

E1 Responses to Synapse Energy Economics (Synapse) Information Requests
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Request IR-01:

Please provide Appendix A - Attachment 3: 2027–2031 Preferred Plan Measure-level Energy Efficiency and Solar-PV Technical Tables and Appendix A – Attachment 4: 2027–2031 Preferred Plan Demand Response Technical Tables in Excel, including all supporting data and calculations (intact and unprotected) with sources and assumptions clearly identified.

Response IR-01:

Please refer to Attachments 1, 2, 3 and 4 of EfficiencyOne’s (E1) response to NSEB IR-38.

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Request IR-02:

Please provide E1’s Round 1 and Round 2 modeling leading up to the proposed 2027-2031 DSM Plan, including presentations to the DSMAG, reports summarizing inputs and results, and all associated attachments in Excel including but not limited to supporting data and calculations (intact and unprotected) with sources and assumptions clearly identified. Please also provide any BCA workbooks associated with this modeling.

Response IR-02:

Please refer to the following Attachments to this IR response:

- Attachment 1: 2027–2031 DSM Plan – Round 1 Model Input Assumptions & Results with Attachments
 - Attachment 1, Appendix A: 2027–2031 Round 1 Modelling Assumptions
- Attachment 2: 2027-2031 Round 2 Model Input Assumptions & Results (note: E1 responses to DSMAG feedback was provided as part of the Round 2 materials which has not been included as part of this IR response. Please refer to E1’s response to NSEB IR-16)
 - Attachment 2, Appendix A: Round 2 Modelling Assumptions (Excel file)
 - Attachment 2, Appendix B: Round 2 Measure Level Technical Tables 1EE-Base (excel)
 - Attachment 2, Appendix C: Round 2 Measure Level Technical Tables 2EE-High (excel)
 - Attachment 2, Appendix D: Round 2 DR Model Inputs (1DR-Base & 2DR-High) (excel)
 - Attachment 2, Appendix E: Round 2 DR Model Outputs (1DR-Base & 2DR-High) (excel)

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- Attachment 2, Appendix F: Round 2 Measure Level Technical Tables 1Solar-PV-Base (excel)
- Attachment 2, Appendix G: Round 2 Measure Level Technical Tables 1SE-Base (excel)
- Attachment 2, Appendix H: DSMAG Consideration of the Standardized Filing Framework - REDLINE
- Attachment 2, Appendix I: DSMAG Consideration of the Standardized Filing Framework – CLEAN
- Attachment 2, Appendix J: Streamlined Standardized Filing Framework
- Attachment 2, Appendix K: RBIA Round 2 – Scenario Comparisons

E1 notes that certain attachments to this IR response have been modified for the purposes of this filing. Specifically, where Demand Side Management Advisory Group (DSMAG) materials previously referenced a specific DSMAG member, E1 has replaced that reference with a general reference to the DSMAG. Additionally, the DSMAG Round 1 comments, which were provided as part of the DSMAG Round 2 materials, have been removed for the purposes of this IR response. The DSMAG materials, discussions, and technical sessions are a critical component of the development of E1's DSM plans. These engagements are conducted on a confidential and without prejudice basis, as described in the DSMAG Terms of Reference. Please also refer to E1's response to NSEB IR-16.

EfficiencyOne

2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

CIRCULATED: OCTOBER 27, 2025





2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

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Attachments

Attachment 1: Modelling Assumptions (Excel file)

Attachment 2: DSMAG Consideration of the Standardized Filing Framework - REDLINE

Attachment 3: DSMAG Consideration of the Standardized Filing Framework – CLEAN



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

1. BACKGROUND

Beginning in late 2023, EfficiencyOne (E1) initiated the development process for the 2026-2030 DSM Plan with the Demand Side Management Advisory Group (DSMAG). Following two rounds of modelling, E1 pivoted to focus on the development of targets for the 2026 DSM Extension in response to legislative amendments to the Public Utilities Act introduced in March 2025 which extended the current 2023-2025 DSM Plan by one additional year.

Subsequently, the DSM Plan development process was initiated for the revised five-year Plan period of 2027-2031. Modelling inputs and assumptions were developed for 2027-2031 which reflect the most recent information available, including results from E1's 2024 DSM program evaluation. Round 1 modelling for the 2027-2031 DSM Plan is complete, and the assumptions and results of this initial modelling exercise are provided in subsequent sections of this report.

E1 notes that following Round 2 modelling of the initial five-year plan period (2026-2030), E1 received comments from DSMAG members. Comments specific to the inputs and assumptions used for the 2026–2030 Round 2 modelling process have not been addressed individually in this report, as the assumptions and inputs differ from those developed for the 2027-2031 DSM Plan and presented in this report. However, E1 has identified key themes from the 2026-2030 Round 2 DSMAG comments which are applicable to the 2027-2031 DSM Plan Round 1 modelling results. E1 outlines these themes below and sets out how DSMAG feedback was incorporated into the 2027-2031 DSM Plan modelling process.

Investment Level

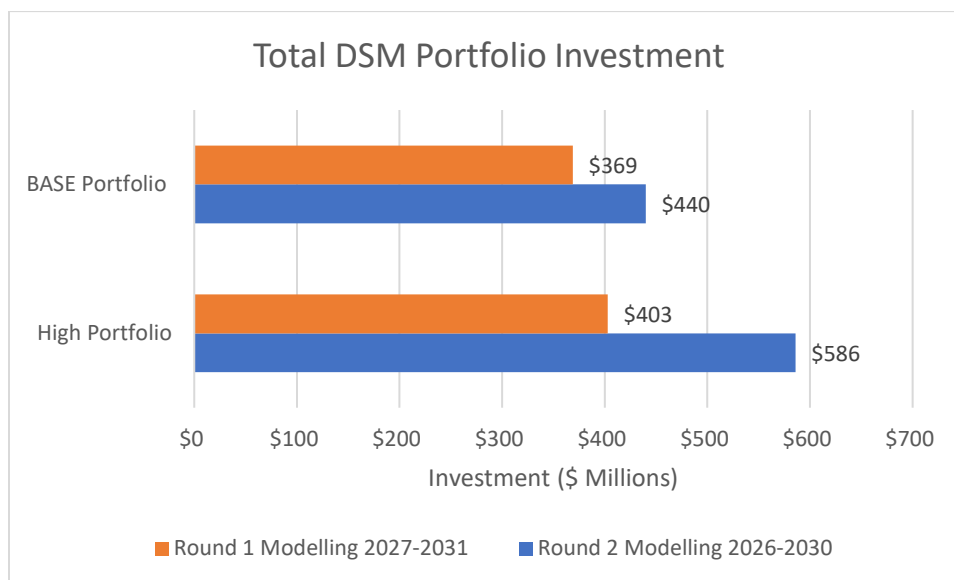
Some DSMAG members commented that the overall DSM investment modelled in Round 2 2026-2030 was too high. Based on this feedback, E1 reviewed and updated the DSM investment levels modelled for Round 1 of the 2027-2031 DSM Plan. The overall investment level modelled for both the base and high scenarios in Round 1 for the 2027-2031 DSM Plan reflects a decrease compared to the overall investment level modelled in Round 2 2026-2030, as illustrated in Figure 1, below.



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

Figure 1: Total DSM Portfolio Investment



Please refer to Section 3.1 for additional detail on the Round 1 2027-2031 DSM Resource Scenario modelling results.

Demand Response

Some DSMAG members commented that the Demand Response investment modelled in Round 2 2026-2030 was too high.

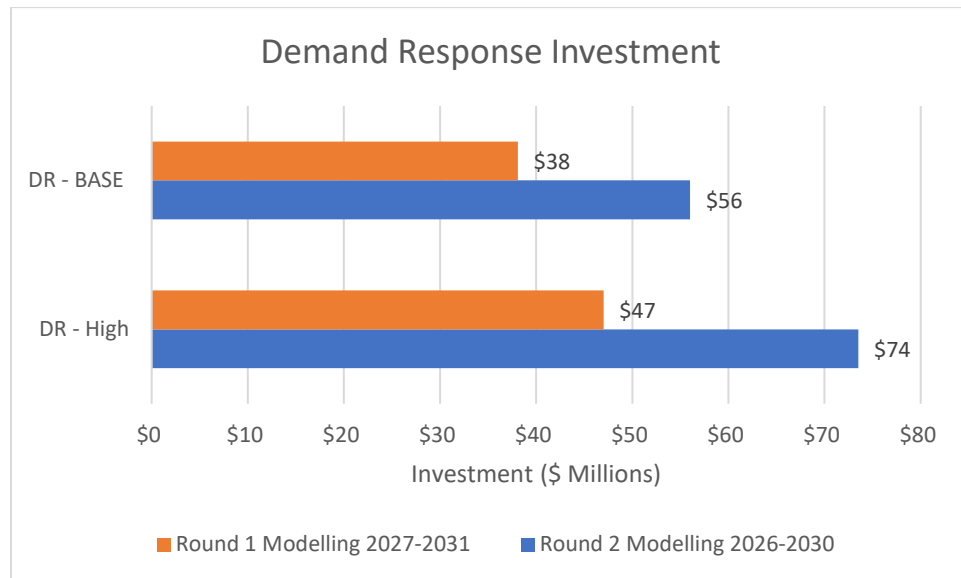
The Demand Response inputs and assumptions were updated for 2027-2031 DSM Plan modelling to reflect 2024-2025 Demand Response program results and insights. E1 also reviewed DR incentives, program delivery costs, program admin costs and sector allocation, identifying potential opportunities to reduce the overall investment. The overall investment level modelled for both the base and high DR scenarios in the 2027-2031 DSM Plan modelling has decreased compared to the investment level modelled in Round 2 2026-2030, as illustrated in Figure 2, below.



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

Figure 2: Demand Response Investment



Please refer to Section 3.3 for additional detail on the Round 1 2027-2031 DSM Plan Demand Response scenario modelling results.

New Resources

Investment Level

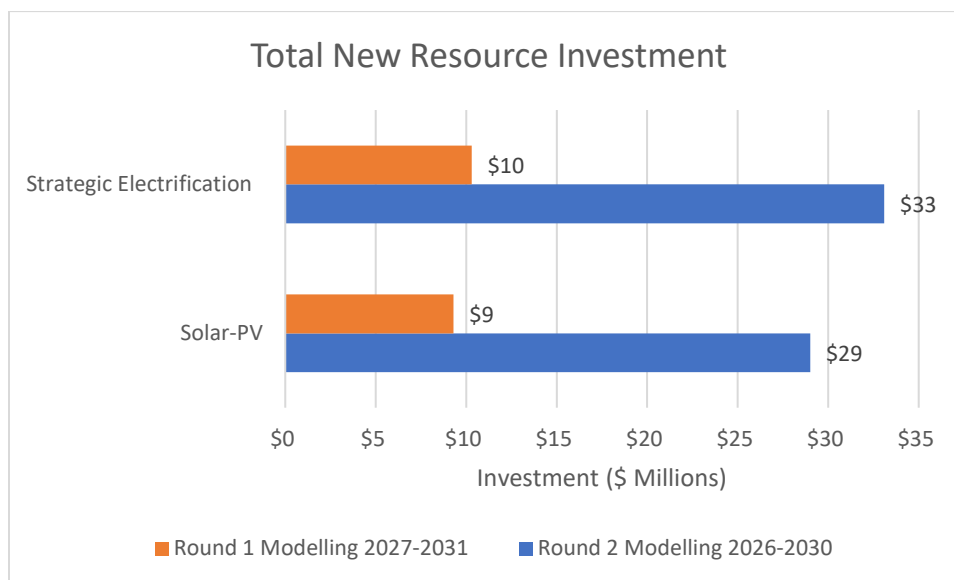
As noted above, some DSMAG members raised concerns about the overall DSM investment level modelled in Round 2 2026-2030, including the investment in new resources. Inputs and assumptions for Strategic Electrification and Solar-PV were adjusted for 2027-2031 DSM Plan Round 1 modelling, and now reflect a lower investment for both resources compared to what was modelled in Round 2 2026-2030, as shown in Figure 3, below.



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

Figure 3: Total New Resource Investment



Various DSMAG members provided additional comments on Strategic Electrification and Solar-PV. Additional information about Strategic Electrification and Solar PV, as modelled in Round 1 for the 2027-2031 DSM Plan, is provided below.

Strategic Electrification

Strategic Electrification, as modelled in Round 1 (2027-2031 DSM Plan) reflects participation that ramps up over the five-year period as implementation of the resource becomes more established. Strategic Electrification measures have been modelled within existing program components (Instant Savings, BER, Custom), capitalizing on existing program structure and minimizing costs associated with deploying a new resource. Incentive levels for measures offered in both the Energy Efficiency and Strategic Electrification resources have been, and continue to be, reviewed against the thresholds in E1's Incentive Setting Methodology and against similar measures for consistency. Incentive levels will continue to be reviewed and refined, as appropriate, throughout the modelling process.

Whereas Strategic Electrification has been modelled within existing program components which currently do not offer specific low-income/equity support (Instant Savings, BER, Custom), the Strategic Electrification measures modelled in Round 1 (2027-2031) similarly do not offer specific low-income/equity support.

Please refer to Section 3.5 for additional detail on the Round 1 Strategic Electrification modelling results.



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Round 1 Model Input Assumptions and Results

Solar-PV

Solar-PV, as modelled in Round 1 (2027-2031 DSM Plan) reflects participation that ramps up over the five-year period as implementation of the resource becomes more established. Solar-PV measures, as modelled, will specifically target low-income and equity groups. Incentive levels for Solar-PV continue to be reviewed and refined.

Please refer to Section 3.4 for additional detail on the Round 1 Solar-PV modelling results.

Measure Characterization

During 2027-2031 DSM Plan development, measure characterizations were updated to reflect the most current available information, primarily drawing on the 2023 and 2024 DSM evaluation results, internal program data, and program insights and trends identified by internal and external subject matter experts. Review and refinement of measure characterization for all resources is ongoing and will continue throughout the DSM development process, with the support of Guidehouse. Please refer to section 2.4 for additional information on key assumptions and modelling.

Technical tables will be shared with the DSMAG following Round 2 modelling.

2. KEY GLOBAL ASSUMPTIONS & DESIGN OBJECTIVES

2.1 DESIGN OBJECTIVES

Table 1, below, provides the design objectives used by E1 in the development of the 2027-2031 DSM Plan in Round 1 modelling.

Table 1: Design Objectives

Objective	Range	
Residential/Business, Non-Profit, Institutional Investment Split	50/50 (+/-5)	Aligned with historical approach and stakeholder feedback
Residential/Business, Non-Profit, Institutional Energy Savings Split	45/55 (+/-5)	Aligned with 2025 load forecast
Low-income and Equity Investment as a % of total energy efficiency portfolio	15-20%	Aligned with 2021 Census ¹

¹ Statistics Canada, 2021 Census of Population for Nova Scotia, percentage calculated based on the Low-Income Measure After Tax (LIM-AT).



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

2.2 KEY ENHANCEMENTS & NEW DEVELOPMENTS

E1 has provided a summary of key initiatives in Table 2.

Table 2: Key Initiatives in Round 1

Program	Program Component	Initiative Description
New Residential	Advanced New Homes	New program component to help Mi'kmaw communities build high performing homes
Solar-PV	Residential	New DSM resource – tied to Advanced new homes for Mi'kmaw communities
Solar-PV	BNI	New DSM resource – for non-profits
Strategic Electrification	Residential	New DSM resource
Strategic Electrification	BNI	New DSM resource
Market Transformation	n/a	New category (Enabling Strategies)

2.3 COST-EFFECTIVENESS TESTING

Benefit-cost analysis (cost-effectiveness) results for the Total Resource Cost (TRC) test, the Program Administrator Cost (PAC) test, and the Nova Scotia jurisdictional specific test as proposed by E1 in matter M12282 have been provided for Round 1 modelling. Attachment 1 provides detail on the impact quantification used for Round 1. (Attachment 1 is located on the DSMAG SharePoint site at this link [2027-2031 Round 1 Modelling Assumptions.xlsx](#))

2.4 MODELLING

Attachment 1 ([2027-2031 Round 1 Modelling Assumptions.xlsx](#)) describes key assumptions applied to the initial model run, inclusive of low-income and equity assumptions.

3. ROUND 1 MODEL RESULTS

3.1 DSM RESOURCE SCENARIOS – ROUND 1 MODELLING RESULTS

Table 3 provides results for the DSM Resource scenarios modelled in Round 1.



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

Table 3: DSM Resource Scenarios Round 1 Modelling Results

2027-2031 DSM Resource Plan												
DSM RESOURCE	SCENARIO	Electric Energy Savings (GWh)	Electric Demand Savings (MW)	Estimated Generation (GWh)	Available Capacity (MW)	Installed Capacity (MW)	GHG Reductions (kt)	Net Energy Savings (GJ)	Investment (\$M)	Total Resource Cost Test (TRC)	Program Administrator Cost Test (PAC)	NS Cost Test
ENERGY EFFICIENCY (EE)	Base	502	85	n/a	n/a	n/a	72	n/a	\$311	1.3	2.0	1.9
	High	544	93	n/a	n/a	n/a	77	n/a	\$336	1.3	2.0	1.8
DEMAND RESPONSE (DR)	Base	n/a	n/a	n/a	29	n/a	n/a	n/a	\$38	0.8	0.6	0.8
	High	n/a	n/a	n/a	40	n/a	n/a	n/a	\$47	0.8	0.6	0.8
SOLAR-PV	Base	n/a	0	5	n/a	6	1	n/a	\$9	0.6	0.9	1.0
STRATEGIC ELECTRIFICATION	Base	n/a	n/a	n/a	n/a	n/a	12	160,071	\$10	n/a	n/a	2.0

For comparison purposes, below, Table 4 provides details on the 2023-2025 DSM Resource Plan period and the 2026 DSM Extension (as proposed in Matter 12249).

Table 4: 2023-2025 DSM Resource Plan & 2026 DSM Extension

2023-2025 DSM Resource Plan (as Approved)					2026 DSM Extension (as Proposed)				2023-2026	
DSM RESOURCE	Investment	Energy Savings (GWh)	Demand Savings (MW)	Available Capacity (MW)	Investment	Energy Savings (GWh)	Demand Savings (MW)	Available Capacity (MW)	Total Investment (\$M)	Average Annual Investment (\$M)
ENERGY EFFICIENCY (EE)	\$163	413	79	n/a	\$57.2	116	18.9	n/a	\$220.2	\$55
DEMAND RESPONSE (DR)	\$10	n/a	n/a	17.9	\$6.5	n/a	n/a	16.3	\$16.5	\$4
TOTAL	\$173	413	79	17.9	\$63.75	116	18.9	16.3	\$236.75	\$59



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

3.2 ENERGY EFFICIENCY ROUND 1 MODEL RESULTS

Table 5 provides insights for the two EE scenarios modelled in Round 1.

Table 5: Energy Efficiency Insights - Scenario 1EE-Base and Scenario 2EE-High

Round 1 Model - All EE Scenarios (2027-2031)	Scenario 1EE-Base			Scenario 2EE-High		
	RES	BNI	Total	RES	BNI	Total
Carbon Emissions Avoided						
Five-Year Annual Total (kilotonne)	25	47	72	29	48	77
Cumulative Lifetime (kilotonne)	107	282	389	128	291	419
Energy & Demand Savings						
First-year Energy Savings (GWh)	179	323	502	206	339	544
Lifetime Energy Savings (GWh)	1,547	4,129	5,676	1,858	4,286	6,144
Weighted Average Measure Life (yrs)	8.6	12.8	11.3	9.0	12.7	11.3
Energy Savings as % of NS Power Load	-	-	0.9%	-	-	1.0%
Energy Savings (EE) Split*	36%	64%	-	38%	62%	-
Demand Savings (EE) Split	41%	59%	-	45%	55%	-
Investment						
% of Total Investment in Low-Income & Equity	38%**	0.6%**	17.0%***	36.8%**	0.6%**	17.1%***
EE Investment Split	49%	51%	-	51%	49%	-
First-Year Unit Cost (\$/kWh)	0.75**	0.43**	0.62***	0.75**	0.43**	0.62***
Lifetime Unit Cost (\$/kWh)	0.09**	0.03**	0.05***	0.08**	0.03**	0.05***

*First year savings

**Excluding Enabling Strategy investment

***Including Enabling Strategy investment



2027-2031 Demand Side Management Resource Plan

Round 1 Model Input Assumptions and Results

3.2.1 SCENARIO 1EE: BASE

The five-year total program and program component Round 1 modelling results are provided in Table 6.

Table 6: Scenario 1EE-Base – Round 1 Modelling Results

Scenario 1EE - Base (2027-2031)	Investment (\$ million)	Lifetime TRC & PAC Benefits (\$ million)	NS Cost Test Lifetime Benefits (\$ million)	First Energy Savings (GWh)	Lifetime Energy Savings (GWh)	Peak Demand Savings (MW)	Total Resource Cost Test (TRC)	Program Administrator Cost Test (PAC)	NS Cost Test
RESIDENTIAL (RES) EE PROGRAMS									
Efficient Product Rebates	22.6	100.8	133.2	65.4	717.7	18.1	1.1	4.5	1.5
Instant Savings	22.6	100.8	133.2	65.4	717.7	18.1	1.1	4.5	1.5
Existing Residential	107.2	102.2	147.7	112.0	773.7	16.5	0.8	1.3	1.1
Affordable Multi-Family Housing	9.2	8.0	12.7	3.3	58.1	1.6	0.7	0.9	1.1
Affordable Single-Family Homes	24.6	13.2	20.8	4.7	93.4	2.6	0.5	0.5	0.8
Efficient Product Installation	33.3	31.0	44.2	35.3	324.8	2.2	0.9	0.9	1.3
Home Energy Assessment	31.4	42.3	58.4	12.3	239.6	10.1	0.7	1.4	1.0
MHEEP	0.5	0.3	0.4	0.1	1.3	0.1	0.7	0.7	0.9
Residential Behaviour	8.2	7.4	11.1	56.4	56.4	0.0	0.9	0.9	1.4
New Residential	5.1	5.1	9.2	1.8	55.4	0.6	0.8	1.0	1.5
Advanced New Homes	5.1	5.1	9.2	1.8	55.4	0.6	0.8	1.0	1.5
Residential Low-Income Impacts (included within above programs)	51.9	39.2	61.2	31.3	336.9	5.8	0.7	0.7	1.1
RES Programs Subtotal	134.9	208.2	290.2	179.2	1,546.7	35.2	0.9	1.5	1.2
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) EE PROGRAMS									
Efficient Product Rebates	17.1	46.2	64.7	31.0	427.7	6.2	1.3	2.7	1.9
Business Energy Rebates	17.1	46.2	64.7	31.0	427.7	6.2	1.3	2.7	1.9
Custom Incentives	76.9	301.4	441.8	253.9	3,072.6	34.0	2.5	4.0	3.7
Custom	71.9	289.5	425.7	235.1	2,969.7	31.7	2.6	4.1	3.8
EMIS/SEM	5.0	11.8	16.1	18.8	102.8	2.3	1.8	2.4	2.4
Direct Installation	44.6	68.9	96.2	37.9	628.8	9.7	1.3	1.6	1.8
Small Business Energy Solutions	44.6	68.9	96.2	37.9	628.8	9.7	1.3	1.6	1.8
BNI Low-Income Impacts (included within above programs)	0.8	2.2	3.1	1.1	21.4	0.2	1.9	2.8	2.8
BNI Programs Subtotal	138.6	416.4	602.7	322.8	4,129.1	49.9	2.0	3.0	2.9
EE PROGRAMS SUBTOTAL	273.5	624.6	892.8	502.0	5,675.9	85.1	1.4	2.3	2.0
ENABLING STRATEGIES (ES)									
ENABLING STRATEGIES SUBTOTAL	37.5								
EE PORTFOLIO TOTAL (EE + ES)	310.9	624.6	892.8	502.0	5,675.9	85.1	1.3	2.0	1.9

Energy savings and lifetime energy savings = net electrical savings



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Round 1 Model Input Assumptions and Results

3.2.2 SCENARIO 2EE – HIGH

The five-year total program and program component Round 1 modelling results are provided in Table 7.

Table 7: Scenario 2EE-High – Round 1 Modelling Results

Scenario 1EE - High (2027-2031)	Investment (\$ million)	Lifetime TRC & PAC Benefits (\$ million)	NS Cost Test Lifetime Benefits (\$ million)	First Energy Savings (GWh)	Lifetime Energy Savings (GWh)	Peak Demand Savings (MW)	Total Resource Cost Test (TRC)	Program Administrator Cost Test (PAC)	NS Cost Test
RESIDENTIAL (RES) EE PROGRAMS									
Efficient Product Rebates	26.3	123.2	163.1	82.4	901.7	21.1	1.1	4.7	1.5
Instant Savings	26.3	123.2	163.1	82.4	901.7	21.1	1.1	4.7	1.5
Existing Residential	122.2	119.9	172.6	121.6	901.0	19.8	0.8	1.3	1.1
Affordable Multi-Family Housing	9.2	8.0	12.7	3.3	58.1	1.6	0.7	0.9	1.1
Affordable Single-Family Homes	27.6	15.1	23.7	5.3	106.7	2.9	0.6	0.6	0.9
Efficient Product Installation	38.3	36.2	51.6	41.2	378.9	2.5	1.0	1.0	1.4
Home Energy Assessment	38.4	52.8	73.0	15.4	299.5	12.7	0.7	1.4	1.0
MHEEP	0.5	0.3	0.4	0.1	1.3	0.1	0.7	0.7	0.9
Residential Behaviour	8.2	7.4	11.1	56.4	56.4	0.0	0.9	0.9	1.4
New Residential	5.1	5.1	9.2	1.8	55.4	0.6	0.8	1.0	1.5
Advanced New Homes	5.1	5.1	9.2	1.8	55.4	0.6	0.8	1.0	1.5
Residential Low-Income Impacts (included within above programs)	56.6	43.0	66.9	34.1	370.2	6.3	0.7	0.7	1.1
RES Programs Subtotal	153.6	248.2	345.0	205.8	1,858.1	41.5	0.9	1.6	1.2
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) EE PROGRAMS									
Efficient Product Rebates	17.2	46.2	64.7	31.0	427.7	6.2	1.3	2.7	1.9
Business Energy Rebates	17.2	46.2	64.7	31.0	427.7	6.2	1.3	2.7	1.9
Custom Incentives	83.4	316.2	462.0	269.7	3,229.2	35.7	2.5	3.8	3.7
Custom	76.5	304.4	445.9	250.8	3,126.3	33.4	2.6	4.0	3.7
EMIS/SEM	6.9	11.8	16.1	18.8	102.8	2.3	1.8	1.7	2.4
Direct Installation	44.7	68.9	96.2	37.9	628.8	9.7	1.3	1.6	1.8
Small Business Energy Solutions	44.7	68.9	96.2	37.9	628.8	9.7	1.3	1.6	1.8
BNI Low-Income Impacts (included within above programs)	0.9	2.2	3.2	1.1	22.2	0.2	2.0	2.8	2.8
BNI Programs Subtotal	145.3	431.3	622.9	338.5	4,285.7	51.6	2.0	3.0	2.9
EE PROGRAMS SUBTOTAL	298.9	679.4	967.9	544.4	6,143.8	93.1	1.4	2.3	2.0
ENABLING STRATEGIES (ES)									
ENABLING STRATEGIES SUBTOTAL	37.5								
EE PORTFOLIO TOTAL (EE + ES)	336.3	679.4	967.9	544.4	6,143.8	93.1	1.3	2.0	1.8

Energy savings and lifetime energy savings = net electrical savings

3.2.2.1 Scenario Notes

Scenarios 1EE-Base & 2EE-High

- **Base scenario** investment is aligned with both the Base DSM investment in the current Integrated Resource Plan (IRP) and the Base EE scenario modelled in Round 2 2026-2030.
- **High scenario** has higher participation in both the Residential and BNI sectors. The higher participation in Residential is driven largely by Instant Savings and Efficient Product Installation, and to a lesser extent by Affordable Single-Family Homes and Home Energy Assessment. The higher participation in BNI is driven by Custom.
- **High scenario** in response to the DSMAG feedback received after Round 2 modelling for 2026-2030 regarding higher levels of investment, E1 modified the High EE scenario in Round 1 modelling of 2027-2031 to align with a 5% year over year increase as compared to the 2026 DSM Extension.



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Round 1 Model Input Assumptions and Results

3.3 DEMAND RESPONSE ROUND 1 MODEL RESULTS

Table 8 provides insights for the two DR scenarios modelled in Round 1.

Table 8: DR Scenarios - Round 1 Modelling Insights

Round 1 Model - All DR Scenarios 2027-2031	Scenario 1DR-Base	Scenario 2DR-High
Capacity Impacts		
Capacity as a % of NSP Net System Peak (2031) <i>2,503 MW (2025 Load Forecast)</i>	1.2%	1.6%
Capacity as % of NSP Firm Peak Load (2031) <i>2,332 MW (2025 Load Forecast)</i>	1.2%	1.7%
Capacity as a % of DR in 2025 Load Forecast (2031) <i>80 MW in 2031</i>	36.3%	49.5%
Capacity as a % of non-TVP DR in 2025 Load Forecast (2031) <i>45 MW in 2031</i>	64.4%	88.0%
Investment		
Lifetime Utility Benefits (\$ million)	20.5	24.7

3.3.1 SCENARIO 1DR-BASE AND SCENARIO 2DR-HIGH

The five-year total program component and pathways Round 1 modelling results are provided in Table 9 for Scenario 1DR - Base.

Table 9: Scenario 1DR-Base – Round 1 Modelling Results

Scenario 1DR-Base (2027-2031)	Investment ¹ (\$ million)	TRC & PAC Lifetime Benefits	NS Cost Test Lifetime Benefits	Available Capacity ² (MW)	Total Resource Cost (TRC) ³	Program Administrator Cost (PAC)	NS Cost Test
Residential Demand Response	24.6	7.5	7.9	11.6	0.4	0.3	0.4
<i>DLC - Smart Thermostats</i>	<i>16.5</i>	<i>4.4</i>	<i>4.7</i>	<i>6.6</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>
<i>DLC - Water Heaters</i>	<i>6.5</i>	<i>2.7</i>	<i>2.8</i>	<i>4.4</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>
<i>Battery Control</i>	<i>1.3</i>	<i>0.3</i>	<i>0.4</i>	<i>0.6</i>	<i>0.4</i>	<i>0.3</i>	<i>0.4</i>
<i>EV Charging Control</i>	<i>0.3</i>	<i>0.0</i>	<i>0.0</i>	<i>0.03</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
BNI Demand Response	13.5	13.0	13.7	17.4	2.1	1.1	2.1
<i>BNI Curtailment</i>	<i>13.2</i>	<i>13.0</i>	<i>13.6</i>	<i>17.4</i>	<i>2.2</i>	<i>1.1</i>	<i>2.2</i>
<i>DLC - Smart Thermostats</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.05</i>	<i>0.3</i>	<i>0.2</i>	<i>0.3</i>
<i>EV Charging Control</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.01</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>
TOTAL	38.1	20.5	21.6	29.0	0.8	0.6	0.8

¹ Investment includes only E1 costs and programs.

² Available capacity represents the total capacity available in 2031 for E1 programs.

³ Five-year (2027-2031) cost-effectiveness. Includes E1 programs and costs only.



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The five-year total program component and pathways Round 1 modelling results for Scenario 2DR – High are provided in Table 10.

Table 10: Scenario 2DR-High – Round 1 Modelling Results

Scenario 1DR-High (2027-2031)	Investment ¹ (\$ million)	TRC & PAC Lifetime Benefits	NS Cost Test Lifetime Benefits	Available Capacity ² (MW)	Total Resource Cost (TRC) ³	Program Administrator Cost (PAC)	NS Cost Test
Residential Demand Response	33.2	11.4	12.1	21.7	0.5	0.4	0.5
DLC - Smart Thermostats	21.8	7.1	7.5	13.0	0.4	0.4	0.4
DLC - Water Heaters	10.0	4.0	4.2	8.1	0.6	0.5	0.6
Battery Control	1.1	0.3	0.4	0.6	0.5	0.3	0.5
EV Charging Control	0.3	0.0	0.0	0.03	0.2	0.1	0.2
BNI Demand Response	13.8	13.2	13.9	17.8	2.1	1.0	2.1
BNI Curtailment	13.4	13.2	13.9	17.7	2.2	1.1	2.2
DLC - Smart Thermostats	0.3	0.1	0.1	0.14	0.4	0.3	0.4
EV Charging Control	0.1	0.0	0.0	0.01	0.2	0.1	0.2
TOTAL	47.0	24.7	26.0	39.6	0.8	0.6	0.8

¹ Investment includes only E1 costs and programs.

² Available capacity represents the total capacity available in 2031 for E1 programs.

³ Five-year (2027-2031) cost-effectiveness. Includes E1 programs and costs only.

3.3.1.1 Scenario Discussion

Scenarios 1DR-Base & 2DR-High

- **Base scenario** aligns with a year over year average increase of 2.5 MW compared to the 2026 DSM Extension target of 16.3 MW.
- **High scenario** aligns with achieving 90% of the Base DR in the IRP.
- **High scenario** has higher participation in the Eco-Shift pathway, driven by the Residential sectors. The higher participation in Residential is driven largely by DLC-smart thermostats and DLC-water heaters.



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3.4 SOLAR-PV ROUND 1 MODEL RESULTS

Table 11 provides insights for the Solar-PV scenario modelled in Round 1.

Table 11: Solar-PV Scenario - Round 1 Modelling Insights

Scenario 1Solar-PV-Base	RES	BNI	Total
Carbon Emissions Avoided			
Five-Year Annual Total (kilotonne)	0.2	0.4	0.6
Cumulative Lifetime (kilotonne)	3.3	5.2	8.5
Generation & Installed Capacity			
Lifetime Estimated Generation (GWh)	61	96	156
Weighted Average Measure Life (yrs)	30.0	30.0	30.0
Estimated Generation Split*	39%	61%	-
Installed Capacity Split	38%	62%	-
Investment			
Investment Split	50%	50%	-
First Year Unit Cost (\$/kWh)	2.29	1.45	1.78
Lifetime Unit Cost (\$/kWh)	0.08	0.05	0.06
Installed Capacity \$/MW	\$ 1,934,691	\$ 1,181,392	\$ 1,472,114

*First year

3.4.1 SCENARIO 1SOLAR-PV-BASE

The five-year total Round 1 modelling results are provided in Table 12 .

Table 12: Scenario 1Solar-PV-Base - Round 1 Modelling Results

Scenario 1Solar-PV - Base (2027-2031)	Investment (\$ million)	Lifetime TRC & PAC Benefits (\$ million)	NS Cost Test Lifetime Benefits (\$ million)	Estimated Generation (GWh)	Lifetime Estimated Generation (GWh)	Peak Demand Savings (MW)	Installed Capacity (MW)	Total Resource Cost Test (TRC)	Program Administrat or Cost Test (PAC)	NS Cost Test
RESIDENTIAL (RES) Solar-PV										
New Residential	4.6	3.4	5.7	2.0	60.9	0.0	2.4	0.6	0.7	0.9
Advanced New Homes	4.6	3.4	5.7	2.0	60.9	0.0	2.4	0.6	0.7	0.9
Residential Low-Income Impacts (Included within above programs)	4.6	3.4	5.7	2.0	60.9	0.0	2.4	0.6	0.7	0.9
RES Subtotal	4.6	3.4	5.7	2.0	60.9	0.0	2.4	0.6	0.7	0.9
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) Solar-PV										
Efficient Product Rebates	4.6	5.3	8.7	3.2	95.6	0.0	3.9	0.6	1.1	1.0
Business Energy Rebates	4.6	5.3	8.7	3.2	95.6	0.0	3.9	0.6	1.1	1.0
BNI Low-Income Impacts (Included within above programs)	4.6	5.3	8.7	3.2	95.6	0.0	3.9	0.6	1.1	1.0
BNI Subtotal	4.6	5.3	8.7	3.2	95.6	0.0	3.9	0.6	1.1	1.0
SOLAR-PV TOTAL	9.3	8.8	14.4	5.2	156.5	0.0	6.3	0.6	0.9	1.0



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3.4.1.1 Scenario Discussion

Scenario 1Solar-PV-Base

- The residential solar-PV is tied to Advanced New Homes which is being delivered to Mi'kmaw communities in Nova Scotia.
- The BNI solar-PV is being delivered through the BER program component and is eligible to non-profits in Nova Scotia.

3.5 STRATEGIC ELECTRIFICATION ROUND 1 MODEL RESULTS

Table 13 provides insights for the Strategic Electrification scenario modelled in Round 1.

Table 13: 1SE-Base Scenario - Round 1 Modelling Insights

Scenario 1SE-Base	RES	BNI	Total
Carbon Emissions Avoided			
Five-Year Annual Total (kilotonne)	2	10	12
Cumulative Lifetime (kilotonne)	32	192	224
Energy & Demand Impacts			
Lifetime Net Energy Impacts (GJ)	334,725	2,310,923	2,645,648
Weighted Average Measure Life (yrs)*	17.4	16.6	16.7
Net Energy Savings Split (GJ)*	16%	84%	-
Investment			
Investment Split	44%	56%	-
First-Year Unit Cost (\$/GJ)	235	41	65
Lifetime Unit Cost (\$/GJ)	14	3	4

*First year savings

3.5.1 SCENARIO 1SE-BASE

The five-year total Round 1 modelling results are provided in Table 14.

Table 14: 1SE-Base – Round 1 Modelling Results

Scenario 1SE - Base (2027-2031)	Investment (\$ million)	Lifetime TRC & PAC Benefits (\$ million)	NS Cost Test Lifetime Benefits (\$ million)	First Year Electric Energy Savings (GWh)	Peak Demand Savings (MW)	First Year Net Energy Impacts (GJ)	Lifetime Net Energy Impacts (GJ)	Total Resource Cost Test (TRC)	Program Administrator Cost Test (PAC)	NS Cost Test
RESIDENTIAL (RES) SE										
Efficient Product Rebates	4.5	0.0	27.3	-3.4	-0.1	19,310.9	334,725.1	0.0	0.0	1.0
Instant Savings	4.5	0.0	27.3	-3.4	-0.1	19,310.9	334,725.1	0.0	0.0	1.0
RES Subtotal	4.5	0.0	27.3	-3.4	-0.1	19,310.9	334,725.1	0.0	0.0	1.0
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) SE										
Efficient Product Rebates	3.3	0.0	39.5	-5.8	-0.1	30,420.7	523,432.0	0.0	0.0	1.7
Business Energy Rebates	3.3	0.0	39.5	-5.8	-0.1	30,420.7	523,432.0	0.0	0.0	1.7
Custom Incentives	2.5	0.0	84.4	-12.1	-1.4	110,339.0	1,787,491.2	0.0	0.0	3.2
Custom	2.5	0.0	84.4	-12.1	-1.4	110,339.0	1,787,491.2	0.0	0.0	3.2
BNI Subtotal	5.8	0.0	123.9	-17.9	-1.5	140,759.7	2,310,923.2	0.0	0.0	2.5
SE TOTAL	10.3	0.0	151.2	-21.2	-1.6	160,070.5	2,645,648.3	0.0	0.0	2.0



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3.5.1.1 Scenario Discussion

Scenario 1SE-Base

- Residential strategic electrification is being delivered through the Instant Savings program component.
- BNI strategic electrification is being delivered through both the BER and Custom program components.
- The measures are largely heat pumps and reflect a hybrid heating scenario.

To explore the impact of SE on ‘electricity costs’ as defined in the *Public Utilities Act*, E1 performed a Rate Impact Measure analysis (RIM) as part of the Round 1. The RIM measures what happens to customer bills or rates due to changes in utility revenues and operating costs of the program. It answers the question: will utility (electric) rates go up or down? The test indicates the direction and magnitude of the expected change in customer rates resulting from electrification. Benefits include the electric bill impact. Costs include utility avoided costs (energy, capacity, transmission, distribution), DSM incentives, and program administration costs. The RIM results are provided in Table 15, below.

Table 15: RIM Results for 1SE-Base Round 1 Modelling Results

Scenario 1SE - Base (2027-2031)	Rate Impact Measure Test (RIM)
RESIDENTIAL (RES) SE PROGRAMS	
Efficient Product Rebates	0.8
<i>Instant Savings</i>	0.8
RES Programs Subtotal	0.8
BUSINESS, NON-PROFIT & INSITUTIONAL (BNI) SE PROGRAMS	
Efficient Product Rebates	0.9
<i>Business Energy Rebates</i>	0.9
Custom Incentives	0.9
<i>Custom</i>	0.9
BNI Programs Subtotal	0.9
SE PROGRAMS SUBTOTAL	0.9



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4. ENABLING STRATEGIES

For the purposes of Round 1 modelling, it is assumed that Enabling Strategies include the following four categories:

- Education & Outreach;
- Research & Development;
- Other Enabling Strategies: and
- Market Transformation.

Education and Outreach, Development and Research, and Other Enabling Strategies are categories that have been included in E1's previous DSM Plans, while Market Transformation is a new category being introduced for the 2027-2031 Plan.

In Round 1 modelling, the total Enabling Strategies investment for the 2027-2031 is detailed in Table 16.

Table 16: Enabling Strategies – Overall investment by Category

Category	2027-2031 Investment (\$M)
Education and Outreach	8.5
Development and Research	6.0
Other Enabling Strategies	14.1
Market Transformation	8.8
TOTAL	37.5

For comparison purposes, Table 17 shows the average annual investment, by category, for both the 2023-2025 Plan, the 2026 DSM Extension (as proposed in M12249) and the Round 1 estimates for the 2027-2031 DSM Plan. Other Enabling Strategies represent all regulatory costs related to E1's regulatory matters incurred by E1 and those flow through costs to support the Nova Scotia Energy Board and consultants; Consumer Advocate and consultants; and the Small Business Advocate and consultants.

Table 17: Enabling Strategies – Average Annual Investment by Category (2023-2023 Plan, 2026 Extension & 2027-2031 Plan - Round 1)

Category	Average Annual Investment (\$M)		
	2023-2025 Plan as Approved	2026 DSM Extension as Proposed	2027-2031 DSM Plan Round 1
Education and Outreach	1.5	1.6	1.7
Development and Research	1.5	2.4	1.2
Other Enabling Strategies	1.4	3.0	2.8
Market Transformation	N/A	N/A	1.8



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5. OTHER ITEMS - STANDARDIZED FILING FRAMEWORK

In 2024, E1 proposed an approach for DSMAG consideration of the Standardized Filing Framework. As part of this process, E1 proposed updates to the Framework for DSMAG consideration and comment. E1 has incorporated the stakeholder feedback received in 2024 and early 2025, and has provided a Redline version of proposed updates to the Framework in Attachment 2 and a Clean version in Attachment 3. This work is a continuation of the efforts initiated as part of the 2026-2030 DSM Plan development (as it was then).

6. REPORTING

6.1 REPORTING

E1 will report on the implementation of the 2027-2031 Plan through quarterly reports (quarters one through three), annual progress reports, annual evaluation reports, and annual audited financial statements filed with the NSEB (i.e., 2027, 2028, 2029, 2030, 2031). These six reports, filed with the NSEB each year, will cover the following content:

- quarterly, year-to-date, and annual results reported against approved Plan targets and E1 forecasts. Includes savings, expenditures, unit cost, participation, low-income and equity results and YTD results by rate class. Quarterly and annual progress reports includes management discussion and analysis of results of any major discrepancies (25% or greater variance) relative to the original plan's intent and forecasts;
- variance reporting, including explanations of program variances of 25% or more (results to Plan and/or results to forecast) and incentive variances;
- program highlights and activities, including updates on E1's newly established programs and progress towards these performance targets;
- status updates on the annual Evaluator and Verification recommendations;
- annual reports include discussion of annual evaluated results reported against the annual approved Plan targets and E1 forecast and cumulative results reported against the approved Plan period performance targets, a Plan period forecast, and other performance indicator results (e.g. customer satisfaction, lifetime benefits, etc.);
- annual DSM program impact evaluations (DSM evaluation reports). E1 works with an independent evaluation consultant to provide the NSEB with up-to-date impacts on net electrical energy, net system-peak demand savings, and demand response available capacity as progress indicators towards the overall approved Plan savings targets. Impact evaluations are completed for every program on an annual basis;
- annual process and market evaluations. Process evaluations identify and recommend improvements to increase the program's efficiency or effectiveness. Market evaluation studies



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assess the overall supply chain and market and how the program has affected the market. E1 works with the Evaluator each year to determine what program components should have a process or market evaluation;

- audited financial statements provide an annual statement of financial position, operations, changes in fund balances, and cash flows.

