BEFORE THE
Nova Scotia Energy Board
IN THE MATTER OF THE PUBLIC UTILITIES ACT - and - IN THE MATTER OF A GENERAL RATE APPLICATION by NOVA SCOTIA POWER INCORPORATED
for approval of certain revisions to its Rates, Charges and Regulations

General Rate Application (M2451) 2026-2027

Opening Statement by Affordable Energy Coalition
7 January 2026

The Affordable Energy Coalition works on behalf of low-and-modest-income Nova Scotians across the province. Nova Scotia has one of the highest rates of energy poverty in the country due to our lower incomes and higher energy costs arising from our reliance on oil and coal, and generally old building stock. In *its 2023* study*, Energy Poverty and an Equitable Transition to a Net-Zero Carbon Future in Nova Scotia,* Efficiency Nova Scotia estimated that 43% of Nova Scotian households pay more than 6% of their net income on energy bills.

This 6% ratio is commonly held as the benchmark for living in “energy poverty,” meaning the household holds an unhealthy energy-cost burden that jeopardizes household stability and safety, often forcing residents to make untenable and unjust sacrifices of food, medicine, or appropriate living temperatures. The report is online at *https://www.efficiencyone.ca/energy-poverty-and-an-equitable-transition-to-a-net-zero-carbon-future-in-nova-scotia/.*

Energy services are necessities—for food preparation, winter warmth and as the planet heats up, for summer cooling. Access to energy is a human right. Access is often threatened due to low incomes. Many families struggle with the “heat-or-eat" challenge. This means that households are forced into having to make impossible choices between different essentials like food, medicine, and heat. This situation is exacerbated by price volatility and high fossil-fuel prices, as occurred especially badly in 2022-3.

The Affordable Energy Coalition has 4 concerns related to Nova Scotia Power’s General Rate Application:

1. Affordability: Low-Income Households require support to survive a rate hike

The issue of affordability most affects low-and-modest-income households. They are the ones who face disconnection most often, and who most often must choose among different necessities when faced with high energy costs.

In 2015, Ontario created a Canadian precedent in establishing a system called the Ontario

Electricity Support Program, which provides on-bill credits to low-income electricity customers. It began as a ratepayer-funded program and later was changed to a taxpayer-funded system. In 2024, the Nova Scotia Clean Electricity Solutions Task Force's final report made 12 recommendations to the government including evaluating other subsidy programs, like Ontario's, to create a "Made in Nova Scotia" suite of programs to assist with residential electricity costs and address our unacceptably high rate of energy poverty, which occurs when a household's energy bill places undo strain on their ability to pay for it and other necessities like food and medicine.

In response, the Energy Poverty Task Force—consisting of the Ecology Action Centre, Nova Scotia Power, Efficiency Nova Scotia, the Nova Scotia Oil Heat Association, the Town of Bridgewater, the Clean Foundation, the Affordable Energy Coalition, the Consumer Advocate, Kate Ervine of Saint Mary's University, the Department of Natural Resources and Renewables, the Department of Community Services, the Department of Municipal Affairs and Housing, and The Society of Saint Vincent de Paul—worked with world-renowned energy poverty expert and economist Roger Colton to design such a program based on Nova Scotia's unique energy mix and socioeconomic situation. That recommendation has been presented in meetings with provincial staff and Minister of Energy (until October 2025) Trevor Boudreau.

The Government of Nova Scotia has taken no action to address the recommended Home Energy Assistance Program in the Energy Poverty Task Force's report, *A Way Forward: A Made-in-Nova Scotia Home Energy Affordability Program* (available online at https://ecologyaction.ca/sites/default/files/2024-05/AWayForward_FullReport_May2024.pdf), released in May 2024. In our view, the Energy Board could review *A Way Forward,* decide whether or not to recommend the adoption of a similar universal service program-based system in Nova Scotia, and offer to assist in designing a system funded by taxpayers, as the Ontario Energy Board has done.

The Home Energy Affordability Program is a universal service program (USP) that includes on-bill credits, arrears management, a crisis intervention fund, and enhanced energy efficiency and electrification programming. It builds on Nova Scotia's support for HomeWarming and other low income efficiency programs to create a more comprehensive system. This is a tangible, affordable means of addressing the escalating cost of energy, including the proposed rate hike, which is supported by Nova Scotia Power and a diverse group of energy and poverty experts. It would be especially beneficial in this time of electricity rate hikes and volatility in fossil fuel prices, and when other government programs such as the Heating Assistance Rebate Program (HARP) and the federal Oil to Heat Pump program have been reduced or spent out.

2. Affordability: Reducing excessive profits in the face of widespread energy poverty

Public regulation of a private monopoly is based on ensuring rates earn enough money to pay the “cost of service” while preventing excessive spending and profit. One cost with differing opinions is the rate of Return on Equity or profits.

We will pay close attention to the arguments made by people more expert than we are, but from an educated lay perspective, given how safe an investment in a regulated monopoly is, as evidenced by how steadily Emera’s ROE and dividends have grown, and given the legal requirement of at least 80% renewables by 2030 and the increasing number of pension plans and other institutional investors seeking low-carbon investments, it is hard to imagine NS Power having any difficulty raising the capital funds needed with a lower ROE.

