E1 Responses to Small Business Advocate (SBA) Information Requests
NON-CONFIDENTIAL

Request IR-01:

Refer to M12780, Exhibit E-1, Efficiency One (E1)'s application for approval of its 2027–2031 Demand Side Management (DSM) Resource Plan, dated March 31, 2026, (the "DSM Plan") Section 1.1 Approval of the 2027-2031 DSM Resource Plan, Page 1 of 71:

(a) How does E1 support its claim that the preferred DSM Plan recognizes the cost-of-living pressures faced by Nova Scotia households and businesses and is affordable, if this preferred DSM Plan also acknowledges, on page 47 lines 29-30, that first year unit costs have increased?

(b) What options does E1 have to help reduce first year unit costs?

(c) On page 47 of 71, Lines 18-23, E1 refers to 'deeper, more complex measures'. How are those types of measures identified and why were they not identified previously?

(d) Does E1 identify all potential measures when working with customers, or are third party service providers involved?

Response IR-01:

(a) EfficiencyOne (E1) submits that affordability cannot be assessed by reference to first-year unit costs alone. The Preferred Plan's first-year unit cost of $0.66/kWh reflects a deliberate portfolio shift toward deeper, longer-lived measures - such as building envelope improvements and HVAC upgrades - that were previously obscured by low-cost, high-volume lighting opportunities. The more meaningful metric is lifetime unit cost, which remains $0.05/kWh, well below NS Power's average fuel cost. E1 has also held annual DSM investment flat at the 2026 approved level of $63.75 million, with no inflationary increases, over the full 2027–2031 period, and has directed a greater share of that budget – 71 percent - to direct customer incentives. These measures reflect E1's prioritization of near-term affordability while preserving long-term ratepayer value. Additional affordability considerations are addressed in E1’s response to NSEB IR-03.

(b) Please refer to Attachment 1 of E1’s response to IG IR-10 for a detailed analysis of first year unit costs.

(c) E1 has long supported a mix of low-cost, high volume measures and deeper, more complex measures, such as insulation and air sealing, HVAC equipment, and more custom projects that integrate different technologies and address different electricity end uses. E1 staff have been identifying these opportunities for customers, but they typically choose to address lower hanging fruit first because of the shorter payback on investment. With the energy savings baseline changes to lighting taking full effect by 2029, E1 is starting to ramp up efforts to further grow the measure categories that offer deeper savings through increased incentives, marketing, key customer account development, and Energy Manager placements.

(d) E1 offers energy audits to eligible small businesses and customers with embedded and roving Energy Manager support to identify all measures that are currently eligible for DSM incentives and longer-term opportunities, such as upgrades that may be more cost-effective when linked to future planned maintenance projects. Customers may also elect to use third party service providers to assist with opportunity identification and development, as explained in more detail in SBA IR-02.

Request IR-02:

Refer to M12780, Exhibit E-1, the DSM Plan, Appendix A – Preferred Plan. On page 67 of 112, under Barriers, it refers to Industry awareness and references a lack of familiarity with the Custom Incentives Program.

(a) What type of Third-Party consultants is E1 referring to?

(b) How is E1 working with those Third-Party consultants? Who pays for the work they do? Is there any overlap with the services provided by E1 and these Third-Party consultants?

(c) Do any of the Third-Party consultants referred to work with businesses to evaluate where small businesses could improve energy efficiency? If so, how does that overlap or replicate the services that E1 provides?

(d) If a customer were to engage with a Third-Party consultant, would this reduce/increase/maintain the amount of incentive that would otherwise be available to them under the DSM Plan?

Response IR-02:

(a) In the context of the Custom Incentives Program and the DSM Plan, EfficiencyOne (E1) refers to third-party consultants who help customers navigate E1-administered programs, conduct feasibility studies, and/or perform energy modelling to identify, highlight, and quantify specific energy savings opportunities for customers.

(b) Many of these third-party consultants are members of the Efficiency Preferred Network and receive education, training, and updates about E1 administered programs. These consultants typically help customers prepare and submit program applications. E1 offers incentives to customers to reduce the costs of feasibility studies and energy modelling, and customers pay these third parties for their services.