In addition to the above reports filed in each Plan year, the NSEB's savings verification consultant provides a verification review of E1's evaluated savings that is filed with the NSEB annually.

Each of E1's quarterly, annual, evaluation, and financial reports filed with the NSEB includes opportunities for stakeholder questions and comments, directed to E1 or through an NSEB regulatory process. For E1's annual progress report, DSM programs evaluation and verification report (provided by the NSEB's savings verification consultant), the NSEB (formerly the NSUARB) has referred these reports to the DSM Advisory Group (DSMAG) for consideration as an "efficient way to address the reports". For DSMAG consideration of these reports, E1 has initiated a process for stakeholder written questions and comments with E1 responses. A DSMAG session is also held with the NSEB's verification consultant in attendance, and a summary report of the outcomes is filed with the Board, as directed by the NSEB.

In recent months, the Nova Scotia Energy Board (NSEB) has reiterated how E1's current reporting practices are one of the mechanisms by which E1 is held to account in Plan implementation. In the recent proposed benefit-cost-analysis (BCA) hearing, NSEB Board member Mr. Mahody stated:²

And after the Board gives that approval and E1 is then mandated to go and carry out that plan, you're aware that E1 reports on a quarterly basis to this Board regarding its progress against that plan....

You agree with me, though, that the mechanism by which E1 is held to account is more than just the adoption of a particular screening test. I appreciate the screening test is one factor, but there are lots of opportunities the Board has that the Board undertakes to hold their feet to the fire, so to speak.....

...And the DSMAG group also receives regular reports about progress against that Plan.

² M12282, Hearing Transcript, September 23, 2025, page 450, line 16 – page 451, line 19.



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7. NEXT STEPS IN THE DSMAG ENGAGEMENT TIMELINE

Fourth Quarter of 2025

Round 1 Modelling Assumptions and Results circulated to the DSMAG	October 27
Round 1 Modelling Assumptions and Results session with the DSMAG	October 30
DSMAG Comments on Round 1 Modelling Assumptions and Results	November 6
Demand Response Session with the DSMAG	November 19

First Quarter of 2026

Round 2 Modelling Assumptions and Results circulated to the DSMAG	January
Round 2 Modelling Assumptions and Results session with the DSMAG	January
DSMAG Comments on Draft 2 Modelling Input Assumptions and Results	January
E1 Preferred Plan and Alternate Scenario(s) Assumptions and Results circulated to the DSMAG	March
E1 Preferred Plan and Alternate Scenario(s) Assumptions and Results session with the DSMAG	March
E1 2027-2031 DSM Preferred Plan and Alternate Scenario(s) filed with the NSEB	March 31

Attachment 1

Modelling Assumptions

Round 1: 2027-2031 DSM Plan

(Excel file on DSMAG SharePoint site [2027-2031 DSM Resource Plan](#))

~~Appendix 1~~

~~Standardized Filing Framework~~

Demand Side Management Advisory Group

Standardized Filing Framework

Prepared by EfficiencyOne

~~Dartmouth, NS~~

20 July 2016

Revised [insert date TBD]



~~Appendix 1~~

Standardized Filing Framework

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Appendix 1Standardized Filing Framework

1. OBJECTIVE

To standardize the content of future Demand Side Management (DSM) Resource Plan filings.

2. BACKGROUND

On June 16, 2015, EfficiencyOne (E1), Nova Scotia Power Incorporated (NS Power), the Consumer Advocate, the Small Business Advocate, the Ecology Action Centre, the Affordable Energy Coalition, and the Industrial Group signed a Consensus Agreement that proposed the establishment of a standardized filing framework for future DSM applications (the “Standardized Filing Framework” or “Framework”).¹ On October 7, 2015, the Nova Scotia Utility and Review Board (NSUARB) approved this Consensus Agreement² ~~and confirmed that, after it is and directed that the Standardized Filing Framework be~~ vetted through the DSM Advisory Group (DSMAG),³ ~~it must be and~~ submitted to the Board-NSUARB for approval by ~~no later than~~ June 30, 2016.⁴

The Standardized Filing Framework (including program descriptions ~~based on the model developed by Efficiency Maine~~) includes standard DSM informational items, one or more alternate scenarios of DSM savings and budgets, and other items enumerated in section 1 of the Consensus Agreement.⁵ The DSM Standards, included under section 4, below, describe the overall DSM planning and evaluation process, and list objectives for pursuing DSM activities.

¹ M06733, In the Matter of the *Public Utilities Act* and *An application by EfficiencyOne for Approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between EfficiencyOne and Nova Scotia Power Inc., the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side management (“DSM”) Resource Plan*, Document 287094 (16 Jun. 2015) at Appendix A (Consensus Agreement).

² M06733, NSUARB Order, Document 240387 (7 Oct. 2015) at page 2.

³ *Supra* note 1.

⁴ *Supra* note 2.

⁵ *Supra* note 1.

Appendix 1Standardized Filing Framework

In 2016, the Standardized Filing Framework was filed with the NSUARB as part of a Consensus Agreement on 2016-2018 DSM Plan Application Deferred Matters⁶ and was accepted by the NSUARB in 2016 for use in future DSM Plan applications.⁷

As part of the 2023-2025 DSM Resource Plan Decision, the NSUARB encouraged the DSMAG to “consider whether changes to the Framework are required”.⁸ In 2024 and 2025, the Framework was reviewed and updated by the DSMAG.

⁶ M07543, Consensus Agreement, July 22, 2016. The 2016 Consensus Agreement was signed by E1, NS Power, the Consumer Advocate, the Small Business Advocate, the Industrial Group, the Municipal Electric Utilities of Nova Scotia, the Affordable Energy Coalition, and the Ecology Action Centre.

⁷ M07543, E1 2016-2018 DSM Deferred Matters, NSUARB Letter to E1, September 13, 2016.

⁸ M10473, NSUARB Decision 2023-2025 DSM Plan, September 6, 2022, page 63, para 191.

~~Appendix 1~~

Standardized Filing Framework

3. STANDARDIZED FILING FRAMEWORK**Table 1: STANDARDIZED FILING FRAMEWORK**

ITEM	DESCRIPTION
1. INTRODUCTION	A brief introduction to the DSM <u>Resource Plan</u> filing and a brief overview of any agreements reached between EfficiencyOne (<u>E1</u>) and NS <u>Power Incorporated (NS Power)</u> . All agreements between ~~EfficiencyOne-E1~~ and NS <u>Power</u> will be provided as Appendices to the filing.
1.1 Background	Relevant history that is pertinent to the regulatory approval process, including past DSM <u>Resource</u> plans.
2. PREVIOUS PLAN'S DSM RESULTS	
2.1 Previous Plan's DSM Expenditures and ~~Energy~~ Savings Results	A summary of the most recently completed DSM Resource Plan's actual results. This will include a breakdown of savings and investment by rate class and the following portfolio-level metrics for the most recently completed DSM Resource Plan: - ~~Approved and Actual E1~~ Investment; - Approved and Actual Incremental net Energy Savings (First-year); - Approved and Actual Incremental net Demand Savings (First-year); - ~~Approved and Actual Ex-ante and Ex-post Incremental net Energy Savings (Lifetime);~~ - ~~Approved and Actual Demand Response Available Capacity;~~ - ~~Approved and Actual Savings for other DSM resources as applicable (e.g., Strategic Electrification, Solar-PV, or other DSM resources);~~ - ~~Other additional Approved and Actual Performance Targets. For further clarity, these will be additional Nova Scotia Energy Board (formerly the NSUARB) approved Performance Targets from the most recently completed Plan~~ - Weighted-Average Measure Life; - Lifetime Benefits; - ~~Ex-ante and Ex-post Incremental net Energy Savings (Lifetime);~~ - ~~Ex-ante and Ex-post Incremental net Demand Savings (Lifetime);~~

~~Appendix 1~~

Standardized Filing Framework

ITEM	DESCRIPTION
	- ~~UARB~~Nova Scotia Energy Board-Approved Cost-Effectiveness Testing <u>including Program Administrator Cost (PAC) results</u>; and - Cumulative energy and demand savings and investment (approved and actual) since ~~2008~~2012, <u>and other additional approved and actual Performance Targets, as applicable.</u>⁹ <u>The portfolio-level metrics will be provided as follows:</u> - <u>in aggregate (i.e., the aggregate of all DSM resources provided in the most recently completed DSM Resource Plan); and</u> - <u>by DSM resource (e.g., by each individual DSM resource as provided in the most recently completed DSM Resource Plan. This may include energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.).</u>
2.2 Previous Plan's DSM Programs	Discussion of the results of each program for the most recently completed DSM Resource Plan.
<u>3. DEVELOPMENT OF THE UPCOMING PERIOD'S DSM RESOURCE PLAN</u>	
<u>3.1 Development of the Upcoming Period's DSM Program Targets and Investment</u>	A summary of: - the parties involved in developing the <u>proposed DSM Resource</u> Plan; - ~~NS Power's~~ <u>the</u> most recent Integrated Resource Plan results; - the affordability of the <u>proposed DSM Resource</u> Plan; ~~and~~ - cost-efficiency opportunities; <u>and</u> - <u>key global assumptions</u>
~~3. ALTERNATE SCENARIOS TO THE PROPOSED DSM PLAN~~	

⁹ E1 submitted its first DSM Plan in 2012 as DSM Administrator.

~~Appendix 1~~

Standardized Filing Framework

ITEM	DESCRIPTION
~~3.1 Various Scenarios~~	~~Based on the UARB's October 7, 2015 Order, EfficiencyOne will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and NSPI is to provide rate impact analysis on those scenarios."¹⁰~~ ~~For each of the alternative scenarios presented, EfficiencyOne will include a table of the following portfolio-level metrics:~~ ~~— Investment;~~ ~~— Incremental net Energy Savings (First-year);~~ ~~— Incremental net Demand Savings (First-year);~~ ~~—~~ ~~— Weighted Average Measure Life;~~ ~~— Lifetime Benefits;~~ ~~— Incremental net Energy Savings (Lifetime); Incremental net Demand Savings (Lifetime);~~ ~~— UARB-Approved Cost-Effectiveness Testing~~
4. PROPOSED DSM RESOURCE PLAN FOR THE UPCOMING PERIOD	
4.1 Overall Summary	A brief overview of the proposed DSM Resource Plan for the upcoming period and any proposed significant changes in program delivery or philosophy, <u>from the most recently completed DSM Resource Plan</u>. NS Power¹ will provide a rate impact analysis for the proposed DSM Resource Plan. <u>E1 will provide a glossary of general terms and definitions</u>. To enable overall consideration of the Plan, this section will include the following metrics, presented at the portfolio level: - <u>E1 Investment;</u> - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - <u>Incremental net Energy Savings (Lifetime);</u> - <u>Demand Response Available Capacity;</u> - <u></u>

¹⁰ Supra note 2.

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ITEM	DESCRIPTION
	- <u>Savings/metrics from other DSM resources, as applicable (e.g., Strategic Electrification, Solar-PV, other DSM resources, etc.,)</u> - <u>Weighted-Average Measure Life;</u> - <u>Lifetime Benefits; and</u> - <u>NSEB-Approved Cost-Effectiveness Testing and PAC.</u> ~~Incremental net Energy Savings (Lifetime);~~ ~~Incremental net Demand Savings (Lifetime); and~~ <u>Portfolio-level metrics will be provided as follows:</u> - <u>in aggregate (i.e., the aggregate of all DSM resources proposed for the upcoming Plan period); and</u> - <u>by DSM resource (e.g., by each individual DSM resource as proposed. This may include energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.).</u> <u>In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource (E1 to provide rationale for zero/not applicable metrics.)</u>
4.2 Program Level Savings and Investment	A summary of program-level savings and investment for the upcoming period. Reference to benchmarks of plans from other jurisdictions that are comparable based on depth of savings relative to load, as appropriate. This will include the following metrics, presented at the program level, <u>(organized by DSM resource category, e.g., energy efficiency, demand response, strategic electrification, solar-PV, other DSM resource, etc.)</u> : ~~—~~ <u>E1 Investment;</u> - <u>Incremental net Energy Savings (First-year);</u> - <u>Incremental net Demand Savings (First-year);</u> - <u>Incremental net Energy Savings (Lifetime);</u>

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ITEM	DESCRIPTION
	- <u>Demand Response Available Capacity;</u> - <u>Savings/metrics from other DSM resources, as applicable (e.g., strategic electrification, solar-PV, other DSM resources, etc.)</u> - Breakdown of Savings and Investment by Rate Class; - Weighted-Average Measure Life; —Lifetime Benefits; —<u>Incremental net Energy Savings (Lifetime);</u> - <u>Incremental net Demand Savings (Lifetime);</u> and - <u>UARB-NSEB-Approved Cost-Effectiveness Testing and PAC.</u> <u>In providing a breakdown of the program-level savings and investment by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource.</u>
4.3 Program Descriptions	Detailed descriptions of each program. A sample outline is provided in TABLE 2: PROGRAM DESCRIPTION TEMPLATE.
<u>4.4 Enabling Strategies</u>	<u>An overview of the Enabling Strategies categories for the upcoming period including proposed activities and investment.</u>
<u>4.5 Evaluation</u>	<u>Proposed evaluation activities for the upcoming period, including</u> a summary of any changes that are planned for evaluation activities over the upcoming period.
<u>4.6 Reporting and Performance Metrics</u>	A summary of ~~EfficiencyOne's~~ proposed regular reporting initiatives to the ~~UARB-NSEB~~ and the DSMAG for the upcoming period (e.g., Annual Progress Reports and quarterly reports). A summary of <u>proposed performance metrics for the upcoming period (e.g., Performance Targets and , thresholds, Performance Indicators, etc.) and performance metric definitions to provide clarity.</u>
~~5. DEVELOPMENT OF THE UPCOMING PERIOD'S DSM RESOURCE PLAN~~	
~~5.1 Development of the Upcoming Period's DSM Program Targets and Investment~~	~~A summary of:~~ —~~the parties involved in developing the Plan;~~ —~~the most recent Integrated Resource Plan results;~~ —~~the affordability of the Plan; and~~

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ITEM	DESCRIPTION
	~~—cost efficiency opportunities~~
~~5.2 Evaluation~~	~~A summary of any changes that are planned for evaluation activities over the upcoming period.~~
~~5.3 Reporting~~	~~A summary of EfficiencyOne's proposed regular reporting initiatives to the UARB and the DSMAG for the upcoming period (e.g., Annual Progress Reports and quarterly reports).~~
5. <u>ALTERNATE SCENARIOS TO THE PROPOSED DSM PLAN</u>	
5.1 <u>Various Scenarios</u>	Based on the NSUARB's October 7, 2015 Order <u>on the 2016-2018 DSM Plan</u>, <u>EfficiencyOne E1</u> will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and NS <u>Power</u> is to provide rate impact analysis on those scenarios."¹¹ For each of the alternative scenarios presented, <u>EfficiencyOne E1</u> will include a table of the following portfolio-level metrics: - <u>E1 Investment</u>; - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - <u>Incremental net Energy Savings (Lifetime)</u>; - <u>Demand Response Available Capacity</u>; - <u>Savings/metrics from other DSM resources, as applicable</u>; - Weighted-Average Measure Life; - Lifetime Benefits; - <u>Incremental net Energy Savings (Lifetime)</u>; - <u>Incremental net Demand Savings (Lifetime)</u>; - <u>UARB/NSRB-Approved Cost-Effectiveness Testing and PAC</u>
<u>5.2 Program Alternatives</u>	<u>A comparison of the program elements in the proposed DSM Resource plan to the alternate scenarios of DSM budgets.</u>
6. <u>ADDITIONAL ITEMS</u>	
6.1 Rate and Bill Impact Analysis <u>(RBI)</u>	<u>This includes the following:</u>

¹¹ Supra note 2-M06733, NSUARB Order, E1 2016-2018 DSM Plan, October 7, 2015, page 2, item 12.

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ITEM	DESCRIPTION
	- <u>Forward-Looking RBIA</u>: This will consist of a detailed description of the forward-looking rate and bill impact analysis of the proposed <u>DSM Resource Plan</u>.¹² This will include a detailed breakdown between the rate classes, with the exception of certain customer classes (e.g., Unmetered), for which ~~EfficiencyOne-E1~~ does not have the necessary data. —<u>Historical RBIA</u>: The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year. A historical RBIA will be included as part of each DSM Resource Plan filing.¹³
<u>6.2 Payback Period & Considerations</u>	<u>As per the NSUARB's 2023-2025 DSM Plan Order.</u> ¹⁴
<u>6.3 Justifications for Measure Inclusion</u>	<u>As per the NSUARB's 2023-2025 DSM Plan Order.</u> ¹⁵
~~6.26.4~~ Other Items	~~This could include time-limited topics such as cost allocation and HST updates.~~ <u>Other items as relevant.</u>
7. CONCLUSION	A summary of the items that ~~EfficiencyOne-E1~~ is seeking approval for.

¹² *Supra* note 1.¹³ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5.¹⁴ M10473, NSUARB Order, E1 2023-2025 DSM Plan, November 8, 2023, page 2, item 5.¹⁵ Ibid., item 6.

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Table 2: PROGRAM DESCRIPTION TEMPLATE

ITEM	DESCRIPTION
1. OVERVIEW	A brief description of the program intent, target market, and type of service or rebate.
2. OBJECTIVES	Long-term objectives for the program.
3. OPPORTUNITY	A summary of the market potential for the program, including description of target customers, barriers for the market to undertake the upgrades or services without support, ~~and~~ program history, <u>and information on whether the program intends to cover hard-to-reach customers.</u>
4. PROGRAM DESIGN	
4.1 Measures Promoted	A summary of services, rebates, or financing options included in the program, including technical data by measure.
4.2 Implementation Strategy	A description of the implementation strategy, including overview of marketing plan, use of external delivery agents, funding of energy audits, and provisions for quality control.
4.3 Performance Indicators	A summary of targeted: - <u>Incremental net Energy Savings (First-year);</u> - <u>Incremental net Demand Savings (First-year);</u> - <u>Demand Response Available Capacity;</u> - <u>Other savings/metrics from other DSM resources, if applicable (e.g., strategic electrification, solar-PV, other DSM resources, etc.)</u> - Lifetime energy ~~and demand~~ savings; - Annual participation and participation rates; - Cost-effectiveness testing analysis; and - ~~Levelized cost of saved energy.~~ -
4.4 Low Income <u>& Equity</u> Performance Indicators	A summary of expected <u>low-income & equity impacts from dedicated and non-targeted programs (incidental impacts) including to low-income Nova Scotians:</u> - <u>Incremental net Energy Savings (First-year);</u>

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	- Incremental net Demand Savings (First-year); - Lifetime energy and demand savings; - Annual participation; - Other metrics as relevant and participation rates; and - Proportion of low income owner and rental households served. -
PROGRAM ALTERNATIVES	A comparison of the program elements in the proposed DSM plan to the alternate scenarios of DSM budgets.

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4. DEMAND SIDE MANAGEMENT STANDARDS**4.1 OBJECTIVES**

The objectives of this document are as follows:

- To ensure consistency in the overall Demand Side Management (DSM) planning and evaluation process in Nova Scotia;
- To consolidate important decisions made by the Nova Scotia Energy Board (NSEB), in force as of April 1, 2025,¹⁶ and the Nova Scotia Utility and Review Board (the NSUARB) and predecessor to the NSEB as they pertain to DSM regulation; and
- To ensure that DSM Resource Plans balance the multiple objectives of DSM.

4.2 DSM RESOURCE PLAN RESEARCH**4.2.1 DSM BASELINE STUDY**

~~EfficiencyOne will commission a DSM baseline study in advance of each DSM Potential Study. The DSM Baseline Study will identify current stocks of electricity consuming devices in all market sectors. E1 will work with the Nova Scotia Independent Energy System Operator (NSIESO) in pursuit of the NSIESO's duties to carry out integrated resource planning exercises as outlined in the *More Access to Energy Act*.¹⁷ This may include the commission of a DSM baseline study in advance of each DSM Potential Study.~~

4.2.2 DSM POTENTIAL STUDY

~~EfficiencyOne will commission a DSM potential study in advance of each Integrated Resource Plan (IRP). The DSM Potential study will identify DSM resources that are achievable over the planning horizon, and will inform the development of Candidate Resource Plans for the IRP. E1 will work with the NSIESO in pursuit of the NSIESO's duties to~~

¹⁶ Bill 404, Energy Reform (2024) Act, An Act to Reform the Law Respecting Energy and Electricity, Chapter 2 Acts of 2024. Royal Assent April 5, 2024 (proclaimed October 24, 2024, in force April 1, 2025). Part I: Energy and Regulatory Boards Act (Schedule A); Part II More Access to Energy Act (Schedule B).

¹⁷ *More Access to Energy Act*, s 10 and s 11, see also *Public Utilities Act*, s 79W.

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carry out integrated resource planning (IRP) exercises as outlined in the *More Access to Energy Act*.¹⁸ This may include the commission of a DSM Potential study in advance of each IRP exercise.

The DSM Potential study identifies DSM resources that are achievable over the planning horizon, and will inform the development of Candidate Resource Plans for the IRP.

4.2.3 INTEGRATED RESOURCE PLAN

~~Nova Scotia Power's IRP develops a long-term Preferred Resource Plan that establishes directional information for DSM that assists NS Power in meeting customer demand and energy requirements, and environmental obligations in a cost-effective, safe and reliable manner across a reasonable range of foreseeable futures.¹⁹~~

Integrated resource planning establishes directional information for DSM planning. E1 will work with the NSIESO in the pursuit of their duties to carry out IRP exercises.²⁰ As outlined in the *More Access to Energy Act*, the NSIESO shall:

11 (2) Prior to, or as part of, conducting an integrated resource planning exercise and subsequent competitive procurements of energy resources, the [NS]IESO shall:

(a) work with the holder of the franchise to supply NSPI with reasonably available, cost-effective demand-side management under the *Public Utilities Act* to:

(i) Develop avoided cost calculations for demand-side management resources,

¹⁸ *Ibid.*

¹⁹ NSPI, *Nova Scotia Power Integrated Resource Plan—2014 Terms of Reference, Appendix A*, at p 1.

²⁰ *Ibid.*

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(ii) Co-operate with the franchise holder in pursuit of its duties under this Act, including its duty to conduct integrated resource planning exercises,

(iii) Cooperate with the franchise holder respecting the integrated resource planning to develop avoided cost calculations for demand-side management resources and undertake reasonable cost-effective demand-side management.

[...]

(3) The NSIESO shall file the results of its IRP exercises with the Energy Board once they are complete.

4.2.3.1 AVOIDED COSTS

~~Nova Scotia Power will provide estimates of annual avoided costs of fuel on a per-MWh basis, and annual avoided costs of generation, transmission, and distribution on a per-kW basis to EfficiencyOne for use in the cost-effectiveness screening of DSM measures and programs during DSM planning processes. Estimates of avoided costs will be provided prior to each DSM Potential Study, and whenever NS Power and EfficiencyOne believe avoided cost estimate require changes.~~

As outlined in the *More Access to Energy Act*, the NSIESO will work with the DSM franchise holder to develop avoided cost calculations for demand-side management resources as part of its IRP exercises (see section 4.2.3. above). and provide to E1 for use in the cost-effectiveness screening of DSM measures and programs during DSM planning processes.

Transition of the IRP and avoided costs work from NS Power to the NSIESO will occur with the coming into force of the *More Access to Energy Act* as of April 1, 2025.

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4.3 DSM RESOURCE PLAN DEVELOPMENT

~~The Preferred Resource Plan identified in the IRP that will inform the development of a preferred DSM Resource Plan by EfficiencyOne, including analysis of alternate scenarios of DSM activity, in accordance with the Standardized Filing Framework.~~

Integrated resource planning establishes directional information for DSM that will inform the development of a preferred DSM Resource Plan by E1, including analysis of alternate scenarios of DSM activity, in accordance with the Standardized Filing Framework.

4.3.1 BALANCED PLAN APPROACH

~~EfficiencyOne-E1~~ will produce DSM Resource Plans that balance multiple aspects of DSM for the benefit of customers, including:

- Short-term and long-term energy and capacity avoidance;
- Program delivery costs;
- Avoided energy and capacity investments;
- Non-electric and non-energy benefits;
- Diversity of program delivery;
- Business relationships and maintenance of market presence;
- Access to programs by all market sectors and rate classes by addressing barriers to participation; and
- Rate impacts.

4.3.2 COST-EFFECTIVENESS TESTING

~~EfficiencyOne will apply the UARB-approved cost effectiveness test.~~

E1 will apply the NSEB-approved cost-effectiveness test. Pursuant to Section 79H (2) of the Public Utilities Act, the NSEB, in evaluating a franchise holder's application, "shall evaluate

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the proposed cost-effective demand-side management at the portfolio level that would be the aggregate amount of demand-side management programs.”²¹

E1 notes that in addition to providing portfolio level cost-effectiveness results, it also provides NSEB approved cost-effectiveness test results at the measure level and program level for informational purposes. This includes justification on why any measure falls below the 1.0 threshold when the cost-effectiveness test is applied, as per Board direction.

4.3.3 PERFORMANCE METRICS**4.3.3.1 DEFINITIONS**

To provide clarity, the following definitions are used:²²

Performance Metric: A quantifiable measure that is used to track and assess the status of a specific achievement.

Performance Indicators: A set of particular performance metrics used to indicate or monitor progress toward performance targets. Performance Indicators are management tools that provide information to allow an organization to take action to help it deliver on performance targets.

Performance Target: A performance metric expressed as a specific quantified goal that identifies the desired outcome of an activity at a specific point in time. In this Application, Performance Targets refer to UARB-approved targets.

Performance Threshold: A predefined quantity, percentage, or range, which identifies the allowable deviation from a Performance Target within which the actual outcome is considered to have achieved success. In this Application, Performance Thresholds refer to UARB-approved thresholds.

²¹ Public Utilities Act, s 79H(2). See also Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022.

²² EfficiencyOne, Evidence, *In the Matter of the Public Utilities Act and in the Matter of an Application for Approval of the 2016-2018 Supply Agreement for EE&CA*, (27 Feb. 2016), at page 46.

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4.3.3.2 REQUIREMENTS**Performance Targets and Thresholds²³**

- i. Performance Targets apply to the period of the ~~UARB~~NSEB-approved ~~Supply DSM Purchase~~ Agreement ~~with NS Power~~, rather than annually;
- ii. ~~EfficiencyOne~~E1 is deemed to be in substantial compliance with the ~~UARB~~NSEB-approved Plan Performance Targets if 90 percent or greater achievement is reached on each of the Performance Targets. If less than 90 percent of any Performance Target is achieved, a regulatory process will be triggered.

Performance Targets consist of:²⁴

E1 will propose Performance Targets within each DSM Resource Plan. Proposed Performance Targets will be reflective of the DSM resources proposed for the upcoming Plan period (e.g., energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.).

Historically, each Plan period has established Performance Targets relevant to the DSM resources provided. Historically, Performance Targets have included:

- i. Cumulative annual energy savings;
- ii. Cumulative annual peak demand savings;
- iii. Demand Response Available Capacity; and
- ii.iv. First-year energy savings applicable to the Affordable Single-family Homes, Affordable Multi-family Housing and Mi'kmaw Home Energy Efficiency Project programs (E1's dedicated low-income & equity programs);

²³ M06733, NSUARB Order, *The Public Utilities Act and An Application for Approval of a Supply Agreement for electricity efficiency and conservation activities between EfficiencyOne and Nova Scotia Power Incorporated, the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management Resource Plan* (7 Oct 2015), at p 2 and Schedule B, page 5.

²⁴ *Ibid.*

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Performance Indicators consist of:²⁵

E1 will propose Performance Indicators within each DSM Resource Plan. These performance indicators will be specific to the DSM resources proposed within each future Plan (e.g. performance indicator metrics for energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.).

Historically, E1's DSM Plans have proposed performance indicators relevant to the DSM resources provided. Historically, DSM Plan Performance Indicators have included:

- i. Annual incremental energy savings (reported by program and rate class);
- ii. Cumulative annual energy savings (reported by program and rate class);
- ~~iii.~~ Annual Lifetime savings (reported by program and rate class);
- ~~iii.~~~~iv.~~ Cumulative lifetime energy savings (reported by program and rate class)
- ~~iv.~~~~v.~~ Annual incremental peak demand savings (reported by program and rate class);
- ~~v.~~~~vi.~~ Cumulative annual peak demand savings (reported by program and rate class);
- ~~vii.~~ Available Demand response capacity (reported by program and rate class)
- ~~vi.~~~~viii.~~ Total ratepayer benefits;
- ~~vii.~~~~ix.~~ Total E1 spending (reported by program and rate class);
- ~~viii.~~~~x.~~ Customer satisfaction;
- ~~ix.~~ —An analysis of the impact on rates through the implementation of the programs will be included as part of E1fficiencyOne's historical-looking rate and bill impact analysis, filed by October 31st of each year; (Note: the historical RBIA is now included as part of each future DSM Resource Plan application)
- ~~xi.~~ Incidental cumulative annual energy savings applicable to low-income and equity communities from non-targeted programs; and
- ~~xii.~~ Reporting on low income program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information.

²⁵ Ibid.

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4.3.4 DSM PROGRAMS

~~E1 will propose DSM programs within each DSM Resource Plan. Investments in DSM programs reduce energy consumption through technology replacements and behaviour change.~~ DSM programs are offered to the Residential and the Business, Not-for-Profit and Institutional (BNI) sectors.

Historically, DSM programs have included:as follows:

- Residential – Efficient Product Rebates
- Residential – Existing Residential
- Residential – New Residential
- Residential – Energy Savings Actions
- Business, Not-for-Profit and Institutional – Efficient Product Rebates
- Business, Not-for-Profit and Institutional – Custom Incentives
- Business, Not-for-Profit and Institutional – Direct Installation
- Residential and BNI Demand Response

4.3.4.1 LOW INCOME & EQUITY CONSIDERATIONS~~**NS Power Shareholder Charitable Contribution**~~

~~NS Power shareholders have indicated that they will provide up to \$37 million dollars over ten years (2015-2024) to upgrade all electrically heated homes owned by low income Nova Scotians. In the interest of minimizing rate impact, EfficiencyOne will not invest DSM funds to provide upgrades where it believes the upgrades would otherwise be funded by NS Power shareholders.~~

Other Low Income & Equity Programming

In accordance with Section 4.0, the Balanced Plan Approach, ~~EfficiencyOne E1~~ will design and deliver programs and services that benefit low-income & equity customers. ~~Nova Scotians not affected by the NS Power charitable donation.~~

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4.3.5 ENABLING STRATEGIES

E1 will propose Enabling Strategies and categories within each DSM Resource Plan.

Historically, Enabling Strategies expenditures are classified into one of have included the following three categories:

- Education and Outreach
- Development and Research
- Other Enabling Strategies

Specific Enabling Strategies activities requiring an annual investment of \$100,000 or more that benefit a specific rate class or classes will have the participant benefit portion (75%) of their investment allocated to the specific rate class or classes that receive the benefit. Investments under \$100,000, or any investment benefiting all rate classes, will have their participant benefit portion (75%) allocated according to the per-rate class investment of program expenditures.²⁶ In all cases, the system benefit portion (25%) is allocated on the basis of class energy and demand requirements.

4.4 DSM TRACKING, EVALUATION AND VERIFICATION**4.4.1 TRACKING**

~~EfficiencyOne~~ E1 will track the energy and capacity savings resulting from each program. Tracked results will be used in quarterly reports.

²⁶ M07151, NSUARB Decision Letter, *Nova Scotia Power Inc. – DSM Cost Allocation and Recovery (E-R-15)*, (11 Apr 2016), at [page 6](#).

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4.4.2 EVALUATION

~~EfficiencyOne-E1~~ will retain the services of an independent DSM evaluation firm to conduct annual evaluations for each DSM program, as described in Sections ~~4.65.5 and 5.6.~~

4.4.3 VERIFICATION

The ~~UARB's-NSEB's~~ savings verification consultant provides a verification review of the evaluated savings.

4.5 DSM RESOURCE PLANS (~~35~~-YEAR CYCLE)

~~EfficiencyOne-E1~~ will prepare DSM Resource Plans as required by the ~~Board~~NSEB, on a ~~three~~five-year cycle unless directed otherwise by the ~~Board~~NSEB.²⁷

4.6 REPORTING REQUIREMENTS

E1 proposes its DSM reporting ~~within each DSM Resource Plan. This includes the following DSM reporting:~~

~~4.5.14.6.1~~ ANNUAL PROGRESS REPORTS

In the first quarter of the calendar year ~~of each intervening year between multi-year filings,~~ ~~ENS-E1~~ will file an Annual Progress Report (APR) with the ~~UARB~~NSEB, which will include the following information:²⁸

- A summary of the context, activities and milestones achieved in the prior year, including the status of annual performance indicators;
- A management discussion and analysis of any major discrepancies relative to the original plan's intent and forecasts;

²⁷ Public Utilities Act, Amended (Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022, s. 79 I (2a).

²⁸ ~~Supra note 2 at p 44.~~ DSM Settlement Agreement 2013-2015 DSM Plan, May 28, 2012, Schedule A, s 2(a) and (b), page 3.

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- A summary of costs and savings for each program or target market area. ~~If the total reported results fall below 75 percent of the original plan's forecast cumulative annual incremental energy savings up to that point, ENS will also file a Corrective Action Plan designed to achieve the total approved energy savings target, within the approved multi-year budget.~~

In the event ~~ENS E1~~ proposes significant changes to elements within an approved Plan, advance notice will be provided to the ~~UARB-NSEB~~ and ~~sStakeholders~~ within the APR. Significant changes include:²⁹

- Adding a new Program;
- Terminating an existing Program;
- Increasing or decreasing the ~~35~~-year plan budget and savings target for the total Residential or total BNI sector by more than 25%;
- ~~Decreasing the 3-year plan budget for the total Residential sector by more than 25%;~~
- ~~Increasing the 3-year plan budget for the total BNI sector by more than 25%;~~
- ~~Decreasing the 3-year plan budget for the total BNI sector by more than 25%;~~
- ~~Increasing the 3-year plan savings target for the total Residential sector by more than 25%;~~
- ~~Decreasing the 3-year plan savings target for the total Residential sector by more than 25%;~~
- ~~Increasing the 3-year plan savings target for the total BNI sector by more than 25%;~~ and
- ~~Decreasing the 3-year plan savings target for the total BNI sector by more than 25%.~~

²⁹ *Ibid.*

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4.5.24.6.2 QUARTERLY REPORTS

~~ENS-E1~~ will file quarterly reports with the ~~UARB-NSEB~~ for quarters one through three of each year. The reports will provide quarterly status updates and service highlights, as well as communicate course adjustments within the current approved DSM Resource Plan.³⁰

4.5.34.6.3 AUDITED FINANCIAL STATEMENTS

~~ENS-E1~~ will retain the services of an external financial auditor to prepare audited annual financial statements. These will be filed with the ~~UARB-NSEB~~ in the second quarter of the following year.

4.5.44.6.4 IMPACT EVALUATION

~~ENS-E1~~ will file impact evaluations for each program annually,³¹ produced by an independent third party DSM program evaluator.

4.5.54.6.5 PROCESS EVALUATION

~~ENS-E1~~ will file process evaluations for individual programs, produced by an independent third party DSM program evaluator as necessary.³² Examples of instances in which a program-level evaluation ~~may~~would occur include newly created program components that have not yet been evaluated, program components that have incurred major changes, program components that received a large number of recommendations from the evaluator, or program components that have a variance of energy savings larger than 25 percent of planned.

4.5.64.6.6 RATE AND BILL IMPACT ANALYSIS

~~ENS-E1~~ will file its historical Rate and Bill Impact Analysis (RBIA) ~~by October 31st of each year as part of each DSM Resource Plan.~~³³ The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year.

³⁰ *Ibid.*

³¹ Supra note 1, s 5(a)

³² *Ibid.*

³³ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5.

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~~ENS-E1~~ will also file a forward-looking RBIA as part of each DSM Resource Plan. The forward-looking RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities conducted as part of the proposed DSM Resource Plan.

4.64.7 DEMAND SIDE MANAGEMENT ADVISORY GROUP

The DSM Advisory Group is a forum to provide strategic or directional advice and stakeholder perspectives on current or emerging DSM issues including, but not limited to, issues identified in ~~UARB-NSEB~~ Orders pertaining to Demand Side Management.

Demand Side Management Advisory Group

Standardized Filing Framework

Prepared by EfficiencyOne

20 July 2016

Revised [insert date TBD]



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1. OBJECTIVE

To standardize the content of future Demand Side Management (DSM) Resource Plan filings.

2. BACKGROUND

On June 16, 2015, EfficiencyOne (E1), Nova Scotia Power Incorporated (NS Power), the Consumer Advocate, the Small Business Advocate, the Ecology Action Centre, the Affordable Energy Coalition, and the Industrial Group signed a Consensus Agreement that proposed the establishment of a standardized filing framework for future DSM applications (the “Standardized Filing Framework” or “Framework”).¹ On October 7, 2015, the Nova Scotia Utility and Review Board (NSUARB) approved this Consensus Agreement² and directed that the Standardized Filing Framework be vetted through the DSM Advisory Group (DSMAG),³ and submitted to the NSUARB for approval by June 30, 2016.⁴

The Standardized Filing Framework (including program descriptions) includes standard DSM informational items, one or more alternate scenarios of DSM savings and budgets, and other items enumerated in section 1 of the Consensus Agreement.⁵ The DSM Standards, included under section 4, below, describe the overall DSM planning and evaluation process, and list objectives for pursuing DSM activities.

¹ M06733, In the Matter of the *Public Utilities Act* and *An application by EfficiencyOne for Approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between EfficiencyOne and Nova Scotia Power Inc., the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side management (“DSM”) Resource Plan*, Document 287094 (16 Jun. 2015) at Appendix A (Consensus Agreement).

² M06733, NSUARB Order, Document 240387 (7 Oct. 2015) at page 2.

³ *Supra* note 1.

⁴ *Supra* note 2.

⁵ *Supra* note 1.

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In 2016, the Standardized Filing Framework was filed with the NSUARB as part of a Consensus Agreement on 2016-2018 DSM Plan Application Deferred Matters⁶ and was accepted by the NSUARB in 2016 for use in future DSM Plan applications.⁷

As part of the 2023-2025 DSM Resource Plan Decision, the NSUARB encouraged the DSMAG to “consider whether changes to the Framework are required”.⁸ In 2024 and 2025, the Framework was reviewed and updated by the DSMAG.

⁶ M07543, Consensus Agreement, July 22, 2016. The 2016 Consensus Agreement was signed by E1, NS Power, the Consumer Advocate, the Small Business Advocate, the Industrial Group, the Municipal Electric Utilities of Nova Scotia, the Affordable Energy Coalition, and the Ecology Action Centre.

⁷ M07543, E1 2016-2018 DSM Deferred Matters, NSUARB Letter to E1, September 13, 2016.

⁸ M10473, NSUARB Decision 2023-2025 DSM Plan, September 6, 2022, page 63, para 191.

3. STANDARDIZED FILING FRAMEWORK**Table 1: STANDARDIZED FILING FRAMEWORK**

ITEM	DESCRIPTION
1. INTRODUCTION	A brief introduction to the DSM Resource Plan filing and a brief overview of any agreements reached between EfficiencyOne (E1) and NS Power Incorporated (NS Power). All agreements between E1 and NS Power will be provided as Appendices to the filing.
1.1 Background	Relevant history that is pertinent to the regulatory approval process, including past DSM Resource plans.
2. PREVIOUS PLAN'S DSM RESULTS	
2.1 Previous Plan's DSM Expenditures and Savings Results	A summary of the most recently completed DSM Resource Plan's actual results. This will include a breakdown of savings and investment by rate class and the following portfolio-level metrics for the most recently completed DSM Resource Plan: - Approved and Actual E1 Investment; - Approved and Actual Incremental net Energy Savings (First-year); - Approved and Actual Incremental net Demand Savings (First-year); - Approved and Actual Incremental net Energy Savings (Lifetime); - Approved and Actual Demand Response Available Capacity; - Approved and Actual Savings for other DSM resources as applicable (e.g., Strategic Electrification, Solar-PV, or other DSM resources); - Other additional Approved and Actual Performance Targets. For further clarity, these will be additional Nova Scotia Energy Board (formerly the NSUARB) approved Performance Targets from the most recently completed Plan - Weighted-Average Measure Life; - Lifetime Benefits; - Nova Scotia Energy Board-Approved Cost-Effectiveness Testing including Program Administrator Cost (PAC) results; and

Standardized Filing Framework

ITEM	DESCRIPTION
	- Cumulative energy and demand savings and investment (approved and actual) since 2012, and other additional approved and actual Performance Targets, as applicable.⁹ The portfolio-level metrics will be provided as follows: - in aggregate (i.e., the aggregate of all DSM resources provided in the most recently completed DSM Resource Plan); and - by DSM resource (e.g., by each individual DSM resource as provided in the most recently completed DSM Resource Plan. This may include energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.).
2.2 Previous Plan's DSM Programs	Discussion of the results of each program for the most recently completed DSM Resource Plan.
3. DEVELOPMENT OF THE UPCOMING PERIOD'S DSM RESOURCE PLAN	
3.1 Development of the Upcoming Period's DSM Program Targets and Investment	A summary of: - the parties involved in developing the proposed DSM Resource Plan; - the most recent Integrated Resource Plan results; - the affordability of the proposed DSM Resource Plan; - cost-efficiency opportunities; and - key global assumptions
4. PROPOSED DSM RESOURCE PLAN FOR THE UPCOMING PERIOD	
4.1 Overall Summary	A brief overview of the proposed DSM Resource Plan for the upcoming period and any proposed significant changes in program delivery or philosophy, from the most recently completed DSM Resource Plan. NS Power will provide a rate impact analysis for the proposed DSM Resource Plan. E1 will provide a glossary of general terms and definitions. To enable overall consideration of the Plan, this section will include the following metrics, presented at the portfolio level: - E1 Investment; - Incremental net Energy Savings (First-year);

⁹ E1 submitted its first DSM Plan in 2012 as DSM Administrator.

Standardized Filing Framework

ITEM	DESCRIPTION
	- Incremental net Demand Savings (First-year); - Incremental net Energy Savings (Lifetime); - Demand Response Available Capacity; - Savings/metrics from other DSM resources, as applicable (e.g., Strategic Electrification, Solar-PV, other DSM resources, etc.,) - Weighted-Average Measure Life; - Lifetime Benefits; and - NSEB-Approved Cost-Effectiveness Testing and PAC. Portfolio-level metrics will be provided as follows: - in aggregate (i.e., the aggregate of all DSM resources proposed for the upcoming Plan period); and - by DSM resource (e.g., by each individual DSM resource as proposed. This may include energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.). In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource (E1 to provide rationale for zero/not applicable metrics.)
4.2 Program Level Savings and Investment	A summary of program-level savings and investment for the upcoming period. Reference to benchmarks of plans from other jurisdictions that are comparable based on depth of savings relative to load, as appropriate. This will include the following metrics, presented at the program level, (organized by DSM resource category, e.g., energy efficiency, demand response, strategic electrification, solar-PV, other DSM resource, etc.) - E1 Investment; - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Incremental net Energy Savings (Lifetime); - Demand Response Available Capacity; - Savings/metrics from other DSM resources, as applicable (e.g., strategic electrification, solar-PV, other DSM resources, etc.)

