ORDER **M12282**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF THE PUBLIC UTILITIES ACT

- and -

IN THE MATTER OF AN APPLICATION by **EFFICIENCYONE** for approval of a New Benefit-Cost Analysis Test for Evaluating Demand Side Management Plans

BEFORE: Stephen T. McGrath, K.C., Chair
Steven M. Murphy, MBA, P.Eng., Member
Darlene Willcott, LL.B., Member

ORDER

EfficiencyOne (E1) applied to the Nova Scotia Energy Board on May 16, 2025, for approval of a New Benefit-Cost Analysis (BCA) Test for Evaluating Demand Side Management (DSM) Plans.

The Board issued its Decision on December 10, 2025. The Board finds it does not have the authority to approve E1's proposed BCA test.

The Board orders the following:

1. E1 is directed to use the Program Administrator Cost (PAC) test as its primary test for screening the cost effectiveness of its proposed Demand Side Management (DSM) plan for its next term beginning in 2027. E1 is directed to use NS Power's Weighted Average Cost of Capital (WACC) as the discount rate in this assessment. As required by the *Public Utilities Act*, this screening will occur at the portfolio level.

2. While the Board leaves it open to E1 to propose another approach for addressing strategic electrification, in the absence of an acceptable approach, E1 is directed to follow the recommendation of the Industrial Group's consultant, Mr. Patrick Bowman, for assessing strategic electrification using the PAC test and including the increased utility revenues from these activities. Strategic electrification must reduce both greenhouse gas emissions and electricity costs for customers.

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3. E1 is directed to continue to provide the information it was previously directed by the NSUARB to provide to assess DSM plans, including justification for measures that fail the primary cost-effectiveness test. E1 may also use its proposed BCA test, as revised in the Consensus Agreement, to provide more information to support specific programs and measures.

4. In any information E1 provides to the Board for it to consider in approving a DSM plan, it is directed to include the following (except in the case of the primary screening cost-effectiveness test when inconsistent with the PAC test the Board has directed E1 to apply):

   a. If E1 uses a social discount rate, it must also provide a comparison using NS Power's WACC.
   b. If emissions impacts are calculated, long-run marginal emissions rates should be used.
   c. If the reliability of a customer's energy supply changes because of electrification, this should be considered.

5. As previously directed, Eastward is to be included as a member of the Demand Side Management Advisory Group.

DATED at Halifax, Nova Scotia, this 10th day of December 2025.

Crystal Henwood

Clerk of the Board