There can be some overlap between the services provided by third parties and those delivered by E1's Energy Managers; however, the roles are largely complementary. Energy Managers continuously identify and prioritize efficiency opportunities, while third parties are engaged to provide specialized expertise and support implementation. In partnership, stronger outcomes are delivered than either group could achieve independently. Energy Managers work with customers and consultants to understand their intentions and project parameters to minimize any overlaps.

(c) Third-party consultants can work with small businesses to evaluate energy savings opportunities. E1 also has a Small Business Energy Auditor who will discuss projects with customers and conduct site visits to identify and quantify savings opportunities at no cost to the small business. Where E1 offers a free resource to small business customers, there is very little overlap with third-party consultants.

(d) E1 offers customers incentives to offset the upfront expenses of project feasibility studies and energy modelling. If a customer elects to work with a third-party consultant to access these supports, the upfront incentive is subtracted from the final eligible project incentive. It is also important to note that a customer's decision to engage a third-party consultant could uncover more savings opportunities or direct customers to take alternate approaches, which could also affect project savings and eligible incentives.

Request IR-03:

Refer to M12780, Exhibit E-1, the DSM Plan, Appendix A - Section 3.1 DSM Engagement in the Development Process, Page 15 of 112, Lines 13-18, which states:

> **DSMAG engagement played a central role in development of the 2027–2031 DSM Preferred Plan. Throughout the planning process, E1 engaged a range of DSMAG members including rate class representatives, provincial government representatives and internal subject matter experts. Input from this engagement, together with insights from E1's ongoing customer satisfaction surveys, was incorporated at all stages of plan development to inform portfolio and program design.**

(a) Please provide dates and detailed results for the customer satisfaction surveys for small businesses, other than multi-unit residential businesses, and describe how this influenced the DSM Plan, other than for lighting measures.

(b) Has E1, or any third party company on E1's behalf, spoken with or interviewed individual small businesses to learn why they have not pursued E1 programs that were also offered in the past and that are contained in the DSM Plan? If yes, how did the responses influence the development of the preferred DSM Plan. If no, what are E1's plans to ensure sufficient participation to meet the proposed targets in the preferred DSM Plan.

Response IR-03:

(a) EfficiencyOne (E1) conducts ongoing customer satisfaction tracking (CSAT) research with Business, Non-profit, and Institutional (BNI) program participants, including small business customers other than multi-unit residential businesses. This CSAT research is designed to provide a consistent, ongoing measure of customer experience and satisfaction across program delivery over time. These surveys are conducted monthly, with results aggregated and analyzed on a quarterly and annual basis.

The results summarized below reflect annual findings from the CSAT research for small business participants between 2022 and 2025. Overall satisfaction is measured on a 10-point scale where 1 indicates “not at all satisfied” and 10 indicates “completely satisfied”. Likelihood to recommend and likelihood to participate are measured using four-point scales and are reported as the combined percentage of respondents indicating they would “definitely” or “probably” recommend E1’s programs or participate in future programs for which they are eligible. Aggregated annual CSAT results for small business participants are presented in Table 1 below:

Table 1: Annual (2022-2025) CSAT results for Small Business

Year	Sample Size (n)	Avg. Satisfaction Rating (out of 10)	% Would Recommend ENS Programs	% Would Participate in Future
2022	175	9.2	100%	98%
2023	133	9.2	100%	100%
2024	152	8.9	98%	99%
2025	109	8.8	97%	97%

Participant satisfaction is also periodically assessed during program evaluation when a process evaluation is being conducted or when free-ridership and spillover are being assessed. The Evaluation Consultant performed a process evaluation of the Direct Installation Program (referred to as Small Business Energy Solutions (SBES)) in 2023, which included a participant survey. Results from the participant and contractor survey, including satisfaction with various aspects of the Direct Installation program, are provided in section

3.3 of the 2023 DSM Evaluation Report for Direct Installation.[1] Results from the 2023 survey on overall participant satisfaction with the Direct Installation program are presented in Table 2 below.[2] The Evaluation Consultant is performing a comprehensive Impact Evaluation of the Direct Installation program for the 2026 Evaluation, which will include a participant survey to update free-ridership. The Evaluation Consultant will utilize the participant survey to also update satisfaction results.