Standardized Filing Framework

ITEM	DESCRIPTION
	- Breakdown of Savings and Investment by Rate Class; - Weighted-Average Measure Life; - Lifetime Benefits; and - NSEB-Approved Cost-Effectiveness Testing and PAC. In providing a breakdown of the program-level savings and investment by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource.
4.3 Program Descriptions	Detailed descriptions of each program. A sample outline is provided in TABLE 2: PROGRAM DESCRIPTION TEMPLATE.
4.4 Enabling Strategies	An overview of the Enabling Strategies categories for the upcoming period including proposed activities and investment.
4.5 Evaluation	Proposed evaluation activities for the upcoming period, including a summary of any changes that are planned for evaluation activities over the upcoming period.
4.6 Reporting and Performance Metrics	A summary of proposed regular reporting initiatives to the NSEB and the DSMAG for the upcoming period (e.g., Annual Progress Reports and quarterly reports). A summary of proposed performance metrics for the upcoming period (e.g., Performance Targets and thresholds, Performance Indicators, etc.) and performance metric definitions to provide clarity.
5. ALTERNATE SCENARIOS TO THE PROPOSED DSM PLAN	
5.1 Various Scenarios	Based on the NSUARB's October 7, 2015 Order on the 2016-2018 DSM Plan, E1 will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and NS Power is to provide rate impact analysis on those scenarios."¹⁰ For each of the alternative scenarios presented, E1 will include a table of the following portfolio-level metrics: - E1 Investment; - Incremental net Energy Savings (First-year);

¹⁰ M06733, NSUARB Order, E1 2016-2018 DSM Plan, October 7, 2015, page 2, item 12.

Standardized Filing Framework

ITEM	DESCRIPTION
	- Incremental net Demand Savings (First-year); - Incremental net Energy Savings (Lifetime); - Demand Response Available Capacity; - Savings/metrics from other DSM resources, as applicable; - Weighted-Average Measure Life; - Lifetime Benefits; - NSEB-Approved Cost-Effectiveness Testing and PAC
5.2 Program Alternatives	A comparison of the program elements in the proposed DSM Resource plan to the alternate scenarios of DSM budgets.
6. ADDITIONAL ITEMS	
6.1 Rate and Bill Impact Analysis (RBIA)	This includes the following: - Forward-Looking RBIA: This will consist of a detailed description of the forward-looking rate and bill impact analysis of the proposed DSM Resource Plan.¹¹ This will include a detailed breakdown between the rate classes, with the exception of certain customer classes (e.g., Unmetered), for which E1 does not have the necessary data. - Historical RBIA: The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year. A historical RBIA will be included as part of each DSM Resource Plan filing.¹²
6.2 Payback Period & Considerations	As per the NSUARB's 2023-2025 DSM Plan Order. ¹³
6.3 Justifications for Measure Inclusion	As per the NSUARB's 2023-2025 DSM Plan Order. ¹⁴
6.4 Other Items	Other items as relevant.
7. CONCLUSION	A summary of the items that E1 is seeking approval for.

¹¹ *Supra* note 1.¹² M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5.¹³ M10473, NSUARB Order, E1 2023-2025 DSM Plan, November 8, 2023, page 2, item 5.¹⁴ *Ibid.*, item 6.

Table 2: PROGRAM DESCRIPTION TEMPLATE

ITEM	DESCRIPTION
1. OVERVIEW	A brief description of the program intent, target market, and type of service or rebate.
2. OBJECTIVES	Long-term objectives for the program.
3. OPPORTUNITY	A summary of the market potential for the program, including description of target customers, barriers for the market to undertake the upgrades or services without support, program history, and information on whether the program intends to cover hard-to-reach customers.
4. PROGRAM DESIGN	
4.1 Measures Promoted	A summary of services, rebates, or financing options included in the program, including technical data by measure.
4.2 Implementation Strategy	A description of the implementation strategy, including overview of marketing plan, use of external delivery agents, funding of energy audits, and provisions for quality control.
4.3 Performance Indicators	A summary of targeted: - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Demand Response Available Capacity; - Other savings/metrics from other DSM resources, if applicable (e.g., strategic electrification, solar-PV, other DSM resources, etc.) - Lifetime energy savings; - Annual participation and participation rates; - Cost-effectiveness testing analysis; and - Levelized cost of saved energy.
4.4 Low Income & Equity Performance Indicators	A summary of expected low-income & equity impacts from dedicated and non-targeted programs (incidental impacts) including: - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Lifetime energy savings; - Participation; - Other metrics as relevant.

4. DEMAND SIDE MANAGEMENT STANDARDS

4.1 OBJECTIVES

The objectives of this document are as follows:

- To ensure consistency in the overall Demand Side Management (DSM) planning and evaluation process in Nova Scotia;
- To consolidate important decisions made by the Nova Scotia Energy Board (NSEB), in force as of April 1, 2025,¹⁵ and the Nova Scotia Utility and Review Board (NSUARB and predecessor to the NSEB) as they pertain to DSM regulation; and
- To ensure that DSM Resource Plans balance the multiple objectives of DSM.

4.2 DSM RESOURCE PLAN RESEARCH

4.2.1 DSM BASELINE STUDY

E1 will work with the Nova Scotia Independent Energy System Operator (NSIESO) in pursuit of the NSIESO's duties to carry out integrated resource planning exercises as outlined in the *More Access to Energy Act*.¹⁶ This may include the commission of a DSM baseline study in advance of each DSM Potential Study.

4.2.2 DSM POTENTIAL STUDY

E1 will work with the NSIESO in pursuit of the NSIESO's duties to carry out integrated resource planning (IRP) exercises as outlined in the *More Access to Energy Act*.¹⁷ This may include the commission of a DSM Potential study in advance of each IRP exercise.

The DSM Potential study identifies DSM resources that are achievable over the planning horizon, and will inform the development of Candidate Resource Plans for the IRP.

¹⁵ Bill 404, Energy Reform (2024) Act, An Act to Reform the Law Respecting Energy and Electricity, Chapter 2 Acts of 2024. Royal Assent April 5, 2024 (proclaimed October 24, 2024, in force April 1, 2025). Part I: Energy and Regulatory Boards Act (Schedule A); Part II More Access to Energy Act (Schedule B).

¹⁶ *More Access to Energy Act*, s 10 and s 11, see also *Public Utilities Act*, s 79W.

¹⁷ *Ibid.*

4.2.3 INTEGRATED RESOURCE PLAN

Integrated resource planning establishes directional information for DSM planning. E1 will work with the NSIESO in the pursuit of their duties to carry out IRP exercises.¹⁸ As outlined in the *More Access to Energy Act*, the NSIESO shall:

11 (2) Prior to, or as part of, conducting an integrated resource planning exercise and subsequent competitive procurements of energy resources, the [NS]IESO shall:

(a) work with the holder of the franchise to supply NSPI with reasonably available, cost-effective demand-side management under the *Public Utilities Act* to:

- (i) Develop avoided cost calculations for demand-side management resources,
- (ii) Co-operate with the franchise holder in pursuit of its duties under this Act, including its duty to conduct integrated resource planning exercises,
- (iii) Cooperate with the franchise holder respecting the integrated resource planning to develop avoided cost calculations for demand-side management resources and undertake reasonable cost-effective demand-side management.

[...]

(3) The NSIESO shall file the results of its IRP exercises with the Energy Board once they are complete.

4.2.3.1 AVOIDED COSTS

As outlined in the *More Access to Energy Act*, the NSIESO will work with the DSM franchise holder to develop avoided cost calculations for demand-side management resources as part

¹⁸ *Ibid.*

of its IRP exercises (see section 4.2.3. above). and provide to E1 for use in the cost-effectiveness screening of DSM measures and programs during DSM planning processes.

Transition of the IRP and avoided costs work from NS Power to the NSIESO will occur with the coming into force of the *More Access to Energy Act* as of April 1, 2025.

4.3 DSM RESOURCE PLAN DEVELOPMENT

Integrated resource planning establishes directional information for DSM that will inform the development of a preferred DSM Resource Plan by E1, including analysis of alternate scenarios of DSM activity, in accordance with the Standardized Filing Framework.

4.3.1 BALANCED PLAN APPROACH

E1 will produce DSM Resource Plans that balance multiple aspects of DSM for the benefit of customers, including:

- Short-term and long-term energy and capacity avoidance;
- Program delivery costs;
- Avoided energy and capacity investments;
- Non-electric and non-energy benefits;
- Diversity of program delivery;
- Business relationships and maintenance of market presence;
- Access to programs by all market sectors and rate classes by addressing barriers to participation; and
- Rate impacts.

4.3.2 COST-EFFECTIVENESS TESTING

E1 will apply the NSEB-approved cost-effectiveness test. Pursuant to Section 79H (2) of the *Public Utilities Act*, the NSEB, in evaluating a franchise holder's application, "shall evaluate the proposed cost-effective demand-side management at the portfolio level that would be the aggregate amount of demand-side management programs."¹⁹

¹⁹ *Public Utilities Act*, s 79H(2). See also Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022.

E1 notes that in addition to providing portfolio level cost-effectiveness results, it also provides NSEB approved cost-effectiveness test results at the measure level and program level for informational purposes. This includes justification on why any measure falls below the 1.0 threshold when the cost-effectiveness test is applied, as per Board direction.

4.3.3 PERFORMANCE METRICS

4.3.3.1 DEFINITIONS

To provide clarity, the following definitions are used:²⁰

Performance Metric: A quantifiable measure that is used to track and assess the status of a specific achievement.

Performance Indicators: A set of particular performance metrics used to indicate or monitor progress toward performance targets. Performance Indicators are management tools that provide information to allow an organization to take action to help it deliver on performance targets.

Performance Target: A performance metric expressed as a specific quantified goal that identifies the desired outcome of an activity at a specific point in time. In this Application, Performance Targets refer to UARB-approved targets.

Performance Threshold: A predefined quantity, percentage, or range, which identifies the allowable deviation from a Performance Target within which the actual outcome is considered to have achieved success. In this Application, Performance Thresholds refer to UARB-approved thresholds.

²⁰ EfficiencyOne, Evidence, *In the Matter of the Public Utilities Act and in the Matter of an Application for Approval of the 2016-2018 Supply Agreement for EE&CA*, (27 Feb. 2016), at page 46.

4.3.3.2 REQUIREMENTS**Performance Targets and Thresholds²¹**

- i. Performance Targets apply to the period of the NSEB-approved DSM Purchase Agreement, rather than annually;
- ii. E1 is deemed to be in substantial compliance with the NSEB-approved Plan Performance Targets if 90 percent or greater achievement is reached on each of the Performance Targets. If less than 90 percent of any Performance Target is achieved, a regulatory process will be triggered.

Performance Targets consist of:²²

E1 will propose Performance Targets within each DSM Resource Plan. Proposed Performance Targets will be reflective of the DSM resources proposed for the upcoming Plan period (e.g., energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.).

Historically, each Plan period has established Performance Targets relevant to the DSM resources provided. Historically, Performance Targets have included:

- i. Cumulative annual energy savings;
- ii. Cumulative annual peak demand savings;
- iii. Demand Response Available Capacity; and
- iv. First-year energy savings applicable to the Affordable Single-family Homes, Affordable Multi-family Housing and Mi'kmaw Home Energy Efficiency Project programs (E1's dedicated low-income & equity programs);

²¹ M06733, NSUARB Order, *The Public Utilities Act and An Application for Approval of a Supply Agreement for electricity efficiency and conservation activities between EfficiencyOne and Nova Scotia Power Incorporated, the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management Resource Plan* (7 Oct 2015), at p 2 and Schedule B, page 5.

²² *Ibid.*

Performance Indicators consist of:²³

E1 will propose Performance Indicators within each DSM Resource Plan. These performance indicators will be specific to the DSM resources proposed within each future Plan (e.g. performance indicator metrics for energy efficiency, demand response, strategic electrification, solar-PV, other DSM resources, etc.).

Historically, E1's DSM Plans have proposed performance indicators relevant to the DSM resources provided. Historically, DSM Plan Performance Indicators have included:

- i. Annual incremental energy savings (reported by program and rate class);
- ii. Cumulative annual energy savings (reported by program and rate class);
- iii. Annual Lifetime savings (reported by program and rate class);
- iv. Cumulative lifetime energy savings (reported by program and rate class)
- v. Annual incremental peak demand savings (reported by program and rate class);
- vi. Cumulative annual peak demand savings (reported by program and rate class);
- vii. Available Demand response capacity (reported by program and rate class)
- viii. Total ratepayer benefits;
- ix. Total E1 spending (reported by program and rate class);
- x. Customer satisfaction;
- xi. An analysis of the impact on rates through the implementation of the programs will be included as part of E1's historical-looking rate and bill impact analysis, filed as part of each DSM Resource Plan application)Incidental cumulative annual energy savings applicable to low-income and equity communities from non-targeted programs; and
- xii. Reporting on low income program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information.

²³ *Ibid.*

4.3.4 DSM PROGRAMS

E1 will propose DSM programs within each DSM Resource Plan. DSM programs are offered to the Residential and the Business, Not-for-Profit and Institutional (BNI) sectors.

Historically, DSM programs have included::

- Residential – Efficient Product Rebates
- Residential – Existing Residential
- Residential – New Residential
- Residential – Energy Savings Actions
- Business, Not-for-Profit and Institutional – Efficient Product Rebates
- Business, Not-for-Profit and Institutional – Custom Incentives
- Business, Not-for-Profit and Institutional – Direct Installation
- Residential and BNI Demand Response

4.3.4.1 LOW INCOME & EQUITY CONSIDERATIONS

Other Low Income & Equity Programming

In accordance with Section 4.0, the Balanced Plan Approach, E1 will design and deliver programs and services that benefit low-income & equity customers.

4.3.5 ENABLING STRATEGIES

E1 will propose Enabling Strategies and categories within each DSM Resource Plan.

Historically, Enabling Strategies expenditures have included the following categories:

- Education and Outreach
- Development and Research
- Other Enabling Strategies

Specific Enabling Strategies activities requiring an annual investment of \$100,000 or more that benefit a specific rate class or classes will have the participant benefit portion (75%) of their investment allocated to the specific rate class or classes that receive the benefit. Investments under \$100,000, or any investment benefiting all rate classes, will have their participant benefit portion (75%) allocated according to the per-rate class investment of program expenditures.²⁴ In all cases, the system benefit portion (25%) is allocated on the basis of class energy and demand requirements.

4.4 DSM TRACKING, EVALUATION AND VERIFICATION

4.4.1 TRACKING

E1 will track the energy and capacity savings resulting from each program. Tracked results will be used in quarterly reports.

4.4.2 EVALUATION

E1 will retain the services of an independent DSM evaluation firm to conduct annual evaluations for each DSM program, as described in Section 4.6

4.4.3 VERIFICATION

The NSEB's savings verification consultant provides a verification review of the evaluated savings.

4.5 DSM RESOURCE PLANS (5-YEAR CYCLE)

E1 will prepare DSM Resource Plans as required by the NSEB, on a five-year cycle unless directed otherwise by the NSEB.²⁵

²⁴ M07151, NSUARB Decision Letter, *Nova Scotia Power Inc. – DSM Cost Allocation and Recovery (E-R-15)*, (11 Apr 2016), at page 6.

²⁵ Public Utilities Act, Amended (Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022, s. 79 I (2a).

4.6 REPORTING REQUIREMENTS

E1 proposes its DSM reporting within each DSM Resource Plan. This includes the following DSM reporting:

4.6.1 ANNUAL PROGRESS REPORTS

In the first quarter of the calendar year, E1 will file an Annual Progress Report (APR) with the NSEB, which will include the following information:²⁶

- A summary of the context, activities and milestones achieved in the prior year, including the status of annual performance indicators;
- A management discussion and analysis of any major discrepancies relative to the original plan's intent and forecasts;
- A summary of costs and savings for each program or target market area

In the event E1 proposes significant changes to elements within an approved Plan, advance notice will be provided to the NSEB and stakeholders within the APR. Significant changes include:²⁷

- Adding a new Program;
- Terminating an existing Program;
- Increasing or decreasing the 5-year plan budget and savings target for the total Residential or total BNI sector by more than 25%;

4.6.2 QUARTERLY REPORTS

E1 will file quarterly reports with the NSEB for quarters one through three of each year. The reports will provide quarterly status updates and service highlights, as well as communicate course adjustments within the current approved DSM Resource Plan.²⁸

²⁶ DSM Settlement Agreement 2013-2015 DSM Plan, May 28, 2012, Schedule A, s 2(a) and (b), page 3.

²⁷ *Ibid.*

²⁸ *Ibid.*

4.6.3 AUDITED FINANCIAL STATEMENTS

E1 will retain the services of an external financial auditor to prepare audited annual financial statements. These will be filed with the NSEB in the second quarter of the following year.

4.6.4 IMPACT EVALUATION

E1 will file impact evaluations for each program annually,²⁹ produced by an independent third party DSM program evaluator.

4.6.5 PROCESS EVALUATION

E1 will file process evaluations for individual programs, produced by an independent third party DSM program evaluator as necessary.³⁰ Examples of instances in which a program-level evaluation may occur include newly created program components that have not yet been evaluated, program components that have incurred major changes, program components that received a large number of recommendations from the evaluator, or program components that have a variance of energy savings larger than 25 percent of planned.

4.6.6 RATE AND BILL IMPACT ANALYSIS

E1 will file its historical Rate and Bill Impact Analysis (RBIA) as part of each DSM Resource Plan.³¹ The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year.

E1 will also file a forward-looking RBIA as part of each DSM Resource Plan. The forward-looking RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities conducted as part of the proposed DSM Resource Plan.

²⁹ Supra note 1, s 5(a)

³⁰ *Ibid.*

³¹ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5

4.7 DEMAND SIDE MANAGEMENT ADVISORY GROUP

The DSM Advisory Group is a forum to provide strategic or directional advice and stakeholder perspectives on current or emerging DSM issues including, but not limited to, issues identified in NSEB Orders pertaining to Demand Side Management.

EfficiencyOne

2027-2031 Demand Side Management Resource Plan

Round 2 Model Input Assumptions and Results

CIRCULATED: FEBRUARY 27, 2026





2027-2031 Demand Side Management Resource Plan
Round 2 Model Input Assumptions and Results

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2027-2031 Demand Side Management Resource Plan

Round 2 Model Input Assumptions and Results

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- Attachment 1: DSMAG Round 1 comments [This attachment has been removed.]
- Attachment 2: Round 2 Modelling Assumptions (Excel file)
- Attachment 3: Round 2 Measure Level Technical Tables 1EE-Base (excel)
- Attachment 4: Round 2 Measure Level Technical Tables 2EE-High (excel)
- Attachment 5: Round 2 DR Model Inputs (1DR-Base & 2DR-High) (excel)
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- Attachment 9: DSMAG Consideration of the Standardized Filing Framework - REDLINE
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2027-2031 Demand Side Management Resource Plan

Round 2 Model Input Assumptions and Results

1. INTRODUCTION

The modelling phase for the 2027-2031 Resource Plan defines the Demand Side Management (DSM) resources and scenarios that EfficiencyOne (E1) explores through modelling in preparation for its Plan application filing with the Nova Scotia Energy Board (NSEB).

E1 has now completed its Round 2 modelling. This report presents the results, key assumptions and insights from this Round 2 modelling exercise.

2. BACKGROUND AND OVERVIEW: ROUND 2 MODEL RESULTS

E1 circulated its Round 1 model assumptions and results to the Demand-Side Management Advisory Group (DSMAG) on October 27, 2025. E1 received written comments from DSMAG members regarding the initial model results on November 6, 2025. These comments, along with E1's responses are provided as Attachment 1. [This attachment has been removed].

Following Round 1 modelling, there have been several developments that have impacted Round 2 modelling:

- the NSEB issued their Decision on E1's Application for a new Benefit Cost Analysis Test (BCA) (December 10, 2025, M12282);
- the NSEB issued their Decision on E1's 2026 DSM Extension (December 22, 2025, M12249); and
- NS Power provided new avoided costs of energy and capacity to E1 on December 22, 2025.

In the NSEB's BCA Decision they directed E1 to use the Program Administrator Cost (PAC) test as its primary test for screening the cost effectiveness of its proposed DSM Plan for its next term and to use NS Power's weighted average cost of capital (WACC) as the discount rate in this assessment. The Round 2 results for 2027-2031 present the PAC results for all four DSM resources considered (energy efficiency, demand response, solar-PV and strategic electrification) using NS Power's current WACC and the new avoided costs received from NS Power in December 2025. It is the PAC results that will be assessed at the portfolio level (i.e., total Plan level) to ensure the DSM Plan meets the legislative requirement.

The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers. As shown in this report below, strategic electrification does not meet that second requirement of reducing electricity costs for customers. At this time the results indicate that E1 would not be able to include strategic electrification in its 2027-2031 DSM Plan.



2027-2031 Demand Side Management Resource Plan

Round 2 Model Input Assumptions and Results

In the NSEB's 2026 DSM Extension Decision they directed E1 to evaluate the Residential Behaviour program to determine if it could be improved as a marketing program or discontinued in the 2027-2031 DSM Plan. E1 has considered this directive for Round 2 modelling and has removed Residential Behaviour as a program component for the five-year Plan. This removed a significant portion of residential savings.

Additionally, E1 has considered both the Board's and DSMAG comments regarding concerns with demand response (DR). E1 has addressed these concerns in Round 2 by eliminating the Residential DR program component (marketed to customers as Eco-Shift) in the Base DR scenario for 2027-2031. In the High DR scenario, E1 has maintained existing smart thermostats and domestic water heater controllers in the Residential DR program component for the 2027-2031 DSM Plan period but has eliminated all new installs.

3. KEY GLOBAL ASSUMPTIONS & DESIGN CONSIDERATIONS

3.1 DESIGN CONSIDERATIONS

In Round 1 comments from DSMAG members as well as in the 2026 DSM Extension proceeding, E1 heard that there was limited support for the three design objectives that E1 has been using to guide the development of recent DSM Plans, including the 2027-2031 DSM Plan. As a reminder these were:

- 50/50 investment split between the Residential and Business, Non-profit and Institutional (BNI) sectors;
- 40/60 energy savings split between the Residential and BNI sectors; and
- 15-20% investment in low-income and equity as a percent of total energy efficiency portfolio.

In response to the comments from DSMAG members, E1 has developed a new methodology and approach for each DSM resource scenario design which are described below.

Energy Efficiency

Energy Efficiency (EE) continues to be a crucial resource for Nova Scotia's electricity system as demonstrated in integrated resource planning by reducing system load and peak, improving grid reliability and lowering electricity costs to ratepayers. The level of energy savings identified within the integrated resource planning process is core to the development of E1's DSM Plan.

Nova Scotia Power's 2022 Integrated Resource Plan (IRP) selected Base EE as the optimal level of EE that results in the lowest revenue requirement. EE was treated as a load modifier in the IRP and resulted in a reduction of 684 GWh being required to be provided by supply side options during the 2027-2031 period. E1 has modelled the optimal energy savings from the IRP, referred to as the IRP Scenario, resulting in a total investment of \$464 million. E1 considers this scenario to be achievable. The modelling results conclude that with this level of investment, EE remains cost effective with a PAC result of 2.4 demonstrating this investment is the lowest cost option when compared to the supply side alternatives.



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However, E1 understands from past DSM Plan proceedings the importance of considering both short- and long-term affordability. E1 has heard from stakeholders that in today's landscape, short term affordability remains a key factor in determining the appropriate level of EE included in the DSM Plan as Nova Scotians continue to face increasing costs of housing, food and energy.

E1 considers energy savings to be the foundation or the design objective for the development of the EE scenarios modelled in the 2027-2031 DSM Plan. This is also supported by the recommendation received from [some DSMAG members that] recommended that residential energy savings for the Base EE Scenario should be 1.0% and for the High EE Scenario 1.25% of residential load. E1 has also relied on a jurisdictional scan conducted by APEX, a third-party expert, to help inform the percentage of load that is considered appropriate. The jurisdictional scan compared both U.S. and Canadian utilities, with similar climate and program mix. APEX has recommended 0.8% to 1.0% of load would be reasonable and aligned with comparable utilities. This is also aligned with E1's 2023-2025 DSM Plan at 1.0% of load and 0.87% of load in the 2026 DSM Extension (adjusted to reflect the removal of the Residential Behaviour program). Following the NSEB's Decision on E1's 2026 DSM Extension, E1 has removed the Residential Behaviour program component from the 2027-2031 DSM Plan. Both E1's Base and High EE Scenarios have relied on this recommendation.

In addition to providing guidelines for the energy savings assumptions for total EE, E1 asked APEX, during the same engagement, to provide a recommendation for the appropriate allocation of these savings to the Residential and Business Not-for-Profit (BNI) sectors. APEX has recommended a 30%/70% split for these sectors as reasonable and aligned with comparable utilities. Both E1's Base and High EE Scenarios have relied on this recommendation.

Dedicated low income and equity programs' savings are held constant in both scenarios with the energy savings aligned with the percent (%) of the total energy savings of the residential programs in the 2023-2025 DSM Plan at 8.3% of total residential energy savings and 2026 DSM Extension at 10% of total residential energy savings.

Demand Response

Demand Response (DR) was introduced as an E1 program in the 2023-2025 DSM Plan and is a critical resource to support Nova Scotia's electricity system. E1 has heard and is responding to concerns from stakeholders regarding both achievability and cost effectiveness. In the development of Round 2 DR modelling, achievability and cost effectiveness informed the design of both the Base and High DR scenarios.

As a new program, the ramp up or the implementation was slower than E1 had planned, resulting in underachievement of the DR performance targets. For the 2027-2031 DSM Plan it was critical that the performance targets for both scenarios were realistic and reasonable, that E1 was confident in



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achievability. The available capacity remains within, not exceeding, the optimal level of available capacity that was identified in Nova Scotia Power's 2022 IRP.

In addition to achievability, E1 also applied a design objective of meeting or exceeding an overall cost-effectiveness result of 1.0 for both the Base and High scenarios.

Solar PV

Providing support to non-profits, diverse, and equity communities is the objective of E1's Solar PV programs in the 2027-2031 DSM Plan. The Residential Solar PV program provides direct support to Nova Scotia's Mi'kmaw communities participating in the EE New Residential program. The BNI Solar PV programs are intended to support non-profit organizations that serve equity deserving communities. E1 has maintained the same level of investment for the BNI programs as the Residential programs.

Strategic Electrification

The priority consideration for Strategic Electrification (SE) was to ensure alignment with the definition of strategic electrification as outlined in the *Public Utilities Act*, ("in a manner that reduces overall greenhouse gas emissions and electricity costs"). In the Energy Board's Decision in Matter M12282, E1's application for approval of a new Benefit Cost Analysis test, legislation requires that SE must meet both requirements of reducing electricity costs and GHG emissions for SE to consider its inclusion in a DSM Plan.

SE programs are focusing on building electrification measures drawing on E1's experience in delivering these measures allowing E1 to leverage existing program delivery and partnerships. As E1 had committed to [DSMAG member], the list of SE measures modelled include hybrid heating options. E1 heard from DSMAG members that when introducing a new program or resource, E1 has tended to be more optimistic in assumptions of both timelines and performance targets. In response to this, SE modelling has assumed a slow ramp up over the DSM Plan period, allowing for a reasonable timeline for implementation and gain evaluation insights to help inform the next DSM Plan.

3.2 COST-EFFECTIVENESS TESTING

E1 has provided Program Administrator Cost (PAC) test results for Round 2 modelling for all four of the DSM resources considered. Attachment 2 provides detail on the impact quantification used for Round 2 (Refer to tab "CET Assumptions").

3.3 MODELLING

E1 shared its key model assumptions, cost effectiveness test (CET) assumptions, and low-income and equity assumptions in the Round 1 model results package circulated October 27, 2025. There have been no changes to E1's approach to its key assumptions or low-income and equity assumptions since Round



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1; however, E1 has updated its CET assumptions in Round 2 to reflect the Board's decision in M12282 in which E1 was directed to:

- use the PAC test as its primary test for screening the cost effectiveness of its proposed DSM Plan; and
- use NS Power's WACC as the discount rate.

The CET assumptions have also been updated to reflect the updated avoided costs provided to E1 by NS Power and circulated to the DSMAG on January 8, 2026. These avoided costs were used in PAC modelling for Round 2.

Although E1's approach to its key assumptions has not changed since Round 1, E1 continues to review and refine all model inputs, particularly those at the measure level. These values may be adjusted throughout the modelling process and will be finalized prior to submission of the 2027-2031 DSM Plan Application.

Please refer to Attachment 2 which sets out E1's key model assumptions, CET assumptions, and low-income and equity assumptions.



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4. ROUND 2 MODEL RESULTS BY DSM RESOURCE

4.1 ENERGY EFFICIENCY ROUND 2 MODEL RESULTS

Table 1 provides insights for the Base and High EE scenarios modelled in Round 2.

Table 1: Energy Efficiency Insights - Scenario 1EE-Base and Scenario 2EE-High

EE Scenarios (2027-2031)	Scenario 1EE-Base			Scenario 2EE-High		
	RES	BNI	Total	RES	BNI	Total
Carbon Emissions Avoided						
Five-Year Annual Total (kilotonne)	20	51	71	26	55	82
Cumulative Lifetime (kilotonne)	121	277	398	153	320	473
Energy & Demand Savings						
First-year Energy Savings (GWh)	151	320	470	193	369	562
Lifetime Energy Savings (GWh)	1,783	3,889	5,672	2,250	4,631	6,881
Dedicated Low-income and equity energy savings (GWh)	15.4	0.0	15.4	15.4	0	15.4
Dedicated Low-Income and equity energy savings as a % of total Residential energy savings	10%	n/a	n/a	8%	n/a	n/a
Weighted Average Measure Life (yrs)	11.8	12.2	12.1	11.6	12.6	12.2
Energy Savings as % of NS Power Load	-	-	0.8%	-	-	1.0%
Energy Savings (EE) Split ^a	32%	68%	-	34%	66%	-
Demand Savings (EE) Split	47%	53%	-	47%	53%	-
Investment						
% of Total Investment in Dedicated Low-Income & Equity	36.5% ^c	0%	20.5% ^c	31.6% ^c	0%	18.2% ^c
EE Investment Split	55%	45%	-	57%	43%	-
First-Year Unit Cost (\$/kWh)	1.22 ^c	0.45 ^c	0.70 ^c	1.11 ^c	0.43 ^c	0.66 ^c
Lifetime Unit Cost (\$/kWh)	0.1 ^c	0.04 ^c	0.06 ^c	0.1 ^c	0.03 ^c	0.05 ^c
Benefits						
Total Benefits PAC (\$ million)	268	410	678	328	481	809
PAC Results	1.9 ^b	3.5 ^b	2.3 ^c	2.0 ^b	3.7 ^b	2.5 ^c

^a First year savings

^b Excluding Enabling Strategy investment

^c Including Enabling Strategy investment



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4.1.1 SCENARIO 1EE: BASE

The five-year total program and program component Round 2 modelling results are provided in Table 2. Attachment 3 provides the measure level technical tables for Scenario 1EE-Base.

Table 2: Scenario 1EE-Base – Round 2 Modelling Results

Scenario 1EE - Base (2027-2031)	Investment (\$ million)	Lifetime PAC Benefits (\$ million)	First Energy Savings (GWh)	Lifetime Energy Savings (GWh)	Peak Demand Savings (MW)	Weighted Average Measure Life (years)	Program Administrator Cost Test (PAC)
RESIDENTIAL (RES) EE PROGRAMS							
Efficient Product Rebates	21.5	129.0	80.3	849.2	20.9	10.6	7.0
<i>Instant Savings</i>	21.5	129.0	80.3	849.2	20.9	10.6	7.0
Existing Residential	132.7	135.8	69.6	900.9	21.7	12.9	1.2
<i>Affordable Multi-Family Housing</i>	13.8	14.2	5.0	86.8	2.3	17.3	1.2
<i>Affordable Single-Family Homes</i>	48.4	33.6	9.2	176.5	6.6	19.1	0.8
<i>Efficient Product Installation</i>	39.1	36.1	42.9	396.6	2.5	9.2	1.0
<i>Home Energy Assessment</i>	30.9	51.4	12.3	239.6	10.1	19.4	1.9
<i>MHEEP</i>	0.6	0.5	0.1	1.3	0.1	18.6	0.9
<i>Residential Behaviour</i>	0.0	0.0	0.0	0.0	0.0	N/A	N/A
New Residential	5.1	3.2	1.1	32.8	0.4	30.8	0.7
<i>Advanced New Homes</i>	5.1	3.2	1.1	32.8	0.4	30.8	0.7
<i>Residential Dedicated Low-Income & Equity Impacts</i>	67.8	51.5	15.4	297.4	9.4	19.3	0.9
<i>Residential Total (Incidental & Dedicated) Low-Income and Equity Impacts</i>	81.1	64.9	31.3	444.2	10.5	14.2	0.9
<i>Residential Non Low-Income & Equity Impacts</i>	78.2	203.1	119.7	1,338.7	32.5	11.2	3.0
RES Programs Subtotal	159.3	268.0	151.0	1,782.8	43.0	11.8	1.9
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) EE PROGRAMS							
Efficient Product Rebates	20.2	55.3	42.8	469.1	7.9	11.0	3.1
<i>Business Energy Rebates</i>	20.2	55.3	42.8	469.1	7.9	11.0	3.1
Custom Incentives	76.3	305.3	247.9	3,056.5	33.3	12.3	4.5
<i>Custom</i>	70.8	293.2	229.1	2,947.0	31.0	12.9	4.6
<i>EMIS/SEM</i>	5.5	12.1	18.8	109.5	2.3	5.8	2.5
Direct Installation	35.5	48.9	28.8	363.9	7.8	12.6	1.5
<i>Small Business Energy Solutions</i>	35.5	48.9	28.8	363.9	7.8	12.6	1.5
<i>BNI Low-Income Impacts (included within above programs)</i>	0.7	2.0	1.0	19.3	0.2	18.7	3.2
BNI Programs Subtotal	131.9	409.5	319.5	3,889.5	49.0	12.2	3.5
EE PROGRAMS SUBTOTAL	291.2	677.5	470.5	5,672.3	92.0	12.1	2.6
ENABLING STRATEGIES (ES)							
<i>Education and Outreach</i>	8.5						
<i>Development and Research</i>	7.3						
<i>Other Enabling Strategies</i>	14.0						
<i>Market Transformation</i>	8.8						
ENABLING STRATEGIES SUBTOTAL	38.5						
EE PORTFOLIO TOTAL (EE + ES)	329.7	677.5	470.5	5,672.3	92.0	12.1	2.3

Energy savings and lifetime energy savings = net electrical savings



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4.1.2 SCENARIO 2EE – HIGH

The five-year total program and program component Round 2 modelling results are provided in Table 3. Attachment 4 provides the measure level technical tables for Scenario 2EE-High.

Table 3: Scenario 2EE-High – Round 2 Modelling Results

Scenario 1EE - High (2027-2031)	Investment (\$ million)	Lifetime PAC Benefits (\$ million)	First Energy Savings (GWh)	Lifetime Energy Savings (GWh)	Peak Demand Savings (MW)	Weighted Average Measure Life (years)	Program Administrator Cost Test (PAC)
RESIDENTIAL (RES) EE PROGRAMS							
Efficient Product Rebates	28.1	160.6	104.7	1,109.8	24.7	10.6	6.6
Instant Savings	28.1	160.6	104.7	1,109.8	24.7	10.6	6.6
Existing Residential	155.6	164.0	87.5	1,107.1	25.7	12.7	1.2
Affordable Multi-Family Housing	13.8	14.2	5.0	86.8	2.3	17.3	1.2
Affordable Single-Family Homes	48.1	33.6	9.2	176.5	6.6	19.1	0.8
Efficient Product Installation	50.6	47.7	56.8	524.1	3.4	9.2	1.1
Home Energy Assessment	42.6	68.0	16.4	318.4	13.3	19.4	1.9
MHEEP	0.6	0.5	0.1	1.3	0.1	18.6	0.9
Residential Behaviour	0.0	0.0	0.0	0.0	0.0	N/A	N/A
New Residential	5.1	3.2	1.1	32.8	0.4	30.8	0.7
Advanced New Homes	5.1	3.2	1.1	32.8	0.4	30.8	0.7
Residential Dedicated Low-Income & Equity Impacts	67.5	51.5	15.4	297.4	9.4	19.3	0.9
Residential Total (Incidental & Dedicated) Low-Income and Equity Impacts	84.7	69.2	36.4	491.3	10.8	13.5	0.9
Residential Non Low-Income & Equity Impacts	104.1	258.6	156.9	1,758.4	40.0	11.2	2.9
RES Programs Subtotal	188.8	327.8	193.3	2,249.7	50.8	11.6	2.0
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) EE PROGRAMS							
Efficient Product Rebates	20.4	55.3	42.9	469.2	7.9	10.9	3.0
Business Energy Rebates	20.4	55.3	42.9	469.2	7.9	10.9	3.0
Custom Incentives	87.2	375.2	294.7	3,784.8	40.6	12.8	4.9
Custom	81.5	363.1	275.9	3,675.3	38.4	13.3	5.0
EMIS/SEM	5.7	12.1	18.8	109.5	2.3	5.8	2.4
Direct Installation	37.3	50.7	31.2	377.3	8.2	12.1	1.5
Small Business Energy Solutions	37.3	50.7	31.2	377.3	8.2	12.1	1.5
BNI Low-Income Impacts (included within above programs)	0.8	2.4	1.2	23.1	0.2	19.3	3.5
BNI Programs Subtotal	144.9	481.2	368.8	4,631.3	56.8	12.6	3.7
EE PROGRAMS SUBTOTAL	333.6	809.0	562.0	6,881.0	107.5	12.2	2.8
ENABLING STRATEGIES (ES)							
Education and Outreach	8.5						
Development and Research	7.3						
Other Enabling Strategies	14.0						
Market Transformation	8.8						
ENABLING STRATEGIES SUBTOTAL	38.5						
EE PORTFOLIO TOTAL (EE + ES)	372.1	809.0	562.0	6,881.0	107.5	12.2	2.5

Energy savings and lifetime energy savings = net electrical savings



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4.2 DEMAND RESPONSE ROUND 2 MODEL RESULTS

Table 4 provides insights for the two DR scenarios modelled in Round 2.

Table 4: DR Scenarios - Round 2 Modelling Insights

Round 2 Model - All DR Scenarios 2027-2031	Scenario 1DR-Base	Scenario 2DR-High
Capacity Impacts		
Capacity as a % of NSP Net System Peak (2031) <i>2,503 MW (2025 Load Forecast)</i>	1.0%	1.4%
Capacity as % of NSP Firm Peak Load (2031) <i>2,332 MW (2025 Load Forecast)</i>	1.1%	1.5%
Capacity as a % of DR in 2025 Load Forecast (2031) <i>80 MW in 2031</i>	31.9%	44.5%
Capacity as a % of non-TVP DR in 2025 Load Forecast (2031) <i>45 MW in 2031</i>	56.7%	79.1%

4.2.1 SCENARIO 1DR-BASE AND SCENARIO 2DR-HIGH

The five-year total program component and pathways Round 2 modelling results are provided in Table 5 for Scenario 1DR - Base. Attachment 5 provides the Round 2 DR Model inputs for 1 DR-Base and 2DR-High and Attachment 6 provides the DR model outputs for the two DR scenarios.

Table 5: Scenario 1DR-Base – Round 2 Modelling Results

Scenario 1DR-Base (2027-2031)	Investment (\$ million)	PAC Lifetime Benefits (\$ million)	Available Capacity ¹ (MW)	Program Administrator Cost (PAC)
BNI Demand Response	18.8	40.5	25.5	2.4
BNI Curtailment	18.8	40.5	25.5	2.4
TOTAL	18.8	40.5	25.5	2.4

¹ Available capacity represents the total capacity available in 2031 for E1 programs.

The five-year total program component and pathways Round 2 modelling results for Scenario 2DR – High are provided in Table 6.



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Table 6: Scenario 2DR-High – Round 2 Modelling Results

Scenario 1DR-High (2027-2031)	Investment (\$ million)	PAC Lifetime Benefits (\$ million)	Available Capacity ¹ (MW)	Program Administrator Cost (PAC)
Residential Demand Response	10.3	7.2	3.8	0.7
DLC - Smart Thermostats	8.2	5.3	2.8	0.7
DLC - Water Heaters	2.1	1.9	1.0	0.8
BNI Demand Response	22.2	46.0	31.7	2.3
BNI Curtailment	22.2	46.0	31.7	2.3
TOTAL	32.5	53.2	35.6	1.8

¹ Available capacity represents the total capacity available in 2031 for E1 programs.

4.3 SOLAR-PV ROUND 2 MODEL RESULTS

Table 7 provides insights for the Solar-PV scenario modelled in Round 2.

Table 7: Solar-PV Scenario - Round 2 Modelling Insights

Scenario 1Solar-PV-Base	RES	BNI	Total
Carbon Emissions Avoided			
Five-Year Annual Total (kilotonne)	0.2	0.3	0.5
Cumulative Lifetime (kilotonne)	2.9	4.4	7.3
Generation & Installed Capacity			
Estimated Generation Split*	39%	61%	-
Installed Capacity Split	37%	63%	-
Investment			
Investment Split	47%	53%	-
First Year Unit Cost (\$/kWh)	2.32	1.67	1.92
Lifetime Unit Cost (\$/kWh)	0.08	0.06	0.06

4.3.1 SCENARIO 1SOLAR-PV-BASE

The five-year total Round 2 modelling results are provided in Table 8. Attachment 7 provides the measure level technical tables for Scenario 1Solar-PV-Base.



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Table 8: Scenario 1Solar-PV-Base - Round 2 Modelling Results

Scenario 1Solar-PV - Base (2027-2031)	Investment (\$ million)	Lifetime PAC Benefits (\$ million)	Estimated Generation (GWh)	Lifetime Estimated Generation (GWh)	Peak Demand Savings (MW)	Installed Capacity (MW)	Weighted Average Measure Life (years)	Program Administrator Cost Test (PAC)
RESIDENTIAL (RES) Solar-PV								
New Residential	4.0	2.8	1.7	52.2	0.0	2.0	30.0	0.8
Advanced New Homes	4.0	2.8	1.7	52.2	0.0	2.0	30.0	0.8
Residential Low-Income Impacts (included within above programs)	4.0	2.8	1.7	52.2	0.0	2.0	30.0	0.8
RES Subtotal	4.0	2.8	1.7	52.2	0.0	2.0	30.0	0.8
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) Solar-PV								
Efficient Product Rebates	4.5	4.2	2.7	81.5	0.0	3.4	30.0	1.1
Business Energy Rebates	4.5	4.2	2.7	81.5	0.0	3.4	30.0	1.1
BNI Low-Income Impacts (included within above programs)	4.5	4.2	2.7	81.5	0.0	3.4	30.0	1.1
BNI Subtotal	4.5	4.2	2.7	81.5	0.0	3.4	30.0	1.1
SOLAR-PV TOTAL	8.6	7.0	4.5	133.7	0.0	5.4	30.0	0.9

4.4 STRATEGIC ELECTRIFICATION ROUND 2 MODEL RESULTS

Table 9 provides insights for the Strategic Electrification scenario modelled in Round 2.

Table 9: 1SE-Base Scenario - Round 2 Modelling Insights

Scenario 1SE-Base	RES	BNI	Total
Carbon Emissions Avoided			
Five-Year Annual Total (kilotonne)	1	6	8
Cumulative Lifetime (kilotonne)	20	111	131
Energy & Demand Impacts			
Lifetime Net Energy Impacts (GJ)	214,176	906,709	1,120,885
Weighted Average Measure Life (yrs)*	17.1	13.4	13.7
Net Energy Savings Split (GJ)*	19%	81%	-
Investment			
Investment Split	29%	71%	-
First-Year Unit Cost (\$/GJ)	283	159	183
Lifetime Unit Cost (\$/GJ)	17	10	11
Benefits			
Total Benefits PAC (\$ million)	0	0	0
Total Benefits Modified-PAC (\$ million)	4.1	27.6	31.7
Total Costs PAC & Modified-PAC (\$ million)	7.5	40.7	48.2



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4.4.1 SCENARIO 1SE-BASE

The five-year total Round 2 modelling results are provided in Table 10. Attachment 8 provides the measure level technical tables for Scenario 1SE-Base.

