

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: **The *Public Utilities Act*, RSNS 1989, c. 380 as amended**

IN THE MATTER OF: **An Application by EfficiencyOne for Approval of a New
Benefit Cost Analysis Test for Evaluating Demand Side
Management (DSM) Plans – Matter M12282**

REBUTTAL ARGUMENT OF EASTWARD ENERGY INC.

October 21, 2025

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1 **GENERAL**

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3 Eastward Energy Inc. (“Eastward”) has reviewed the closing arguments of EfficiencyOne (“E1”),
4 the Industrial Group (“IG”), the Consumer Advocate (“CA”), the Small Business Advocate (“SBA”),
5 Nova Scotia Power Inc. (“NSPI”) and East Coast Environmental Law. Eastward principally relies
6 on its Closing Argument but has the following additional comments in rebuttal to certain of the
7 issues raised by the closing submissions of the other parties.
8

9 **DEMAND SIDE MANAGEMENT ADVISORY GROUP (“DSMAG”)**

10
11 It remains clear from the Closing Submissions of E1 that the DSMAG is intended to continue as
12 the principle vehicle by which E1 will gain input on its DSM plans and programs, and that E1’s
13 proposed evergreen process will be run through the DSMAG.¹ For the reasons set out in its
14 Closing Argument, Eastward submits that it is appropriate for it to be made a member of the
15 DSMAG in a timely manner so that it can contribute to the input for the 2027-2031 DSM plan
16 anticipated to be filed early in 2026.
17

18 In its Closing Submissions E1 does not accept Eastward joining the DSMAG, but provides no
19 reasons for its position. E1 simply restates its willingness to engage with Eastward through
20 directed discussions aimed at ensuring applicable benefits related to natural gas options are
21 appropriately considered in the 2027-2031 plan.²
22

23 No other party to this proceeding, most of whom are current members of the DSMAG, has
24 indicated any concern with Eastward being a member of the DSMAG. The IG has specifically
25 stated that it “has no objection to the addition of Eastward”, and that “a wider array of perspectives
26 is generally a welcomed addition”.³
27

28 Notably NSPI, a member of the DSMAG, has similarly to the IG not accepted E1’s proposed
29 benefit-cost analysis test (“BCA”). Rather it proposes a primary test “reflective of the existing TRC

¹ See for example E1 Closing Submissions page 18, line 18 to page 19, line 12.

² E1 Closing Submissions page 22, lines 7-9.

³ IG Closing Submissions page 21.

test” with certain modifications.⁴ This further demonstrates the wide ranging views and differing positions of the DSMAG members.⁵ Eastward has significant knowledge and experience it wishes to bring to bear collaboratively with E1 and the DSMAG and submits there is no valid reason for it not to be made a member of the DSMAG at this time.

HYBRID HEATING

With respect to the significant issue of hybrid heating, E1 simply states that, “At the hearing, Ms. Thompson confirmed hybrid heating measures are currently being considered by E1 for the 2027-2031 DSM Plan”.⁶ There is no specific footnote reference for this comment in E1’s Closing Submissions. As noted in Eastward’s Closing Argument, with respect to hybrid heating, Ms. Thompson in reply to Commissioner Murphy only stated that “we do think there is value in it and, as we work through our modelling, we will be **looking at considering it**”.⁷ (emphasis added)

Eastward submits that it is important for the Board to highlight in its decision that E1 should focus on hybrid heating measures as a key factor in the development of the 2027-2031 E1 DSM plan, for the reasons set out by Eastward in its Closing Argument which have not been addressed by E1.⁸

In this regard the IG has noted that the approach proposed by Mr. Bowman to cost-effectiveness testing for E1 for strategic electrification – running the PAC test with the additional step of including the increased revenues to be received by NSPI – aligns with the recommendations by Posterity Group, Eastward’s consultant. The IG states that, “The PAC will ensure the focus of E1 will be on developing the most cost-effective programs, including hybrid heating to address the anticipated issues with load. Hybrid heating programs will help proposed electrification programs exceed 1.0 on a PAC test.”⁹

⁴ NSPI Closing Submission page 10.

⁵ At page 42 of E1’s Closing Submissions they state that their proposed BCA “reflects the outcome of a lengthy and engaged stakeholder process conducted through the DSMAG, further reinforcing its credibility and alignment with best practices”. This despite the fact that two key members of the DSMAG have proposed competing alternative approaches to E1’s BCA.

⁶ E1 Closing Submissions page 22, lines 6-7.

⁷ Eastward Closing Argument pages 7-8 and Transcript page 268, line 2 to page 269, line 11.

⁸ Ibid pages 5-8.

⁹ IG Closing Submissions page 20.

As noted in Eastward's Closing, Mr. Bowman confirmed that his proposal for strategic electrification "both helps you assess the benefit cost of electrification and it also serves as your measure to show that you are reducing electricity costs".¹⁰ This stands in contrast to E1 who has yet to develop a test to demonstrate the reductions in electricity costs resulting from strategic electrification.¹¹ Rather E1's focus to date in developing its BCA appears to be on the first half of the strategic electrification definition, a reduction in overall greenhouse gas emissions.

