the two Demand Response programs, the Evaluator conducted independent evaluations and correctly followed the relevant protocols. However, for these programs *the practical size of the savings and demand reduction is not large enough to be of practical value at either the household level or at the utility system level.* The Evaluator correctly followed the relevant protocols, but a problem with the protocols is that they do not take into account the very large sample size problem. **For very large sample sizes statistical significance loses meaning and it is necessary to, instead, gauge performance using practical significance.** The Evaluator correctly notes that these programs look OK from the perspective of statistical significance, however, the Evaluator should have flagged these programs for not producing practical energy savings or demand reduction. Emphasis in original, except for underline, which was added]

a) Please confirm EfficiencyOne's understanding of Peach's role of "verifier" as opposed to the role of Evaluator, which was performed by Econoler?
b) In EfficiencyOne's understanding, does the role of the verifier include defining the practical value of savings and demand reduction?
c) How does EfficiencyOne define the practical value of savings and demand reduction?
d) What does EfficiencyOne understand is the definition of practical value used by Peach in the underlined statement above arguing that the Evaluator should have flagged certain programs?
e) Are any of the programs referenced in Recommendation SVR24-G-1 above included among BNI programs?

Request IR-2:

Refer to M12249, Exhibit E-2, 2024 Peach Report, Section IX, General Recommendations including Recommendation SVR24-G-2, which states, at page 17:

> SVR24-G-2. The Evaluator should flag programs which the evaluation demonstrates to produce only tiny savings (savings that may be statistically significant and are too small to have a practical significance). For these programs, the Evaluator should either recommend closing the program in order to spend available energy efficiency dollars more effectively, or provide an explanation for the program, making the business case explaining its value.

a) Did EfficiencyOne include the above referenced programs in its 2026 Plan Extension Application and is it planning to include it in its 2027-2031 DSM Plan?
b) If included in one or both plans, what percentage of the total DSM Plan cost do the above referenced programs represent in dollar and percentage terms for each of these two plans?
c) Does EfficiencyOne agree with this recommendation SVR24-G-2? If yes, what alternative BNI programs would EfficiencyOne be able to supplement with the funds freed up and what incremental benefits for 2026 could this be expected to produce? If no, please explain.

Request IR-3:

Refer to M12249, Exhibit E-2, 2024 Peach Report, Section IX, General Recommendations on including Recommendation SVR24-G-4, which states at page 18:

> SVR24-G-4. The Evaluator should include full worksheets or computer printout information for all significance tests, specifying for each test, whether the comparison is one-tailed or two-tailed, the p-value of the test, the power of the test, the number of cases in each group, and the significance level criterion used in the analysis.

a) Please provide EfficiencyOne's version of the requested worksheet and significance test information.
b) How did Efficiency One use this information when deciding how much funding should be allocated from the DSM Budget to the BNI programs referenced in Recommendation SVR24-G-2?

Request IR-4:

Refer to M12249, Exhibit E-2, 2024 Peach Report, Section X, Individual Program Component Review, subsection B. Instant Savings (IS), pages 21-22, under Evaluator Findings on p. 22, which includes the following 5 bullets, at page 22:

> **Evaluator Findings**. The Evaluator reported the following key Instant Savings findings:
> - Instant Savings exceeded both 2024 planned net electrical energy and peak demand savings of 12.544 GWh and 1.680 MW, respectively.
> - 2024 net electrical energy savings was 22.252 GWh and net peak demand savings was 2.428 MW savings at the generator resulting in 77% and 45% respectively above planned targets. ENERGY STAR certified LED fixtures and lamp products generated 69% of the savings.
> - achieved a 17% increase in savings from non-lighting products in 2024 compared to 2023.
> - Achieved a decrease in free ridership for LED lamps and fixtures in 2024 from 59% in 2023 to 39% in 2024.
> - Evaluated net energy and peak demand savings were 16% and 10% respectively higher than values tracked by Efficiency Nova Scotia.

Referring to the 5th bullet, please explain:

a) How did the difference in net energy and peak demand savings arise?
b) Does EfficiencyOne plan to change how it tracks net energy and peak demand savings differently based on the findings of the evaluator and recommendations of Peach to improve the cost benefit of the DSM Plan?

Request IR-5:

Refer to M12249, Exhibit E-2, 2024 Peach Report, Section X, Individual Program Component Review, subsection J. BNI Efficient Products Rebates (BER), pages 58-60, which states, at pages 58-59:

> Point-of-sale rebate evaluated savings declined 7.7% in 2024 compared to 2023 levels with 177,358 individual measures sold compared to 240,886 in 2023. The largest decline in measure incentives was for LED Linear Lamps, which experienced a 41% decline. However, since these measures have below average savings per measure, the average savings per measure declined only moderately. In addition, the 2024 comprehensive evaluation of this program component slightly raised the total Net to Gross Ratio (NTGR) for instant rebates from 81% in 2023 to 84% in 2024 which also helped to reduce the level of year-on-year declines in evaluated savings.

Despite observing a decline in BER evaluated savings from 2023 to 2024 and earlier observations that the cost for some programs could be redeployed more effectively elsewhere within the plan,

Peach includes only the recommendation related to the BER rebates program component and concludes that no further study is necessary:

> SVR2024-BNI Efficient Products – 8. Change baselines for BER and IR rebates to reflect current market practices that have indoor DesignLights Consortium-Standard products as the new baseline with incentives offered for comparable DesignLights Consortium-Premium products, where available as a suitable option. No further study is necessary.

a) Does EfficiencyOne plan to change its budget allocation to the BER program as a result of this finding that point of sale savings declined year-on-year? If so, please explain what changes would be pursued; otherwise explain why no change is needed.