Table 10: 1SE-Base – Round 2 Modelling Results

Scenario 1SE - Base (2027-2031)	Investment (\$ million)	Lifetime PAC Benefits (\$ million)	Modified-PAC Lifetime Benefits (\$ million)	First Year Electric Energy Savings (GWh)	Lifetime Electric Energy Savings (GWh)	Peak Demand Savings (MW)	First Year Net Energy Impacts (GJ)	Lifetime Net Energy Impacts (GJ)	Weighted Average Measure Life (years)	CO ₂ e Savings (kt)	Lifetime CO ₂ e Savings (kt)	Program Administrator Cost Test (PAC)	Modified- PAC Test
RESIDENTIAL (RES) SE													
Efficient Product Rebates	3.6	0.0	4.1	-2.1	-37	-0.6	12,614	214,176	17.1	1.1	19.8	0.0	0.5
Instant Savings	3.6	0.0	4.1	-2.1	-37	-0.6	12,614	214,176	17.1	1.1	19.8	0.0	0.5
RES Subtotal	3.6	0.0	4.1	-2.1	-37	-0.6	12,614	214,176	17.1	1.1	19.8	0.0	0.5
BUSINESS, NON-PROFIT & INSTITUTIONAL (BNI) SE													
Efficient Product Rebates	6.0	0.0	14.0	-9.6	-169	-2.3	48,893	850,969	17.6	4.4	85.6	0.0	0.6
Business Energy Rebates	6.0	0.0	14.0	-9.6	-169	-2.3	48,893	850,969	17.6	4.4	85.6	0.0	0.6
Custom Incentives	2.7	0.0	13.5	-13.5	-142	-1.1	5,309	55,739	10.5	2.0	25.8	0.0	0.9
Custom	2.7	0.0	13.5	-13.5	-142	-1.1	5,309	55,739	10.5	2.0	25.8	0.0	0.86
BNI Subtotal	8.6	0.0	27.6	-23.1	-311	-3.4	54,201	906,709	13.4	6.5	111.4	0.0	0.7
SE TOTAL	12.2	0.0	31.7	-25.3	-348	-3.9	66,815	1,120,885	13.7	7.5	131.2	0.0	0.7

5. ROUND 2 PORTFOLIO SCENARIOS & MODEL RESULTS

Table 11 provides results for the DSM Resource scenarios modelled in Round 2. This includes two scenarios for EE, two scenarios for DR, one solar-PV scenario and one strategic electrification scenario.

Table 11: DSM Resource Scenarios Round 2 Modelling Results

2027-2031 DSM Resource Plan											
DSM RESOURCE	SCENARIO	Electric Energy Savings (GWh)	Electric Demand Savings (MW)	Estimated Generation (GWh)	Available Capacity (MW)	Installed Capacity (MW)	GHG Reductions (kt)	Net Energy Savings (GJ)	Investment (\$M)	Program Administrator Cost Test (PAC)	Modified - Program Administrator Cost Test (PAC)
ENERGY EFFICIENCY (EE)	Base	471	92	n/a	n/a	n/a	71	n/a	\$330	2.3	n/a
	High	562	108	n/a	n/a	n/a	82	n/a	\$372	2.5	n/a
DEMAND RESPONSE (DR)	Base	n/a	n/a	n/a	26	n/a	n/a	n/a	\$19	1.8	n/a
	High	n/a	n/a	n/a	36	n/a	n/a	n/a	\$33	2.4	n/a
SOLAR-PV	Base	n/a	0	5	n/a	5	1	n/a	\$9	0.9	n/a
STRATEGIC ELECTRIFICATION	Base	n/a	n/a	n/a	n/a	n/a	7.5	66,815	\$12	0	0.7

For comparison purposes, below, Table 12 provides details on the 2023-2026 DSM Resource Plan period.

Table 12: 2023-2026 DSM Resource Plan

2023-2026 Plan as Approved					
DSM RESOURCE	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Available Capacity (MW)	Average Annual Investment (\$M)
ENERGY EFFICIENCY (EE)	220.2	528.7	97.7	n/a	55.1
DEMAND RESPONSE (DR)	16.5	n/a	n/a	16.3	4.1
TOTAL	236.8	528.7	97.7	16.3	59.2



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6. ENABLING STRATEGIES

In Round 2 modelling, E1 assumed that Enabling Strategies include the following four categories:

- Education & Outreach;
- Research & Development;
- Other Enabling Strategies: and
- Market Transformation.

Education and Outreach, Development and Research, and Other Enabling Strategies are categories that have been included in E1's previous DSM Plans, while Market Transformation is a new category being introduced for the 2027-2031 Plan.

Other Enabling Strategies represent all regulatory costs related to E1's regulatory matters incurred by E1 and those flow through costs to support the Nova Scotia Energy Board and consultants; Consumer Advocate and consultants; and the Small Business Advocate and consultants.

In Round 2 modelling, the total Enabling Strategies investment for the 2027-2031 is detailed in Table 13.

Table 13: Enabling Strategies –2027-2031

Category	2027-2031 Investment (\$M)	2027-2031 Average Annual Investment (\$M)
Education and Outreach	8.5	1.7
Development and Research	7.3	1.5
Other Enabling Strategies	14.0	2.8
Market Transformation	8.8	1.8
TOTAL	38.5	7.7

For comparison purposes, Table 14 shows the investment by category for the 2023-2026 DSM Plan and the average annual investment.

Table 14: Enabling Strategies - 2023-2026

Category	2023-2026 Investment (\$M)	2023-2026 Average Annual Investment (\$M)
Education & Outreach	6.0	1.5
Development & Research	6.9	1.7
Other Enabling Strategies	7.1	1.8
Market Transformation	n/a	n/a
TOTAL	19.9	5.0



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E1 has provided a brief overview of the proposed key activities by enabling strategy category in Table 15, below.

Table 15: 2027-2031 Enabling Strategies Categories and Activities

Enabling Strategies Category	Description of Activities
Education and Outreach	- Education and Outreach activities are designed to drive awareness of, and participation in, E1's DSM programs; and to ensure energy efficiency and conservation considerations are top of mind for residents, businesses, and communities. - Areas of focus include outreach (home shows, community events, partnerships), education (website, Green Schools, Efficiency Preferred Partners) and support for Mi'kmaw communities (community engagement).
Development and Research	- Development and Research activities are aimed at ensuring E1 is responsive to changing or emerging technologies, products, trends, and attitudes in the marketplace. The insights from development and research activities will be used to make any necessary program or service delivery adjustments throughout the implementation of this five-year plan, and to inform E1's program offerings in the next DSM Plan (2032-2036). - Areas of focus include information and analytics (research and data analytics) and engineering & planning (innovation, codes and standards). Innovation activities will focus on five key potential areas – demand response, demand flexibility, strategic electrification, market transformation, and locational DSM.
Other Enabling Strategies	- Other Enabling Strategies activities are designed to manage all DSM-related filings, including reporting on the progress of all aspects of the 2027-2031 DSM Plan, the development of E1's next DSM Plan (2032-2036), responding to other regulatory directives, and participating in various other matters. Throughout these activities, E1 also consults and engages with DSM stakeholders, and incorporates feedback from them. - Areas of focus include DSM planning (2032-2036 DSM Plan), regular DSM matters (reporting and responding to directives), and other regulatory matters (potential study, IRP)
Market Transformation	- Designed to pursue opportunities presented by products that offer savings potential but face significant barriers to widespread adoption in the market. By intervening in the market and working with the industry, E1's Market Transformation program aims to overcome those barriers and realize savings. These efforts are critical to long-term growth in energy efficiency in Nova Scotia, as the savings potential of traditional resource acquisition programs are expected to decline in the future. - Areas of focus include a heat pump water heater pilot and the addition of a second market transformation measure.



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7. RATE CLASS ALLOCATION

Table 16, below, provides a breakdown of the 2027-2031 DSM Plan expenditures by rate class for each resource scenario modelled in Round 2.

Table 16: 2027-2031 DSM Plan Expenditures by Rate Class

Resource Scenario	Expenditures (\$ million) by Rate Class									
	Residential/Charitable (2,3,4)	Small General (10)	General (11)	Large General (12)	Small Industrial (21)	Medium Industrial (22)	Large Industrial (23, 25)	Municipal (24)	Unmetered (999)	TOTAL
1EE - Base	186.0	15.0	84.2	7.3	7.0	6.1	20.8	3.2	0.2	329.7
2EE - High	215.9	15.8	91.2	8.2	7.6	6.7	23.0	3.5	0.2	372.1
1DR- Base	0.0	0.0	3.6	4.4	1.2	9.5	0.1	0.0	0.0	18.8
2DR- High	10.3	0.0	4.2	5.1	1.3	11.4	0.2	0.0	0.0	32.5
1Solar-PV-Base	7.5	0.3	0.6	0.0	0.0	0.0	0.0	0.1	0.0	8.6
1SE-Base	4.0	0.9	4.8	0.5	0.4	0.4	1.1	0.1	0.0	12.2

8. STANDARDIZED FILING FRAMEWORK

In the Board's Decision on the 2023-2025 DSM Plan (M10473), the NSEB strongly encouraged the DSMAG to consider whether changes to the Standardized Filing Framework were required, noting that parties should engage in discussion around the continued application or desired changes before the next DSM Plan was developed.

In the 2026 DSM Extension Decision (M12249), the Board directed E1 to "continue its engagement with the DSMAG on the Standardized Filing Framework, a review of E1's "balanced plan", the relevant factors and weighing of factors for consideration in E1's next DSM Plan, and the impact of the Board's decision in Matter M12282."

E1 initiated DSMAG engagement on the Standardized Filing Framework in 2024 and 2025 as part of 2026-20301 DSM Plan development. As part of this process, E1 proposed updates to the Framework for DSMAG consideration and comment. E1 then incorporated this feedback received from the DSMAG and provided updated proposed revisions to the Framework as part of the 2027-2031 Round 1 Model Results report.

E1 has received further input and comments from DSMAG members on Framework revisions and has incorporated these proposed revisions in a Redline version in Attachment 9 and a Clean version in Attachment 10. A streamlined version of the Framework, reflecting proposed revisions from [some DSMAG members] is provided in Attachment 11.



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9. UPDATE ON BOARD DIRECTIVES: 2027-2031 DSM PLAN

E1 received several Board directives relating to the development of the 2027-2031 Plan and has provided an update on these items in Table 17, below. As always, E1 remains committed to complying with all Board directives.

Table 17: Update on Board Directives Relating to the 2027-2031 Plan

Board Directives	E1 Update
Application for a new Benefit Cost Analysis (BCA) Test for evaluating DSM Plans (M12282)	
E1 is directed to use the Program Administrator Cost (PAC) test as its primary test for screening the cost-effectiveness of its proposed 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 <i>Public Utilities Act</i>, this screening will occur at the portfolio level.	- E1 has provided PAC cost-effectiveness test results for Round 2 for all four DSM resources considered (energy efficiency, demand response, solar-PV and strategic electrification using NS Power's current WACC and the new avoided costs received from NS Power in December 2025. - E1 will provide PAC results in its 2027-2031 DSM Plan Application using NS Power's current WACC and the new avoided costs received from NS Power in December 2025. It is the PAC results that will be assessed at the portfolio level (i.e., total Plan level) to ensure the DSM Plan meets the legislative requirement.
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.	E1 used a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification in Round 2 results. E1 notes that strategic electrification must both reduce GHG emissions and electricity costs for customers. As of Round 2 results, electrification does not meet that second requirement of reducing electricity costs for customers.
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.	E1 will provide justification for measures that fail the primary cost-effectiveness test in its 2027-2031 DSM Plan Application.
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	A) Not applicable at this time as E1 has used the PAC test the Board has directed E1 to apply.



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Board Directives	E1 Update
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	• B) E1 has calculated emissions impacts (kT) as part of Round 2 modelling. These impacts are not included in either the PAC or modified-PAC E1 performed in Round 2. E1 has requested long-run marginal emissions rates from NS Power. NS Power has responded noting that this information is not currently available and represents a net new requirement that will require additional analysis and discussion on methodology. Until this new information is available E1 will continue using emission intensity information from the 2022 IRP to calculate emissions impacts from the DSM portfolio. • C) Not applicable at this time as E1 has used the PAC test the Board has directed E1 to apply.
• As previously directed, Eastward is to be included as a member of the Demand	• Eastward Energy is a member of the DSMAG.
2026 DSM Extension (M12249)	
• To continue its engagement with the DSMAG on the Standardized Filing Framework, a review of E1's "balanced plan", the relevant factors and weighing of factors for consideration in E1's next DSM Plan, and the impact of the Board's decision in Matter M12282	• E1 is continuing its engagement with the DSMAG on the Framework. • Proposed revisions to the Framework are provided as attachments to these Round 2 materials. Attachment 9 provides a Redline version and Attachment 10 provides a Clean version. A streamlined version of the Framework reflecting proposed revisions from [some DSMAG members], is provided in Attachment 11.
• E1 may include the energy savings related to its Residential Behaviour program and demand savings from its Residential Demand Response and BNI Demand Response programs for 2024 but must assess and address concerns with these programs in its application for its five-year DSM Plan.	• E1 has addressed concerns with these programs in its Round 2 modelled scenarios. • E1 will address concerns with these programs in its 2027-2031 application.
• To address concerns about its demand response programs in its consultations and upcoming application for approval of its new five-year DSM Plan	• E1 has addressed concerns with these programs in its Round 2 modelled scenarios. • E1 will address concerns with these programs in its 2027-2031 application.
• To discuss with the DSMAG and include a revised process for making mid-course adjustments in its upcoming DSM Plan application.	• E1 is engaging with the DSMAG on this issue.



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Board Directives	E1 Update
To promptly identify any issues or potential issues relating to the impact of NS Power's cybersecurity incident on E1's operations and programming as they arise.	Ongoing.
To include PAC test results for 2023-2025 in its 2025 Annual Progress Report and to report results for future years each year in its annual report.	E1 will include PAC test results for 2023, 2024, and 2025 in its 2025 APR.
2023-2025 DSM Plan (M10473)	
To provide detailed plans and processes for each of its research initiatives prior to proceeding with significant expenditures to be documented and fully discussed with members of the DSMAG in advance of implementation.	E1 shared its "Innovation Process" document with the DSMAG as part of Round 1 materials for the 2026-2030 DSM Plan for stakeholder feedback and comment (July 22 2024).
To work with NS Power and the DSM Advisory Group to discuss potential updates to avoided costs before the next DSM Resource Plan application.	NS Power provided new avoided costs of energy and capacity to E1 on December 22, 2025. E1 distributed updated avoided costs to the DSMAG on January 8, 2026 and asked that the DSMAG provide any written comments on the avoided cost update by January 28, 2026.
To work with the DSM Advisory Group to assess and develop an optimal DSM cost-effectiveness testing methodology.	The NSEB has directed E1 to use PAC as the primary cost-effectiveness test in their December 10, 2025 decision on E1's BCA Application.
To provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in future resource plan applications.	To be included in the 2027-2031 DSM Plan Application.
To include payback information in the measure level tables in future applications for the approval of resource plans and provide additional information about the other factors that E1 has considered in concluding that the proposed incentive level for the measure is appropriate for measures where the payback period is three years or less;¹	To be included in the 2027-2031 DSM Plan Application.

¹ Ibid, para 197 (f).



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10. REPORTING AND PERFORMANCE TARGETS

10.1 REPORTING

In the Round 1 materials distributed on October 27, 2025, E1 outlined its proposed reporting on the implementation of the 2027-2031 Plan. In total, E1 will file 30 reports with the Nova Scotia Energy Board over the period of 2027-2031 Plan implementation. This includes quarterly reports (Q1-Q3), annual progress reports, annual evaluation reports, and annual audited financial statements provided for each of the five Plan years. In addition to the above reports, the NSEB's savings verification consultant conducts an annual verification review of E1's evaluated savings and filed with the NSEB each year.

In feedback from DSMAG members, E1 has heard that there is a desire from members to have additional engagement following the 2022 amendment to the *Public Utilities Act* which extended DSM Plans from a three-year to a five-year term. Stakeholders have encouraged the establishment of a DSMAG "mid-plan check-in process" to provide opportunities for meaningful DSMAG engagement, including a review and discussion of results and trends as E1 works through Plan implementation. One-on-one stakeholder meetings would be part of this engagement process.

E1 is currently engaging with the DSMAG to discuss their support for a "mid-plan check-in process" as well as the mid-course adjustment process, following the Board's directive in the 2026 DSM Extension Decision "to discuss with the DSMAG and include a revised process for making mid-course adjustments in its upcoming DSM Plan application." E1's proposed approach to both of these activities is outlined below.

10.1.1 MID-COURSE ADJUSTMENT PROCESS (MCA)

[Some DSMAG members have] expressed concern that MCAs can lead to investment shifts between customer classes as compared to the DSM Plan as approved. The [DSMAG member] has specifically commented that a 25% variance in rate class spending is significant and unreasonable.

In the IG's Submissions from Intervenor (September 18, 2025), for the 2026 DSM Extension, the IG requests that the Board direct E1 to manage its budgeted program spending by customer class, within a reasonable range to avoid such "substantial change".

In the Decision on the 2026 DSM Extension, the NSEB directed E1 "To discuss with the DSMAG and include a revised process for making mid-course adjustments in its upcoming DSM Plan application."

E1 recognizes that additional refinements to the Mid-Course Adjustment process are needed to fully address stakeholder concerns about rate class spending shift, but the underlying principles of the mid-



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course remain appropriate and relevant. E1 intends to work with the DSMAG members to agree to a revised mid-course adjustment process that will be included in the 2027-2031 DSM Plan.

Context for Discussion

Mid-course adjustments give the DSM administrator flexibility to adjust program budgets and savings from those in the original approved Plan to respond to market conditions and program performance changes unknown at the time of Plan development. Overall savings targets do not change; Mid-Course Adjustments are not a mechanism to revise approved Performance Targets.

The current mid-course adjustment process includes the following:

- E1 provides advance written notice, if there is a mid-course adjustment for the upcoming Plan year, in its Annual Progress Report (APR) for the upcoming Plan year. E1 did not propose or implement a Mid-Course Adjustment in 2020 or 2025 therefore no advance notice was provided in the previous APRs.
- E1 provides its Mid-Course Adjustments by program, including explanations for variances of 25%+ in spending or savings in Q1 DSM Report.
- E1 also reports rate class spending and forecast information in its quarterly and annual progress reports and includes discussion on 25% variances in expenditures by rate class relative to the approved Plan
- The NSEB can initiate any process/issue any direction on E1's filed Mid-Course Adjustments.

In response to concerns raised by [some DSMAG members] with mid-course adjustments in the 2026 DSM Extension proceeding, E1 agreed to the following enhanced reporting:

- improve the accuracy of estimates used for rate class allocation of expenditures in the DSM Plan by using 3 years of historical data;
- provide enhanced rate class reporting to address the [stakeholder] concerns (e.g., year-end forecast and Plan period forecast for an outlook on projected rate class expenditures for the entire Plan period and anticipated variances from the approved Plan); and
- monitor program spending against the DSM Plan and clarify any 25% variances.

E1 maintains that current mid-course process discussed above and the enhanced reporting should remain. However, E1 does agree that opportunities do exist to address concerns on rate class spending and more meaningful engagement and is proposing additions to the process below.

In response to the request for more meaningful engagement on Mid-Course Adjustments, E1 suggests that proposed Mid-Course Adjustments could be provided along with the notice in the APR filed at the end of March in any given year. DSMAG members would then have an opportunity to provide feedback on the proposed Mid-Course Adjustments. E1 would continue to include the final Mid-Course



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Adjustments in the Q1 Report along with responses to the feedback including how feedback was incorporated or if not, provide explanation of why not.

In response to the concerns raised regarding the implication the Mid-Course Adjustments have on investment shifts between rate classes and to avoid material rate impacts, E1 suggests that rate class spending bands be established of +/-25% for the DSM Plan period as the rate class spending variance is only trued up at the end of the DSM Plan, not annually through a balance adjustment included in NS Power's DSM Cost Recovery Rider. There would be no rate class spending bands annually allowing E1 to retain flexibility and continue to remain responsive to customers. E1 would track and report rate class spending quarterly and annually. A rate class spending review would be part of the annual DSMAG sessions suggested below in the mid-plan review process.

E1 looks forward to hearing from DSMAG members about E1's proposal.

10.1.2 MID-PLAN REVIEW PROCESS

Stakeholders have expressed concerns about performance risk and the need for additional engagement following the 2022 amendment to the PUA which extended DSM Plans from a three-year to a five-year term.

[Some DSMAG members have] suggested a "robust stakeholder check-in process" such as a mid-plan meeting/mid-term meeting (in addition to E1's regular reporting to the NSEB which includes quarterly and annual progress reports, annual evaluation reports, annual financial statements as well as the ongoing oversight of the NSEB outside regular reporting activities) to provide opportunities for meaningful review and discussion of results and trends as E1 works through Plan implementation. [Some DSMAG members have] also suggested one-on-one meetings as part of this process.

E1 recognizes the concerns expressed by members of the DSMAG in regard to the extension of the DSM Plans from three to five years and possible risks associated with that change. E1 intends to work with the DSMAG members through these discussions to gain alignment on what a new mid-plan review process would be and include this in the 2027-2031 DSM Plan.

Context for Discussion

E1 currently provides regular and ad-hoc reporting (as requested/required by the NSEB) throughout Plan implementation:

- Quarterly Reports
- Annual Progress Reports
- Annual Evaluation Reports



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- Annual Financial Statements

Additionally, the NSEB provides ongoing oversight of E1 throughout Plan implementation and can initiate a review process at any time as they deem appropriate. After discussions with some DSMAG members on this, E1 understands that members are not looking for a formal regulatory proceeding but do want a specific process outlined for how a mid-term review will be conducted. E1 has outlined its proposed process below.

E1 is proposing at the mid-point of the Plan, E1 will hold a mid-term session with the DSMAG. This would occur halfway through the Plan implementation period, in Q2 2028. The aim of this mid-term review is to provide an opportunity for meaningful review and discussion of results and trends as E1 works through Plan implementation. As part of this process, E1 may provide an opportunity for written stakeholder comments in advance or following the session, similar to the DSMAG consideration approach used by the Board for consideration of the APRs and Evaluation Reports. E1 would also provide the opportunity to schedule one-on-one meetings with stakeholders as part of this mid-term review process.

E1 is also proposing the following enhancements to its current annual reporting:

- **Annual DSMAG sessions:** Each year, following the filing of the Annual Progress Report (APR) and Evaluation Report, E1 will hold an annual session with the DSMAG to review and discuss progress towards Plan implementation, mid-course adjustments (if applicable), rate class spending and related matters. These sessions will occur in Q2 of each year and may include opportunities for the DSMAG to provide written feedback. E1 will proactively convene these sessions recognizing that the Board may also initiate a DSMAG consideration process for these reports at its discretion.
- **Annual one-on-one stakeholder meetings:** After filing the APR and Evaluation Report each year, E1 will meet with stakeholders individually to address questions and discuss results. These meetings will be held in Q2 of each Plan year.
- **Expanded content in E1's reporting:** To strengthen checks and balances and support stakeholder understanding of annual and cumulative performance against the five-year Plan targets, E1 intends to include year-to-date and cumulative progress towards the approved five-year performance targets in its Quarterly reports (E1 provides this currently in its Annual Progress Reports).

E1 looks forward to hearing from DSMAG members about E1's proposal.

10.2 PERFORMANCE TARGETS AND INDICATORS

In each DSM Plan application, E1 proposes performance target metrics and indicators, to be considered and approved by the NSEB.



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For the 2027-2031 DSM Plan, E1 has developed draft performance target metrics as shown in Table 18, below. Performance targets are metrics expressed as a specific quantified goal that identifies that desired outcome of an activity at a specific point in time.

At this stage in Plan development, E1 is presenting a description of the proposed metrics to be considered as performance targets. The quantified goals for these metrics will be finalized as modelling progresses and included in the DSM Plan application.

Consistent with past DSM Plans, performance targets apply over the full term of the NSEB-approved DSM Purchase Agreement with NS Power. E1 will be deemed in substantial compliance where 90 percent or greater achievement of the Board-approved performance targets is met.

E1 welcomes DSMAG comments on its proposed metrics for 2027-2031 performance targets.

Table 18: 2027-2031 Proposed Performance Target Metrics

DSM Resource	Description	Metric
Energy Efficiency	Cumulative annual energy savings	GWh
	Cumulative annual system-peak demand savings	MW
	Cumulative annual energy savings applicable to Affordable Multi-Family Housing, Affordable Single-Family Homes, Mi'kmaw Home Energy Efficiency Project, and EnergyForward New Homes	GWh
Demand Response	Available demand response capacity as of the winter peak period in 2031	MW
Solar-PV	Estimated Generation	GWh
Strategic Electrification*	Non-electric energy savings	GJ

**Based on Round 2 results it is unlikely E1 will be including strategic electrification in the 2027-2031 DSM Plan due to challenges demonstrating electricity cost reductions to ratepayers.*

Proposed performance indicators will be included in the 2027-2031 DSM Plan application. Performance indicators are used to indicate or monitor progress towards performance targets. E1 anticipates that its performance indicators will remain consistent with those used in previous Plans, with adjustments to reflect the addition of new DSM resources.

~~Appendix 1~~

~~Standardized Filing Framework~~

Demand Side Management Advisory Group

Standardized Filing Framework

Prepared by EfficiencyOne

~~Dartmouth, NS~~

~~20 July 2016~~

Updated [insert date TBD]



~~20 July 2016~~

Appendix 1

Standardized Filing Framework

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Standardized Filing Framework

1. OBJECTIVE

To standardize the content of future Demand Side Management (DSM) Resource Plan filings.

2. BACKGROUND

On June 16, 2015, EfficiencyOne (E1), Nova Scotia Power Incorporated (NS Power), the Consumer Advocate, the Small Business Advocate, the Ecology Action Centre, the Affordable Energy Coalition, and the Industrial Group signed a Consensus Agreement that proposed the establishment of a standardized filing framework for future DSM applications (the “Standardized Filing Framework” or “Framework”).¹ On October 7, 2015, the Nova Scotia Utility and Review Board (NSUARB) approved this Consensus Agreement² ~~and confirmed that, after it is and directed that the Standardized Filing Framework be~~ vetted through the DSM Advisory Group (DSMAG),³ ~~it must be and~~ submitted to the Board NSUARB for approval by ~~no later than~~ June 30, 2016.⁴

The Standardized Filing Framework (including program descriptions ~~based on the model developed by Efficiency Maine~~) includes standard DSM informational items, one or more alternate scenarios of DSM savings and budgets, and other items enumerated in section 1 of the Consensus Agreement.⁵ The DSM Standards, included under section 4, below, describe the overall DSM planning and evaluation process, and list objectives for pursuing DSM activities.

¹ M06733, In the Matter of the *Public Utilities Act* and *An application by EfficiencyOne for Approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between EfficiencyOne and Nova Scotia Power Inc., the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management (“DSM”) Resource Plan*, Document 287094 (16 Jun. 2015) at Appendix A (Consensus Agreement).

² M06733, NSUARB Order, Document 240387 (7 Oct. 2015) at page 2.

³ *Supra* note 1.

⁴ *Supra* note 2.

⁵ *Supra* note 1.

Appendix 1Standardized Filing Framework

In 2016, the Standardized Filing Framework was filed with the NSUARB as part of a Consensus Agreement on 2016-2018 DSM Plan Application Deferred Matters⁶ and was accepted by the NSUARB in 2016 for use in future DSM Plan applications.⁷

As part of the 2023-2025 DSM Resource Plan Decision, the NSUARB encouraged the DSMAG to “consider whether changes to the Framework are required”.⁸ Further, the Nova Scotia Energy Board (successor to the NSUARB) in its 2026 DSM Extension Decision, directed E1 to “continue its engagement with the DSMAG on the Standardized Filing Framework, a review of E1’s ‘balanced plan’, the relevant factors and weighing of factors for consideration in E1’s next DSM Plan, and the impact of the Board’s decision in Matter M12282.”⁹ Over the period of 2024, 2025 and 2026, the Framework was reviewed in the DSMAG.

⁶ M07543, Consensus Agreement, July 22, 2016. The 2016 Consensus Agreement was signed by E1, NS Power, the Consumer Advocate, the Small Business Advocate, the Industrial Group, the Municipal Electric Utilities of Nova Scotia, the Affordable Energy Coalition, and the Ecology Action Centre.

⁷ M07543, E1 2016-2018 DSM Deferred Matters, NSUARB Letter to E1, September 13, 2016.

⁸ M10473, NSUARB Decision 2023-2025 DSM Plan, September 6, 2022, page 63, para 191.

⁹ M12249, NSEB Decision and Order, 2026 DSM Extension, December 22, 2025.

~~Appendix 1~~

Standardized Filing Framework

3. STANDARDIZED FILING FRAMEWORK**3.1 GLOSSARY OF TERMS**

For greater clarity, Figure 1 below provides definitions for metrics referenced in Tables 1 and 2 of the Framework.

Figure 1: Glossary of Terms

<u>Term</u>	<u>Definition</u>
<u>Cumulative net demand savings</u>	<u>The cumulative total (or sum) of the incremental net demand savings for the specific Plan period (i.e., total savings achieved across the multiple years of the Plan period). Net refers to savings that includes effects such as free-ridership and spillover.</u>
<u>Cumulative net energy savings</u>	<u>The cumulative total (or sum) of the incremental net energy savings (i.e. total savings across the multiple years of the Plan period). Net refers to savings that includes effects such as free-ridership and spillover.</u>
<u>Cumulative net energy savings (Lifetime)</u>	<u>The cumulative total (or sum) of the incremental lifetime energy savings for the specific Plan period (i.e., the total lifetime energy savings achieved across the multiple years of the Plan period). Net refers to savings that includes effects such as free-ridership and spillover.</u>
<u>Demand Response</u>	<u>Demand response measures generate savings in the form of available capacity or a load reduction in response to events called by the electric utility (NS Power) to reduce the load at strategic moments. These events can be called at any time and for any duration, although they are usually called for one to four hours during peak periods.</u>
<u>Demand Response Available Capacity</u>	<u>The capacity that is available to Nova Scotia Power (NS Power) to reduce system peak demand.</u>
<u>E1 Investment</u>	<u>The electric ratepayer investment amount for DSM activities delivered by E1.</u>
<u>Incremental net demand savings (First-year)</u>	<u>Incremental net demand savings refers to the demand savings achieved through energy efficiency measures and reduces peak demand as a result of implementing energy-efficiency measures. The demand savings coincide in time with the expected annual peak demand period of the entire electricity system. Net refers to savings that includes effects such as free-ridership and spillover.</u>
<u>Incremental net energy savings (First-year)</u>	<u>Incremental net energy savings refers to the savings generated from efficiency measures installed in that year. First-year energy savings refers to the first full year of energy savings generated by an energy efficiency</u>

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<u>Term</u>	<u>Definition</u>
	<u>measure. Net refers to savings that includes effects such as free-ridership and spillover.</u>
<u>Incremental net energy savings (Lifetime)</u>	<u>The energy savings that occur over the lifetime of an energy efficiency measure. Lifetime energy savings account for a measure's effective useful life and any increase in the baseline efficiency level (which reduces attributable annual savings) over its lifetime. Net refers to savings that includes effects such as free-ridership and spillover.</u>
<u>Lifetime benefits</u>	<u>Lifetime benefits for Energy Efficiency are expressed as the net present value of the avoided costs, including energy, capacity, transmission, distribution, and carbon over the life of the program measures, using utility weighted average cost of capital (WACC). A weighted average measure life for the portfolio is used as opposed to individual measure lives, the approach taken when lifetime benefits are calculated as part of DSM Plan modelling.</u> <u>Lifetime benefits for Demand Response are expressed as the avoided costs, including capacity, transmission, and distribution, resulting from operating Demand Response.</u>
<u>Nova Scotia Energy Board Approved Cost-effectiveness testing</u>	<u>In the Board's Order on a new Benefit-Cost-Analysis Test (BCA) Test for Evaluating Demand-Side Management (DSM) Plans, the Board directed E1 to:¹⁰</u> <u>"...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.</u> <u>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."</u>
<u>Portfolio</u>	<u>Includes all DSM resources and is the aggregate amount of DSM programs (i.e. the DSM Plan).</u>

¹⁰ M12282, NSEB Decision, December 10, 2025

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<u>Term</u>	<u>Definition</u>
<u>Weighted Average Measure Life</u>	<u>Represents the average useful life of all measures in a program or portfolio, weighted by their share of total savings.</u>

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Table 1: STANDARDIZED FILING FRAMEWORK

ITEM	DESCRIPTION
1. INTRODUCTION	A brief introduction to the DSM <u>Resource Plan</u> filing and a brief overview of any agreements reached between EfficiencyOne <u>(E1)</u> and NS <u>Power Incorporated (NS Power)</u> . All agreements between <u>EfficiencyOne E1</u> and NS <u>Power</u> will be provided as Appendices to the filing.
1.1 Background	Relevant history that is pertinent to the regulatory approval process, including past DSM <u>Resource</u> plans.
2. PREVIOUS PLAN’S DSM RESULTS	
2.1 Previous Plan’s DSM Expenditures and ~~Energy~~ Savings Results	A summary of the most recently completed DSM Resource Plan’s actual results. This will include a breakdown of savings and investment by rate class and the following portfolio-level metrics for the most recently completed DSM Resource Plan, <u>by individual Plan year and in total for the Plan period (e.g., annual and cumulative)</u>: - <u>Approved and Actual <u>E1</u> Investment;</u> - <u>Approved and Actual Incremental net Energy Savings (First-year);</u> - <u>Approved and Actual Incremental net Demand Savings (First-year);</u> - <u>Approved and Actual Incremental net Energy Savings (Lifetime);</u> - <u>Approved and Actual Demand Response Available Capacity;</u> - <u>Approved and Actual Incremental net Savings from other DSM resources as applicable (e.g., Solar-PV, Strategic Electrification, or other DSM resources);</u> - <u>Other additional Approved and Actual Performance Targets. For further clarity, these will be additional Nova Scotia Energy Board (formerly the NSUARB) approved Performance Targets from the most recently completed DSM Plan;</u> - <u>Weighted-Average Measure Life;</u> - <u>Lifetime Benefits;</u> - <u>Rate class expenditures and savings;</u> - ~~Ex ante and Ex post Incremental net Energy Savings (Lifetime);~~ - ~~Ex ante and Ex post Incremental net Demand Savings (Lifetime);~~

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ITEM	DESCRIPTION
	- ~~UARB~~<u>Nova Scotia Energy Board</u>-Approved Cost-Effectiveness Testing: <u>Program Administrator Cost Test (PAC)</u>¹¹; and - Cumulative <u>net</u> energy and demand savings and investment (approved and actual) since ~~2008~~<u>2012</u>, and other additional approved and actual Performance Targets, as applicable.¹² <u>The portfolio-level metrics will be provided as follows:</u> - <u>in aggregate (i.e., the aggregate of all DSM resources provided in the most recently completed DSM Resource Plan); and</u> - <u>by DSM resource (e.g., by each individual DSM resource as provided in the most recently completed DSM Resource Plan. This may include energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).</u> <u>In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.</u>
2.2 Previous Plan's DSM Programs	Discussion of the results of each program for the most recently completed DSM Resource Plan.
<u>3. DEVELOPMENT OF THE UPCOMING PERIOD'S DSM RESOURCE PLAN</u>	
<u>3.1 Development of the Upcoming Period's DSM Plan Program Targets and Investment</u>	A summary of: - the parties involved in developing the <u>proposed DSM Resource Plan</u>; - ~~NS Power's~~<u>the</u> most recent Integrated Resource Plan results;

¹¹ M12249, 2026 DSM Extension, December 22, 2025. E1 was directed to include PAC test results for 2023-2025 in its 2025 Annual Progress Report and to report results for future years each year in its annual report. M12282, Nova Scotia Energy Board Order, December 10, 2025. In the Board's Decision on the Benefit-Cost-Analysis Test (BCA), E1 was directed to use the Program Administrator Cost (PAC) test for screening the cost effectiveness of its proposed DSM Plan for its next term and to use NS Power's Weighted Average Cost of Capital (WACC) as the discount rate in this assessment. The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.

¹² E1 submitted its first DSM Plan in 2012 as DSM Administrator.

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ITEM	DESCRIPTION
	- the affordability of the <u>proposed DSM Resource Plan</u>; and - cost-efficiency opportunities; and - <u>key global assumptions</u>.
3. ~~ALTERNATE SCENARIOS TO THE PROPOSED DSM PLAN~~	
3.1 ~~Various Scenarios~~	~~Based on the UARB's October 7, 2015 Order, EfficiencyOne will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and NSPI is to provide rate impact analysis on those scenarios."~~¹³ ~~For each of the alternative scenarios presented, EfficiencyOne will include a table of the following portfolio-level metrics:~~ ~~— Investment;~~ ~~— Incremental net Energy Savings (First year);~~ ~~— Incremental net Demand Savings (First year);~~ ~~—~~ ~~— Weighted Average Measure Life;~~ ~~— Lifetime Benefits;~~ ~~— Incremental net Energy Savings (Lifetime); Incremental net Demand Savings (Lifetime);~~ ~~— UARB-Approved Cost-Effectiveness Testing~~
4. PROPOSED DSM RESOURCE PLAN FOR THE UPCOMING PERIOD	
4.1 Overall Summary	A brief overview of the proposed DSM Resource Plan for the upcoming period and any proposed significant changes in program delivery or philosophy, <u>from the most recently completed DSM Resource Plan</u>. NS ~~Power~~ will provide a rate impact analysis for the proposed DSM Resource Plan. <u>E1 will provide a glossary of general terms and definitions</u>. To enable overall consideration of the Plan, this section will include the following metrics, presented at the portfolio-level, <u>by individual Plan year and in total for the Plan period (e.g., annual and cumulative):</u>

¹³ ~~Supra note 2.~~

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ITEM	DESCRIPTION
	- <u>E1 Investment;</u> - <u>Incremental net Energy Savings (First-year);</u> - <u>Incremental net Demand Savings (First-year);</u> - <u>Incremental net Energy Savings (Lifetime);</u> - <u>Demand Response Available Capacity;</u> - <u>Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources);</u> - <u>Weighted-Average Measure Life;</u> - <u>Lifetime Benefits;</u> - <u>Rate class expenditures and savings; and</u> - <u>NSEB-Approved Cost-Effectiveness Testing: Program Administrator Cost Test (PAC).¹⁴</u> _____ <u>Incremental net Energy Savings (Lifetime);</u> <u>Incremental net Demand Savings (Lifetime); and</u> <u>The portfolio-level metrics will be provided as follows:</u> - <u>in aggregate (i.e., the aggregate of all DSM resources proposed for the upcoming Plan period); and</u> - <u>by DSM resource (e.g., by each individual DSM resource as proposed. This may include energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).</u> <u>In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.</u>

¹⁴ M12282, Nova Scotia Energy Board Order, December 10, 2025. In the Board's Decision on the Benefit-Cost-Analysis Test (BCA), E1 was directed to use the Program Administrator Cost (PAC) test for screening the cost effectiveness of its proposed DSM Plan for its next term and to use NS Power's Weighted Average Cost of Capital (WACC) as the discount rate in this assessment. The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.

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ITEM	DESCRIPTION
4.2 Program-Level Savings and Investment	A summary of program-level savings and investment for the upcoming period <u>by individual Plan year and in total for the Plan period (e.g., annual and cumulative)</u>. Reference to benchmarks of plans from other jurisdictions that are comparable based on depth of savings relative to load, as appropriate. This will include the following metrics, presented at the program-level, <u>(organized by DSM resource, e.g., energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.)</u>: - <u>E1 Investment</u>; - Incremental net Energy Savings (First-year); - <u>Incremental net Demand Savings (First-year)</u>; - <u>Incremental net Energy Savings (Lifetime)</u>; - <u>Demand Response Available Capacity</u>; - <u>Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources, etc.)</u>; - Breakdown of Savings and Investment by Rate Class; - Weighted-Average Measure Life; - ~~Lifetime Benefits~~; ~~Incremental net Demand Savings (Lifetime)~~; and - - ~~NSEB-Approved Cost-Effectiveness Testing: Program Administrator Cost Test (PAC).~~¹⁵ - ~~Incremental net Energy Savings (Lifetime)~~; - - ~~UARB.~~ <u>In providing a breakdown of the program-level savings and investment by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.</u>
4.3 Program Descriptions	Detailed descriptions of each program. A sample outline is provided in TABLE 2: PROGRAM DESCRIPTION TEMPLATE.
4.4 Enabling Strategies	<u>An overview of the Enabling Strategies categories for the upcoming period including proposed activities and investment.</u>

¹⁵ Ibid.

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ITEM	DESCRIPTION
<u>4.5 Evaluation</u>	<u>Proposed evaluation activities for the upcoming period, including</u> a summary of any changes that are planned for evaluation activities over the upcoming period.
<u>4.6 Reporting and Performance Metrics</u>	A summary of <u>EfficiencyOne's E1's</u> proposed regular reporting initiatives to the <u>UARB-NSEB</u> and the DSMAG for the upcoming period (e.g., Annual Progress Reports and quarterly reports). A summary of <u>proposed performance metrics for the upcoming period (e.g., Performance Targets and , thresholds, Performance Indicators, etc.) and performance metric definitions to provide clarity.</u>
5. DEVELOPMENT OF THE UPCOMING PERIOD'S DSM RESOURCE PLAN	
<u>5.1 Development of the Upcoming Period's DSM Program Targets and Investment</u>	A summary of: - the parties involved in developing the Plan; - the most recent Integrated Resource Plan results; - the affordability of the Plan; and - cost-efficiency opportunities
<u>5.2 Evaluation</u>	<u>A summary of any changes that are planned for evaluation activities over the upcoming period.</u>
<u>5.3 Reporting</u>	<u>A summary of EfficiencyOne's proposed regular reporting initiatives to the UARB and the DSMAG for the upcoming period (e.g., Annual Progress Reports and quarterly reports).</u>
5. <u>ALTERNATE SCENARIOS TO THE PROPOSED DSM PLAN</u>	
<u>5.1 Alternate Various Scenarios</u>	Based on the <u>NSUARB's</u> October 7, 2015 Order <u>on the 2016-2018 DSM Plan</u> , <u>EfficiencyOne E1</u> will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and <u>NS Power!</u> is to provide rate impact analysis on those scenarios." ¹⁶ For each of the alternative scenarios presented, <u>EfficiencyOne E1</u> will include a table of the following portfolio-level metrics <u>by individual Plan year and in total for the Plan period (e.g., annual and cumulative) which and will mirror those portfolio-level metrics provided in section 4.1 of the proposed DSM Resource Plan for the upcoming period:</u> - <u>E1</u> Investment;

¹⁶ Supra note 2- M06733, NSUARB Order, E1 2016-2018 DSM Plan, October 7, 2015, page 2, item 12.

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ITEM	DESCRIPTION
	- <u>Incremental net Energy Savings (First-year);</u> - <u>Incremental net Demand Savings (First-year);</u> - <u>Incremental net Energy Savings (Lifetime);</u> - <u>Demand Response Available Capacity;</u> - <u>Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources);</u> - <u>Weighted-Average Measure Life;</u> - <u>Lifetime Benefits;</u> - <u>Rate class expenditures and savings; and</u> - <u>Incremental net Energy Savings (Lifetime);</u> - <u>Incremental net Demand Savings (Lifetime);</u> - <u>JARBNSRB-Approved Cost-Effectiveness Testing: Program Administrator Cost Test (PAC).¹⁷</u> <u>Portfolio-level metrics will be provided as follows:</u> - <u>in aggregate (i.e., the aggregate of all DSM resources proposed for the upcoming Plan period); and</u> - <u>by DSM resource (e.g., by each individual DSM resource as proposed. This may include energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).</u> <u>In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.</u>
6. ADDITIONAL ITEMS	
6.1 Rate and Bill Impact Analysis (RBIA)	<u>E1 is to include the following:</u>

¹⁷ M12282, Nova Scotia Energy Board Order, December 10, 2025. In the Board’s Decision on the Benefit-Cost-Analysis Test (BCA), E1 was directed to use the Program Administrator Cost (PAC) test for screening the cost effectiveness of its proposed DSM Plan for its next term and to use NS Power’s Weighted Average Cost of Capital (WACC) as the discount rate in this assessment. The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group’s consultant in the BCA proceeding) to assess strategic electrification and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.