Finally in this regard, E1 states that the guidance from the National Standard Practice Manual ("NSPM") relies heavily - when developing a jurisdiction's primary test - "on incorporating considerations of the jurisdiction's applicable policy goals related to Distributed Energy Resources (DERs)".¹² However, as noted in Eastward's Closing Argument, the *Gas Distribution Act's* policy guidance to "facilitate the use of gas as a hybrid peaking resource to satisfy the integrated electricity system demand" was not even included in the DSMAG working group review of Nova Scotia policies and relevant impacts.¹³

SUSTAINABLE DEVELOPMENT AND SUSTAINABLE PROSPERITY

E1 has continued in its Closing Submissions to put considerable emphasis on the Board's requirement at section 6(2)(d) of the *Energy and Regulatory Boards Act* to give "appropriate consideration to the extent" its proposal supports sustainable development and sustainable prosperity. E1 essentially summarizes its position as follows, "...when considering DSM plan applications or evaluating cost-effectiveness, the Board must explicitly address how proposed measures advance sustainable development and sustainable prosperity, ensuring present needs are met without compromising future generations"¹⁴. But these remain only one set of the items that the Board must give appropriate consideration to, together with the primary requirements of the *Public Utilities Act* in relation to DSM.¹⁵

¹⁰ Eastward Closing Argument page 4 and Transcript page 443, lines 11-16.

¹¹ See Eastward Closing Argument page 3 and Transcript page 41, line 15 to page 42, line 3.

¹² E1 Closing Submissions page 40, lines 17-20.

¹³ Eastward Closing Argument page 2, including footnotes 12 and 13.

¹⁴ E1 Closing Submissions page 39, lines 14-17.

¹⁵ *Public Utilities Act* Sections 79A-W.

1 As noted by East Coast Environmental Law, “The Board’s new responsibility to consider
2 sustainable development and sustainable prosperity does not override other considerations that
3 inform Board regulation under its governing statutes and regulations, such as the public’s interest
4 in affordable energy rates and reliable energy systems”¹⁶.

5
6 It appears from the record and E1’s overall Closing Submissions that its proposed BCA has been
7 largely driven by these requirements, and not by a weighting of the overall legislative requirements
8 applicable to E1 and the development of its DSM Plans. NSPI appears to share this view where
9 it states, “More broadly, E1 seems to be proposing that the societal impact view become the
10 dominant perspective.”¹⁷

11
12 Eastward also notes East Coast Environmental Law’s conclusion that, “The Board’s decision in
13 this proceeding will set a significant precedent for future matters that ask the Board to consider
14 how sustainable development and sustainable prosperity will be supported by proposals from
15 regulated entities”.¹⁸ As noted by Eastward in its Closing Argument, “If the Board believes that the
16 primary test on the supply side should likely be consistent with that on the demand side, then it
17 needs to be very cognizant of the potential wider implications of a decision to approve the primary
18 BCA proposed by E1”.¹⁹

19
20 As also noted in Eastward’s Closing Argument, Mr. Bowman explained how his proposal
21 incorporates consideration of governmental policy on sustainable development and sustainable
22 prosperity, without requiring the use of a global social cost of carbon and the issues of double
23 counting that would come with using such an approach.²⁰

24
25 As well, nothing precludes the use of E1’s proposed BCA test as a secondary test to inform all
26 parties including the Board.

¹⁶ East Coast Environmental Law Closing Statement page 7.

¹⁷ NSPI Closing Submission page 2.

¹⁸ East Coast Environmental Law Closing Statement page 7.

¹⁹ Eastward Closing Argument page 13.

²⁰ Ibid page 12 and transcript page 408, line 18 to page 410, line 8.

1 **AVOIDED COSTS**

2
3 NSPI states that it intends to “update the avoided cost series of DSM and Demand Response
4 (“DR”) to reflect an updated planning scenario”²¹, and that in its view “some types of DSM
5 programming may require alternate avoided cost data sets” an example of which would be
6 assessment of “bespoke cost curves reflecting the added load of strategic electrification measures
7 ... which could contribute energy and demand at different times of day”²². NSPI then notes that it
8 “would be pleased to work with E1 and the DSMAG on the development of this avoided cost
9 forecast”.²³ Eastward would be equally pleased to work on this issue and could contribute its
10 understanding of typical performance and usage patterns for hybrid heating technologies to
11 ensure that the avoided cost value of these technologies are accurately characterized. Again, this
12 shows the importance of its request to be a participant on the DSMAG where this work will
13 apparently be carried out.
14

15 **CONCLUSION**

16
17 In conclusion, Eastward submits that nothing in the closing submissions of E1 or the other parties
18 to this proceeding has changed its view on the issues of concern that it has raised, and it provides
19 this Rebuttal Argument in further support of its requests of the Board as set out in its Closing
20 Argument.²⁴
21

22 ALL OF WHICH IS RESPECTFULLY SUBMITTED.
23
24

²¹ NSPI Closing Submission page 11.

²² Ibid.

²³ Ibid.

²⁴ Eastward Closing Argument pages 13 and 14.