Most importantly, low-income Nova Scotians are suffering from intolerable costs of living. Rate increases are yet another unmanageable burden. We are heartened by the December 2, 2025 evidence submission related to this hearing by Dr. Sean Cleary, CFA and Professor of Finance, in which he states: “Concentric’s ROE recommendation [of 9.9%] is far too high ... My evidence provides an alternative and more appropriate estimate of the allowed ROE estimate for NS Power of 7.6% to that recommended by Concentric, combined with its current allowed ER [Equity Ratio] of 40%.” Dr. Cleary’s recommendation is also lower than Nova Scotia Power’s requested rate of 9%.

While we are not experts in appropriate means of calculating Return on Equity, it is notable that while nearly half of Nova Scotia’s households struggle to pay their energy bills, the financial health of Emera, Nova Scotia’s parent company, is never in doubt. In 2022 and 2023, Emera's annualized total shareholder return (TSR) ranged between 8.8% and 11.5% over the prior decade. (No figure was reported in 2024.) Emera is much more than NSPI, but these figures illustrate the overall profitability of the company that brings into question their need for current profit rates at NSPI. Our view is that the three profit factors should be changed to reduce what we see as excessive profits and in the process save millions for ratepayers, including low-income ratepayers. This means reducing the cap on Return on Equity to 7.6% as recommended by Dr. Cleary.

3. Energy Transition: The transition to zero-carbon energy is momentous and necessary

We are amidst the biggest energy-system transformation since NS Power’s beginnings. In the zero-carbon future, we will waste much less energy, and the energy we use will be from low cost renewable, clean sources. Heating and transportation will be electric or from other zero-carbon sources.

The Affordable Energy Coalition welcomes the transition, which is essential for reducing the extreme impacts of climate change as well as creating more affordable energy services using renewables, batteries, heat pumps and electrified transportation. We believe this transition will and must be kept in mind by all parties during these hearings. Not only is this an environmental necessity, but the zero-carbon transition also creates an excellent opportunity for Nova Scotians to spend less money on energy, and for the province to eliminate our high rate of energy poverty. We can have lower bills in spite of rate-and-fuel-price increases. This is possible because of better insulation in buildings; electrification and the use of more efficient heating equipment, such as heat pumps; and greater use of solar power on buildings. All of these reduce overall energy use - the combined demand for electricity and fossil fuels and save Nova Scotians money, even when rates go up.

As rates increase, significant investment in energy efficiency programming from governments and utilities is the only way to keep bills manageable and even bring them down. Despite Nova Scotia's old building stock, with the establishment of Efficiency Nova Scotia in 2010, this province has long been a leader in energy efficiency for homeowners, including for low income households through the HomeWarming program. With the establishment of a rental retrofit program (the Affordable Multifamily Housing program) in 2018, this leadership extended to low and modest income renters.

However, other provinces have since surpassed Nova Scotia's achievements, as demonstrated in Efficiency Canada's 2024 Canadian Energy Efficiency Scorecard, where this province slipped from 2nd in the country to 5th, being surpassed by our neighbours, New Brunswick and Prince Edward Island. It is our position that the Board, with its authority in ensuring the province's reliability, sustainability, and affordability, should take every effort to ensure that investments in accessible energy-efficiency retrofits—especially for low-income households—increase rather than decrease.

This is a necessary step in reducing energy poverty and ensuring Nova Scotia's full participation in a 21st-century economic endeavour, one where 15,000 new jobs per year are possible by 2030 due to the net-zero transition, according to the 2019 Gardner Pinfold study *Nova Scotia Environmental Goals and Sustainable Prosperity Act Economic Costs and Benefits for Proposed Goals* [available online at https://ecologyaction.ca/sites/default/files/2022-06/EAC_GP_Climate%20Jobs%20Report_Sept2019_0.pdf].

4. Technology Neutrality: Scrutinize data on competing generation options to minimize costs and account for the cost of carbon pollution

Requests for Expressions of Interest and Requests for Proposals should not be for fuel types such as natural gas but rather for the specific need in terms of a quantified amount of energy produced for a specifically stated purpose (for example, 300 megawatts of generation for peak-demand periods or to back up intermittent renewables). In this example, natural gas is only one possible means of accomplishing this end. Others include demand flexibility and battery storage, or a combination of the two. Utility scale battery storage has proven effective in other North

American jurisdictions.

We are concerned by the assessment by the Nova Scotia Independent Energy System Operator that gas is the cheapest means of production and that significant decision-makers in energy are not conducting balanced analyses of available data comparing costs associated with different means of generation, the total cost of production including transportation, use, storage, decommissioning and stranded assets, and carbon pricing (current and future). Experts at Agora Energiewende found in 2017 that "a power system with a 95 percent share of renewables has the same or even lower costs than a fossil-based system under most assumptions for future fuel and CO_2 prices" and noted that "a renewables-based system insulates the economy against volatile commodity prices, as the costs of fossil-based systems heavily depend on fuel and CO_2 price trends." [See Matthes, Heinemann, Ludig, and Cook; Öko-Institut (2017): Renewables versus fossil fuels – comparing the costs of electricity systems (in translation): https://www.agora-energiewende.org/publications/renewables-versus-fossil-fuels-comparing-the-costs-of-electricity-systems#key-findings.]

Conclusion

Although affordability is a consistent consideration related to all energy decisions, it is rare that those most impacted by rate increases are given the opportunity to share their very real experiences. The impact on lower-income customers must be a central consideration in the transition to a zero-carbon future, including during these hearings, due to very high rates of energy poverty in Nova Scotia and the difficulty low-income households have in paying for insulation and heat pumps to replace oil heat and baseboard heat.

We must work together to make energy affordable to lower-income households during the transition to well-insulated homes heated by super-efficient heat pumps. We look forward to participating in this hearing.

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