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ITEM	DESCRIPTION
	- <u>Forward-Looking RBIA</u>: This will consist of a detailed description of the forward-looking rate and bill impact analysis of the proposed <u>DSM Resource Plan</u>.¹⁸ This will include a detailed breakdown between the rate classes, with the exception of certain customer classes (e.g., Unmetered), for which <u>EfficiencyOne-E1</u> does not have the necessary data. - <u>Historical RBIA</u>: The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year. A historical RBIA will be included as part of each DSM Resource Plan filing.¹⁹ <u>As per section 4.1 and 5.1 above, NS Power is to provide a rate impact analysis for the proposed DSM Resource Plan and alternate scenarios of DSM budgets (NSUARB's October 7, 2015 Order on the 2016-2018 DSM Plan).</u>²⁰
<u>6.2 Payback Period & Considerations</u>	<u>As per the NSUARB's 2023-2025 DSM Plan Order, E1 is directed "to include payback information in its measure level tables in future applications for the approval of resource plans and provide additional information about the other factors that E1 has considered in concluding that the proposed incentive level for the measure is appropriate for measures where the payback period is three years or less."</u> ²¹
<u>6.3 Justifications for Measure Inclusion</u>	<u>As per the NSUARB's 2023-2025 DSM Plan Order, E1 is directed "to provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in future resource plan applications."</u> ²²
<u>6.26.4 Other Items</u>	<u>This could include time-limited topics such as cost allocation and HST updates. Other items as relevant.</u>
7. CONCLUSION	A summary of the items that <u>EfficiencyOne-E1</u> is seeking approval for.

¹⁸ *Supra* note 1.¹⁹ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5.²⁰ M06733, NSUARB Order, E1 2016-2018 DSM Plan, October 7, 2015, page 2, item 12. E1 will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and NS Power is to provide rate impact analysis on those scenarios."²¹ M10473, NSUARB Order, E1 2023-2025 DSM Plan, November 8, 2023, page 2, item 5.²² *Ibid.*, item 6.

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Table 2: PROGRAM DESCRIPTION TEMPLATE

ITEM	DESCRIPTION
1. OVERVIEW	A brief description of the program intent, target market, and type of service or rebate.
2. OBJECTIVES	Long-term objectives for the program.
3. OPPORTUNITY	A summary of the market potential for the program, including description of target customers, barriers for the market to undertake the upgrades or services without support, ~~and~~ program history, ~~and information on whether the program intends to cover hard-to-reach customers.~~
4. PROGRAM DESIGN	
4.1 Measures Promoted	A summary of services, rebates, or financing options included in the program, including technical data by measure.
4.2 Implementation Strategy	A description of the implementation strategy, including overview of marketing plan, use of external delivery agents, funding of energy audits, and provisions for quality control.
4.3 <u>Program</u> Performance Indicators	<u>For the upcoming Plan, E1 will provide a table of program-level performance indicators by individual Plan year and in total for the Plan period (e.g., annual and cumulative), including a summary of targeted:</u> <u>- E1 investment;</u> <u>- Incremental net Energy Savings (First-year);</u> <u>- Incremental net Demand Savings (First-year);</u> <u>- Incremental annual net Energy Savings (Lifetime)</u> <u>- Demand Response Available Capacity;</u> <u>- Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources, etc.);</u> ~~- Lifetime energy and demand savings;~~ - Annual participation and participation rates; - Cost-effectiveness testing analysis; and - Levelized cost of saved energy <u>(lifetime unit cost of energy \$/kWh).</u>
4.4 ~~Low-Income~~ <u>& Equity</u> Performance Indicators	<u>E1 will include a table of program-level low-income & equity savings and investment for the upcoming period by individual Plan year and in total for the Plan period (e.g., annual and</u>

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ITEM	DESCRIPTION
	<u>cumulative), including</u> A summary of expected <u>low-income & equity</u> impacts from <u>dedicated and non-targeted programs (incidental impacts) including to low-income Nova Scotians:</u> - <u>E1 Investment;</u> - <u>Incremental net Energy Savings (First-year);</u> - <u>Incremental net Demand Savings (First-year);</u> - <u>Incremental net Lifetime Energy and demand Savings (Lifetime);</u> - <u>Annual participation; and</u> - <u>Other metrics as relevant, and participation rates; and</u> - <u>Proportion of low-income owner and rental households served.</u> -
5. PROGRAM ALTERNATIVES	A comparison of the program elements in the proposed DSM plan to the alternate scenarios of DSM budgets.

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4. DEMAND SIDE MANAGEMENT STANDARDS**4.1 OBJECTIVES**

The objectives of this document are as follows:

- To ensure consistency in the overall Demand Side Management (DSM) planning and evaluation process in Nova Scotia;
- To consolidate important decisions made by the Nova Scotia Energy Board (NSEB), in force as of April 1, 2025,²³ and the Nova Scotia Utility and Review Board (the NSUARB) and predecessor to the NSEB as they pertain to DSM regulation; and
- To ensure that DSM Resource Plans balance the multiple objectives of DSM.

4.2 DSM RESOURCE PLAN RESEARCH**4.2.1 DSM BASELINE STUDY**

~~EfficiencyOne will commission a DSM baseline study in advance of each DSM Potential Study. The DSM Baseline Study will identify current stocks of electricity consuming devices in all market sectors. E1 will work with the Nova Scotia Independent Energy System Operator (NSIESO) in pursuit of the NSIESO's duties to carry out integrated resource planning exercises as outlined in the *More Access to Energy Act*.²⁴ This may include the commission of a DSM baseline study in advance of each DSM Potential Study.~~

The DSM Baseline Study will identify current stocks of electricity consuming devices in all market sectors.

²³ Bill 404, *Energy Reform (2024) Act, An Act to Reform the Law Respecting Energy and Electricity, Chapter 2 Acts of 2024*. Royal Assent April 5, 2024 (proclaimed October 24, 2024, in force April 1, 2025). *Part I: Energy and Regulatory Boards Act (Schedule A); Part II More Access to Energy Act (Schedule B)*.

²⁴ *More Access to Energy Act*, s 10 and s 11, see also *Public Utilities Act*, s 79W.

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4.2.2 DSM POTENTIAL STUDY

~~EfficiencyOne will commission a DSM potential study in advance of each Integrated Resource Plan (IRP). The DSM Potential study will identify DSM resources that are achievable over the planning horizon, and will inform the development of Candidate Resource Plans for the IRP. E1 will work with the NSIESO in pursuit of the NSIESO's duties to carry out integrated resource planning (IRP) exercises as outlined in the *More Access to Energy Act*.²⁵ This may include the commission of a DSM Potential study in advance of each IRP exercise.~~

~~The DSM Potential study identifies DSM resources that are achievable over the planning horizon, and will inform the development of Candidate Resource Plans for the IRP.~~

4.2.3 INTEGRATED RESOURCE PLAN

~~Nova Scotia Power's IRP develops a long-term Preferred Resource Plan that establishes directional information for DSM that assists NS Power in meeting customer demand and energy requirements, and environmental obligations in a cost-effective, safe and reliable manner across a reasonable range of foreseeable futures.²⁶~~

~~Integrated resource planning establishes directional information for DSM planning. The Preferred Resource Plan identified in the IRP will inform the development of a preferred DSM Resource Plan by E1, including analysis of alternate scenarios of DSM activity, in accordance with the Standardized Filing Framework.~~

~~E1 will work with the NSIESO in the pursuit of their duties to carry out IRP exercises.²⁷ As outlined in the *More Access to Energy Act*, the NSIESO shall:~~

²⁵ *Ibid.*

²⁶ NSPI, *Nova Scotia Power Integrated Resource Plan — 2014 Terms of Reference*, Appendix A, at p 1.

²⁷ *Ibid.*

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11 (2) Prior to, or as part of, conducting an integrated resource planning exercise and subsequent competitive procurements of energy resources, the [NS]IESO shall:

(a) work with the holder of the franchise to supply NSPI with reasonably available, cost-effective demand-side management under the *Public Utilities Act* to:

- (i) Develop avoided cost calculations for demand-side management resources,
- (ii) Co-operate with the franchise holder in pursuit of its duties under this Act, including its duty to conduct integrated resource planning exercises,
- (iii) Cooperate with the franchise holder respecting the integrated resource planning to develop avoided cost calculations for demand-side management resources and undertake reasonable cost-effective demand-side management.

[...]

(3) The NSIESO shall file the results of its IRP exercises with the Energy Board once they are complete.

4.2.3.1 AVOIDED COSTS

~~Nova Scotia Power will provide estimates of annual avoided costs of fuel on a per-MWh basis, and annual avoided costs of generation, transmission, and distribution on a per-kW basis to EfficiencyOne for use in the cost-effectiveness screening of DSM measures and programs during DSM planning processes. Estimates of avoided costs will be provided prior to each DSM Potential Study, and whenever NS Power and EfficiencyOne believe avoided cost estimate require changes.~~

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~~As outlined in the *More Access to Energy Act*, the NSIESO will work with the DSM franchise holder to develop avoided cost calculations for demand-side management resources as part of its IRP exercises (see section 4.2.3. above), and provide to E1 for use in the cost-effectiveness screening of DSM measures and programs during DSM planning processes.~~

4.3 DSM RESOURCE PLAN DEVELOPMENT

~~The Preferred Resource Plan identified in the IRP that will inform the development of a preferred DSM Resource Plan by EfficiencyOne, including analysis of alternate scenarios of DSM activity, in accordance with the Standardized Filing Framework.~~

4.3.1 BALANCED PLAN APPROACH

~~EfficiencyOne E1~~ will produce DSM Resource Plans that balance multiple aspects of DSM for the benefit of customers, including:

- Short-term and long-term energy and capacity avoidance;
- Program delivery costs;
- Avoided energy and capacity investments;
- Non-electric and non-energy benefits;
- Diversity of program delivery;
- Business relationships and maintenance of market presence;
- Access to programs by all market sectors and rate classes by addressing barriers to participation; and
- Rate impacts.

Commented [KM1]: We understand that [DSMAG stakeholder] is recommending this principle be removed as a result of the NSEB's Decision on the BCA Application. Before it is removed we think it should be discussed with the other members.

4.3.2 COST-EFFECTIVENESS TESTING

~~EfficiencyOne will apply the UARB-approved cost-effectiveness test.~~

~~E1 will apply the NSEB-approved cost-effectiveness test. Pursuant to Section 79H (2) of the *Public Utilities Act*, the NSEB, in evaluating a franchise holder's application, "shall evaluate~~

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the proposed cost-effective demand-side management at the portfolio level that would be the aggregate amount of demand-side management programs.”²⁸

In the Board’s Decision dated December 10, 2025 in matter M12282 on the Benefit-Cost-Analysis Test (BCA), E1 was “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.”²⁹ The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group’s consultant in the BCA proceeding) to assess strategic electrification³⁰ and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.³¹

E1 notes that in addition to providing portfolio level cost-effectiveness results, it also provides cost-effectiveness test results at the measure, program component, program, sector and DSM resource level for informational purposes. As per the Board’s directive from the 2023-2025 DSM Plan, E1 is “to provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in future resource plan applications.”³²

²⁸ Public Utilities Act, s 79H(2). See also Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022.

²⁹ M12282, NSEB Order, E1 Application for approval of a new Benefit Cost Analysis Test, December 10, 2025.

³⁰ M12282, NSEB Order, E1 Application for approval of a new Benefit Cost Analysis Test, December 10, 2025, page 80. “While the Board leaves it open to E1 to propose another approach for addressing strategic electrification, in the absence of an acceptable approach, E1 should follow Mr. Bowman’s recommendation for assessing strategic electrification using the PAC test and including the increased revenues from these activities.”

³¹ M12282, Ibid.

³² M10473, NSUARB Order, E1 2023-2025 DSM Plan, November 8, 2023, page 2, item 4.

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4.3.3 PERFORMANCE METRICS**4.3.3.1 DEFINITIONS**

To provide clarity, the following definitions are used:³³

Performance Metric: A quantifiable measure that is used to track and assess the status of a specific achievement.

Performance Indicators: A set of particular performance metrics used to indicate or monitor progress toward performance targets. Performance Indicators are management tools that provide information to allow an organization to take action to help it deliver on performance targets.

Performance Target: A performance metric expressed as a specific quantified goal that identifies the desired outcome of an activity at a specific point in time. In this Application, Performance Targets refer to ~~UARB~~NSEB-approved targets.

Performance Threshold: A predefined quantity, percentage, or range, which identifies the allowable deviation from a Performance Target within which the actual outcome is considered to have achieved success. In this Application, Performance Thresholds refer to ~~UARB~~NSEB-approved thresholds.

4.3.3.2 REQUIREMENTS**Performance Targets and Thresholds³⁴**

- i. Performance Targets apply to the Plan period ~~of the as reflected in the UARB~~NSEB-approved Supply-DSM Purchase Agreement ~~with NS Power, or as ordered by the NSEB rather than annually;~~

³³ EfficiencyOne, Evidence, *In the Matter of the Public Utilities Act and in the Matter of an Application for Approval of the 2016-2018 Supply Agreement for EE&CA*, (27 Feb. 2016), at page 46.

³⁴ M06733, NSUARB Order, *The Public Utilities Act and An Application for Approval of a Supply Agreement for electricity efficiency and conservation activities between EfficiencyOne and Nova Scotia Power Incorporated, the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management Resource Plan* (7 Oct 2015), at page 2 and Schedule B, page 5.

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- ii. ~~EfficiencyOne-E1~~ is deemed to be in substantial compliance with the ~~UARB NSEB-~~ approved Plan Performance Targets if 90 percent or greater achievement is reached on each of the Performance Targets. If less than 90 percent of any Performance Target is achieved, ~~a regulatory process will be triggered~~ E1 understands that the NSEB would use its discretion to determine appropriate action.

Performance Targets consist of:³⁵

E1 will propose Performance Targets within each DSM Resource Plan for consideration and approval by the NSEB. Proposed Performance Targets will be reflective of the DSM resources proposed for the upcoming Plan period (e.g., energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).

Performance Targets relevant to the DSM resources may include:

- i. Cumulative ~~annual~~ energy savings;
- ii. Cumulative ~~annual~~ peak demand savings;
- iii. Demand Response Available Capacity; and
- iv. Cumulative energy savings applicable to E1's dedicated low-income and equity programs (e.g., Affordable Single-Family Homes, Affordable Multi-Family Housing and Mi'kmaw Home Energy Efficiency Project); and
- ii-v. Such other targets as may be proposed and/or ordered by the Board.

Performance Indicators consist of:³⁶

E1 will propose Performance Indicators within each DSM Resource Plan for consideration and approval by the NSEB. These performance indicators will be specific to the DSM resources proposed within each future Plan (e.g. performance indicator metrics for energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).

³⁵ *Ibid.*³⁶ *Ibid.*

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Performance Indicators may include:

- i. Annual incremental energy savings (reported by program and rate class);
- ii. Cumulative ~~annual~~ energy savings (reported by program and rate class);
- iii. Annual lifetime energy savings (reported by program and rate class);
- ~~iii-iv.~~ Cumulative lifetime energy savings (reported by program and rate class);
- ~~iv-v.~~ Annual incremental peak demand savings (reported by program and rate class);
- ~~v-vi.~~ Cumulative ~~annual~~ peak demand savings (reported by program and rate class);
- vii. Demand Response available capacity (reported by program and rate class);
- ~~vi-viii.~~ Total lifetime ratepayer benefits;
- ~~vii-ix.~~ Total E1 spending (reported by program and rate class);
- ~~viii-x.~~ Customer satisfaction;
- ~~ix.~~ An analysis of the impact on rates through the implementation of the programs will be included as part of E1~~fficiencyOne~~'s historical-looking rate and bill impact analysis, filed by October 31st of each year; (Note: the historical RBIA is now included as part of each future DSM Resource Plan application);
- xi. Incidental cumulative energy savings applicable to low-income and equity communities from non-targeted programs; and
- xii. Reporting on low income program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information;
- xiii. Cost-effectiveness testing at the portfolio level;³⁷ and
- xiv. Such other performance indicators proposed and/or ordered by the Board.

4.3.4 DSM PROGRAMS

E1 will propose DSM programs within each DSM Resource Plan. Investments in DSM programs reduce energy consumption through technology replacements and behaviour change. DSM programs are offered to the Residential and the Business, Not-for-Profit and Institutional (BNI) sectors.

³⁷ M12249, NSEB Order, 2026 DSM Extension, December 22, 2025. E1 was directed "to include PAC test results for 2023-2025 in its 2025 Annual Progress Report and to report results for future years each year in its annual report."

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~~-DSM programs may include as follows:~~

- Residential – Efficient Product Rebates
- Residential – Existing Residential
- Residential – New Residential
- ~~• Residential – Energy Savings Actions~~
- Business, Not-for-Profit and Institutional – Efficient Product Rebates
- Business, Not-for-Profit and Institutional – Custom Incentives
- ~~• Business, Not-for-Profit and Institutional – Direct Installation~~
- Demand Response
- Such other DSM programs as proposed

4.3.4.1 LOW INCOME AND EQUITY CONSIDERATIONS

~~NS Power Shareholder Charitable Contribution~~

~~NS Power shareholders have indicated that they will provide up to \$37 million dollars over ten years (2015-2024) to upgrade all electrically heated homes owned by low-income Nova Scotians. In the interest of minimizing rate impact, EfficiencyOne will not invest DSM funds to provide upgrades where it believes the upgrades would otherwise be funded by NS Power shareholders.~~

Other Low Income and Equity Programming

In accordance with Section 4.3.10, the Balanced Plan Approach, EfficiencyOne E1 will design and deliver programs and services that benefit low-income and equity customers. ~~Nova Scotians not affected by the NS Power charitable donation.~~

4.3.5 ENABLING STRATEGIES

E1 will propose Enabling Strategies within each DSM Resource Plan. Enabling Strategies expenditures are classified into one of may include the following three categories:

- Education and Outreach;
- Development and Research;

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- ~~Other Enabling Strategies; and~~
- ~~Such other Enabling Strategies as proposed.~~

Specific Enabling Strategies activities requiring an annual investment of \$100,000 or more that benefit a specific rate class or classes will have the participant benefit portion (75%) of their investment allocated to the specific rate class or classes that receive the benefit. Investments under \$100,000, or any investment benefiting all rate classes, will have their participant benefit portion (75%) allocated according to the per-rate class investment of program expenditures.³⁸ In all cases, the system benefit portion (25%) is allocated on the basis of class energy and demand requirements.

Commented [KM2]: We note that if the NSEB approves the COSS in the 2026-2027 GRA which proposes a different allocation this may change.

4.4 DSM TRACKING, EVALUATION AND VERIFICATION**4.4.1 TRACKING**

~~EfficiencyOne-E1~~ will track the energy and capacity savings resulting from each program. Tracked results will be used in quarterly reports.

4.4.2 EVALUATION

~~EfficiencyOne-E1~~ will retain the services of an independent DSM evaluation firm to conduct annual evaluations for each DSM program, as described in Sections ~~4.65.5 and 5.6.~~

4.4.3 VERIFICATION

The ~~UARB's-NSEB's~~ savings verification consultant provides a verification review of the evaluated savings.

³⁸ M07151, NSUARB Decision Letter, Nova Scotia Power Inc. – DSM Cost Allocation and Recovery (E-R-15), (11 Apr 2016), at page 6.

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4.5 DSM RESOURCE PLANS (~~35~~-YEAR CYCLE)

~~EfficiencyOne~~ E1 will prepare DSM Resource Plans as required by the Public Utilities Act Board, on a ~~three~~five-year cycle unless directed otherwise by the ~~Board~~legislation.³⁹

4.6 REPORTING REQUIREMENTS

E1 proposes its DSM reporting ~~on~~within each DSM Resource Plan. This includes the following DSM reporting:

~~4.5.14.6.1~~ ANNUAL PROGRESS REPORTS

In the first quarter of the calendar year ~~of each intervening year between multi-year filings~~, ~~ENS~~ E1 will file an Annual Progress Report (APR) with the ~~UARB~~NSEB, which will include the following information:⁴⁰

- A summary of the context, activities and milestones achieved in the prior year, including the status of annual performance indicators;
- A management discussion and analysis of any major discrepancies relative to the original plan's intent and forecasts;
- ~~A summary of costs-expenditures and savings for each program; or target market area. If the total reported results fall below 75 percent of the original plan's forecast cumulative annual incremental energy savings up to that point, ENS will also file a Corrective Action Plan designed to achieve the total approved energy savings target, within the approved multi-year budget.~~
- A summary of the cumulative progress achieved to date on the approved Plan's performance targets (e.g., % progress towards approved performance targets);
- Plan period forecast information (savings and expenditures) for the five-year Plan period;

³⁹ Public Utilities Act, Amended (Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022, s. 79 I (2a).

⁴⁰ Supra-note 2 at p 44. DSM Settlement Agreement 2013-2015 DSM Plan, May 28, 2012, Schedule A, s 2(a) and (b), page 3.

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- Plan period forecast by rate class for an outlook on projected rate class expenditures for the entire Plan period and discussion on anticipated variances from the approved Plan (25% or greater); and
- Such other reporting proposed and/or ordered by the Board.

In the event ~~ENS-E1~~ proposes significant changes to elements within an approved Plan, advance notice will be provided to the ~~UARB-NSEB~~ and ~~sStakeholders~~ within the APR. Significant changes include:⁴¹

- Adding a new Program;
- Terminating an existing Program; and
- Increasing or decreasing the 35-year plan budget and savings target for the total Residential or total BNI sector by more than 25%;
- ~~Decreasing the 3-year plan budget for the total Residential sector by more than 25%;~~
- ~~Increasing the 3-year plan budget for the total BNI sector by more than 25%;~~
- ~~Decreasing the 3-year plan budget for the total BNI sector by more than 25%;~~
- ~~Increasing the 3-year plan savings target for the total Residential sector by more than 25%;~~
- ~~Decreasing the 3-year plan savings target for the total Residential sector by more than 25%;~~
- ~~Increasing the 3-year plan savings target for the total BNI sector by more than 25%;~~
- ~~and~~
- ~~Decreasing the 3-year plan savings target for the total BNI sector by more than 25%.~~

~~4.5.24.6.2~~ **QUARTERLY REPORTS**

~~ENS-E1~~ will file quarterly reports with the ~~UARB-NSEB~~ for quarters one through three of each year. The reports will provide quarterly status updates and service highlights, as well as

⁴¹ *Ibid.*

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communicate course adjustments within the current approved DSM Resource Plan, and rate class reporting.⁴² This will include the following:

- quarterly and year-to-date (YTD) highlights (comparison of savings targets, mid-course adjustments, results and discussion of 25 percent or greater variances in savings or investment results at the program level, discussion of 10 percent or greater variances in incentive levels at the measure level);
- updated year-end forecast information for savings targets and spending;
- program and sector highlights (results, participation, and items of interest by program, as well as low-income and equity results);
- rate class reporting, including:
 - YTD investment by rate class compared to the approved Plan, with % of expenditures by rate class relative to the approved Plan;
 - discussion on variances to the approved Plan (YTD results to the approved Plan, 25% or greater variances);
 - discussion on rate class spending to date, including participation results, program activity and participating customer classes; and
 - year-end forecast by rate class to provide additional insight on the expected rate class expenditures by year-end, along with discussion on variances to the approved Plan (forecast and/or YTD results to the approved Plan, 25% or greater variances);
- status updates on the annual Evaluator and Verification recommendations;
- —highlights of Enabling Strategies activities; and
- Such other reporting proposed and/or ordered by the Board.

~~4.5.34.6.3~~ **AUDITED FINANCIAL STATEMENTS**

~~ENS-E1~~ will retain the services of an external financial auditor to prepare audited annual financial statements. These will be filed with the ~~UARB-NSEB~~ in the second quarter of the following year.

⁴² *Ibid.*

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~~4.5.44.6.4~~ **IMPACT EVALUATION**

~~ENS-E1~~ will file impact evaluations for each program annually,⁴³ produced by an independent third party DSM program evaluator.

~~4.5.54.6.5~~ **PROCESS EVALUATION**

~~ENS-E1~~ will file process evaluations for individual programs, produced by an independent third party DSM program evaluator as necessary.⁴⁴ Examples of instances in which a program-level evaluation ~~may~~~~would~~ occur include newly created program components that have not yet been evaluated, program components that have incurred major changes, program components that received a large number of recommendations from the evaluator, or program components that have a variance of energy savings larger than 25 percent of planned.

~~4.5.64.6.6~~ **RATE AND BILL IMPACT ANALYSIS**

~~ENS-E1~~ will file its historical Rate and Bill Impact Analysis (RBIA) ~~by October 31st of each year as part of each DSM Resource Plan.~~⁴⁵ The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year.

~~ENS-E1~~ will also file a forward-looking RBIA as part of each DSM Resource Plan. The forward-looking RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities conducted as part of the proposed DSM Resource Plan.

⁴³ Supra note 1, s 5(a)

⁴⁴ Ibid.

⁴⁵ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5.

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4.64.7 DEMAND SIDE MANAGEMENT ADVISORY GROUP

The DSM Advisory Group is a forum to provide strategic or directional advice and stakeholder perspectives on current or emerging DSM issues including, but not limited to, issues identified in UARB-NSEB Orders pertaining to Demand Side Management.

Demand Side Management Advisory Group

Standardized Filing Framework

Prepared by EfficiencyOne

Updated [insert date TBD]



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1. OBJECTIVE

To standardize the content of future Demand Side Management (DSM) Resource Plan filings.

2. BACKGROUND

On June 16, 2015, EfficiencyOne (E1), Nova Scotia Power Incorporated (NS Power), the Consumer Advocate, the Small Business Advocate, the Ecology Action Centre, the Affordable Energy Coalition, and the Industrial Group signed a Consensus Agreement that proposed the establishment of a standardized filing framework for future DSM applications (the “Standardized Filing Framework” or “Framework”).¹ On October 7, 2015, the Nova Scotia Utility and Review Board (NSUARB) approved this Consensus Agreement² and directed that the Standardized Filing Framework be vetted through the DSM Advisory Group (DSMAG),³ and submitted to the NSUARB for approval by June 30, 2016.⁴

The Standardized Filing Framework (including program descriptions) includes standard DSM informational items, one or more alternate scenarios of DSM savings and budgets, and other items enumerated in section 1 of the Consensus Agreement.⁵ The DSM Standards, included under section 4, below, describe the overall DSM planning and evaluation process, and list objectives for pursuing DSM activities.

¹ M06733, In the Matter of the *Public Utilities Act* and *An application by EfficiencyOne for Approval of a Supply Agreement for Electricity Efficiency and Conservation Activities between EfficiencyOne and Nova Scotia Power Inc., the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management (“DSM”) Resource Plan*, Document 287094 (16 Jun. 2015) at Appendix A (Consensus Agreement).

² M06733, NSUARB Order, Document 240387 (7 Oct. 2015) at page 2.

³ *Supra* note 1.

⁴ *Supra* note 2.

⁵ *Supra* note 1.

In 2016, the Standardized Filing Framework was filed with the NSUARB as part of a Consensus Agreement on 2016-2018 DSM Plan Application Deferred Matters⁶ and was accepted by the NSUARB in 2016 for use in future DSM Plan applications.⁷

As part of the 2023-2025 DSM Resource Plan Decision, the NSUARB encouraged the DSMAG to “consider whether changes to the Framework are required”.⁸ Further, the Nova Scotia Energy Board (successor to the NSUARB) in its 2026 DSM Extension Decision, directed E1 to “continue its engagement with the DSMAG on the Standardized Filing Framework, a review of E1’s ‘balanced plan’, the relevant factors and weighing of factors for consideration in E1’s next DSM Plan, and the impact of the Board’s decision in Matter M12282.”⁹ Over the period of 2024, 2025 and 2026, the Framework was reviewed in the DSMAG.

⁶ M07543, Consensus Agreement, July 22, 2016. The 2016 Consensus Agreement was signed by E1, NS Power, the Consumer Advocate, the Small Business Advocate, the Industrial Group, the Municipal Electric Utilities of Nova Scotia, the Affordable Energy Coalition, and the Ecology Action Centre.

⁷ M07543, E1 2016-2018 DSM Deferred Matters, NSUARB Letter to E1, September 13, 2016.

⁸ M10473, NSUARB Decision 2023-2025 DSM Plan, September 6, 2022, page 63, para 191.

⁹ M12249, NSEB Decision and Order, 2026 DSM Extension, December 22, 2025.

3. STANDARDIZED FILING FRAMEWORK

3.1 GLOSSARY OF TERMS

For greater clarity, Figure 1 below provides definitions for metrics referenced in Tables 1 and 2 of the Framework.

Figure 1: Glossary of Terms

Term	Definition
Cumulative net demand savings	The cumulative total (or sum) of the incremental net demand savings for the specific Plan period (i.e., total savings achieved across the multiple years of the Plan period). Net refers to savings that includes effects such as free-ridership and spillover.
Cumulative net energy savings	The cumulative total (or sum) of the incremental net energy savings (i.e. total savings across the multiple years of the Plan period). Net refers to savings that includes effects such as free-ridership and spillover.
Cumulative net energy savings (Lifetime)	The cumulative total (or sum) of the incremental lifetime energy savings for the specific Plan period (i.e., the total lifetime energy savings achieved across the multiple years of the Plan period). Net refers to savings that includes effects such as free-ridership and spillover.
Demand Response	Demand response measures generate savings in the form of available capacity or a load reduction in response to events called by the electric utility (NS Power) to reduce the load at strategic moments. These events can be called at any time and for any duration, although they are usually called for one to four hours during peak periods.
Demand Response Available Capacity	The capacity that is available to Nova Scotia Power (NS Power) to reduce system peak demand.
E1 Investment	The electric ratepayer investment amount for DSM activities delivered by E1.
Incremental net demand savings (First-year)	Incremental net demand savings refers to the demand savings achieved through energy efficiency measures and reduces peak demand as a result of implementing energy-efficiency measures. The demand savings coincide in time with the expected annual peak demand period of the entire electricity system. Net refers to savings that includes effects such as free-ridership and spillover.
Incremental net energy savings (First-year)	Incremental net energy savings refers to the savings generated from efficiency measures installed in that year. First-year energy savings refers to the first full year of energy savings generated by an energy efficiency

Term	Definition
	measure. Net refers to savings that includes effects such as free-ridership and spillover.
Incremental net energy savings (Lifetime)	The energy savings that occur over the lifetime of an energy efficiency measure. Lifetime energy savings account for a measure's effective useful life and any increase in the baseline efficiency level (which reduces attributable annual savings) over its lifetime. Net refers to savings that includes effects such as free-ridership and spillover.
Lifetime benefits	Lifetime benefits for Energy Efficiency are expressed as the net present value of the avoided costs, including energy, capacity, transmission, distribution, and carbon over the life of the program measures, using utility weighted average cost of capital (WACC). A weighted average measure life for the portfolio is used as opposed to individual measure lives, the approach taken when lifetime benefits are calculated as part of DSM Plan modelling. Lifetime benefits for Demand Response are expressed as the avoided costs, including capacity, transmission, and distribution, resulting from operating Demand Response.
Nova Scotia Energy Board Approved Cost-effectiveness testing	In the Board's Order on a new Benefit-Cost-Analysis Test (BCA) Test for Evaluating Demand-Side Management (DSM) Plans, the Board directed E1 to:¹⁰ "...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. 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."
Portfolio	Includes all DSM resources and is the aggregate amount of DSM programs (i.e. the DSM Plan).
Weighted Average Measure Life	Represents the average useful life of all measures in a program or portfolio, weighted by their share of total savings.

¹⁰ M12282, NSEB Decision, December 10, 2025

Table 1: STANDARDIZED FILING FRAMEWORK

ITEM	DESCRIPTION
1. INTRODUCTION	A brief introduction to the DSM Resource Plan filing and a brief overview of any agreements reached between EfficiencyOne (E1) and NS Power Incorporated (NS Power). All agreements between E1 and NS Power will be provided as Appendices to the filing.
1.1 Background	Relevant history that is pertinent to the regulatory approval process, including past DSM Resource plans.
2. PREVIOUS PLAN'S DSM RESULTS	
2.1 Previous Plan's DSM Expenditures and Savings Results	A summary of the most recently completed DSM Resource Plan's actual results. This will include a breakdown of savings and investment by rate class and the following portfolio-level metrics for the most recently completed DSM Resource Plan, by individual Plan year and in total for the Plan period (e.g., annual and cumulative): - Approved and Actual E1 Investment; - Approved and Actual Incremental net Energy Savings (First-year); - Approved and Actual Incremental net Demand Savings (First-year); - Approved and Actual Incremental net Energy Savings (Lifetime); - Approved and Actual Demand Response Available Capacity; - Approved and Actual Incremental net Savings from other DSM resources as applicable (e.g., Solar-PV, Strategic Electrification, or other DSM resources); - Other additional Approved and Actual Performance Targets. For further clarity, these will be additional Nova Scotia Energy Board (formerly the NSUARB) approved Performance Targets from the most recently completed DSM Plan; - Weighted-Average Measure Life; - Lifetime Benefits; - Rate class expenditures and savings; - Nova Scotia Energy Board-Approved Cost-Effectiveness Testing: Program Administrator Cost Test (PAC)¹¹; and

¹¹ M12249, 2026 DSM Extension, December 22, 2025. E1 was directed to include PAC test results for 2023-2025 in its 2025 Annual Progress Report and to report results for future years each year in its annual report. M12282, Nova Scotia Energy Board Order, December 10, 2025. In the Board's Decision on the Benefit-Cost-

ITEM	DESCRIPTION
	- Cumulative net energy and demand savings and investment (approved and actual) since 2012, and other additional approved and actual Performance Targets, as applicable.¹² The portfolio-level metrics will be provided as follows: - in aggregate (i.e., the aggregate of all DSM resources provided in the most recently completed DSM Resource Plan); and - by DSM resource (e.g., by each individual DSM resource as provided in the most recently completed DSM Resource Plan. This may include energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.). In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.
2.2 Previous Plan's DSM Programs	Discussion of the results of each program for the most recently completed DSM Resource Plan.
3. DEVELOPMENT OF THE UPCOMING PERIOD'S DSM RESOURCE PLAN	
3.1 Development of the Upcoming Period's DSM Plan Targets and Investment	A summary of: - the parties involved in developing the proposed DSM Resource Plan; - the most recent Integrated Resource Plan results; - the affordability of the proposed DSM Resource Plan; - cost-efficiency opportunities; and - key global assumptions.

Analysis Test (BCA), E1 was directed to use the Program Administrator Cost (PAC) test for screening the cost effectiveness of its proposed DSM Plan for its next term and to use NS Power's Weighted Average Cost of Capital (WACC) as the discount rate in this assessment. The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.

¹² E1 submitted its first DSM Plan in 2012 as DSM Administrator.

ITEM	DESCRIPTION
4. PROPOSED DSM RESOURCE PLAN FOR THE UPCOMING PERIOD	
4.1 Overall Summary	A brief overview of the proposed DSM Resource Plan for the upcoming period and any proposed significant changes in program delivery or philosophy, from the most recently completed DSM Resource Plan. NS Power will provide a rate impact analysis for the proposed DSM Resource Plan. E1 will provide a glossary of general terms and definitions. To enable overall consideration of the Plan, this section will include the following metrics, presented at the portfolio level, by individual Plan year and in total for the Plan period (e.g., annual and cumulative): - E1 Investment; - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Incremental net Energy Savings (Lifetime); - Demand Response Available Capacity; - Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources); - Weighted-Average Measure Life; - Lifetime Benefits; - Rate class expenditures and savings; and - NSEB-Approved Cost-Effectiveness Testing: Program Administrator Cost Test (PAC).¹³ The portfolio-level metrics will be provided as follows: - in aggregate (i.e., the aggregate of all DSM resources proposed for the upcoming Plan period); and - by DSM resource (e.g., by each individual DSM resource as proposed. This may include energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).

¹³ M12282, Nova Scotia Energy Board Order, December 10, 2025. In the Board's Decision on the Benefit-Cost-Analysis Test (BCA), E1 was directed to use the Program Administrator Cost (PAC) test for screening the cost effectiveness of its proposed DSM Plan for its next term and to use NS Power's Weighted Average Cost of Capital (WACC) as the discount rate in this assessment. The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.

ITEM	DESCRIPTION
	In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.
4.2 Program-Level Savings and Investment	A summary of program-level savings and investment for the upcoming period by individual Plan year and in total for the Plan period (e.g., annual and cumulative). Reference to benchmarks of plans from other jurisdictions that are comparable based on depth of savings relative to load, as appropriate. This will include the following metrics, presented at the program-level, (organized by DSM resource, e.g., energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.) - E1 Investment; - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Incremental net Energy Savings (Lifetime); - Demand Response Available Capacity; - Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources, etc.); - Breakdown of Savings and Investment by Rate Class; - Weighted-Average Measure Life; - Lifetime Benefits; and - NSEB-Approved Cost-Effectiveness Testing: Program Administrator Cost Test (PAC).¹⁴ In providing a breakdown of the program-level savings and investment by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.
4.3 Program Descriptions	Detailed descriptions of each program. A sample outline is provided in TABLE 2: PROGRAM DESCRIPTION TEMPLATE.
4.4 Enabling Strategies	An overview of the Enabling Strategies categories for the upcoming period including proposed activities and investment.

¹⁴ *Ibid.*

ITEM	DESCRIPTION
4.5 Evaluation	Proposed evaluation activities for the upcoming period, including a summary of any changes that are planned for evaluation activities over the upcoming period.
4.6 Reporting and Performance Metrics	A summary of E1's proposed regular reporting initiatives to the NSEB and the DSMAG for the upcoming period (e.g., Annual Progress Reports and quarterly reports). A summary of proposed performance metrics for the upcoming period (e.g., Performance Targets and thresholds, Performance Indicators, etc.) and performance metric definitions to provide clarity.
5. ALTERNATE SCENARIOS TO THE PROPOSED DSM PLAN	
5.1 Alternate Scenarios	Based on the NSUARB's October 7, 2015 Order on the 2016-2018 DSM Plan, E1 will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and NS Power is to provide rate impact analysis on those scenarios."¹⁵ For each of the alternative scenarios presented, E1 will include a table of the following portfolio-level metrics by individual Plan year and in total for the Plan period (e.g., annual and cumulative) which mirror those portfolio-level metrics provided in section 4.1 of the proposed DSM Resource Plan for the upcoming period: - E1 Investment; - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Incremental net Energy Savings (Lifetime); - Demand Response Available Capacity; - Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources); - Weighted-Average Measure Life; - Lifetime Benefits; - Rate class expenditures and savings; and - NSEB-Approved Cost-Effectiveness Testing: Program Administrator Cost Test (PAC).¹⁶

¹⁵ M06733, NSUARB Order, E1 2016-2018 DSM Plan, October 7, 2015, page 2, item 12.

¹⁶ M12282, Nova Scotia Energy Board Order, December 10, 2025. In the Board's Decision on the Benefit-Cost-Analysis Test (BCA), E1 was directed to use the Program Administrator Cost (PAC) test for screening the cost effectiveness of its proposed DSM Plan for its next term and to use NS Power's Weighted Average Cost of Capital

ITEM	DESCRIPTION
	Portfolio-level metrics will be provided as follows: - in aggregate (i.e., the aggregate of all DSM resources proposed for the upcoming Plan period); and - by DSM resource (e.g., by each individual DSM resource as proposed. This may include energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.). In providing a breakdown of the overall portfolio by DSM resource, values will be provided for all metrics, even if the assumed value is zero or not applicable to a particular DSM resource. E1 will provide rationale for zero/not applicable metrics.
6. ADDITIONAL ITEMS	
6.1 Rate and Bill Impact Analysis (RBIA)	E1 is to include the following: - Forward-Looking RBIA: This will consist of a detailed description of the forward-looking rate and bill impact analysis of the proposed DSM Resource Plan.¹⁷ This will include a detailed breakdown between the rate classes, with the exception of certain customer classes (e.g., Unmetered), for which E1 does not have the necessary data. - Historical RBIA: The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year. A historical RBIA will be included as part of each DSM Resource Plan filing.¹⁸ As per section 4.1 and 5.1 above, NS Power is to provide a rate impact analysis for the proposed DSM Resource Plan and alternate scenarios of DSM budgets (NSUARB's October 7, 2015 Order on the 2016-2018 DSM Plan).¹⁹

(WACC) as the discount rate in this assessment. The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.

¹⁷ *Supra* note 1.

¹⁸ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5.

¹⁹ M06733, NSUARB Order, E1 2016-2018 DSM Plan, October 7, 2015, page 2, item 12. E1 will "provide one or more alternate scenarios of DSM budgets for the Board to consider, and NS Power is to provide rate impact analysis on those scenarios."

ITEM	DESCRIPTION
6.2 Payback Period & Considerations	As per the NSUARB's 2023-2025 DSM Plan Order, E1 is directed "to include payback information in its measure level tables in future applications for the approval of resource plans and provide additional information about the other factors that E1 has considered in concluding that the proposed incentive level for the measure is appropriate for measures where the payback period is three years or less." ²⁰
6.3 Justifications for Measure Inclusion	As per the NSUARB's 2023-2025 DSM Plan Order, E1 is directed "to provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in future resource plan applications." ²¹
6.4 Other Items	Other items as relevant.
7. CONCLUSION	A summary of the items that E1 is seeking approval for.

Table 2: PROGRAM DESCRIPTION TEMPLATE

ITEM	DESCRIPTION
1. OVERVIEW	A brief description of the program intent, target market, and type of service or rebate.
2. OBJECTIVES	Long-term objectives for the program.
3. OPPORTUNITY	A summary of the market potential for the program, including description of target customers, barriers for the market to undertake the upgrades or services without support, program history, and information on whether the program intends to cover hard-to-reach customers.
4. PROGRAM DESIGN	
4.1 Measures Promoted	A summary of services, rebates, or financing options included in the program, including technical data by measure.
4.2 Implementation Strategy	A description of the implementation strategy, including overview of marketing plan, use of external delivery agents, funding of energy audits, and provisions for quality control.
4.3 Program Performance Indicators	For the upcoming Plan, E1 will provide a table of program-level performance indicators by individual Plan year and in total for the Plan period (e.g., annual and cumulative), including a summary of targeted:

²⁰ M10473, NSUARB Order, E1 2023-2025 DSM Plan, November 8, 2023, page 2, item 5.

²¹ *Ibid.*, item 6.

ITEM	DESCRIPTION
	- E1 investment; - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Incremental annual net Energy Savings (Lifetime) - Demand Response Available Capacity; - Incremental net savings from other DSM resources, as applicable (e.g., Solar-PV, Strategic Electrification, other DSM resources, etc.); - Annual participation and participation rates; - Cost-effectiveness testing analysis; and - Levelized cost of saved energy (lifetime unit cost of energy \$/kWh).
4.4 Low-Income & Equity Performance Indicators	E1 will include a table of program-level low-income & equity savings and investment for the upcoming period by individual Plan year and in total for the Plan period (e.g., annual and cumulative), including A summary of expected low-income & equity impacts from dedicated and non-targeted programs (incidental impacts) including: - E1 Investment; - Incremental net Energy Savings (First-year); - Incremental net Demand Savings (First-year); - Incremental net Energy Savings (Lifetime); - Participation; and - Other metrics as relevant.
5. PROGRAM ALTERNATIVES	A comparison of the program elements in the proposed DSM plan to the alternate scenarios of DSM budgets.

4. DEMAND SIDE MANAGEMENT STANDARDS

4.1 OBJECTIVES

The objectives of this document are as follows:

- To ensure consistency in the overall Demand Side Management (DSM) planning and evaluation process in Nova Scotia;
- To consolidate important decisions made by the Nova Scotia Energy Board (NSEB), in force as of April 1, 2025,²² and the Nova Scotia Utility and Review Board (NSUARB and predecessor to the NSEB) as they pertain to DSM regulation; and
- To ensure that DSM Resource Plans balance the multiple objectives of DSM.

4.2 DSM RESOURCE PLAN RESEARCH

4.2.1 DSM BASELINE STUDY

E1 will work with the Nova Scotia Independent Energy System Operator (NSIESO) in pursuit of the NSIESO's duties to carry out integrated resource planning exercises as outlined in the *More Access to Energy Act*.²³ This may include the commission of a DSM baseline study in advance of each DSM Potential Study. The DSM Baseline Study will identify current stocks of electricity consuming devices in all market sectors.

4.2.2 DSM POTENTIAL STUDY

E1 will work with the NSIESO in pursuit of the NSIESO's duties to carry out integrated resource planning (IRP) exercises as outlined in the *More Access to Energy Act*.²⁴ This may include the commission of a DSM Potential study in advance of each IRP exercise.