Table 2: Annual (2017-2023) Overall Participant Satisfaction for SBES

	2017	2019	2021	2023
Sample Size	70	50	50	46
Mean	8.8	9.2	9.1	8.8

Customer satisfaction results were used to inform DSM planning by providing insight into customer experience and program performance. This includes assessment of awareness sources and communication methods, as well as satisfaction with interactions across program delivery roles such as Business Development Managers, Energy Advisors, Energy Solutions Advisors, and contractors, and perceptions of service quality, information provided, technical expertise, timeliness, and overall value. These findings describe how programs are experienced in practice and highlight the aspects of delivery that support a consistent and effective customer experience

(b) E1 and third-party research partners have conducted targeted research with small businesses through a range of research activities, including customer experience interviews, focus groups, usability testing, and structured consultations conducted between 2022 and 2025. These studies included both program participants and non-

[1] M11630, Exhibit E-2, 2023 DSM Programs Evaluation Reports, Direct Installation Program, March 14, 2024, Section 3.3, page 785 – 790 of 1156.
[2] Ibid, Table 10 on Page 785 of 1156.

participants, as well as customers who did not proceed with or complete program participation.

Additionally, in 2023, a qualitative review of the SBES and Business Energy Rebates – Application Rebates (BER-AR) customer journeys found that lengthy and inconsistent pre-approval timelines, complex application requirements, and limited awareness of financing options are the primary barriers to small business participation. Contractors play a central role in guiding customers through both programs, with most applicants unable to navigate the process independently. Participants across both programs identified a need for improved communication of rebate expectations, better access to up-to-date eligible product information, and more timely status updates following application submission. These findings are informing ongoing improvements to reduce friction and enhance the small business customer experience

Broadly speaking, key topics explored across the small business customer research between 2022 and 2025 included program awareness and messaging, clarity of eligibility and rebate information, customer motivations such as cost savings and return on investment, barriers related to process complexity and incentives, the role of contractors and advisors in supporting navigation of programs, and preferences for how businesses interact with applications and communications. Together, these studies provide a structured view of the decision-making and customer experience factors that shape small business participation.

The Evaluation Consultant also performed a non-participant survey in 2024 with 30 SBES non-participants to collect non-participant perspectives and determine spillover. Non-participant businesses were asked about program awareness and sources of awareness, reasons or barriers for not participating in the program, and about energy efficiency projects they completed without E1 financial assistance.[3]

Most recently, in 2026 a comprehensive study among incomplete program participants, including small businesses, will explore the factors preventing customers from completing a program journey.

[3] M12186, Exhibit E-2, 2024 DSM Programs Evaluation Reports, Direct Installation Program, March 25, 2025, Section 3, page 939-941 of 1442.

Request IR-04:

Refer to M12780, Exhibit E-1, the DSM Plan, Appendix A, page 23 of 112, lines 1-2, which states "…Savings further decline beginning in 2029, related to the removal of BNI lighting after 2028;", and page 64 of 112, Measures Promoted, that also references lighting application rebates ending December 2028:

(a) Has E1 considered alternatives to the current lighting measures, such as lighting control measures? If so, please provide details. If not, why not?

(b) Would lighting control installation measures be considered included in the "deeper, more complex measures" E1 recommends on page 47 of 71 of Exhibit E-1, the DSM Plan, lines 18-21? If not, please explain.

(c) Does E1 have the ability with the preferred DSM Plan, such as part of a mid-term program review, to substitute in or resurrect lighting programs if the market for them evolves such that they become more cost-effective?

Response IR-04:

(a) EfficiencyOne (E1) currently offers incentives on a variety of lighting control measures, such as indoor and outdoor occupancy sensors. These measures are expected to continue for the duration of the Preferred Plan. E1 intends to expand its lighting control measures by introducing integrated lighting controls into the Business Energy Rebates - Instant Rebates offering in 2026. While rebates for these measures have historically been available through the Business Energy Rebates - Application Rebates stream, the phase-out of traditional lighting measures starting in 2026 will shift greater emphasis toward the opportunities presented by advanced lighting controls.

The phase-out of incentives for LED lamps and fixtures is being driven by a market assessment conducted by E1's independent third-party Evaluator. They anticipate that only LED products will be available in the Nova Scotia marketplace after 2028. Please see below for a summary of key milestones related to this technology baseline shift.

