2025 M12282

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: ***The Public Utilities Act***

IN THE MATTER OF: **An Application by EfficiencyOne for approval of a New Benefit-Cost Analysis Test for Evaluating Demand Side Management Plans**

COUNSEL OPENING STATEMENT ON BEHALF OF THE INDUSTRIAL GROUP

As required by the *Public Utilities Act*, NSPI is required to undertake cost-effective, reasonably available, demand side management ("**DSM**") by entering into a purchase agreement with the franchise holder, Efficiency One ("**E1**"). For the Board to determine what is cost-effective, it must determine whether the value of the results achieved from DSM programs are worth the costs invested.

In this matter, E1 has applied to the Board for approval of a newly developed proposed benefit-cost analysis ("**Proposed E1 BCA**"), which incorporates several non-energy related impacts to be considered in all future DSM Plans, starting with the first five-year plan over 2027 to 2031. The Proposed E1 BCA test is intended to replace the total resource cost test ("**TRC**") which has been used in Nova Scotia since 2010.[1]

The Proposed E1 BCA is premised on E1's interpretation of legislative amendments, which E1 states require the Board to broadly include societal impacts and host customer benefits, as well as non-energy benefits (extending to ephemeral concepts such as amenity, empowerment and pride) in its consideration. E1 also states that the amendments require the Board to determine cost-effectiveness exclusively at the portfolio level.

The Industrial Group disagrees. It relies on the evidence filed by its consultant, Patrick Bowman, which articulates several concerns with the Proposed E1 BCA test being excessively expansive as a primary test. Analyzing DSM at the societal level is discordant with Canadian regulators.

Mr. Bowman instead recommends an approach that would allow the Board to consider the best interests of NSPI's customers in the same metric as E1 programs while still giving "appropriate consideration" to the broader public interest, as is legislatively directed. He recommends that the Board adopt the Program Administrator Cost ("**PAC**") test as the primary measure of cost-effectiveness, and that other tests should be applied in considering which DSM to pursue. This includes the Proposed E1 BCA test based on broad societal cost and benefits perspectives, as well as an assessments of rate impacts.

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[1] *Nova Scotia Power Incorporated (Re)*, 2009 NSUARB 116 (CanLII), <https://canlii.ca/t/25bsh>.

The Industrial Group would also reiterate to the Board (and E1) that E1's references throughout its evidence to the Proposed E1 BCA, and the inclusion of non-energy benefits and proxy values being developed through, or discussed at, the DSMAG should not imply there was consensus, approval or endorsement by the DSMAG, and specifically not by the Industrial Group.

Thank you for the opportunity to make this Opening Statement.

Nancy G. Rubin, K.C.
Brianne Rudderham
September 11, 2025