The DSM Potential study identifies DSM resources that are achievable over the planning horizon, and will inform the development of Candidate Resource Plans for the IRP.

²² Bill 404, *Energy Reform (2024) Act, An Act to Reform the Law Respecting Energy and Electricity, Chapter 2 Acts of 2024*. Royal Assent April 5, 2024 (proclaimed October 24, 2024, in force April 1, 2025). *Part I: Energy and Regulatory Boards Act (Schedule A); Part II More Access to Energy Act (Schedule B)*.

²³ *More Access to Energy Act*, s 10 and s 11, see also *Public Utilities Act*, s 79W.

²⁴ *Ibid.*

4.2.3 INTEGRATED RESOURCE PLAN

Integrated resource planning establishes directional information for DSM planning. The Preferred Resource Plan identified in the IRP will inform the development of a preferred DSM Resource Plan by E1, including analysis of alternate scenarios of DSM activity, in accordance with the Standardized Filing Framework.

E1 will work with the NSIESO in the pursuit of their duties to carry out IRP exercises.²⁵ As outlined in the *More Access to Energy Act*, the NSIESO shall:

11 (2) Prior to, or as part of, conducting an integrated resource planning exercise and subsequent competitive procurements of energy resources, the [NS]IESO shall:

(a) work with the holder of the franchise to supply NSPI with reasonably available, cost-effective demand-side management under the *Public Utilities Act* to:

- (i) Develop avoided cost calculations for demand-side management resources,
- (ii) Co-operate with the franchise holder in pursuit of its duties under this Act, including its duty to conduct integrated resource planning exercises,
- (iii) Cooperate with the franchise holder respecting the integrated resource planning to develop avoided cost calculations for demand-side management resources and undertake reasonable cost-effective demand-side management.

[...]

- (3) The NSIESO shall file the results of its IRP exercises with the Energy Board once they are complete.

²⁵ *Ibid.*

4.2.3.1 AVOIDED COSTS

As outlined in the *More Access to Energy Act*, the NSIESO will work with the DSM franchise holder to develop avoided cost calculations for demand-side management resources as part of its IRP exercises (see section 4.2.3. above) and provide to E1 for use in the cost-effectiveness screening of DSM measures and programs during DSM planning processes.

4.3 DSM RESOURCE PLAN DEVELOPMENT**4.3.1 BALANCED PLAN APPROACH**

E1 will produce DSM Resource Plans that balance multiple aspects of DSM for the benefit of customers, including:

- Short-term and long-term energy and capacity avoidance;
- Program delivery costs;
- Avoided energy and capacity investments;
- Non-electric and non-energy benefits;
- Diversity of program delivery;
- Business relationships and maintenance of market presence;
- Access to programs by all market sectors and rate classes by addressing barriers to participation; and
- Rate impacts.

4.3.2 COST-EFFECTIVENESS TESTING

E1 will apply the NSEB-approved cost-effectiveness test. Pursuant to Section 79H (2) of the *Public Utilities Act*, the NSEB, in evaluating a franchise holder's application, "shall evaluate the proposed cost-effective demand-side management at the portfolio level that would be the aggregate amount of demand-side management programs."²⁶

²⁶ *Public Utilities Act*, s 79H(2). See also Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022.

In the Board's Decision dated December 10, 2025 in matter M12282 on the Benefit-Cost-Analysis Test (BCA), E1 was "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."²⁷ The Board further directed E1 to use a modified PAC (as proposed by the Industrial Group's consultant in the BCA proceeding) to assess strategic electrification²⁸ and noted that strategic electrification must both reduce GHG emissions and electricity costs for customers.²⁹

E1 notes that in addition to providing portfolio level cost-effectiveness results, it also provides cost-effectiveness test results at the measure, program component, program, sector and DSM resource level for informational purposes. As per the Board's directive from the 2023-2025 DSM Plan, E1 is "to provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in future resource plan applications."³⁰

4.3.3 PERFORMANCE METRICS

4.3.3.1 DEFINITIONS

To provide clarity, the following definitions are used:³¹

Performance Metric: A quantifiable measure that is used to track and assess the status of a specific achievement.

Performance Indicators: A set of particular performance metrics used to indicate or monitor progress toward performance targets. Performance Indicators are management tools that

²⁷ M12282, NSEB Order, E1 Application for approval of a new Benefit Cost Analysis Test, December 10, 2025.

²⁸ M12282, NSEB Order, E1 Application for approval of a new Benefit Cost Analysis Test, December 10, 2025, page 80, "While the Board leaves it open to E1 to propose another approach for addressing strategic electrification, in the absence of an acceptable approach, E1 should follow Mr. Bowman's recommendation for assessing strategic electrification using the PAC test and including the increased revenues from these activities."

²⁹ M12282, *Ibid.*

³⁰ M10473, NSUARB Order, E1 2023-2025 DSM Plan, November 8, 2023, page 2, item 4.

³¹ EfficiencyOne, Evidence, *In the Matter of the Public Utilities Act and in the Matter of an Application for Approval of the 2016-2018 Supply Agreement for EE&CA*, (27 Feb. 2016), at page 46.

provide information to allow an organization to take action to help it deliver on performance targets.

Performance Target: A performance metric expressed as a specific quantified goal that identifies the desired outcome of an activity at a specific point in time. In this Application, Performance Targets refer to NSEB-approved targets.

Performance Threshold: A predefined quantity, percentage, or range, which identifies the allowable deviation from a Performance Target within which the actual outcome is considered to have achieved success. In this Application, Performance Thresholds refer to NSEB-approved thresholds.

4.3.3.2 REQUIREMENTS

Performance Targets and Thresholds³²

- i. Performance Targets apply to the Plan period as reflected in the NSEB-approved DSM Purchase Agreement, or as ordered by the NSEB;
- ii. E1 is deemed to be in substantial compliance with the NSEB-approved Plan Performance Targets if 90 percent or greater achievement is reached on each of the Performance Targets. If less than 90 percent of any Performance Target is achieved, E1 understands that the NSEB would use its discretion to determine appropriate action.

Performance Targets consist of:³³

E1 will propose Performance Targets within each DSM Resource Plan for consideration and approval by the NSEB. Proposed Performance Targets will be reflective of the DSM resources proposed for the upcoming Plan period (e.g., energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).

³² M06733, NSUARB Order, *The Public Utilities Act and An Application for Approval of a Supply Agreement for electricity efficiency and conservation activities between EfficiencyOne and Nova Scotia Power Incorporated, the establishment of a final agreement between the parties, and approval of a 2016-2018 Demand Side Management Resource Plan* (7 Oct 2015), at page 2 and Schedule B, page 5.

³³ *Ibid.*

Performance Targets relevant to the DSM resources may include:

- i. Cumulative energy savings;
- ii. Cumulative peak demand savings;
- iii. Demand Response Available Capacity; and
- iv. Cumulative energy savings applicable to E1's dedicated low-income and equity programs (e.g., Affordable Single-Family Homes, Affordable Multi-Family Housing and Mi'kmaw Home Energy Efficiency Project); and
- v. Such other targets as may be proposed and/or ordered by the Board.

Performance Indicators consist of:³⁴

E1 will propose Performance Indicators within each DSM Resource Plan for consideration and approval by the NSEB. These performance indicators will be specific to the DSM resources proposed within each future Plan (e.g. performance indicator metrics for energy efficiency, demand response, solar-PV, strategic electrification, other DSM resources, etc.).

Performance Indicators may include:

- i. Annual incremental energy savings (reported by program and rate class);
- ii. Cumulative energy savings (reported by program and rate class);
- iii. Annual lifetime energy savings (reported by program and rate class);
- iv. Cumulative lifetime energy savings (reported by program and rate class);
- v. Annual incremental peak demand savings (reported by program and rate class);
- vi. Cumulative peak demand savings (reported by program and rate class);
- vii. Demand Response available capacity (reported by program and rate class);
- viii. Total lifetime ratepayer benefits;
- ix. Total E1 spending (reported by program and rate class);
- x. Customer satisfaction;

³⁴ *Ibid.*

- xi. An analysis of the impact on rates through the implementation of the programs will be included as part of E1's historical-looking rate and bill impact analysis, filed as part of each DSM Resource Plan application);Incidental cumulative energy savings applicable to low-income and equity communities from non-targeted programs; and
- xii. Reporting on low income program participation, expenditures, and savings through a variety of methods, including estimation based on geographic census information;
- xiii. Cost-effectiveness testing at the portfolio level;³⁵ and
- xiv. Such other performance indicators proposed and/or ordered by the Board.

4.3.4 DSM PROGRAMS

E1 will propose DSM programs within each DSM Resource Plan. DSM programs are offered to the Residential and the Business, Not-for-Profit and Institutional (BNI) sectors.

DSM programs may include::

- Residential – Efficient Product Rebates
- Residential – Existing Residential
- Residential – New Residential
- Business, Not-for-Profit and Institutional – Efficient Product Rebates
- Business, Not-for-Profit and Institutional – Custom Incentives
- Business, Not-for-Profit and Institutional – Direct Installation
- Demand Response
- Such other DSM programs as proposed

4.3.4.1 LOW INCOME AND EQUITY CONSIDERATIONS

Other Low Income and Equity Programming

In accordance with Section 4.3.1, the Balanced Plan Approach, E1 will design and deliver programs and services that benefit low-income and equity customers.

³⁵ M12249, NSEB Order, 2026 DSM Extension, December 22, 2025. E1 was directed “to include PAC test results for 2023-2025 in its 2025 Annual Progress Report and to report results for future years each year in its annual report.”

4.3.5 ENABLING STRATEGIES

E1 will propose Enabling Strategies within each DSM Resource Plan. Enabling Strategies expenditures may include the following categories:

- Education and Outreach;
- Development and Research;
- Other Enabling Strategies; and
- Such other Enabling Strategies as proposed.

Specific Enabling Strategies activities requiring an annual investment of \$100,000 or more that benefit a specific rate class or classes will have the participant benefit portion (75%) of their investment allocated to the specific rate class or classes that receive the benefit. Investments under \$100,000, or any investment benefiting all rate classes, will have their participant benefit portion (75%) allocated according to the per-rate class investment of program expenditures.³⁶ In all cases, the system benefit portion (25%) is allocated on the basis of class energy and demand requirements.

4.4 DSM TRACKING, EVALUATION AND VERIFICATION**4.4.1 TRACKING**

E1 will track the energy and capacity savings resulting from each program. Tracked results will be used in quarterly reports.

4.4.2 EVALUATION

E1 will retain the services of an independent DSM evaluation firm to conduct annual evaluations for each DSM program, as described in Section 4.6

³⁶ M07151, NSUAR Decision Letter, *Nova Scotia Power Inc. – DSM Cost Allocation and Recovery (E-R-15)*, (11 Apr 2016), at page 6.

4.4.3 VERIFICATION

The NSEB's savings verification consultant provides a verification review of the evaluated savings.

4.5 DSM RESOURCE PLANS (5-YEAR CYCLE)

E1 will prepare DSM Resource Plans as required by the *Public Utilities Act*, on a five-year cycle unless directed otherwise by the legislation.³⁷

4.6 REPORTING REQUIREMENTS

E1 proposes its DSM reporting within each DSM Resource Plan. This includes the following DSM reporting:

4.6.1 ANNUAL PROGRESS REPORTS

In the first quarter of the calendar year, E1 will file an Annual Progress Report (APR) with the NSEB, which will include the following information:³⁸

- A summary of the context, activities and milestones achieved in the prior year, including the status of annual performance indicators;
- A management discussion and analysis of any major discrepancies relative to the original plan's intent and forecasts;
- A summary of expenditures and savings for each program;
- A summary of the cumulative progress achieved to date on the approved Plan's performance targets (e.g., % progress towards approved performance targets);
- Plan period forecast information (savings and expenditures) for the five-year Plan period;

³⁷ *Public Utilities Act*, Amended (Bill No. 228, Chapter 53 of the Acts of 2022), November 9, 2022, s. 79 I (2a).

³⁸ DSM Settlement Agreement 2013-2015 DSM Plan, May 28, 2012, Schedule A, s 2(a) and (b), page 3.

- Plan period forecast by rate class for an outlook on projected rate class expenditures for the entire Plan period and discussion on anticipated variances from the approved Plan (25% or greater); and
- Such other reporting proposed and/or ordered by the Board.

In the event E1 proposes significant changes to elements within an approved Plan, advance notice will be provided to the NSEB and stakeholders within the APR. Significant changes include:³⁹

- Adding a new Program;
- Terminating an existing Program; and
- Increasing or decreasing the 5-year plan budget and savings target for the total Residential or total BNI sector by more than 25%;

4.6.2 QUARTERLY REPORTS

E1 will file quarterly reports with the NSEB for quarters one through three of each year. The reports will provide quarterly status updates and service highlights, as well as communicate course adjustments within the current approved DSM Resource Plan, and rate class reporting.⁴⁰ This will include the following:

- quarterly and year-to-date (YTD) highlights (comparison of savings targets, mid-course adjustments, results and discussion of 25 percent or greater variances in savings or investment results at the program level, discussion of 10 percent or greater variances in incentive levels at the measure level);
- updated year-end forecast information for savings targets and spending;
- program and sector highlights (results, participation, and items of interest by program, as well as low-income and equity results);
- rate class reporting, including:

³⁹ *Ibid.*

⁴⁰ *Ibid.*

- YTD investment by rate class compared to the approved Plan, with % of expenditures by rate class relative to the approved Plan;
 - discussion on variances to the approved Plan (YTD results to the approved Plan, 25% or greater variances);
 - discussion on rate class spending to date, including participation results, program activity and participating customer classes; and
 - year-end forecast by rate class to provide additional insight on the expected rate class expenditures by year-end, along with discussion on variances to the approved Plan (forecast and/or YTD results to the approved Plan, 25% or greater variances);
- status updates on the annual Evaluator and Verification recommendations;
 - highlights of Enabling Strategies activities; and Such other reporting proposed and/or ordered by the Board.

4.6.3 AUDITED FINANCIAL STATEMENTS

E1 will retain the services of an external financial auditor to prepare audited annual financial statements. These will be filed with the NSEB in the second quarter of the following year.

4.6.4 IMPACT EVALUATION

E1 will file impact evaluations for each program annually,⁴¹ produced by an independent third party DSM program evaluator.

4.6.5 PROCESS EVALUATION

E1 will file process evaluations for individual programs, produced by an independent third party DSM program evaluator as necessary.⁴² Examples of instances in which a program-level evaluation may occur include newly created program components that have not yet been evaluated, program components that have incurred major changes, program components that received a large number of recommendations from the evaluator, or

⁴¹ Supra note 1, s 5(a)

⁴² *Ibid.*

program components that have a variance of energy savings larger than 25 percent of planned.

4.6.6 RATE AND BILL IMPACT ANALYSIS

E1 will file its historical Rate and Bill Impact Analysis (RBIA) as part of each DSM Resource Plan.⁴³ The historical RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year.

E1 will also file a forward-looking RBIA as part of each DSM Resource Plan. The forward-looking RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities conducted as part of the proposed DSM Resource Plan.

4.7 DEMAND SIDE MANAGEMENT ADVISORY GROUP

The DSM Advisory Group is a forum to provide strategic or directional advice and stakeholder perspectives on current or emerging DSM issues including, but not limited to, issues identified in NSEB Orders pertaining to Demand Side Management.

⁴³ M10830, NSUARB Letter, E1 2022 RBIA, February 24, 2023, page 5.

Standardized Filing Framework

Prepared by EfficiencyOne

Updated: [insert date]



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1. OBJECTIVE

To standardize the content of future Demand Side Management (DSM) Resource Plan filings.

2. BACKGROUND

On June 16, 2015, EfficiencyOne (E1), Nova Scotia Power Incorporated (NS Power), the Consumer Advocate, the Small Business Advocate, the Ecology Action Centre, the Affordable Energy Coalition, and the Industrial Group signed a Consensus Agreement that proposed the establishment of a standardized filing framework for future DSM applications.¹

On October 7, 2015, the Nova Scotia Utility and Review Board (NSUARB) approved this Consensus Agreement and directed that the Standardized Filing Framework (Framework) be vetted through the DSM Advisory Group (DSMAG) and submitted for NSUARB approval.¹

In 2016, the Standardized Filing Framework was filed as part of a Consensus Agreement on 2016-2018 DSM Plan Application Deferred Matters and was accepted by the NSUARB for use in future DSM Plan applications.²

In the 2023-2025 DSM Resource Plan decision, the NSUARB encouraged the DSMAG to consider updates to the Framework.³

In the 2026 DSM Extension decision, the Nova Scotia Energy Board (Board) directed E1 to continue engagement with the DSMAG on the Framework.”⁴

The Framework was reviewed in the DSMAG and updated in [Insert Date/year].

3. STANDARDIZED FILING FRAMEWORK

3.1 Glossary of Terms

Definitions in Table 1, below, are standardized and apply throughout this document. Requirements reflecting the Board's decision on the Benefit-Cost Analysis test are drawn from M12282.⁵

Table 1: Glossary of Terms

Term	Definition
Cumulative net demand savings	Sum of incremental net demand savings across the Plan period; net of free-ridership and spillover.
Cumulative net energy savings	Sum of incremental net energy savings across the Plan period; net of free-ridership and spillover.
Cumulative net energy savings (Lifetime)	Sum of incremental lifetime energy savings achieved across the Plan period. Lifetime energy savings are the energy savings that occur over the lifetime of an energy efficiency measure, accounting for a measure's effective useful life and baseline changes
DSM Resource Plan	E1's multi-year filing describing proposed DSM resources, budgets, savings, and performance metrics for approval.
DSM resource	Category of DSM activity such as energy efficiency, demand response, strategic electrification, or solar-PV, or other DSM resources.
Demand Response	Demand response measures generate savings that reduce load or provide available capacity in response to events called by the utility, typically 1-4 hours during peak periods.
Demand Response Available Capacity	The capacity available to NS Power to reduce system peak demand via demand response events.
E1 Investment	The electric ratepayer funding of DSM activities delivered by E1.
Effective Useful Life	The period a measure is expected to be in service and provide both energy and peak demand savings. This value combines equipment life and measure persistence.
Incremental net peak demand savings	Demand savings achieved through energy efficiency measures and coincide in time with the expected annual peak demand period of the entire electricity system; net of free-ridership and spillover.
Incremental net energy savings (First-year)	First full year of energy savings attributable to efficiency measures installed in that year; net of free-ridership and spillover.
Incremental net energy savings (Lifetime)	Energy savings over the lifetime of an efficiency measure, reflecting effective useful life and evolving baselines; net of free ridership and spillover.
IRP	Integrated Resource Plan
Lifetime benefits	Present value of the avoided costs attributable to DSM (energy, capacity, transmission, distribution, carbon). For DR, benefits include avoided capacity, transmission, and distribution. Discount using NS Power's weighted average cost of capital (WACC).
NSEB	Nova Scotia Energy Board or "Board"
NSIESO	Nova Scotia Independent Energy System Operator responsible for the IRP and development of avoided-cost inputs used in DSM planning.
NSUARB	Nova Scotia Utility and Review Board (predecessor to the NSEB)
Plan period	The five-year term covered by the DSM Resource Plan, unless otherwise directed.
Portfolio	Aggregate of all DSM resources proposed in a DSM Plan.
Program Administrator Cost (PAC) test	Primary cost-effectiveness screen at the portfolio level, discount using NS Power's WACC. Strategic electrification is assessed using a modified PAC that includes the incremental utility revenues and must both greenhouse gas emissions and electricity costs for customers.

Standardized Filing Framework

Term	Definition
Weighted Average Measure Life	Average measure life weighted by each measure's share of total savings.
Strategic Electrification	DSM activities that shift end-uses from fossil fuels to electricity while reducing both GHG emissions and electricity costs for customers.
RBIA	Rate and Bill Impact Analysis. Forward-looking RBIA assesses projected impacts of the proposed Plan; historical RBIA summarizes impacts of DSM to date.

3.2 DSM Resource Plan Filing Content

E1 will provide the same metrics across the filing content (e.g., from the portfolio level to the program level and/or across sections) and provide rationale where a metric is zero or not applicable. Table 2, below, describes DSM Resource Plan filing content.

Table 2: DSM Resource Plan Filing Content

Item	Description
1. Introduction	Introduce the DSM Resource Plan and summarize any E1–NS Power agreements (attach as appendices). Include relevant background and history, including past DSM Plans. Include Glossary of Terms and/or List of Abbreviations.
2. Previous Plan Results	For the most recently completed Plan, provide approved and actual expenditures and savings (annual and cumulative) by portfolio and by DSM resource. Report portfolio metrics including E1 investment, first-year and lifetime energy savings, peak demand savings, demand response available capacity, weighted average measure life, lifetime benefits, PAC results, breakdown of savings and investment by rate class. Provide cumulative expenditure and savings results since 2012. Provide discussion of results of each program for the most recently completed DSM Resource Plan.
3. Plan Development	Summarize parties involved, latest IRP results, affordability considerations, cost-efficiency opportunities, and key global assumptions.
4. Proposed DSM Resource Plan	Overview of the proposed Plan and any significant changes in program delivery. Provide portfolio-level metrics for each Plan year and in total, both in aggregate and by DSM resource. Metrics include E1 investment, first-year and lifetime energy savings, peak demand savings, demand response available capacity, weighted average measure life, lifetime benefits, rate-class breakdown, PAC results, breakdown of savings and investment by rate class. Provide program-level savings and investment, reference benchmarks of plans from other jurisdictions that are comparable as appropriate (e.g., depth of savings to load). Apply the same metrics provided at the portfolio level to each program. Provide program descriptions (refer to Table 3, below), enabling strategies, evaluation approach, and reporting and performance metrics.
5. Alternate Scenarios	Provide one or more alternate scenarios with the same portfolio-level metrics as Section 4 (i.e., the proposed DSM Resource Plan) to enable rate-impact analysis.
6. Additional Items	Provide historical and forward-looking RBIA; NS Power is to provide a rate impact analysis for the proposed DSM Resource Plan and alternate scenarios of DSM budgets. Provide payback information and justifications for measures with ≤3-year payback; and specific justification for any measure that fails cost-effectiveness.
7. Conclusion	List of approvals sought.

3.2.1 Program Description Template

Program description content is described in Table 3.

Table 3: Program Description Template

Item	Description
1. Overview	Intent, target market, and type of service or rebate.
2. Objectives	Long-term objectives for the program.
3. Opportunity	Summary of market potential for the program, including target customers (indicate if for hard-to-reach customers), barriers, program history.
4. Program Design	
4.1 Measures	Summary of services, rebates, or financing options including technical data by measure.
4.2 Implementation	Implementation strategy including marketing, use of delivery agents, quality assurance.
4.3 Program Performance Indicators	Annual and cumulative targets for E1 investment, energy savings (first-year and lifetime), demand savings, demand response available capacity, participation, PAC, and levelized cost of saved energy (lifetime unit cost of energy \$/kWh).
4.4 Low-Income & Equity Performance Indicators	Annual and cumulative program-level low-income & equity impacts including E1 investment, energy savings (first-year and lifetime), peak demand savings, participation. Include dedicated and incidental impacts.
5. Program Alternatives	Comparison of proposed elements to the alternate scenarios.

4. DEMAND SIDE MANAGEMENT STANDARDS

4.1 Objectives

- Ensure consistency in the overall Demand Side Management (DSM) planning, evaluation, reporting in Nova Scotia;
- Consolidate Board decisions and directives as they pertain to DSM; and
- Ensure that DSM Resource Plans balance the multiple objectives of DSM.

4.2 DSM Resource Plan Research

4.2.1 DSM Baseline Study

E1 will work with the NSIESO on IRP activities,⁶ which may include commissioning a DSM baseline study in advance of each DSM Potential Study to identify current stocks of electricity consuming devices in all market sectors.

4.2.2 DSM Potential Study

E1 will work with the NSIESO on IRP activities,⁶ including the commission of a DSM Potential study in advance of each IRP exercise. The DSM Potential study identifies DSM resources that are achievable over the planning horizon, and will inform the development of Candidate Resource Plans for the IRP.

4.2.3 Integrated Resource Plan

Integrated resource planning establishes directional information for DSM planning. The Preferred Resource Plan identified in the IRP will inform the development of a preferred DSM Resource Plan by E1, including analysis of alternate scenarios of DSM activity, in accordance with the Framework.

4.2.4 Avoided Costs

NSIESO will work with the DSM franchise holder to develop avoided cost calculations for demand-side management resources.⁶

4.3 DSM Resource Plan Development

4.3.1 Balanced Plan Approach

E1 will produce DSM Resource Plans that balance multiple aspects of DSM for the benefit of customers, including:

- Short-term and long-term energy and capacity avoidance;
- Program delivery costs;
- Avoided energy and capacity investments;
- Non-electric and non-energy benefits;
- Diversity of program delivery;
- Business relationships and maintenance of market presence;
- Access to programs by all market sectors and rate classes by addressing barriers to participation; and

- Rate impacts.

4.3.2 Cost-Effectiveness Testing

E1 will apply the Board-approved cost-effectiveness test at the portfolio level under the *Public Utilities Act*.

As directed under M12282, the PAC test is the primary screening test, using NS Power's Weighted Average Cost of Capital (WACC) as the discount rate in this assessment. Strategic electrification is assessed using a modified PAC and must both reduce GHG emissions and electricity costs for customers.⁵

E1 will provide portfolio level cost-effectiveness results. It will also provide cost-effectiveness test results at the measure, program component, program, sector and DSM resource level for informational purposes.⁵

E1 is to provide specific justification, on an individual basis, for each measure that fails cost-effectiveness testing in Plan applications.³

4.3.3 Performance Metrics

The following performance metrics and requirements were established under the 2016-2018 DSM Plan.¹

4.3.3.1 Definitions

The following definitions are used:

Performance Metric: A quantifiable measure that is used to track and assess the status of a specific achievement.

Performance Indicators: A set of particular performance metrics used to indicate or monitor progress toward performance targets. Performance Indicators are management tools that provide information to allow an organization to take action to help it deliver on performance targets.

Performance Target: A performance metric expressed as a specific quantified goal that identifies the desired outcome of an activity at a specific point in time. In this Application, Performance Targets refer to Board-approved targets.

Performance Threshold: A predefined quantity, percentage, or range, which identifies the allowable deviation from a Performance Target within which the actual outcome is considered to have achieved success. In this Application, Performance Thresholds refer to Board-approved thresholds.

4.3.3.2 Requirements

Performance Targets

Performance targets apply over the Plan period as reflected in the Board-approved DSM Purchase Agreement or as ordered by the Board.

E1 is in substantial compliance if it achieves 90 percent or greater on each approved performance target. If less than 90 percent of any performance target is achieved, E1 understands that the Board would use its discretion to determine appropriate action.

E1 will propose DSM resource specific performance targets within each DSM Resource Plan filing for consideration and approval by the Board. These may include cumulative energy savings, cumulative peak demand savings, demand response available capacity, low-income and equity savings, and any others as ordered by the Board.

Performance Indicators

E1 will propose DSM resource specific performance indicators within each DSM Resource Plan filing for consideration and approval by the Board. Performance indicators may include annual incremental and cumulative energy savings (reported by program and rate class), annual and cumulative lifetime energy savings (reported by program and rate class), annual incremental and cumulative peak demand savings (reported by program and rate class), demand response available capacity (reported by program and rate class); lifetime ratepayer benefits, total E1 spending (reported by program and rate class), customer satisfaction, low-income and equity impacts, portfolio-level cost-effectiveness⁴, and other indicators as ordered by the Board.

4.3.4 DSM Programs

E1 will propose DSM programs for Residential and the Business, Not-for-Profit and Institutional (BNI) sectors which may include Residential Efficient Product Rebates, Existing Residential, New Residential, BNI Efficient Product Rebates, Custom Incentives, Direct Installation, Demand Response and other programs as proposed.

4.3.4.1 Low Income and Equity Considerations

Consistent with the Balanced Plan Approach, E1 will design and deliver programs and services that benefit low-income and equity customers, including both dedicated programs and incidental impacts from non-targeted programs.

4.3.5 Enabling Strategies

E1 will propose Enabling Strategies such as Education and Outreach, Development and Research, Other Enabling Strategies; and additional categories as proposed.

For activities requiring an annual investment of \$100,000 or more that benefit a specific rate class or classes, will have the participant benefit portion (75%) of their investment allocated to the specific rate class or classes that receive the benefit. Investments under \$100,000, or any investment benefiting all rate classes, will have their participant benefit portion (75%) allocated according to the per-rate class investment of program expenditures.⁷ In all cases, the system benefit portion (25%) is allocated on the basis of class energy and demand requirements.

4.4 DSM Tracking, Evaluation and Verification

4.4.1 Tracking

E1 will track the energy and capacity savings by program and report results in quarterly reports.

4.4.2 Evaluation

E1 will retain the services of an independent DSM evaluation firm to conduct annual impact evaluations for each DSM program or process evaluations as needed.

4.4.3 Verification

The Board's savings verification consultant provides a verification review of the evaluated savings.

4.5 DSM Resource Plans (5-year cycle)

E1 will file DSM Resource Plans on a five-year cycle unless otherwise directed by legislation or Board order.⁸

4.6 Reporting Requirements

E1 proposes reporting within each DSM Resource Plan application.

4.6.1 Annual Progress Reports

Reporting requirements were established under the 2013–2015 DSM Plan Settlement Agreement and continue to evolve.⁹

In the first quarter of the calendar year, E1 will file an Annual Progress Report (APR) which will include the following information:

- context, activities and milestones achieved in the prior year, with status of annual performance indicators;
- management discussion and analysis of any major discrepancies relative to the original plan's intent and forecasts (>25% variances);
- program-level expenditures and savings;
- notice of significant proposed changes to elements within an approved Plan (e.g., add a new program, terminate a program, +/- 25% sector budget savings change);
- cumulative progress towards Board-approved performance targets;
- Plan period forecast (savings and expenditures);¹⁰
- Plan period forecast by rate class and discussion of >25% variances to the approved Plan;⁴ and
- other reporting proposed and/or ordered by the Board.

4.6.2 Quarterly Reports

E1 will file quarterly reports with the Board for quarters one through three of each year. Reporting requirements were established under the 2013–2015 DSM Plan Settlement Agreement and continue to evolve:⁹

- quarterly and year-to-date status updates and highlights, as well as communicate course adjustments within the approved DSM Resource Plan;
- explanations of >25% variance in savings or investment at a program level;¹
- discussion of 10 percent or greater variances in incentive levels at the measure level;³

Standardized Filing Framework

- program and sector highlights including low-income and equity results;
- updated year-end forecasts for savings and expenditures;¹⁰
- rate class discussion¹ including YTD and forecast expenditures by rate class compared to the approved Plan with discussion of >25% variances to the approved Plan;⁴
- status updates of annual Evaluator and Verification recommendations;
- highlights of Enabling Strategies activities; and
- other reporting proposed and/or ordered by the Board.

4.6.3 Audited Financial Statements

E1 will file audited annual financial statement in Q2 of the following year.

4.6.4 Evaluation

E1 will file annual impact evaluations for each program prepared by an independent third party DSM program evaluator.

E1 will file process evaluations for individual programs, produced by an independent third party DSM program evaluator as necessary (e.g., for new program components, major changes, numerous evaluator recommendations, or variances larger than >25% of planned).

4.6.5 Rate and Bill Impact Analysis

Each DSM Resource Plan filing will include:

- a historical RBIA summarizing the long-term impact to rates and bills of all DSM activities up to and including those of the previous calendar year;¹¹ and
- a forward-looking RBIA as part of each DSM Resource Plan. The forward-looking RBIA estimates the high-level, long-term impact to rates and bills of all DSM activities conducted as part of the proposed DSM Resource Plan. NS Power will provide a rate-impact analysis for the proposed DSM Plan and any alternate scenarios.¹

4.7 Demand Side Management Advisory Group

The DSM Advisory Group provides strategic or directional advice and stakeholder perspectives on current or emerging DSM issues including Board Orders pertaining to Demand Side Management.

5. CONSOLIDATED ENDNOTES AND SOURCES

1. M06733 – E1 2016-2018 DSM Resource Plan. NSUARB Order (October 7, 2015) approving the Plan, the Consensus Agreement establishing the Standardized Filing Framework; Performance Targets, Indicators, and Thresholds; Evaluation and Reporting (including substantial changes and rate class). Related directives include alternate scenarios and NS Power rate-impact analysis.
2. M07543 – E1 2016-2018 DSM Deferred Matters, Consensus Agreement (July 22, 2016) and NSUARB acceptance (September 13, 2016).
3. M10473 – E1 2023-2025 DSM Resource Plan, NSUARB Decision (September 6, 2022). Establishes Framework review; payback information and justifications for measures with ≤3-year payback; specific justification for any measure that fails cost-effectiveness in Plan applications; and quarterly report discussion of >10% adjustments in incentive levels at the measure level from approved-Plan.
4. M12249 – E1 2026 DSM Extension, NSEB Decision (December 22, 2025). Directive to continue DSMAG engagement on the Framework and Balanced Plan considerations. Plan commitments to enhanced rate class reporting.
5. M12282 – E1 application for approval of a new Benefit-Cost Analysis (BCA) Test for Evaluating Demand Side Management Plans. NSEB Decision (December 10, 2025). Directive to use the PAC test as the primary test for screening the cost-effectiveness of a proposed DSM Plan, using NS Power’s WACC as the discount rate. Strategic electrification uses a modified PAC and must reduce GHG and customer electricity costs.
6. *Energy Reform (2024) Act, Schedule B: More Access to Energy Act*. Establishes NSIESO, including IRP and avoided-cost duties (in force April 1, 2025).
7. M07151 – Nova Scotia Power, DSM Cost Allocation and Recovery, NSUARB Decision Letter, (April 11, 2016), at page 6.
8. *Public Utilities Act*, s. 79 I (2a).
9. M04819 – E1 2013-2015 DSM Resource Plan, Settlement Agreement (May 28, 2012), Schedule A, s 2(a) and (b), page 3.
10. M09096 – E1 2020-2022 DSM Resource Plan and related matter M09750, E1’s Performance Alignment Study. E1 proposed reporting enhancements such as annual forecasts in quarterly reports and Plan period forecasts in the Annual Progress Report; recommendations were accepted by the Board (June 29, 2020).
11. M10830 – E1 2022 RBIA, NSUARB Letter (February 24, 2023), page 5.

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Request IR-03:

Regarding E1's Round 1 and Round 2 modeling, please provide the resource-level and portfolio-level cost-effectiveness of those potential Plans using the PAC and the WACC applied in the 2027-2031 DSM Plan filing. Please provide the utility costs, utility benefits, utility net benefits, and PAC ratio in the response. Please also provide the increased GHG emissions, the GHG emissions reductions, and the net of the increases and decreases. Regarding the portfolio-level results, provide portfolio-level results including a base or high scenario for each modeled resource. For example, if E1 modeled base and high scenarios for energy efficiency and demand response and base scenarios only for solar PV and strategic electrification, please provide results for all the possible combinations of resources:

(a) EE – Base & DR – Base & Solar PV - Base & Strategic Electrification – Base

(b) EE – High & DR – Base & Solar PV - Base & Strategic Electrification – Base

(c) EE – Base & DR – High & Solar PV - Base & Strategic Electrification – Base

(d) EE – High & DR – High & Solar PV - Base & Strategic Electrification – Base

Response IR-03:

(a) As part of the 2027–2031 DSM Plan development, EfficiencyOne (E1) modelled several scenarios during the Round 1 and Round 2 modelling phases which were shared with the Demand Side Management Advisory Group (DSMAG) as part of the engagement process. Please refer to E1's response to Synapse IR-02, specifically Attachment 1 for Round 1 detail and results, and Attachment 2 for Round 2 detail and results. At the time of Round 1

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1 modelling, E1 performed cost effectiveness testing using the Total Resource Cost Test
2 (TRC), the Program Administrator Cost test (PAC), the proposed Nova Scotia Jurisdictional
3 Specific Cost (NS JST) test and the Rate Impact Measure (RIM) test specifically for strategic
4 electrification. E1 did not have the Nova Scotia Energy Board's Decision¹ on E1's Application
5 for Approval of a New Benefit Cost Analysis (BCA) Test for Evaluating Demand Side
6 Management (DSM) Plans at that time. The modified-PAC was subsequently performed for
7 strategic electrification as part of Round 2 modelling. The costs included in the modified-
8 PAC performed for strategic electrification as part of Round 2 modelling are the electric
9 utility costs (i.e., the proposed strategic electrification investment to be included in E1's
10 DSM Plan as well as the increased utility cost of supplying electricity to consumers) and the
11 benefit included is the increased revenue collected by the electric utility from customers.
12 In Round 1, Round 2 and the Preferred Plan modelling, 6.65% NS Power 2025 WACC rate
13 was used.² E1 did not combine the modelled resource scenarios into proposed DSM Plans
14 in Round 1 and Round 2 and therefore their cost effectiveness results were not calculated
15 for combined DSM Plan scenarios.

16
17 (b) Please refer to part (a) of this IR response.

18
19 (c) Please refer to part (a) of this IR response.

20
21 (d) Please refer to part (a) of this IR response.

¹ M12282, NSEB Decision, EfficiencyOne (E1) Application for Approval of a New Benefit-Cost Analysis (BCA) Test for Evaluating Demand Side Management (DSM) Plans, December 10, 2025.

² M11990, NS Power Application for Approval of its 2025 pre-tax Weighted Average Cost of Capital (WACC) and Allowance for Funds Used During Construction (AFUDC) Rate, Board Order, March 31, 2025.

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Request IR-04:

Regarding E1's Round 1 and Round 2 modeling, please provide the resource-level and portfolio-level cost-effectiveness of those potential Plans using a modified PAC, in alignment with the BCA proposed by the Industrial Group's consultant in *E1's Application for approval of a New Benefit-Cost Analysis Test for Evaluating DSM Plans* in Matter 12282. Please use the WACC applied in the 2027-2031 DSM Plan filing. Please provide the resource and portfolio-level modified utility costs, modified utility benefits, modified utility net benefits, and modified PAC ratio in the response. Please also provide the increased GHG emissions, the GHG emissions reductions, and the net of the increases and decreases. Regarding the portfolio-level results, provide portfolio-level results including a base or high scenario for each modeled resource. For example, if E1 modeled base and high scenarios for energy efficiency and demand response and base scenarios only for solar PV and strategic electrification, please provide results for all the possible combinations of resources:

(a) EE – Base & DR – Base & Solar PV - Base & Strategic Electrification – Base

(b) EE – High & DR – Base & Solar PV - Base & Strategic Electrification – Base

(c) EE – Base & DR – High & Solar PV - Base & Strategic Electrification – Base

(d) EE – High & DR – High & Solar PV - Base & Strategic Electrification – Base

Response IR-04:

(a) Please refer to EfficiencyOne's (E1) response to Synapse IR-02, specifically Attachments 1 and 2 for Round 1 and Round 2 detail and results. E1 did not combine the modelled

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- 1 resource scenarios into proposed DSM Plans in Round 1 and Round 2 and therefore their
2 cost effectiveness results were not calculated for combined DSM Plan scenarios.
3
4 (b) Please refer to part (a) of this IR response.
5
6 (c) Please refer to part (a) of this IR response.
7
8 (d) Please refer to part (a) of this IR response.

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1 **Request IR-05:**

2
3 **Regarding the application of a modified PAC in E1’s Round 1 and Round 2 modeling, please**
4 **provide an explanation of the costs and benefits included in the modified PAC, as proposed by**
5 **the Industrial Group’s consultant in *E1’s Application for approval of a New Benefit-Cost***
6 ***Analysis Test for Evaluating DSM Plans* in Matter 12282.**

7
8 **Response IR-05:**

9
10 Please refer to EfficiencyOne’s (E1) response to Synapse IR-03 part (a).

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Request IR-06:

Please refer to Table 6 on page 10 of the 2027-2031 Demand Side Management Resource Plan - Round 2 Model Input Assumptions and Results. Please explain why batteries, EV telematics, and EV charger devices are not included in the Round 2 modeling results.

Response IR-06:

EfficiencyOne (E1) notes that the Round 2 Model Input Assumptions and Results referenced in this IR was prepared as part of E1's internal plan development process and provided to the DSM Advisory Group for engagement purposes during plan development. That document preceded the filed 2027–2031 DSM Plan Application.

The design of the demand response scenarios included in the filed Plan was guided by two primary objectives: achievability and cost-effectiveness. Batteries, EV telematics, and EV charger devices were not included in the demand response scenarios because, at this stage of market development in Nova Scotia, these pathways could not be demonstrated to meet E1's achievability and cost-effectiveness design objectives.

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1 **Request IR-07:**

2
3 **Page 3 of the Evidence states, “Section 79C(1) of the PUA gives the Minister of Energy**
4 **(‘Minister’) the authority to grant an electricity efficiency and conservation franchise**
5 **(‘Franchise’). Pursuant to section 79C(2)(a), the Franchise holder has the exclusive right to**
6 **supply NS Power with ‘reasonably available, cost-effective demand-side management for the**
7 **purpose of this Act’. Demand-side management is defined in section 79A of the Act, for the**
8 **purposes of sections 79B through 79V, as follows:**

9 ...

10 **(iv) strategic electrification of energy end uses currently powered by fossil fuels in a**
11 **manner that reduces overall greenhouse gas emissions and electricity costs,”**

12
13 **Please answer the following questions regarding the quote above:**

14
15 **(a) Did E1 interpret this language to mean that the strategic electrification resource, in**
16 **isolation and not in combination with other resources, needs to reduce overall**
17 **greenhouse gas emissions and electricity costs?**

18
19 **(b) Does E1’s response to (a) reflect E1’s own interpretation of the regulation or did E1 ask**
20 **for clarification regarding how this regulation should be interpreted and/or implemented**
21 **in its 2027-2031 DSM Plan? Please explain.**

22
23 **Response IR-07:**

24
25 **(a) Yes. EfficiencyOne (E1) interprets section 79A(iv) of the *Public Utilities Act* ("PUA") to**
26 **impose two conjunctive requirements: the strategic electrification resource must, in**
27 **isolation and without regard to other DSM resources, (i) reduce overall greenhouse gas**

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1 emissions, and (ii) reduce electricity costs. Both conditions must be independently satisfied.
2 This interpretation applies regardless of whether the strategic electrification resource
3 passes the Nova Scotia Energy Board ("NSEB") approved modified-Program Administrator
4 Cost ("PAC") test for strategic electrification, or whether the overall DSM portfolio passes
5 the NSEB approved PAC test for DSM, as provided in the NSEB's Decision on E1's Application
6 for Approval of a New Benefit-Cost Analysis (BCA) Test for Evaluating Demand Side
7 Management (DSM) Plans ("BCA Decision").¹

8
9 (b) E1 did not seek clarification from government or from the NSEB on how the *PUA* provision
10 or the BCA Decision should be interpreted or implemented in E1's 2027–2031 DSM Plan.
11 E1's interpretation, as set out in response (a) above, is consistent with the NSEB's own
12 interpretation as expressed in the BCA Decision, which states:

13
14 The Board notes, however, that both requirements for strategic electrification
15 must be met. It must reduce GHG emissions and electricity costs for
16 customers.²

¹ M12282, NSEB Decision, E1 New Benefit Cost Analysis Test for Evaluating Demand Side Management (DSM) Plans, December 10, 2025.

² Ibid, page 65, para 163.