- July 2026 – LED fixtures become baseline technology in Business Energy Rebates - Instant Rebates where point-of-sale incentives are offered. E1 will no longer be offering LED fixture incentives through this program pathway.
- January 2029 – LED lamps and fixtures become baseline technologies in Business Energy Rebates – Application Rebates, Small Business Energy Solutions, and Affordable Multifamily Housing where E1 has documentation to show that non-LED technologies are being replaced through these programs. E1 will no longer be offering LED lamp or fixture incentives through these program pathways.

(b) E1 does not consider lighting control installation measures as "deeper, more complex measures". Lighting controls typically involve minimal operational disruption, offer relatively short payback periods, and do not fundamentally alter building systems.

(c) The LED lighting fixture and lamp incentives are being sunset in the Preferred Plan because E1's independent third-party Evaluator has surveyed the Nova Scotia marketplace and determined that these products will soon be the only options available locally to customers (i.e., they will become the baseline). As a result, there will be no opportunity to incentivize and realize energy savings from these measures. If this does not materialize as expected, E1 would consider continued support of these measures.

Aligned with past practice, E1 understands it has the ability to change its measure offerings throughout plan implementation in response to market conditions, evaluation results, and participation trends. Such changes are reported in E1's quarterly and Annual Progress Reports as well as annual Evaluation reports, which are filed with the Nova Scotia Energy Board.

Request IR-05:

Refer to Exhibit E-1, the DSM Plan, page 35 of 71, lines 19-20 and lines 30-31, confirming E1's decision to eliminate Strategic Electrification (SE) as part of the preferred DSM Plan and instead to include research on SE by allocating investment for it within its Enabling Strategies budget.

(a) Prior to making the decision to eliminate SE from inclusion in the Preferred Plan, how many different types of SE program designs were reviewed to determine if these might be cost effective? How did these alternatives differ from one another?

(b) Was any of the research conducted as part of the previous plan's enabling strategies on SE utilized in assessing potential SE programs?

(c) When was it determined that the proposed SE programs were not cost-effective?

(d) Did E1 consult with other DSM organizations that offer SE programs to Canadian customers to compare results and conclusions?

(e) What are the expected outcomes from Enabling Strategies?

(f) Are results from Enabling Strategies able to influence changes within this 5-year plan or only for the next plan?

(g) If only the next 5-year plan, has E1 considered adjusting the investment in Enabling Strategies such that it is more aligned with the latter half of the DSM Plan and closer in time to when the new plan is being developed?

Response IR-05:

(a) As part of the development of the 2027–2031 DSM Plan, EfficiencyOne (E1) explored strategic electrification (SE) for inclusion. Specifically, in Round 1 and Round 2 modelling E1 modelled one SE scenario which included both residential and Business, Non-profit and Institutional (BNI) programs. E1 focused on building electrification measures to leverage existing partnerships, program infrastructure and expertise and as such did not model electric vehicles (EVs). As committed in the Benefit Cost Analysis Test (BCA) matter (M12282), E1 did consider hybrid heating measures. E1 reviewed multiple strategic electrification scenarios during plan development, including heat pump water heaters, cold climate heat pumps for space heating, hybrid heating measures and custom measures. Please refer to E1's response to Synapse IR-02 for details and results of the strategic electrification modelled by E1 in Round 1 and Round 2 modelling phases.

(b) E1 did not undertake formal consultations with other jurisdictions specifically offering electrification programs as part of the initial program design.

(c) SE measures were assessed across Rounds 1 and 2 of modelling for the 2027–2031 DSM Plan. During Round 1, E1 used the Rate Impact Measure test (functionally the same as the modified-PAC) to assess SE as the Nova Scotia Energy Board's (NSEB) Decision on E1's BCA matter was not available until December 2025. During Round 2 modelling, E1 used the modified-PAC to assess SE, aligned with the NSEB's Decision on the BCA matter. In both Rounds SE was found to not be cost-effective. Notably, even under optimal assumptions where there are no peak impacts arising from the SE measures, they remained not cost-effective under the modified-PAC test. SE was not carried forward into the final modelling round of the 2027–2031 Preferred DSM Plan. Please refer to E1's response to Synapse IR-

02 for details and results of the strategic electrification modelled by E1 in Round 1 and Round 2 modelling phases.

