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 (DSM) Plans**

INFORMATION REQUESTS

To: EfficiencyOne

From: **Small Business Advocate**

Responses Due: **Friday, July 4, 2025**

Copies: 1 electronic copy (PDF searchable)

Contact Person: **Melissa P. MacAdam**
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Issued at Bedford, Nova Scotia, this 12th day of June 2025.

Request IR-1:

Refer to Exhibit E-1 EfficiencyOne's Application for Approval of a New Benefit-Cost Analysis (BCA) Test for Evaluating Demand Side Management (DSM) Plans, (the "Application") filed May 16, 2025, E1 Evidence, page 34 of 38, Table 10. For each non-utility impact category provided:

a) The detailed formula or spreadsheet used to calculate the dollar benefit, or cost, with all underlying data inputs, e.g., avoided fuel prices, social cost of carbon values, proxy adder percentage.

b) Data sources, year, and any adjustments made due to regional factors and inflation.

c) Specific examples with formulas showing step by step calculations.

Request IR-2:

Refer to Exhibit E-1, the Application, Notice of Application, page 5, paragraph 24.

a) Explain why E1 proposes a 2 percent real discount rate for societal impact.

b) Provide any internal or external studies, regulatory precedents, or stakeholder comments that support the choice of 2 percent versus other discount rates.

Request IR-3:

Refer to Exhibit E-1, the Development of a Jurisdictional Benefit Cost Analysis Framework for Nova Scotia (the "Report"), Appendix B, Table 14, pages 45-46 of 68. For the "host customer" impact of the NEB category, provide an analysis of the proxy adder approach:

a) Provide justification, such as literature or stakeholder impact for each percentage level, for the measures shown in the table.

b) A sensitivity analysis showing how the portfolio BCA ratio would change if those adders were ± 50 percent.

Request IR-4:

Refer to Exhibit E-1, the Report, page 20 of 68. Describe the safeguards built into the BCA Test methodology to prevent the double counting of benefits such as where avoided GHG benefits and avoided fuel cost benefits could overlap.

Request IR-5:

Refer to Exhibit E-1, the Application, E1 Evidence, Table 11, page 35 of 38. Beyond the heat pump test case, provide at least two additional test runs, other than energy efficiency lighting, demonstrating the new BCA's operation, including intermediate outputs.

Request IR-6:

Please provide a list of each potential benefit being proposed to be included in the new BCA test and note for each benefit whether the BCA Test will be assuming that the numerical value of the benefit is the same throughout the life of a measure, especially for long-lived measures. For example, there is an expectation that NSPI will have a supply mix that is eventually fully decarbonized, suggesting that any carbon savings will at that time be zero. How will that be addressed?

Request IR-7:

Refer to Exhibit E-1, the Application, Table 2, page 4 of 38. For each listed state:

a) Please provide the specific state's stated policy objectives, legislation, or publicly adopted goals that align with Nova Scotia legislation, with a specific reference point within the legislation.

b) Please provide e a list of costs or benefit types that are proposed for the BCA in Nova Scotia that are not included in the specific state's cost-effectiveness testing.

Request IR-8:

Refer to Exhibit E-1, the Application, page 18 of 38, line 5. Regarding the creation of green jobs and stimulating economic growth, please provide the results of econometric modeling that EOne has performed or commissioned that show the net jobs created and other measures of economic growth specifically attributable to the adoption of the proposed BCA Test as compared to using the current cost-effectiveness testing methodology.

a) Please provide work papers including spreadsheets in working form with formulas intact that are part of the analysis.

Request IR-9:

Refer to Exhibit E-1, the Application, page 18 of 38, line 21-25, specifically where it states "…ensuring the design of the cost-effectiveness test adhered to the National Standard Performance Manual (NSPM) where possible…".

a) Please describe in detail where the current cost-effectiveness testing methodology does not adhere to the NSPM.

b) Please describe how each element of the different benefits is incorporated into the proposed BCA so that it comports with the NSPM.

Request IR-10:

Refer to Exhibit E-1, the Application, page 23 of 38, lines 25-26.

a) Please provide the criteria used to categorize each impact category as reliable.

b) Please note for each category's impact how it was measured for Nova Scotia, as compared with adopting something used in other provinces or in a US State.

Request IR-11:

Regarding Exhibit E-1, the Application, page 26 of 38, table 5, please define in detail and provide examples for Host Benefits, Resilience, and Public Health.

Request IR-12:

Refer to Exhibit E-1, the Application, page 29 of 38, line 7, and the phase "…improved comfort, and health."

a) Please provide a definition for 'improved comfort', including practical examples of how energy efficiency measures improve comfort and how that comfort was monetized into a benefit for the BCA Test.

b) Please provide a definition for 'health' in this context, including practical examples of how energy efficiency measures improve health and how this was monetized into a benefit for the BCA Test.

c) Please also note which province and US states currently incorporate the monetization of these benefits.

Request IR-13:

Refer to Exhibit E-1, the Application, pages 32-33 of 38.

a) Please provide detailed definitions and practical examples of:

    i. Tax Impacts (specifically explain how any tax impacts are not actually transfer payments among residents, institutions or businesses in Nova Scotia)

    ii. Productivity (be sure to address how this is determined and whether some more efficient equipment can reduce productivity)

    iii. Economic Well Being

    iv. Comfort

    v. Amenity

b) Regarding Resilience and Reliability

    i. Please explain how an efficient end-use improves either resiliency or reliability. Particularly note whether new non-efficient equipment would have similar impacts.

    ii. Please define and contrast resiliency and reliability, noting similarities and differences with how NSPI has defined those terms.

Request IR-14:

Refer to Exhibit E-1, the Report, page 17 of 68, Number 6, and the Application, page 23 of 38, Lines 25-27 and the use of the phrase "proxy adder approach." Please explain how the two approaches are consistent. Specifically explain with examples how one can interpret that using the proxy method to apply “hard to obtain” benefit values as providing benefits derived from “reliable data.”

Request IR-15:

Referring to Exhibit E-1, the Report, Page 45 of 68, Table 14, please explain how the percentages in columns 2 and 3 are created – what are the data points that are used to create the percentage?

a) Please explain how the consolidation of opinion that was used to obtain values in this table is consistent with EOne’s own objective to use Reliable Data for estimating benefits.

Request IR-16:

Regarding The Report – Please provide working spreadsheets and other workpapers used to derive each table in the report

Request IR-17:

Please list the programs and potential funding level that are expected to pass the new BCA Test that would not have passed the current cost-benefit testing.

Request IR-18:

Please list all the factors that EOne will evaluate to decide on program funding in addition to the proposed new BCA test.

Request IR-19:

Please provide efficiency program funding per capita in each Canadian province and if the cost-effectiveness test includes all the ‘benefits’ being proposed in this application.

a) Please indicate if the programs are 100% financed by the respective utilities or if there is a different financing arrangement.

Request IR-20:

Please comment on whether a test similar to the proposed BCA Test should be used by the following:

a) Natural Gas Utilities for customer programs and resource planning.
b) Water Utilities for customer programs and resource planning.
c) Province of Nova Scotia budget setting to reduce energy usage and other equipment or construction decisions at facilities with significant provincial workers.
d) NSPI in conducting resource planning, including IRP, and being incorporated into the NSPI Capital Expenditure Justification Criteria (CEJC).