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1 **Request IR-08:**

2

3 **Page 5 of the Evidence states, “Pursuant to section 79H(1), its responsibilities include**
4 **determining ‘the cost-effective demand-side management that must be undertaken for the**
5 **purpose of this Act’, which in 79H(2) is to be evaluated at the portfolio level. In its decision on**
6 **the BCA test, the Energy Board confirmed that DSM Plan applications must be evaluated at the**
7 **portfolio level ‘that would be the aggregate amount of demand-side management programs,’**
8 **which also includes strategic electrification. The Energy Board noted at paragraph 168 that the**
9 **requirement to evaluate the proposed cost-effective demand-side management at the**
10 **portfolio level implies that, provided the overall portfolio passes the cost-effectiveness test, it**
11 **is not a contravention of the statute if measures or programs themselves fail. Justification for**
12 **including such measures and programs could be provided a number of ways, including based**
13 **on the factors the Energy Board is required to consider under s. 6(2) of the *Energy and***
14 ***Regulatory Boards 1 Act*. E1's 2027–2031 DSM Plan passes the Program Administrator Cost**
15 **(‘PAC’) test at the portfolio level with a benefit-cost ratio of 2.4, satisfying this requirement.**
16 **For the limited number of individual programs and measures that do not independently pass**
17 **the cost-effectiveness test, E1 has responded to this specifically under Board Directives section**
18 **2.2.2.1.”**

19

20 **Please answer the following questions regarding the quote above:**

21

22 **(a) If one or more of the portfolio-level assessments of this Plan passed the PAC and/or**
23 **modified PAC tests, please explain why this portfolio does not comply with the direction**
24 **in the NSEB Decision in Matter 12282 (E1 Application for approval of a New Benefit-Cost**
25 **Analysis Test for Evaluating DSM Plans).**

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- 1 **(b) Does E1’s response to (b) reflect E1’s own interpretation of NSEB’s Decision or did E1 ask**
2 **anyone for clarification regarding how this Decision should be interpreted or**
3 **implemented in its 2027-2031 DSM Plan? Please explain.**

4

5 Response IR-08:

6

- 7 (a) Please refer to EfficiencyOne’s (E1) response to Synapse IR-07.

8

- 9 (b) Please refer to E1’s response to Synapse IR-07.

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Request IR-09:

Page 9 of the Evidence states “Given the affordability concerns raised by DSM Advisory Group (DSMAG) members, as discussed in Sections 3.1.1 and 4.1, the Preferred Plan constrains investment to 2026 levels with no annual inflationary increases to the investment, while maintaining a portfolio that delivers long term benefits to ratepayers, consistent with the NSEB's direction to consider both affordability and long-term cost reduction.” Page 11 of the Evidence states that “the Preferred Plan is demonstrably in the best interests of NS Power's customers because it: balances near-term affordability with long-term value by constraining investment to 2026 levels.”

(a) Please discuss why E1 decided to constrain investment to 2026 levels with no annual inflationary increases.

(b) Please discuss if E1 considered constraining investment to 2026 levels with annual inflationary increases. If so, please explain why this approach was not proposed in this plan.

Response IR-09:

(a) Please refer to EfficiencyOne’s (E1) response to NSEB IR-03 part (a).

(b) Please refer to E1's response to NSEB IR-03 part (a).

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Request IR-10:

Pages 9-10 of the Evidence state, “E1's decision to hold investment at current levels reflects a deliberate and evidence-based judgment that near-term rate restraint, in the current economic environment, serves the best interests of ratepayers without compromising the long term trajectory toward NS Power’s Integrated Resource Plan (‘IRP’)-identified energy savings levels.”

(a) Please compare the 2023-2026 DSM Plan with the IRP Reference Plan by year for similar years and across years, in terms of:

a. Energy efficiency: energy savings and peak demand savings (GWh and MW, respectively)

b. Demand response: available capacity (MW)

(b) Please estimate the gap between the 2023-2026 DSM Plan and the IRP Reference Plan in 2023, 2024, 2025, 2026, and accumulated across all these years.

(c) Please compare the proposed 2027-2031 DSM Plan with the IRP Reference Plan, by year for similar years and across years, in terms of:

a. Energy efficiency: energy and demand savings (GWh and MW)

b. Demand response: available capacity (MW)

c. Solar PV: generation (GWh)

(d) Please estimate the gap between the proposed 2027-2031 DSM Plan and the IRP Reference Plan in 2027, 2028, 2029, 2030, 2031, and accumulated across all these years.

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- (e) Does E1 agree that holding investment at current levels in nominal dollars is the same as decreasing investment in constant dollars? If not, why not?
- (f) If E1 agrees that it is decreasing investment in constant dollars, please explain how a decrease in investment in DSM “serves the best interests of ratepayers”.
- (g) Does E1 agree that a gap between the proposed 2027-2031 DSM Plan and the IRP Reference Plan in 2027, 2028, 2029, 2030, 2031, and accumulated across all these years is not consistent with “the long term trajectory toward NS Power’s Integrated Resource Plan (‘IRP’)-identified energy savings levels”. If not, why not?

Response IR-10:

- (a) Please refer to Table 1 in this IR response.
- a. Please refer to part (a) of this IR response.
- b. Please refer to part (a) of this IR response.

Table 1: 2023-2026 DSM Plan Energy Savings, Demand Savings and Available Capacity Compared to 2022 Evergreen Integrated Resource Plan (IRP)

Year	Plan as Approved			2022 Evergreen IRP Reference Plan			Variance Between Plan as Approved and 2022 Evergreen IRP Reference Plan		
	Energy Savings (GWh)	Peak Demand Savings (MW)	Available Capacity (MW)	Energy Savings (GWh)	Peak Demand Savings (MW)	Available Capacity (MW)	Energy Savings (GWh)	Peak Demand Savings (MW)	Available Capacity (MW)
2023	120.7	26.9	3	130.8	25.3	28.0	-10.1	1.6	-25.0
2024	142.6	25.6	10	124.2	24.7	41.9	18.4	0.9	-31.9
2025	149.5	26.3	17.9	125.6	23.7	46.1	23.9	2.6	-28.2
2026	116.0	18.9	16.3	136.3	25.0	45.7	-20.3	-6.1	-29.4
Total	528.7	97.7	16.3	516.8	98.7	45.7	12.0	-1.0	-29.4

- (b) Please refer to Table 1 in this IR response, specifically the three variance columns at the far right.

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(c) Please refer to Table 2 in this IR response.

Table 2: 2027-2031 Preferred DSM Plan Energy Savings, Demand Savings and Available Capacity Compared to 2022 Evergreen Integrated Resource Plan (IRP)

Year	Plan as Proposed				2022 Evergreen IRP Reference Plan				IRP Reference Plan			
	Energy Savings (GWh)	Peak Demand Savings (MW)	Available Capacity (MW)	Solar-PV Installed Capacity (MW)	Energy Savings (GWh)	Peak Demand Savings (MW)	Available Capacity (MW)	Solar-PV Installed Capacity (MW)	Energy Savings (GWh)	Peak Demand Savings (MW)	Available Capacity (MW)	Solar-PV Generation (GWh)
2027	121.5	19.7	21.1	0	137.1	25.2	45.4		-15.6	-5.5	-24.3	
2028	100.8	18.7	23.2	0.55	147.0	26.6	45.2		-46.2	-7.9	-22.0	
2029	77.7	16.6	25.2	0.55	135.1	24.5	44.8		-57.4	-7.9	-19.6	
2030	70.3	15.8	27.3	0.5	133.3	24.2	44.5		-63.0	-8.4	-17.2	
2031	65.2	14.2	29.3	0.4	130.6	23.4	44.3		-65.5	-9.2	-15.0	
Total	435.4	85.0	29.3	2.0	683.1	123.9	44.3	203	-247.7	-38.9	-15.0	-201.0

Solar-PV Installed Capacity: Each scenario has at least 200 MW of solar PV online by 2031, growing at varying rates through 2050.

The IRP Reference Scenario that avoided costs of DSM were developed from (CE1-E1-R2) has 203 MW of solar by 2031.

The high DER IRP scenario (included higher levels of customer sited solar) which had favorable Revenue Requirement results when customer costs are excluded .

(d) Please refer to Table 2 in this IR response, specifically the four variance columns to the far right.

a. Please refer to part (d) of this IR response.

b. Please refer to part (d) of this IR response.

c. Please refer to part (d) of this IR response.

(e) Yes, EfficiencyOne (E1) agrees with this statement.

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

(g) The 2027–2031 DSM Plan is not inconsistent with the IRP despite achieving 64% of IRP energy savings for that same time period, because the IRP defines the level of DSM over a long-term planning horizon (approximately 25 years) which is in the best interest of ratepayers by resulting in the lowest revenue requirement, whereas the DSM Plan reflects a near-term implementation decision. The Plan explicitly uses the IRP as a benchmark and includes modelling of an IRP-aligned scenario, confirming those savings are achievable and

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1 cost-effective. However, the Preferred Plan prioritizes short-term affordability and rate
2 impacts for customers during 2027–2031. As such, the difference reflects a deliberate and
3 reasonable trade-off between near-term affordability and long-term system optimization,
4 rather than a departure from IRP direction.

5
6 E1 acknowledges that deferring DSM savings carries a cost risk, as savings achieved later in
7 the planning horizon may cost more due to program cost escalation, lost economies of
8 scale, and increased reliance on supply-side alternatives. E1 has weighed this risk against
9 near-term rate impacts and determined that the Preferred Plan represents the best
10 available balance of short-term affordability and long-term system efficiency under the
11 current circumstances. E1 intends to reassess the pace of DSM investment in the next
12 planning cycle, including whether the cumulative gap in Table 2 can be materially reduced
13 without undue rate impact.

14
15 At the end of the 2027–2031 DSM Plan period, the cumulative peak demand gap compared
16 to the IRP is expected to be 39 MW, along with a 15 MW shortfall in demand response
17 capacity (excludes rate-based capacity). These gaps may need to be addressed through a
18 combination of future DSM programming, demand response expansion, and alternative
19 supply-side resources. In addition, extra operating reserves may be required to reliably
20 serve the additional peak load, depending on the resource mix ultimately selected.

21
22 E1 is not able to specify the exact amount of supply capacity required to close this gap, as
23 it will depend on several factors, including the type of resources selected and their
24 contribution to firm capacity.

25
26 In addition to the capacity shortfall, there will also be an energy gap of 248 GWh in 2031,
27 with a cumulative total of 627 GWh over the five-year period.

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Request IR-11:

Pages 14-15 of the Evidence state, “E1 notes that section 11(1) of the More Access to Energy Act requires that the Nova Scotia Independent Energy System Operator (‘NSIESO’) commence its first integrated resource planning exercise within one year of the coming into force of that section. E1 looks forward to working with the new NSIESO in relation to their IRP process generally, and in particular, its statutory mandate as franchise holder to cooperate with the NSIESO to:

(i) develop avoided cost calculations for demand-side management resources.

(ii) co-operate with the franchise holder in pursuit of its duties under this Act, including its duty to conduct integrated resource planning exercises, and

(iii) co-operate with the franchise holder respecting the integrated resource planning to develop avoided cost calculations for demand-side management resources and undertake reasonable cost-effective demand-side management;”

Please answer the following questions regarding the quote above:

(a) Does E1 anticipate an updated IRP between 2027 and 2031? If so, when would this process begin and when would it conclude?

(b) Does E1 anticipate updated avoided costs between 2027 and 2031? If so, when would these updated avoided costs be available for application in DSM Planning?

(c) Does E1 anticipate updating the avoided costs in its 2027-2031 DSM Plan as a result of the updated avoided costs from NSIESO? If so, when would E1 make these updates?

Response IR-11:

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1 (a) The development of Integrated Resource Plans (IRP) is now the responsibility of the new
2 Nova Scotia Independent Energy System Operator (NSIESO). The NSIESO has initiated its
3 first IRP which EfficiencyOne (E1) understands is currently expected to be completed by the
4 end of 2026 as provided in the NSIESO’s 2026 Integrated Resource Plan – Draft Terms of
5 Reference.¹ E1 understands from these same draft Terms of Reference that the cadence of
6 future IRP studies will be defined in the NSIESO’s final 2026 IRP report. E1 understands that
7 there could be a subsequent IRP conducted between 2027 and 2031 and any such activity,
8 timeline, and process would be the responsibility of the NSIESO.

9
10 (b) E1’s current understanding is that updated avoided costs of energy and capacity will be
11 developed using the preferred resource plan following the completion of the NSIESO’s 2026
12 IRP. Based on the current NSIESO timeline for the 2026 IRP, E1 does not anticipate updated
13 avoided costs to be finalized for use until sometime in 2027.

14
15 (c) No, E1 does not anticipate updating the avoided costs used in its proposed 2027–2031 DSM
16 Plan Application and re-filing its submission. Each time a new IRP is conducted the levels of
17 DSM over both the IRP planning horizon and for a specific DSM plan period contained in
18 the IRP preferred resource plan, may be different (higher or lower) as compared to the
19 previous IRP and/or the approved DSM Plan. Additionally, updated avoided costs may differ
20 from the previous IRP and what was used for the approved DSM Plan. IRP updates resulting
21 in changes to DSM levels and avoided costs have been the case historically and in the past
22 have not resulted in E1 applying for changes to the approved DSM Plan. E1 understands
23 that it could, at any time return to the NSEB during the 2027–2031 DSM Plan period to
24 request approval of modifications to the approved DSM Plan.

¹ [2026-IRP-Draft-Terms-of-Reference.pdf](#)

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Request IR-12:

Page 17 of the Evidence states, “Fourth, with respect to the analytical requirements in section 4 of the BCA Test Order, E1 notes that it has not applied a social discount rate in any tests and accordingly no WACC comparison has been provided.”

(a) Please provide costs, benefits, net benefits, and a BCA ratio for the 2027-2031 DSM Plan using the NS Test as proposed in E1’s Application for approval of a New Benefit-Cost Analysis Test for Evaluating DSM Plans in Matter 12282, and use the WACC applied in the PAC BCA.

(b) Please provide costs, benefits, net benefits, and a BCA ratio for the 2027-2031 DSM Plan using the NS Test as proposed in E1’s Application for approval of a New Benefit-Cost Analysis Test for Evaluating DSM Plans in Matter 12282, and use a societal discount rate of 2%.

Response IR-12:

(a) EfficiencyOne (E1) acknowledges the request to provide costs, benefits, net benefits, and a benefit-cost ratio for the proposed 2027–2031 DSM Plan using the NS Test as proposed in E1’s Application for approval of a New Benefit-Cost Analysis Test for Evaluating DSM Plans in Matter M12282, applying the same weighted average cost of capital (“WACC”) used in the Program Administrator Cost (“PAC”) test, and separately using a societal discount rate of 2%.

As part of the development of the 2027–2031 DSM Plan, E1 utilized modelling software capable of performing multiple cost-effectiveness tests, including the proposed NS Test as

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1 well as the Total Resource Cost (TRC) test, the Rate Impact Measure (RIM), the PAC and the
2 modified-PAC. This functionality was used during earlier stages of plan development to
3 support assessment of alternative cost-effectiveness approaches.

4
5 However, consistent with the Nova Scotia Energy Board’s Decision (M12282), the PAC test
6 was confirmed as the primary cost-effectiveness test for evaluating DSM Plans.
7 Accordingly, the proposed 2027–2031 DSM Plan was finalized, and filed based on the PAC
8 test, including the application of WACC.

9
10 As a result, full cost-effectiveness results for the proposed 2027–2031 DSM Plan under the
11 proposed NS Test (using WACC or a 2% social discount rate) and TRC were not produced.
12 Generating such results would require re-calculating the final Plan portfolio under the NS
13 Test and TRC test, including validation of all inputs and outputs.

14
15 Notwithstanding the above, E1 did provide the NS Cost Test results (as proposed in E1’s
16 BCA Application and using a 2% social discount rate) as well as TRC results, PAC results and
17 RIM results (for strategic electrification) in Round 1 modelling materials for the 2027–2031
18 DSM plan. These have been included in response to Synapse IR-02, specifically Attachment
19 1. In Round 2 modelling of the 2027–2031 DSM Plan materials, E1 provided PAC and
20 modified-PAC results (for strategic electrification) in alignment with the NSEB’s Decision.¹
21 These have been included in response to Synapse IR-02, specifically Attachment 2.

22
23 (b) Please refer to part (a) of this IR response.

¹ M12282, NSEB Decision, E1’s Application for approval of a New Benefit-Cost Analysis Test for Evaluating Demand Side Management Plans, December 10, 2025.

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Request IR-13:

Page 17 of the Evidence states, “E1 further notes that long-run marginal emissions rates have not been provided by NS Power, despite requests in December 2025 and February 2026. E1 understands that NS Power is consulting with the NSIESO on methodology and that this work is ongoing. E1 has calculated emissions impacts using the best available emissions information from NS Power's IRP, consistent with the approach taken in the 2023– 2026 DSM Plan.”

(a) When does E1 anticipate that NS Power will provide long-run marginal emissions rates?

(b) Does E1 anticipate any updates to the proposed 2027-2031 DSM Plan once it receives the long-run marginal emissions rates from NS Power? If so, when would these updates take place? If not, why not?

Response IR-13:

(a) EfficiencyOne (E1) does not currently have an expected timeline for the development and finalization of long-run marginal emissions rates.

(b) E1 is not anticipating updates to the proposed 2027–2031 DSM Plan as a result of receiving long-run marginal emissions rates from the Nova Scotia Independent Energy System Operator (NSIESO), having considered the potential implications and determined that, as the Plan was developed using the best available information from NS Power's Integrated Resource Plan (IRP) consistent with the approved 2023–2026 DSM Plan, revisions would not be warranted and may impose a disproportionate regulatory burden at this stage. Please refer to E1's response to NSEB IR-05.

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Request IR-14:

Pages 18-19 of the Evidence state, “E1 has initiated discussions with NS Power to further collaborate on both locational demand response and the stacking of E1’s demand response with rate signals. While there is not currently double counting of savings between E1’s Demand Response program and NS Power’s rate signals, E1 and NS Power recognize this requires ongoing efforts to determine if and how these two programs should work together. E1 expects these discussions to continue with the outcome being a proposed resolution agreed upon by both organizations. E1 is committed to continue to work through a solution that remains in the best interest of ratepayers. E1 has included both of these topics for development and research efforts under innovation as highlighted in both Appendix A, section 9.4 and in the Innovation Framework, Process and Plan for 2027–2031 included as Attachment 5 to Appendix A. Further discussion is also provided in Appendix A at sections 7.1 and 7.2.”

(a) When does E1 anticipate that it will have a proposed resolution that is agreed upon by E1 and NS Power?

(b) Does E1 anticipate any updates to the proposed 2027-2031 DSM Plan with this proposed resolution in place? If so, when would these updates take place? If not, why not?

Response IR-14:

(a) EfficiencyOne (E1) does not have an anticipated date for resolution but if no common understanding is reached in 2026, E1 expects collaboration and efforts will continue into the 2027–2031 DSM Plan period.

(b) Please refer to E1’s response to Synapse IR-72.

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Request IR-15:

Page 25 of the Evidence states, “The Preferred Plan energy savings achieves 0.8 percent of NS Power’s load which E1 considers appropriate based on a review of other jurisdictions, the 2023-2026 DSM Plan, and the current affordability focus. A jurisdictional scan conducted by APEX, a third-party expert, helped inform the percentage of load that E1 considers appropriate. The jurisdictional scan compared both U.S. and Canadian utilities, with similar climate and program mix. APEX has recommended 0.8 percent to 1.0 percent of load would be reasonable and aligned with comparable utilities. This is also aligned with E1’s 2023-2025 DSM Plan at 1.0 percent of load and 0.87 percent of load in the 2026 DSM Extension (adjusted to reflect the removal of the Residential Behaviour program).” Also, page 26 of the Evidence states, “The Preferred Plan allocation of energy savings is split 29 percent/71 percent between residential and BNI sectors which E1 considers appropriate. In addition to providing insights for the total energy savings as a percent of load, APEX also provided E1 with jurisdictional information on allocation between sectors. Based on their review APEX has recommended a 30 percent/70 percent split for these sectors as reasonable and aligned with comparable utilities. Dedicated low income and equity programs' energy savings as a percentage of total residential energy savings are 11 percent in the Preferred Plan. This is aligned with 2023–2026 at 10.5 percent.”

(a) Please provide the APEX jurisdictional scan results and all supporting workbooks and analyses.

(b) Which U.S. and Canadian utilities were included in the jurisdictional scan?

(c) Please compare the systems for the utilities identified in (b) with Nova Scotia’s in terms of climate (including heating degree days and system peak) and DSM program mix.

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1 **(d) Given the mentioned affordability challenges, is there any expectation that the number**
2 **of low-income customers will rise between now and 2031 in Nova Scotia? If so, what**
3 **source(s) support this trend and what do they project? If not, why not?**
4

5 Response IR-15:
6

7 (a) Please refer to Attachment 1 of EfficiencyOne's (E1) response to NSEB IR-08.
8

9 (b) Please refer to part (a) of this IR response.
10

11 (c) Please refer to part (a) of this IR response.
12

13 (d) For future updates on the prevalence of low-income in Nova Scotia, E1 would look to
14 Statistics Canada 2026 Census of Population for Nova Scotia. The 2026 Census results are
15 expected to be released in 2027.

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Request IR-16:

Please refer to pages 28-29 of the Evidence, where E1 states that “Early-stage demand response programs typically require time to mature before their full value is realized.” Please refer also to page 31 of the Evidence, where E1 states “technologies that deliver the strongest performance and program economics” include “existing behind-the-meter battery systems.” Please refer also to page 34 of the 2025 Progress Report, where E1 states that enrollment in EV and battery pathways was lower than expected.

(a) Please explain all major reasons contributing to the “lower-than-expected” enrollment in EV and battery pathways.

(b) Does E1 intend to terminate existing EV and battery Eco Shift enrollments? If so, please describe the reasons for termination, the schedule for terminating existing EV and battery EcoShift enrollments, and how participants would be notified?

(c) How do the early-stage enrollment challenges observed for EV and battery devices compare to those experienced by residential HVAC pathways at the inception of Eco Shift, and would E1 expect similar growth trajectories if these device categories were continued?

Response IR-16:

(a) Enrollment for the 2025 demand response season was lower than expected because EVs and batteries have a smaller addressable market than smart thermostats or domestic hot water controllers. EV participation depends on eligible vehicles, compatible controls, and customer charging behaviour during event windows. Battery participation depends on

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1 eligible behind-the-meter battery systems, which remain low-penetration and high-cost so
2 there are less devices bearing the cost of the battery pathway.

3
4 EfficiencyOne's (E1) EV and battery incentive structures are shown in the 2025 DSM
5 Evaluation Report, Residential Demand Response Final Report, Tables 13 and 14, pages 25–
6 26.¹ In 2024/25, Eco Shift enrolled 10,200 smart thermostats, 1,002 domestic hot water
7 controllers, 191 EV devices, and 12 battery devices, as shown in Table 8, page 6.

8
9 E1 also experienced Distributed Energy Resources Management System (DERMS)/product
10 compatibility challenges with some EV and battery products in the Nova Scotia market
11 which made it difficult to integrate into the DERMS platform.

12
13 (b) Yes. Pending NSEB approval, E1 intends to remove the existing EV and battery pathways
14 from Eco Shift before the start of the 2027 DR season as these pathways are not included
15 in the proposed 2027–2031 DSM Plan.

16
17 EV and battery pathways were not included in the proposed 2027–2031 DSM Plan due to
18 cost-effectiveness, low enrollment, operational complexity, DERMS/product compatibility
19 issues, and, for EVs, unreliable event availability due to customer charging habits.

20
21 E1 is developing a communications and removal plan, and participants will be notified
22 before the 2027 program season.

23
24 (c) Some challenges were similar to the early HVAC control pathway, including customer
25 education, trust in device control, sign-up clarity, event testing, and operational learning.

¹ M12780, Exhibit 3, E1 2025 DSM Programs Evaluation Reports, Demand Response Program, March 20, 2026.

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- 1 Thermostat non-participant barriers are shown in the 2025 DSM Evaluation Report,
2 Residential Demand Response Final Report, Figure 9, page 18.²
3
4 E1 would not expect EV and battery pathways to follow the same growth path as HVAC
5 controls. EVs depend on charging habits and compatible controls. Batteries depend on
6 customers having high-cost behind-the-meter systems. The difference in scale is shown in
7 the 2025 DSM Evaluation Report, Demand Response Program, Residential Demand
8 Response Final Report, Table 8, page 6.

² Ibid.

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Request IR-17:

Page 29 of the Evidence states, “Experience in peer jurisdictions suggests Nova Scotia is at an earlier stage of market development but following a similar trajectory. Cost-effectiveness is expected to improve over time as participation grows, technologies mature, operational processes are refined, and program design evolves alongside system needs. Beyond cost-effectiveness metrics, Eco Shift contributes to electricity system resilience during cold weather events by enabling demand-side flexibility that complements supply-side resources and rate design. Residential demand response is widely used across North America as part of a balanced approach to grid management. As the electricity system continues to evolve in response to electrification, environmental compliance requirements, and changing market conditions, flexible demand-side programs such as Eco Shift are expected to play an increasingly important role.”

(a) Please identify the peer jurisdictions that E1 used for this comparison.

(b) Please describe the experience and lessons learned through these peer jurisdictions.

(c) Please provide the supporting sources and evidence for the statement: “Residential demand response is widely used across North America as part of a balanced approach to grid management.”

(d) How are leading jurisdictions that are focused on winter-peak reductions reaching and engaging residential and commercial customers in demand response?

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1 **(e) Please explain whether there are any approaches used in other jurisdictions that E1**
2 **considered but did not propose in this plan. If so, please describe the approaches and**
3 **explain why each was not proposed.**

4
5 Response IR-17:

6
7 (a) The peer jurisdictions referenced in EfficiencyOne’s (E1) Evidence are Ontario / IESO Peak
8 Perks, Massachusetts / National Grid and Eversource Wi-Fi thermostat programs, and
9 California / PG&E Smart Thermostat Control Pilot. These are identified in E1’s 2027–2031
10 DSM Plan Application Evidence, Section 3.3.2, Table 3, pages 30–31. The Evidence also
11 notes more generally that experience in peer jurisdictions suggests Nova Scotia is at an
12 earlier stage of market development but following a similar trajectory, with cost-
13 effectiveness expected to improve as participation grows, technologies mature,
14 operational processes are refined, and program design evolves with system needs.¹

15
16 (b) The experience learned from these peer jurisdictions is that residential demand response
17 (DR) programs generally require time to mature before their full value is realized. As
18 described in E1 2027–2031 DSM Plan Application Evidence, Section 3.3.2, pages 29–31,
19 peer examples show that cost-effectiveness can improve as enrollment grows, event
20 performance is refined, customer participation stabilizes, and program operations mature.

21
22 The 2025 Evaluation provides similar lessons from its jurisdictional scan. It found that
23 leading residential DR programs commonly use smart thermostats and, in some
24 jurisdictions, EV chargers, batteries, and hot water controllers, but that program design,
25 enrollment pathways, incentives, and operational practices vary by jurisdiction. From an

¹ M12780, E1 2027–2031 DSM Plan Application Evidence, page 29.

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1 incentive perspective, the Evaluation found that E1’s incentives were generally aligned with
2 other jurisdictions for thermostats and EV chargers, while battery incentives varied more
3 widely.²
4

5 (c) Please refer to parts (a) and (b) of this IR response.
6

7 (d) Leading jurisdictions generally reach residential DR customers through a combination of
8 bring-your-own-device (BYOD) enrollment, device rebates, discounted or free devices,
9 energy efficiency program channels, and recurring participation incentives. The 2025 DSM
10 Programs Evaluation Reports, Residential Demand Response Final Report, Table 11, page
11 22 shows that several jurisdictions link DR enrollment to energy efficiency pathways,
12 including automatic, mandatory, or optional enrollment depending on the device type and
13 program design.
14

15 E1’s approach has used similar channels, including BYOD enrollment and leveraging existing
16 DSM delivery pathways. However, the 2027–2031 Preferred Plan does not propose further
17 residential enrollment growth; it focuses on maintaining and improving the performance
18 of the existing Eco Shift device base.
19

20 (e) E1 considered the peer-jurisdiction practices described in the 2027–2031 DSM Plan
21 Application Evidence, Section 3.3.2, pages 30–32, and the 2025 DSM Evaluation Report,
22 Residential Demand Response Final Report, Sections 3.6 and 3.7, pages 20–35. These
23 include BYOD enrollment, use of energy efficiency delivery channels, recurring
24 participation incentives, broader device eligibility, behavioural or connected thermostat
25 options, and operational refinements as programs mature.

² M12780, Exhibit 3, E1 2025 DSM Programs Evaluation Reports, Demand Response Program, Residential Demand Response Final Report, March 20,2206, Section 3.6, pages 21–33, and Section 3.6.3, page 32-33.

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1 E1 has used several of these approaches historically through Eco Shift, including BYOD
2 enrollment, existing DSM delivery channels, recurring participation incentives, and multiple
3 device pathways. However, under the 2027–2031 Preferred Plan, E1 is not proposing new
4 Residential DR enrollments. The Plan focuses on maintaining existing assets and improving
5 performance, participation, opt-out rates, connectivity, and delivery costs before
6 considering future enrollment growth. This is consistent with Appendix A, Table 45 /
7 Residential Demand Response Program Component Design, pages 80–81.

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Request IR-18:

Please refer to pages 30-31 of the Evidence, where E1 states that the cost effectiveness of PG&E's Smart Thermostat Control Pilot "improved materially once ... snapback was better managed." Please refer also to page 35 of the 2025 Progress Report, where E1 states that "E1 continues to work toward optimizing performance of installed devices by refining thermostat pre-heating strategies."

(a) Please describe the extent to which snapback occurs under both Eco Shift and BNI DR programs, and if it occurs, please describe existing or planned strategies to reduce it.

(b) Please explain the existing pre-heating strategies employed in the Eco Shift thermostat and domestic hot water pathways.

(c) For all 2024/2025 and 2025/2026 season event days, please provide in Excel format, disaggregated by the Eco Shift and Smart Synergy pathways:

- i) Event times and durations;
- ii) Hourly demand response performance during event windows; and
- iii) Hourly deviation from baseline for the four hours prior and two hours after event windows.

Response IR-18:

(a) EfficiencyOne's (E1) residential demand response (DR) Measurement & Verification (M&V) differs from the PG&E study because E1 evaluates available DR capacity based on demand reduction during winter event hours, primarily the first two hours of eligible events, whereas the PG&E study evaluated a summer cooling/time-of-use (TOU) automation

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1 resource and explicitly modelled pre-cooling and snapback loads before and after events.
2 Therefore, for Eco Shift, snapback is only material to cost-effectiveness to the extent load
3 returns during the measured event window and reduces evaluated available capacity.

4
5 For Business, Non-profit and Institutional (BNI) DR, the same methodology is used and
6 snapback energy is not taken into account for M&V. Snapback energy is present in pre-
7 heating strategies for heating load curtailment strategies but it does not affect the
8 evaluated capacity of the event.

9
10 E1 does not currently employ a specific strategy to reduce or manage snapback in either
11 the Residential or BNI DR programs, as snapback outside the measurement window does
12 not affect evaluated program performance.

13
14 (b) For Eco Shift, enrolled thermostats and mini-split heat pumps are typically reduced by 2°C
15 during events, down to a minimum of 15°C. Pre-heating may be used before events,
16 typically increasing indoor temperature by 2°C for approximately 30 minutes, subject to
17 operational needs.

18
19 E1 evaluates Residential DR available capacity during winter event hours, primarily the first
20 two hours of eligible events. Unlike the PG&E study, E1 does not evaluate Eco Shift based
21 on pre-event or post-event load shifting. Therefore, snapback is only material to Eco Shift
22 cost-effectiveness if load returns during the measured event window and reduces
23 evaluated capacity.

24
25 (c)

26 i) Please refer to Attachment 1 of this IR response.

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- 1 ii) Please refer to Attachment 1 of this IR response. BNI hourly information is not
2 available. Residential hourly preliminary event data should be used as a trend only
3 and not relied on for absolute curtailment values.
- 4 iii) E1 does not currently track the deviation from the baseline 4 hours before and 2
5 hours after each DR event. For the HVAC loads in both the Residential and BNI DR
6 programs, there is a preheat before the event, and then a snapback when the event
7 finishes. For the non-HVAC loads in the E1 BNI DR program, each participant has a
8 different curtailment strategy. Some participants plan maintenance days around the
9 DR events, so their consumption is vastly different from their baseline during event
10 days. On the other hand, some participants will only shut down a few production lines
11 throughout the duration of the events, so there is minimal deviation from the
12 baseline for those participants; their load shows as a step change downwards during
13 the event with no snapback.

Eco Shift (Residential Demand Response)

Date	Duration (hours)	Hour 1 (MW)	Hour 2 (MW)	Hour 3 (MW)	Hour 4 (MW)
Dec. 04 2024 17:00-21:00	4	0.063	0.587	0.053	0.039
Dec. 20 2024 07:00-11:00	4	0.239	0.175	0.144	0.091
Dec. 23 2024 17:00-21:00	4	0.314	0.292	0.226	0.197
Jan. 21 2025 17:00-20:00	4	0.393	0.300	0.261	0.198
Jan. 22 2025 07:00-11:00	4	0.414	0.292	0.252	0.242
Feb. 05 2025 17:00-21:00	4	0.526	0.405	0.238	0.150
Feb. 06 2025 07:00-11:00	4	0.671	0.484	0.457	0.445
Feb. 12 2025 17:00-21:00	4	0.378	0.278	0.158	0.100
Dec. 02 2025 07:00-11:00	4	0.895	0.674	0.504	0.325
Dec. 09 2025 07:00-11:00	4	1.150	0.842	0.749	0.709
Dec. 16 2025 17:00-21:00	4	0.974	0.902	0.717	0.557
Jan. 06 2026 07:00-11:00	4	1.180	0.915	0.706	0.539
Jan. 21 2026 17:00-21:00	4	1.368	1.209	1.031	0.886
Jan. 26 2026 07:00-11:00	4	1.265	0.897	0.643	0.523
Feb. 06 2026 07:00-11:00	4	3.008	2.195	1.994	1.899
Feb. 20 2026 07:00-11:00	4	2.799	2.076	1.717	1.475
Feb. 25 2026 07:00-11:00	4	2.560	1.925	1.585	1.333

Smart Synergy (BNI Demand Response)

Date	Duration (hours)	Dual Peak Day	BNI Curtailment (MW)
Dec. 04 2024 17:00-21:00	4	No	5.1
Dec. 20 2024 07:00-11:00	4	No	7.8
Dec. 23 2024 17:00-21:00	4	No	6.1
Jan. 21 2025 17:00-20:00	4	No	3.9
Jan. 22 2025 07:00-11:00	4	No	6.7
Feb. 05 2025 17:00-21:00	4	No	5.0
Feb. 06 2025 07:00-11:00	4	No	5.5
Feb. 12 2025 07:00-11:00 & 17:00-21:00	4 and 4	Yes	7.5
Jan. 06 2026 07:00-11:00	4	No	10.5
Jan. 21 2026 17:00-21:00	4	No	8.6
Jan. 26 2026 07:00-11:00	4	No	14.1
Feb. 06 2026 07:00-11:00	4	No	12.7
Feb. 20 2026 07:00-11:00	4	No	13.7
Feb. 25 2026 07:00-11:00	4	No	12.1

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Request IR-19:

Pages 35-36 of the Evidence state, “E1 understands from DSMAG members that strategic electrification remains an important area for exploration to determine how it can cost effectively be included in future DSM Plans. To support this objective, E1 has allocated investment within its Enabling Strategies budget specifically for strategic electrification development and research. This investment will support: (1) market research and technology assessment to identify emerging strategic electrification opportunities with improved economics; (2) pilot programs to test delivery approaches and gather real-world performance data; (3) collaboration with the NSIESO on future IRP development to better quantify system benefits; and (4) ongoing evaluation of how changes to avoided costs, particularly capacity values, may improve the cost-effectiveness of strategic electrification in future plan periods. E1 will report annually on strategic electrification research activities and findings as part of its Annual Progress Reports.”

(a) How much budget has E1 allocated for this purpose in each year of the plan and cross all years of the plan? Please provide a breakout of this budget for: (1) market research and technology assessment to identify emerging strategic electrification opportunities with improved economics; (2) pilot programs to test delivery approaches and gather real-world performance data; (3) collaboration with the NSIESO on future IRP development to better quantify system benefits; and (4) ongoing evaluation of how changes to avoided costs, particularly capacity values, may improve the cost-effectiveness of strategic electrification in future plan periods.

i) How many market research and technology assessments does the budget for (1) support and what are those market research and technology assessments?

ii) How many pilot programs does the budget for (2) support and what are those pilot programs?

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- 1 iii) How E1 would develop, propose, and launch pilots? Would E1 use the same criteria
2 that NSPI is required to use (Innovation Justification Criteria)? If not, what criteria
3 would E1 use, and why?
- 4 iv) Is budget allocated for collaboration with the NSIESO on future IRP development
5 during this plan, more generally? If so, what is the budget amount and in which line
6 item(s) can it be found?
- 7 v) Regarding (3), does better quantification of system benefits overcome the primary
8 constraint that any strategic electrification measure included in the plan must
9 reduce GHG emissions *and* electricity costs? If not, please explain how this
10 investment can result in the inclusion of strategic electrification measures in future
11 plans.
- 12 vi) Does improving the Is budget allocated for collaboration with the NSIESO on future
13 IRP development during this plan, more generally? If so, what is the budget amount
14 and in which line item(s) can it be found?
- 15 vii) Regarding (4), do changes to avoided costs, particularly capacity values, that may
16 improve the cost-effectiveness of strategic electrification in future plan periods
17 overcome the primary constraint that any strategic electrification measure
18 included in the plan must reduce GHG emissions *and* electricity costs? Please
19 describe a scenario in which changes in avoided costs would result in strategic
20 electrification not increasing electricity costs. If not, please explain how this
21 investment can result in the inclusion of strategic electrification measures in future
22 plans.
- 23
- 24 (b) How likely is it that E1 and other DSMAG members will find any strategic electrification
25 measure that reduces GHG emissions *and* electricity costs? What measure(s) can meet
26 this requirement?

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1 (c) If NSEB’s decision on the BCA matter effectively means that strategic electrification
2 measures cannot be implemented using electric ratepayer funds, how could E1 best
3 support implementation of strategic electrification using other sources of funds?
4

5 Response IR-19:
6

7 (a) EfficiencyOne (E1) included \$165,975 over the five-year 2027–2031 DSM Plan application
8 for innovation activities focused specifically on strategic electrification (Table 1, PDF p.
9 221). At this stage, the innovation investment has not been further allocated among the
10 activities identified by Synapse, as implementation remains subject to approval by the Nova
11 Scotia Energy Board (NSEB). The investment is expected to support expert consultation and
12 research into market barriers, technological barriers and electrification
13 technologies/applications to advance the readiness of future DSM strategic electrification
14 programming. Additional details regarding the structured decision-making process, key
15 activities, and associated investment are provided in Appendix A – Attachment 5:
16 Innovation Framework, Process and Plan (PDF p. 214).

17 i) Please see the summary response to part a). E1’s market research and technology
18 assessments will focus on efforts to mitigate adverse grid impacts from electrification
19 by assessing technologies and applications where there is higher potential for
20 adoption. This is based on technologies/applications with strong consumer benefits,
21 supported by policy, and supported by existing market drivers. Examples of
22 applications and relevant technologies include:

- 23 • **Residential Electrification** includes load management solutions that enable
24 customers to shift or reduce electricity use. These may include smart panels,
25 electric vehicle (EV) smart chargers, and home energy monitoring systems
26 that help manage demand from electrified space heating, EV charging, and
27 other residential electric loads.

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- **Energy Storage Solutions and Electric Space Heating** combination of heat pumps and battery energy storage or electric thermal storage solutions.
- **Hybrid Heating Load Management** automation and direct-load control of hybrid heating systems designed for efficient energy use and mitigate peak impacts.

ii) Please refer to part (a) of this IR response.

iii) Appendix A – Attachment 5 of the 2027–2031 DSM Plan Application includes details on how E1 will approach these specific stages of an Innovation project. Specific references in the application are summarized here for convenience:

i. **Proposal** see Projection Ideation Section 3.3 (PDF p. 220), and Section 3.4 Project Selection and Overview of Investment by Focus Area (pdf pp. 220)

ii. **Development** see Project Development Section 3 (PDF p. 218)

iii. **Pilot Launch** see both Section 3 Figure 1 Project Development Workflow (PDF p. 219) and Section 4.2 (PDF p. 228) for details on Innovation projects from conceptual, planning, and research stages to pilot launch.

iv) Collaboration with the Nova Scotia Independent Energy System Operator (NSIESO) on future IRP development during the 2027–2031 DSM Plan period would be covered under Other Enabling Strategies, specifically the Other Regulatory Matters area of focus. The cost breakdown for this area of focus is provided in Table 57: 2027–2031 Other Enabling Strategies in Appendix A of E1’s 2027-2031 DSM Plan Application.

v) E1 excluded Strategic Electrification (SE) because the modelled scenarios did not meet the legislated requirement to reduce GHG emissions and electricity costs for customers. E1 will instead explore, through innovation investment alone, whether SE could become viable through improved understanding of load management for electrified end-uses, using the latest available avoided costs, which will be provided by the NSIESO moving forward. E1 is uncertain what future results may be but confirms

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1 that through the 2027–2031 DSM Plan development, the SE scenarios explored did
2 not meet the legislative requirements.

3 vi) Please refer to parts (a) and (a) iv) of this IR response.

4 vii) Please refer to part (a) v) of this IR response.

5
6 (b) E1 is unsure of what future results may look like. E1 can confirm that the measures it
7 explored as part of the 2027–2031 DSM Plan development did not achieve both reductions
8 in GHG emissions and electricity costs to customers.

9
10 (c) E1 has historically received government funding to support energy efficiency and carbon
11 reduction initiatives including strategic electrification efforts. While the objective of that
12 funding is prescribed by those funding agreements, E1 will continue to look for
13 opportunities to best leverage that funding for ratepayers and Nova Scotians alike.

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1 **Request IR-20:**

2
3 **Page 40 of the Evidence states, “Based on the cost of fuel as reported in NS Power’s 2025**
4 **Management’s Discussion & Analysis (MD&A) of \$0.09/kWh, the cost of DSM at \$0.05/kWh is**
5 **less than the average cost of fuel by \$0.04/kWh. Since 2015, the cost of fuel in \$/kWh has**
6 **fluctuated each year as compared to the cost of DSM with the lowest being 166 percent in 2024**
7 **and increasing to as high as 343 percent in 2022. In no one year has \$/kWh for DSM been higher**
8 **than the cost of fuel (Table 5). The ability to avoid fuel costs through the use of a more cost-**
9 **effective DSM alternative is always in the ratepayers’ best interests, even in the short-term.**
10 **These benefits are then amplified in the long-term. In lowering overall fuel costs for the utility,**
11 **DSM applies a downward pressure on the fuel adjustment mechanism (FAM), which, in turn,**
12 **benefits all ratepayers.”**

13
14 **(a) Please provide NS Power’s 2025 Management’s Discussion & Analysis (MD&A).**

15
16 **(b) Is a 2026 version of the MD&A available? If so, please provide it. If not, when will it be**
17 **available?**

18
19 **(c) Regarding Table 5. Cost Difference of DSM and Fuel, does E1 have projected values for**
20 **2026-2031? If so, please provide these values.**

21
22 **Response IR-20:**

23
24 **(a) NS Power’s 2025 Annual Management Discussion & Analysis (MD&A) as of February 23,**
25 **2026 is provided in Attachment 1 to this response. This report can also be found on the**
26 **[sedarplus.ca](https://www.sedarplus.ca) website at: [NS Power 2025 MD&A](#).**

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- 1 (b) NS Power’s interim MD&A as of May 08, 2026 (Q1 2026) is provided as Attachment 2 and
2 can be found on the [sedarplus.ca](https://www.sedarplus.ca) website at: [NS Power Interim Q1 2026 MD&A](#).
3
4 (c) EfficiencyOne (E1) does not have the projected values for fuel costs of NS Power for 2026
5 to 2031.



Management's Discussion & Analysis

As at February 23, 2026

Management's Discussion & Analysis ("MD&A") provides a review of the results of operations of Nova Scotia Power Inc. during the fourth quarter of 2025 relative to the same quarter in 2024; for the full year of 2025 relative to 2024 and selected financial information for 2023; and its financial position as at December 31, 2025 relative to 2024. Throughout this discussion, "NSPI" and "Company" refer to Nova Scotia Power Inc. and its consolidated subsidiary NS Power Energy Marketing Incorporated ("NSPEMI").

This discussion and analysis should be read in conjunction with the NSPI annual audited consolidated financial statements and supporting notes as at and for the year ended December 31, 2025. NSPI follows United States Generally Accepted Accounting Principles ("USGAAP" or "GAAP"). Additional information related to NSPI, including the Company's Annual Information Form, can be found on SEDAR+ at www.sedarplus.ca.