(d) Please see part (b) of this IR response.

(e) Appendix A, Attachment 5 – Innovation Framework, Process and Plan for 2027–2031, (PDF page 223) outlines key research and pilot activities relevant to future strategic electrification programming. The objective is to improve the performance of electric heating systems, including heat pumps and electric thermal storage. These technologies are key solutions for homeowners and businesses transitioning away from non-electric heating. The work also aims to identify and address market and technical barriers to adoption of hybrid heating in Nova Scotia.

(f) E1 has not proposed the inclusion of strategic electrification as a DSM resource with corresponding performance target(s) nor investment as part of the 2027–2031 Preferred DSM Plan. Should circumstances change during the 2027–2031 DSM plan period, including as a result of Enabling Strategies activities focused on strategic electrification, such that strategic electrification demonstrates it meets the legislative requirements as set out in the Public Utilities Act, E1 understands that it could file an application with the NSEB seeking approval to modify the 2027–2031 DSM Plan (as approved by the NSEB).

(g) Please refer to part (f) of this IR response.

Request IR-06:

Refer to Exhibit E-1, the DSM Plan, Section 5.2 Program Delivery Costs, page 49 of 71, lines 9-13, which states:

> **To manage overall investment levels in the Preferred Plan, E1 has reduced full-time equivalent (FTE) staffing in the 2027–2031 Preferred Plan to 106.7 as compared to 114.3 in the 2026 DSM Extension, reduced spending on enabling strategies, and focused resources on proven, cost-effective program delivery. These cost management efforts demonstrate E1's commitment to prudent expenditure control while maintaining program effectiveness.**

(a) What areas of E1's program management and deployment had FTE reductions?

(b) How did E1 determine that these FTE reductions would not compromise program delivery and savings results?

Response IR-06:

(a) Please refer to EfficiencyOne's (E1) response to part (a)(iii),(iv), and (vii) of NSEB IR-17.

(b) Please refer to E1's response to part (a)(v) of IG IR-12.

Request IR-07:

Refer to Exhibit E-1, the DSM Plan, Section 3.1 Affordability, page 24 of 71, Line 10 and page 25 of 71, Lines 1-2 and provide detail as to how E1 has adjusted the DSM Plan in later years to account for inflationary impacts to its expenses, such as labour and other fixed costs, given its decision not to include an annual inflationary increase and describe what impact that will have on the DSM Plan breakdown in future years, as shown in Figure 3: 2026 DSM Plan Expenditures, on page 39 of 71.

Response IR-07:

Please refer to Attachment 2 of EfficiencyOne’s response to IG IR-12.

Request IR-08:

Refer to Exhibit E-1, the DSM Plan, Section 9: Alternative Scenario, Page 67 of 71, Lines 18-21 and provide details regarding what would happen to current Eco Shift program customers should the Eco Shift program be eliminated.

Response IR-08:

If the Eco Shift program were eliminated under the Alternate Scenario, EfficiencyOne (E1) would wind down the program for existing participants and discontinue demand response event dispatch for Eco Shift devices. Current Eco Shift customers would no longer be called upon to participate in demand response events, and E1 would no longer claim demand response capacity from those devices under the DSM Plan.

For customers with enrolled devices, elimination of the program would not affect customers' ordinary use of their enrolled equipment for standard household purposes. Customers would retain control of their devices for ordinary household use. However, E1 would discontinue all program functionality associated with demand response event participation, and no further program obligations would exist between E1 and the customer in respect of those devices.

E1 would also need to undertake an orderly customer transition process. This would include notifying current participants that Eco Shift is being discontinued, explaining that future events would no longer be called, addressing any customer service or technology questions, and working with delivery partners and technology vendors to end program-related functions.

For context, the Alternate Scenario was developed as a fully costed scenario that removes Eco Shift to address concerns regarding its cost-effectiveness over the 2027–2031 Plan period. E1's

Preferred Plan maintains the Residential Demand Response program component, and E1's position in this proceeding is that the Preferred Plan represents the appropriate DSM portfolio for the 2027–2031 period.