NSPI's accounting policies are subject to examination and approval by the Nova Scotia Energy Board ("NSEB", formerly the Nova Scotia Utility and Review Board). The rate-regulated accounting policies of NSPI may differ from those used by non-rate-regulated businesses with respect to the timing of recognition of certain assets, liabilities, revenues, and expenses.

All amounts are in Canadian dollars ("CAD"), unless otherwise stated.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information and statements which reflect the current view with respect to the Company's expectations regarding future growth, results of operations, performance, earnings, capital investment, sales volumes, recovery of costs, timing of regulatory decisions, the expected impact of the cybersecurity incident ("Cybersecurity Incident") on the Company's financial position and results of operations, information technology ("IT") systems restoration, insurance recoveries, and business continuity processes as well as other matters relating to the Cybersecurity Incident, including business prospects and opportunities, and may not be appropriate for other purposes within the meaning of applicable Canadian securities laws. All such information and statements are made pursuant to safe harbour provisions contained in applicable securities legislation. The words "anticipates", "believes", "budget", "could", "estimates", "expects", "forecast", "intends", "may", "might", "plans", "projects", "schedule", "should", "targets", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on information currently available to NSPI's management and should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the time at which, such events, performance or results will be achieved.

The forward-looking information is based on reasonable assumptions and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors that could cause results or events to differ from current expectations include, without limitation: regulatory and political risk; change in law risk; operating and maintenance risks; changes in economic conditions; commodity price and availability risk; liquidity and capital market risk; changes in credit ratings; rate base growth; timing and costs associated with certain capital investments; expected impacts on NSPI of challenges in the global economy; potential impacts of trade disputes and tariffs; estimated energy consumption rates; maintenance of adequate insurance coverage and receipt of proceeds; changes in customer energy usage patterns; developments in technology that could impact demand for electricity; climate risk; weather risk, including higher frequency and severity of weather events; risk of wildfires; unanticipated maintenance and other expenditures; derivative financial instruments and hedging; interest rate risk; inflation risk; counterparty risk; disruption of fuel supply; supply chain risk; environmental risks; foreign exchange; regulatory and government decisions, including changes to environmental legislation, financial reporting and tax legislation; risks associated with pension plan performance and funding requirements; loss of service area; risks and costs associated with failure of IT infrastructure and cybersecurity incidents; including IT system restoration and business continuity processes; uncertainties associated with infectious diseases, pandemics and similar public health threats; risks associated with health and safety; market energy sales prices; labour relations; and availability of labour and management resources.

Readers are cautioned not to place undue reliance on forward-looking information, as actual results could differ materially from the plans, expectations, estimates or intentions and statements expressed in the forward-looking information. All forward-looking information in this MD&A is qualified in its entirety by the above cautionary statements and, except as required by law, NSPI undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

INTRODUCTION AND STRATEGIC OVERVIEW

NSPI is a vertically integrated regulated electric utility. It is the primary electricity supplier in Nova Scotia, Canada. NSPI has \$8.1 billion of assets and provides electricity generation, transmission and distribution services to approximately 565,000 customers. NSPI owns approximately 5,000 kilometres of transmission facilities and 29,000 kilometres of distribution facilities. To ensure reliability of service, NSPI aims to maintain access to generating capacity greater than firm peak demand. NSPI owns 2,422 Megawatts ("MW") of generating capacity, of which 44 per cent is coal and/or oil-fired; 28 per cent is natural gas and/or oil; 19 per cent is hydro, wind or solar; 7 per cent is petroleum coke ("petcoke") and 2 per cent is biomass-fueled generation. In 2025, NSPI began operations of two 50 MW 4-hour grid-scale battery facilities to further enhance reliability. In addition, NSPI has contracts to purchase renewable energy from independent power producers ("IPP") and community feed in tariff ("COMFIT") participants, which own 573 MW of capacity. This includes IPPs in which NSPI has an ownership interest. NSPI also has rights to 153 MW of Maritime Link capacity, representing Newfoundland and Labrador Hydro's ("NLH") Nova Scotia Block ("NS Block") delivery obligations. In 2025, NSPI derived more than 40 per cent of its electric sales from renewable sources and achieved a 49 per cent reduction in generation from solid fuel compared to 2005 levels.

NLH is obligated to provide NSPI with approximately 900 Gigawatt hours ("GWh") of energy annually over 35 years. In addition, until March 31, 2026, NLH is obligated to provide approximately 240 GWh of additional energy from the Supplemental Energy Block transmitted through the Maritime Link. NSPI has the option of purchasing additional market-priced energy from NLH through the Energy Access Agreement. The Energy Access Agreement enables NSPI to access a market-priced bid from NLH for up to 1.8 Terawatt hours ("TWh") of energy in any given year and, on average, 1.2 TWh of energy per year through August 31, 2041.

NSPI is working closely with the provincial government as the Province aims to transition off coal and reach 80 per cent renewable electricity sales by 2030. These are ambitious goals set by the federal and provincial governments to address climate change. NSPI is working with the provincial government as it pursues these goals, while continuing to provide safe and reliable electricity to customers. For further details on the renewable energy transition, developments related to provincial and federal environmental laws and regulations, and risks around achieving climate-related and environmental legislative requirements refer to the “Outlook – Environmental Legislation and Climate Change” section below.

NSPI is a wholly-owned subsidiary of Emera Incorporated (“Emera”). NSPI holds a 100 per cent investment in NSPEMI, an energy business that purchases and sells electricity and natural gas in the United States of America’s energy commodity market. NSPI holds a 50 per cent indirect voting interest in Wasoqonatl Transmission Incorporated (“WTI”), for further details refer to the “Outlook – Developments” section.

NSPI is a public utility as defined in the *Public Utilities Act* (Nova Scotia) (“Act”) and is subject to regulation under the Act by the NSEB. The Act gives the NSEB supervisory powers over NSPI’s operations and expenditures. Electricity rates for NSPI’s customers are subject to NSEB approval. NSPI is not subject to a general annual rate review process but rather participates in hearings held from time to time at NSPI’s or the NSEB’s request.

NSPI is regulated under a cost-of-service model, with rates set to recover prudently incurred costs of providing electricity service to customers and provide a reasonable return to investors. NSPI’s approved regulated return on equity (“ROE”) range is 8.75 per cent to 9.25 per cent, based on an actual five-quarter average regulated common equity component of up to 40 per cent of approved rate base.

NSPI has a NSEB approved Fuel Adjustment Mechanism (“FAM”) allowing NSPI to recover fluctuating fuel and certain fuel-related costs from customers through annual fuel rate adjustments. Differences between prudently incurred fuel costs and amounts recovered from customers through electricity rates in a year are deferred to a FAM regulatory asset or liability and recovered from or returned to customers in subsequent periods. Refer to note 5 of NSPI’s consolidated financial statements as at December 31, 2025 for further details on NSPI’s regulatory mechanisms.

The energy industry is seasonal in nature. Seasonal patterns and other weather events, including the number and severity of storms, can affect the demand for energy and cost of service. Results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

OUTLOOK

Operations

NSPI’s earnings are most directly impacted by the range of ROE and capital structure approved by the NSEB, the prudent management and approved recovery of operating costs, electric sales volumes, weather, the approved recovery of regulatory deferrals and the timing and amount of capital investment.

Assuming new base rates are approved by the NSEB in the general rate application (“GRA”) and are generally consistent with the settlement agreement, NSPI anticipates earning at the low end of its allowed ROE range in 2026 and expects earnings in 2026 to be higher than 2025. For further details on the GRA and the settlement agreement refer to the “Developments” section. Sales volumes are expected to be higher in 2026 than 2025. Capital investment for 2026, including allowance for funds used during construction (“AFUDC”), is expected to be approximately \$720 million (2025 – \$712 million). NSPI is primarily investing in capital projects required to support power system reliability and reliable service for customers.

Environmental Legislation and Climate Change

NSPI is subject to environmental laws and regulations as set by both the Government of Canada and the Nova Scotia Provincial Government (the “Province”). NSPI continues to work with both levels of government to comply with these laws and regulations, to maximize efficiency of emission control measures and minimize customer cost. NSPI anticipates that costs prudently incurred to achieve legislated compliance will be recoverable under NSPI’s regulatory framework. NSPI faces risks associated with achieving climate-related and environmental legislative requirements, including the risk of non-compliance, which could adversely affect NSPI’s operations and financial performance. For further discussion on these risks and environmental legislation and regulations, refer to the “Enterprise Risk and Risk Management” section. Recent developments related to climate initiatives and provincial and federal environmental laws and regulations are outlined below.

Nova Scotia Energy Reform Act:

On October 15, 2025, the Nova Scotia Independent Energy System Operator (“IESO Nova Scotia”) announced that the organization will be phased in over two phases during an 18-month period. On December 1, 2025, the first phase was complete following the transfer of system planning and interconnection functions. The second phase is expected to be complete in 2027 as the IESO Nova Scotia assumes responsibility for system operations. The establishment of IESO Nova Scotia follows Bill 404 - Energy Reform (2024) Act enacted in April 2024, which established the NSEB, and phased transition to IESO Nova Scotia.

Air Quality Regulations:

On March 25, 2025, NSPI received a Certificate of Variance (“COV”) from Nova Scotia Environment and Climate Change (“NSECC”) which provides flexibility on the timing of sulfur dioxide (“SO₂”) emissions over the 2025 through 2034 period, including compensating for excess emissions in 2022. The flexibility lowers compliance costs for customers without increasing total emissions over the period.

DEVELOPMENTS

General Rate Application (“GRA”):

On September 18, 2025, NSPI filed a consensus GRA with the NSEB, reflecting a settlement agreement reached with customer representatives. The GRA proposes average annual rate increases of 1.8 per cent in 2026 and 2.4 per cent in 2027. The proposed rates would result in annual revenue (fuel and non-fuel) increases of \$62 million in 2026 and \$108 million in 2027. The hearing for the matter concluded in January 2026 and a decision by the NSEB is expected by early Q2 2026.

Wasoqonatl Transmission Line:

On March 5, 2025, NSPI, the Canada Infrastructure Bank (“CIB”) and the Wskijinu’k Mtmo’taqnuow Agency (“WMA”) announced the Wasoqonatl transmission line project which will create a reliability intertie between Nova Scotia and New Brunswick. The project is owned by a new regulated utility, WTI, which is wholly-owned by a newly formed limited partnership between NSPI, CIB and WMA. NSPI is responsible for providing construction, operation, maintenance and administrative services to WTI. NSPI has a 50 per cent indirect voting interest in WTI which is recorded as “Investments subject to significant influence” on the Consolidated Balance Sheets. On November 20, 2025, the NSEB approved WTI’s application of a \$685 million capital investment, including AFUDC, for the reliability intertie.

Cybersecurity Incident:

On April 25, 2025, NSPI discovered a cybersecurity incident (the “Cybersecurity Incident”) involving unauthorized access into certain parts of its IT network and servers supporting portions of its business applications. There was no disruption to any of NSPI’s physical operations.

The Company implemented business continuity processes for certain impacted business and administrative functions. The systematic restoration of affected IT systems and corresponding transition away from business continuity process continues to progress in a planned, controlled and phased approach. The Company maintains cyber insurance coverage and is working with the insurer on the claims process. In Q4 2025, the Company recognized \$1 million, after-tax, in costs related to the Cybersecurity Incident. For the year ended December 31, 2025, the Company recognized \$7 million in after-tax costs related to the Cybersecurity Incident. For information on the risks associated with cybersecurity incidents generally, refer to the 'Enterprise Risk and Risk Management' section.

Class Action Lawsuit:

NSPI was named as a defendant in a claim for a class action lawsuit filed with the Supreme Court of Nova Scotia, seeking damages arising from the Cybersecurity Incident. The amount of damages has not been specified. Due to the preliminary stage of legal proceedings, an estimate of a possible loss related to this claim cannot be made.

Appointments

Effective February 11, 2025, Dan Muldoon joined the NSPI Board of Directors. Mr. Muldoon retired as the Executive Vice President, Project Development and Operations Support at Emera in 2025.

Effective December 1, 2025, Jared Green became Emera and NSPI's Chief Financial Officer, succeeding Greg Blunden. Mr. Green most recently served as President and Chief Executive Officer of TriSummit Utilities (previously AltaGas Canada).

Effective March 1, 2026, Vivek Sood will become President and CEO of NSPI, succeeding Peter Gregg. Most recently, Mr. Sood retired as Executive Vice President, Related Businesses from Sobeys Inc in 2024, and has served as a member of the NSPI Board of Directors since June 2024.

FINANCIAL REVIEW OF 2025

Consolidated Statements of Income

For the millions of dollars	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Operating revenues	\$ 504	\$ 479	\$ 1,944	\$ 1,855
Fuel for generation and purchased power	269	(216)	1,065	509
FAM and other deferrals	(29)	436	(137)	350
Operating, maintenance and general ("OM&G")	107	95	370	350
Demand-side management ("DSM")	16	15	63	58
Provincial grants and taxes	12	12	49	48
Depreciation and amortization	77	73	298	282
Total operating expenses	452	415	1,708	1,597
Income from operations	52	64	236	258
Other income, net	(7)	(7)	(32)	(28)
Interest expense, net	43	42	172	168
Income before provision for income taxes	16	29	96	118
Income tax recovery	(6)	(42)	(45)	(42)
Net income	\$ 22	\$ 71	\$ 141	\$ 160

Highlights of the changes are summarized in the following table:

For the millions of dollars	Three months ended December 31	Year ended December 31
Net income – 2024	\$ 71	\$ 160
Increased operating revenues (refer to "Operating Revenues" section for explanation)	25	89
Increased fuel for generation and purchased power (refer to "Fuel for Generation and Purchased Power" section for explanation)	(485)	(556)
Increased FAM and other deferrals (refer to note 5 of NSPI's audited consolidated financial statements as at December 31, 2025 for explanation)	465	487
Increased OM&G expenses quarter-over-quarter due to increased storm costs and costs related to the Cybersecurity Incident (for further details on the Cybersecurity Incident refer to the "Developments" section). Year-over-year due to higher costs for transmission and distribution operations, costs related to the Cybersecurity Incident and power generation operations, partially offset by higher administrative overhead allocated to property, plant and equipment ("PP&E")	(12)	(20)
Increased depreciation and amortization due to increased PP&E in-service	(4)	(16)
Decreased income tax recovery quarter-over-quarter primarily due to the utilization of tax loss carryforwards recognized as a deferred income tax regulatory liability in the prior year and decreased tax deductions in excess of accounting depreciation related to PP&E	(36)	3
Other	(2)	(6)
Net income – 2025	\$ 22	\$ 141

Operating Revenues

NSPI's operating revenues include sales of electricity and other services as summarized in the following table:

For the millions of dollars	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Electric revenues	\$ 495	\$ 467	\$ 1,908	\$ 1,813
Other revenues	9	12	36	42
Operating revenues	\$ 504	\$ 479	\$ 1,944	\$ 1,855

Electric Revenues

NSPI's electric revenues are affected by rates approved by the NSEB and electric sales volumes. NSPI's electric revenues include revenues related to the recovery of fuel costs and non-fuel costs. The FAM allows NSPI to recover all prudently incurred fuel and certain fuel-related costs and consequently, revenues related to the recovery of fuel costs do not have a material impact on NSPI's net income.

Electric sales volumes are primarily driven by weather, number of customers, customer usage, general economic conditions, and DSM activities. Residential and commercial electricity sales are seasonal, with the first quarter historically generating the highest sales, reflecting colder weather and fewer daylight hours in the winter season.

NSPI's residential customers include individual homes, apartments and condominiums. Commercial customers include small retail operations, large office and commercial complexes, universities and hospitals. Industrial customers include manufacturing facilities and other large volume operations. Other electric customers consist primarily of municipal electric utilities, users of street and area lighting services, and export energy customers.

Electric Sales Volume

For the	Three months ended		Year ended	
Gigawatt hours ("GWh")	December 31		December 31	
	2025	2024	2025	2024
Residential	1,411	1,343	5,292	5,096
Commercial	766	763	3,084	3,046
Industrial	535	569	2,098	2,217
Other	57	57	231	222
Total	2,769	2,732	10,705	10,581

Electric Revenues

For the	Three months ended		Year ended	
millions of dollars	December 31		December 31	
	2025	2024	2025	2024
Residential	\$ 285	\$ 260	\$ 1,073	\$ 997
Commercial	132	128	522	499
Industrial	67	69	270	276
Other	11	10	43	41
Total	\$ 495	\$ 467	\$ 1,908	\$ 1,813

Highlights of the changes in electric revenues are summarized in the following table:

For the	Three months ended		Year ended	
millions of dollars	December 31		December 31	
Electric revenues – 2024	\$	467	\$	1,813
Increased electricity pricing effective January 1, 2025, and February 18, 2025		18		64
Increased sales volumes due to favourable weather		9		30
Excluding the impact of weather, increased residential and commercial sales volumes		6		14
Excluding the impact of weather, decreased industrial sales volumes		(5)		(13)
Electric revenues – 2025	\$	495	\$	1,908

Fuel for Generation and Purchased Power

NSPI's fuel costs are affected by commodity prices and generation mix, which is largely dependent on economic dispatch of the generating fleet. NSPI brings the lowest cost options on stream first after renewable energy from IPPs including COMFIT participants, for which NSPI has power purchase agreements in place, and the NS Block of energy, including the Supplemental Energy Block, which carries no additional fuel cost outside of the NSEB approved annual assessments paid to NSP Maritime Link Inc. ("NSPML") for the use of the Maritime Link. Generation mix may also be affected by plant outages, carbon pricing programs, including the Nova Scotia Output-Based Pricing System ("OBPS"), availability of renewable generation, including the NS Block, plant performance, and compliance with environmental regulations.

The high availability and capability of thermal generating stations continue to play a role in providing reliable energy to customers while NSPI is transitioning to more renewable generation. In 2025, thermal plant availability was 80 per cent compared to 82 per cent in 2024 and a four-year average of 81 per cent. The four-year average availability is in line with industry comparisons.

Production volumes by fuel type and average fuel cost are summarized in the following table:

For the GWh (except as indicated)	Three months ended		Year ended	
	December 31		December 31	
	2025	2024	2025	2024
Coal	1,329	976	4,370	3,347
Natural gas	377	516	1,403	2,317
Purchased power	33	118	391	620
Oil	93	64	295	132
Petcoke	44	40	279	374
Total non-renewables	1,876	1,714	6,738	6,790
Purchased Power - IPP, COMFIT and imports	638	608	2,573	2,086
NS Block	306	444	1,134	1,378
Wind, hydro and solar	134	151	855	932
Biomass	54	48	174	140
Total renewables	1,132	1,251	4,736	4,536
Total production volumes	3,008	2,965	11,474	11,326
Average fuel cost in dollars per Megawatt hour ("MWh") (1)	\$ 89	\$ (73)	\$ 93	\$ 45

(1) In Q4 2024, NSPI received refund of previous NSPML assessment payments, resulting in \$486 million over-recovery of fuel costs. For further details refer to note 5 of NSPI's consolidated financial statements as at December 31, 2025.

Average fuel costs per MWh increased in Q4 2025 compared to Q4 2024 primarily due to a refund of previous NSPML assessment payments received in Q4 2024. For further details, refer to Note 5 in the NSPI Consolidated Financial Statements as of December 31, 2025. Increase in the average fuel cost per MWh were primarily driven by increased generation from solid fuel and oil, and lower delivery of the NS Block due to prior period make-up energy being fully received contributed to the increase in average fuel costs per MWh. These were partially offset by favourable commodity prices driven by changes in solid fuel and decreased OBPS compliance costs.

Average fuel costs per MWh increased year-to-date 2025 compared to 2024 primarily due to a refund of previous NSPML assessment payments received in Q4 2024. For further details, refer to Note 5 in the NSPI Consolidated Financial Statements as of December 31, 2025. Increase in the average fuel cost per MWh were driven by increased generation from solid fuel and oil, lower delivery of the NS Block due to prior period make-up energy being fully received, and reduced generation from hydro assets due to drier weather conditions contributed to the increase in average fuel costs per MWh. These were partially offset by decreased generation from natural gas.

Highlights of the changes in fuel for generation and purchased power are summarized in the following table:

For the millions of dollars	Three months ended December 31	Year ended December 31
Fuel for generation and purchased power – 2024	\$ (216)	\$ 509
Increased Maritime Link assessment (refer to note 5 of NSPI's consolidated financial statements as at December 31, 2025, and "Transactions with related parties" for further details)	492	510
Change in generation mix	15	70
Increased sales volumes	2	16
(Decreased) increased Nova Scotia OBPS carbon tax	(3)	4
Decreased commodity prices	(22)	(45)
Other	1	1
Fuel for generation and purchased power – 2025	\$ 269	\$ 1,065

FAM and FAM Regulatory Deferral

NSPI has a NSEB approved FAM, allowing NSPI to recover fluctuating fuel and certain fuel-related costs from customers through annual fuel rate adjustments. Differences between prudently incurred fuel costs and amounts recovered from customers through electricity rates in a given year are deferred to a FAM regulatory asset or liability and recovered from or returned to customers in subsequent periods.

Pursuant to the FAM Plan of Administration, NSPI's fuel costs are subject to independent audit. On October 16, 2025, the NSEB's decision on the FAM audit findings and recommendations relating to fiscal 2022 and 2023 were publicly released and included a disallowance of \$1 million plus associated interest. The impact of the disallowance was recorded in Q4 2025.

Refer to note 5 of NSPI's consolidated financial statements as at December 31, 2025, for further details on the FAM regulatory asset and associated regulatory matters.

Provincial Grants

NSPI pays annual grants to the Province in lieu of municipal taxation other than deed transfer tax.

Income Taxes

In 2025, NSPI was subject to a combined Canadian federal and Nova Scotia provincial statutory corporate income tax rate of 29 per cent (2024 – 29 per cent). In 2025, NSPI's effective tax rate was (47) per cent (2024 – (36) per cent) primarily due to investment tax credits and deferred income taxes on regulated income recorded as regulated assets and regulated liabilities.

Consolidated Balance Sheet Highlights

Significant changes in the Consolidated Balance Sheets between December 31, 2025 and December 31, 2024 include:

millions of dollars	Increase (Decrease)	Explanation
Assets		
Receivables, net	\$ 140	Increased due to timing of billing and receipts, partially offset by decreased cash collateral position on derivative instruments
Income taxes receivable	40	Increased due to clean technology investment tax credits
Derivative instruments (current and long-term)	(20)	Decreased due to weakening of the CAD dollar compared to the United States dollar ("USD")
Regulatory assets (current and long-term)	225	Increased deferred income tax regulatory asset and deferrals related to FAM, partially offset by decreased deferrals related to storm rider and derivative instruments.
Pension and post-retirement assets (current and long-term)	168	Increased due to higher investment returns and changes in actuarial assumptions
Property, plant and equipment, net of accumulated depreciation	411	Increased due to capital investment, partially offset by depreciation
Liabilities and Equity		
Bank indebtedness	\$ 40	Increased due to financing working capital requirements
Short-term debt	500	Increased due to addition of non-revolving term credit facility
Long-term debt (current and long-term)	313	Increased debt levels for general corporate purposes
Accounts payable	103	Increased due to timing of activity and related payments
Due to related parties (current and long-term)	35	Increased due to timing of payments
Regulatory liabilities (current and long-term)	(75)	Decreased deferrals related to FAM and derivative instruments
Other current liabilities	(22)	Decreased due to lower sales tax payable and decreased accrued OBPS carbon tax
Deferred income taxes	120	Increased due to tax deductions in excess of accounting depreciation related to PP&E, changes in pension and post-retirement assets and liabilities and an increase in FAM regulatory asset, partially offset by an increase in tax loss carryforwards
Other long-term liabilities	16	Increased due to increased customer deposits
Common stock	(340)	Decreased due to return of capital
Accumulated other comprehensive income (loss)	145	Decreased due to higher investment returns, favourable changes in actuarial assumptions and amortization
Retained earnings	141	Increased due to net income

LIQUIDITY AND CAPITAL RESOURCES

The Company generates internally sourced cash primarily through the generation, transmission and distribution of electricity. NSPI's customer base is diversified by both sales volumes and rates among customer classes. Circumstances that could affect the Company's ability to generate cash include changes to global macroeconomic conditions, downturns in NSPI's markets, impact of fuel commodity price changes on collateral requirements and timely recoveries of fuel costs from customers, the loss of one or more large customers, regulatory decisions affecting customer rates, the recovery of regulatory assets, the accelerated payment of regulatory liabilities, changes in environmental legislation, political interference in the regulatory process, continued access to an investment grade credit rating and changes in weather patterns.

NSPI's future liquidity and capital needs will be predominantly for working capital requirements, ongoing rate base investment and debt servicing. In 2026, NSPI expects to invest approximately \$720 million, including AFUDC, primarily in capital projects required to support power system reliability and reliable service for customers.

NSPI has access to a \$800 million syndicated revolving bank line of credit and a \$500 million non-revolving term facility with a combined \$222 million available as at December 31, 2025. For further details, refer to the "Debt Management" section below.

Consolidated Cash Flow Highlights

Significant changes in the Consolidated Statements of Cash Flows between the years ended December 31, 2025 and 2024 include:

millions of dollars	2025	2024	Change
Cash, beginning of period	\$ -	\$ 78	\$ (78)
Provided by (used in):			
Operating cash flow before change in working capital	293	831	(538)
Change in working capital	(175)	88	(263)
Operating activities	118	919	(801)
Investing activities	(631)	(483)	(148)
Financing activities	513	(514)	1,027
Cash, end of period	\$ -	\$ -	\$ -

Cash Flow from Operating Activities

Net cash provided by operating activities decreased \$801 million to \$118 million in 2025 compared to \$919 million in 2024.

Operating cash flow before change in working capital decreased \$538 million primarily due to increased fuel for generation and purchased power, 2024 including proceeds of \$117 million from the FAM regulatory asset sale, and increased OM&G expenses, partially offset by increased electric revenues due to increased electricity pricing and increased residential and commercial sales, increased current income tax recovery due to clean technology investment tax credits (offset in working capital), recovery of storm rider deferral, and decreased interest expense on the revolving credit facility.

Changes in working capital decreased cash flows by \$263 million primarily due to changes in accounts receivable, fuel inventory, and income taxes receivable (offset in operating cash flow).

Cash Flow used in Investing Activities

Net cash used in investing activities increased \$148 million to \$631 million in 2025 compared to \$483 million in 2024 due to higher capital investment.

Cash Flow from Financing Activities

Net cash provided by financing activities increased \$1,027 million to \$513 million in 2025 compared to net cash used in financing activities of \$514 million in 2024 primarily due to net borrowings under revolving credit facility in 2025 compared to net repayments in 2024, issuance of short-term debt, higher short-term bank indebtedness and higher proceeds from long-term debt, partially offset by return of capital to Emera in 2025 and retirement of long-term debt.

Working Capital

As at December 31, 2025, NSPI's working capital increased to \$567 million from \$468 million in 2024 primarily due to changes in accounts receivable, changes in income taxes receivable, and changes in other current liabilities, partially offset by changes in accounts payable, and changes in cash collateral positions on derivative instruments.

NSPI's future liquidity and capital needs will be predominately for working capital requirements, capital investment, dividends and debt servicing. Working capital is financed through internally generated cash flows and short-term credit facilities. The Company's expected future cash flows, credit facilities and continued access to debt capital markets for long-term financing is expected to be sufficient to meet the Company's requirements.

Contractual Obligations

As at December 31, 2025, contractual commitments for each of the next five years and in aggregate thereafter consisted of the following:

millions of dollars	2026	2027	2028	2029	2030	Thereafter	Total
Purchased power (1)	\$ 344	\$ 360	\$ 347	\$ 395	\$ 388	\$ 5,176	\$ 7,010
Long-term debt (2)	40	-	-	599	-	3,034	3,673
Interest payment obligations (3)	169	165	165	156	147	1,785	2,587
Asset retirement obligations	2	-	-	-	-	302	304
Transportation (4)	38	22	20	20	20	115	235
Maritime Link assessment	199	-	-	-	-	-	199
Solid fuel supply	193	-	-	-	-	-	193
Capital projects	95	24	7	3	1	-	130
Pension and post-retirement obligations (5)	11	11	10	10	7	45	94
Long-term service agreements (6)	30	17	14	12	8	6	87
DSM	64	-	-	-	-	-	64
Leases (7)	2	1	1	1	1	42	48
Natural gas supply	22	-	-	-	-	-	22
	\$ 1,209	\$ 600	\$ 564	\$ 1,196	\$ 572	\$ 10,505	\$ 14,646

(1) Represents NSPI's annual requirement to purchase 100 per cent of electricity production from IPPs and COMFIT participants over varying contract lengths up to 25 years based on estimated production volumes as well as agreements for the purchase of import power.

(2) NSPI's discount notes are backed by a revolving credit facility which matures in 2029.

(3) Future interest payments are calculated based on the assumption that all debt is outstanding until maturity. For debt instruments with variable rates, interest is calculated for all future periods using the rates in effect as at December 31, 2025.

(4) Purchasing commitments for transportation of solid fuel and natural gas.

(5) The estimated contractual obligation is calculated as the current legislatively required contributions to the registered funded pension plans, plus the estimated costs of further benefit accruals contracted under the Company's Collective Bargaining Agreement only and estimated benefit payments related to other unfunded benefit plans.

(6) Outsourced management of the Company's computer and communication infrastructure, software maintenance and support, shared service agreements at a co-generation facility, transmission and distribution line construction and maintenance services related to a generation facility and wind operating agreements.

(7) Operating leases for office space, land, telecommunications services, and rail cars.

NSPI has a contractual obligation to pay NSPML, a related party, for the use of the Maritime Link over approximately 38 years from its January 15, 2018, in-service date.

On December 23, 2025, NSPML received an Interim Order from the NSEB to collect up to \$199 million from NSPI for the recovery of costs associated with the Maritime Link in 2026, subject to a monthly holdback of up to \$4 million. Refer to note 5 of NSPI's consolidated financial statements as at December 31, 2025 for further details.

Capital Investment

Forecast 2026 and actual 2025 and 2024 capital investment, including AFUDC, is shown below:

millions of dollars	2026 Forecast	2025 Actual	2024 Actual
Distribution	\$ 195	\$ 174	\$ 175
Generation	183	216	151
Transmission	247	242	107
General plant and other	95	80	54
Total	\$ 720	\$ 712	\$ 487

Debt Management

NSPI has access to a syndicated revolving bank line of credit and a non-revolving term facility. NSPI also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by the Company's operating credit facility. The amount of commercial paper issued results in an equal amount of its operating credit facility being considered drawn and unavailable. As at December 31, 2025, the Company's total credit facility, outstanding borrowings and available capacity were as follows:

millions of dollars	Maturity	Credit Facility	Utilized	Available Capacity
Revolving credit facility	June 2029	\$ 800	\$ 578	\$ 222
Non-revolving term facility	May 2026	500	500	-

NSPI has debt covenants associated with its credit facilities. Covenants are tested regularly, and the Company is in compliance with covenant requirements as at December 31, 2025. NSPI's significant covenant is listed below:

Instrument	Financial Covenant	Requirement/Restriction	Calculation as at December 31, 2025
Syndicated credit facility	Debt to capital ratio	Less than or equal to 0.70:1	0.68:1

Financing Activity

On May 21, 2025, NSPI entered into a \$500 million non-revolving facility which matures on May 21, 2026. The credit agreement contains customary representations and warranties, events of default and financial and other covenants. The non-revolving facility's interest rates are referenced to the Term CORRA or prime rate, plus a margin. Proceeds from this facility were used for general corporate purposes.

Credit Ratings

On January 22, 2025, S&P Global Ratings affirmed its BBB- issuer rating and revised its outlook to stable from negative.

On December 5, 2025, DBRS affirmed its BBB (high) rating and stable trend for NSPI.

Share Capital

For the year ended December 31, 2025, the Company issued 0.04 million (2024 – 0.04 million) common shares to Emera for total consideration of \$0.4 million (2024 – \$0.4 million) and returned \$340 million of capital (2024 – nil) to Emera without a reduction in the amount of common shares outstanding. As at December 31, 2025, NSPI had 173.5 million common shares issued and outstanding (2024 – 173.5 million common shares).

PENSION FUNDING

For funding purposes, NSPI determines required contributions to its registered defined benefit pension plans based on smoothed asset values. This reduces volatility in the cash funding requirement as the impact of investment gains and losses are recognized over a five-year period. The cash required in 2026 for defined benefit pension plans is expected to be \$10 million (2025 – \$12 million). All pension plan contributions are tax deductible and will be funded with cash from operations.

NSPI's registered defined benefit pension plans employ a long-term strategic approach with respect to asset allocation, real return and risk. The underlying objective is to earn an appropriate return, given the Company's goal of preserving capital within an acceptable level of risk for the pension fund investments.

To achieve the overall long-term asset allocation, pension assets are managed by external investment managers per the pension plan's investment policy and governance framework. The asset allocation includes investments in the assets of Canadian and global equities, domestic and global bonds, and short-term investments. NSPI reviews investment manager performance on a regular basis and adjusts the plans' asset mixes as needed in accordance with the pension plans' investment policy.

NSPI's projected contributions to the defined contribution pension plans are \$9 million for 2026 (2025 – \$8 million).

OFF-BALANCE SHEET ARRANGEMENTS

Defeasance

Upon privatization of the former provincially owned Nova Scotia Power Corporation ("NSPC") in 1992, NSPI was appointed to manage and administer a portfolio of defeasance securities. The securities provide principal and interest streams to match the related defeased debt of NSPC, which as at December 31, 2025, totaled \$200 million (2024 – \$200 million).

The securities are held in trust for Nova Scotia Power Finance Corporation ("NSPFC"), an affiliate of the Province of Nova Scotia. Approximately 66 per cent of the defeasance portfolio consists of investments in the related debt, eliminating all risk associated with this portion of the portfolio.

Under the privatization agreements, NSPI administers the defeasance cash flows and obligations pursuant to a Management and Administration Agreement. The NSPFC bank accounts are included in NSPI's pool of bank accounts under a mirror netting agreement and therefore, from time to time, if any cash accumulates in the NSPFC bank account it is available until that cash is required to service the defeased NSPC debt.

Guarantees and Letters of Credit

As at December 31, 2025, the Company had \$94 million USD (2024 - \$104 million USD) of guarantees outstanding with terms of varying lengths, all of which are issued on behalf of NSPEMI.

As at December 31, 2025, the Company had \$6 million USD and \$8 million CAD of letters of credit outstanding (December 31, 2024 - \$7 million USD and \$3 million CAD).

TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with Emera Inc. and other subsidiaries or investments of Emera Inc. in the normal course of operations. NSPI's related parties include investments accounted for using the equity method. As at December 31, 2025 related parties include Emera Inc., Brooklyn Power Corporation, Emera Energy Inc., Emera Energy Services, Inc., NSPML and the WTI equity investments. All related party transactions entered into by NSPI with its affiliates are governed by an Affiliate Code of Conduct approved by the NSEB.

Transactions between the Company and its related parties reported in the Consolidated Statements of Income and Consolidated Balance Sheets are as follows:

For the millions of dollars		Year ended December 31	
Nature of Service	Presentation	2025	2024
Sales:			
Management and administrative, and other services	OM&G	\$ 13	\$ 19
Rent and other services	Operating revenues	2	2
Purchases:			
Maritime Link assessment	Fuel for generation and purchased power	185	(324)
Net purchase of electricity and natural gas	Fuel for generation and purchased power	36	31
Management and administrative, and other services	OM&G	13	11

On March 5, 2025, NSPI sold development assets associated with the Wasoqonatl transmission line project to WTI for consideration of \$15 million. The development assets were sold at cost with no gain or loss recognized in the Consolidated Statement of Income.

On December 19, 2025, NSPI invested \$9 million in WTI and recorded this within "Investments subject to significant influence" on the Consolidated Balance Sheets. Equity earnings issued to NSPI from WTI for the year ended December 31, 2025 was nil. For further details refer to note 25 of NSPI's audited consolidated financial statements as at December 31, 2025.

For the year ended December 31, 2025, NSPI issued 0.04 million common shares (2024 – 0.04 million common shares) to Emera for total consideration of \$0.4 million (2024 – \$0.4 million) and returned \$340 million of capital (2024 – nil) to Emera without a reduction in the amount of common shares outstanding.

As at December 31, 2025, NSPI had \$185 million due to Emera and affiliates (December 31, 2024 – \$150 million).

ENTERPRISE RISK AND RISK MANAGEMENT

NSPI has a business-wide risk management process which is monitored by the Board of Directors, and also reviewed with the Emera Enterprise Risk Management Committee to ensure risks are appropriately identified, assessed, monitored and subject to appropriate controls.

The significant business risks to NSPI are described below, many of which are beyond the Company's control, and could have a material adverse effect on operations, liquidity or access to or cost of capital, financial position, prospects, reputation, and/or results of operations (herein considered a "Material Adverse Effect"). The nature of risk is such that no such list is comprehensive, and the actual effect of any of the risks discussed could be materially different from what is described below. Additionally, other risks not presently known may arise, risks not currently considered material may become material in the future, or two or more risks which are not themselves material, could together be material.

Regulatory and Political Risk

NSPI is subject to complex legislative and regulatory frameworks that cover material aspects of their businesses. These frameworks influence key factors such as rates and cost structures, revenue requirements, allowed ROEs, capital structures, rate base and capital investments, and the recovery of purchased electricity and fuel costs and other costs. Regulators also review the prudence of costs and make other decisions that can impact customer rates and the reliability of service. NSPI's is regulated under a cost-of-service model and must obtain regulatory approvals for material aspects of their businesses, including changing or adding rates and/or riders. Such approvals often require public hearing proceedings involving numerous stakeholders, and there is no assurance in the outcomes or impact of any regulatory process or decision.

If NSPI is unable to recover a material amount of costs in a timely manner, are unable to earn a return on invested capital, are disallowed the recovery of certain costs, are subject to regulatory penalties, are not permitted to make certain capital investments, or are not permitted to invest in or divest certain utility assets, it could result in a Material Adverse Effect, including valuation impairments. Regulatory lag, the time between the incurrence of costs and the granting of the rates to recover those costs by regulators, may also result in a Material Adverse Effect.

Aspects of the acquisition, ownership, operations, siting, planning, construction, and decommissioning of electric generation, storage, transmission and distribution facilities are also subject to regulatory processes and approvals of regulators, government departments and agencies, and other third parties. The failure to obtain, maintain, and renew such approvals or significant changes in the terms and conditions thereof could have a Material Adverse Effect.

The regulatory framework, process and regulatory decisions may also be adversely affected by changes in government, shifts in government or public policy, legislative changes, regulatory decisions, geopolitical changes, changes in the economic environment, or other factors. Government interference in the regulatory process or regulatory decisions can undermine regulatory stability, predictability, and independence. Any such changes could have a Material Adverse Effect.

Aspects of the IESO Nova Scotia, once fully operational and during transition period, remain uncertain. Refer to Changes in Environmental Legislation.

Change in Law Risk

The Company is also exposed to changes in the political environment and leadership, changes in law or regulations, changes to governmental policies, trade disputes, and the imposition of tariffs, any of which may impact the Company's businesses, the markets for energy and inputs thereto, or general economic conditions, and which may result in a Material Adverse Effect. This may include initiatives regarding deregulation or restructuring of the energy industry, which may result in increased competition, and increased or unrecovered costs.

NSPI cannot predict future legislative, policy, or regulatory changes, whether caused by economic, political or other factors, or the resulting operating or compliance costs or other impacts. It may be difficult for NSPI to respond in an effective and timely manner to such future legislative, policy or regulatory changes.

Changes in Environmental Legislation

NSPI is subject to extensive regulation by federal, provincial and municipal authorities regarding environmental matters; primarily related to its utility operations. This includes laws, regulations and policies relating to GHG emissions, renewable energy standards, climate, air quality, water quality and usage, waste management, wastewater discharges, soil quality, aquatic and terrestrial habitats, hazardous waste, health, endangered species, and wildlife mortality.

Both the Province and the Government of Canada have enacted or introduced legislation that includes goals of net-zero GHG emissions by 2050. The Province has established targets with respect to the percentage of renewable energy in NSPI's generation mix and reductions in GHG emissions, as well as the goal to phase out coal-fired electricity generation by 2030. The Government of Canada has also enacted regulations imposing emissions standards on coal-fired generation that would effectively require the decommissioning of such facilities. While Nova Scotia is exempted from such regulations through 2029, there is no guarantee that such exemption will continue into the future. Failure to comply with applicable legislation or regulation could result in a Material Adverse Effect. NSPI continues to work with both the provincial and federal governments on measures to seek to address their carbon reduction goals.

Per- and polyfluoroalkyl substances ("PFAS"):

PFAS are man-made chemicals that are widely used in consumer products and can persist and bio-accumulate in the environment. The Company does not manufacture PFAS but because these contaminants are ubiquitous in products and the environment, it may impact NSPI's operations. Changes in environmental laws and regulations related to PFAS could result in new costs or obligations for investigation and cleanup and change the Company's land acquisition strategy for projects which could result in a Material Adverse Effect.

Greenhouse Gas Emissions:

NSPI is subject to GHG emission caps for the 2010 through 2030 period as outlined in the "Nova Scotia Greenhouse Gas Regulations", and further updated by Order in Council in 2013. The emission cap reduces from 10 megatonnes in 2010 to 4.5 megatonnes in 2030. The regulations allow for multi-year compliance periods recognizing the variability in electricity supply sources and demand. Pursuant to an Equivalency Agreement entered into between the Province and the Government of Canada in 2014 and renewed through 2029, these provincial regulations have been deemed equivalent to, and have exempted Nova Scotia from the application of federal GHG emissions regulations which would effectively require the retirement or conversion of coal-fired electricity generating units by the earlier of 50 years from commissioning or 2030. Over the decade, NSPI will work to comply with the decreasing emission caps through a combination of additional renewable generation, import of non-emitting energy, and energy efficiency and conservation.

The "Pan-Canadian Framework on Clean Growth and Climate Change" under the "Greenhouse Gas Pollution Pricing Act" put in place the legal mechanism for increasing the carbon tax in Canada by \$15 per tonne annually and reaching \$170 per tonne by 2030 beginning in 2023. Effective in 2023, the Province enacted amendments to the "Environment Act" which provided the framework for Nova Scotia to implement an OBPS to comply with these Government of Canada regulations. NSPI is a mandatory registrant under the OBPS.

The "Canadian Net-Zero Emissions Accountability Act" outlines the federal objective of attaining net-zero emissions by 2050. Further, the federal government's "2030 Emission Reduction Plan", required under the "Canadian Net-Zero Emissions Accountability Act", introduced the federal intention of attaining a net-zero electricity grid by 2035. On December 17, 2024, ECCC released a finalized version of the Clean Electricity Regulations (CER). The CER establish performance standards to significantly limit GHG emissions from fossil fuel-generated electricity starting in 2035 and help facilitate the Government of Canada's intention of achieving a net-zero electricity grid by the same year. NSPI continues to work with both the provincial and federal governments on measures to address their carbon dioxide reduction goals.

Renewable Energy Regulations:

The Province has established targets with respect to the percentage of renewable energy in NSPI's generation mix. Under the RER, the Company currently has a provincially mandated target of achieving at least 40 per cent of energy sales generated from renewable sources each year from 2020 through 2029. Beginning in 2030, the RER mandates that 80 per cent of electric sales be generated from renewable sources. Further, the Nova Scotia "Environmental Goals and Climate Change Reduction Act" established the goal to phase out coal-fired electricity generation by 2030. NSPI continues to work with both the provincial and federal governments on measures to address generation mix targets.

On April 6, 2023, the Province levied a \$10 million penalty on NSPI for non-compliance with the RER compliance period ending in 2022. On May 26, 2023, NSPI initiated an appeal, through a proceeding with the NSEB, of the \$10 million penalty levied on NSPI by the Province for non-compliance with the RER compliance period ending in 2022. The hearing concluded in 2025 and NSPI is awaiting a decision.

Nova Scotia Energy Reform Act:

On April 5, 2024, the Province enacted Bill 404 - Energy Reform (2024) Act. This legislation implements certain recommendations made by the Clean Electricity Solutions Task Force, which was established by the Province to advise the provincial government on Nova Scotia's transition away from coal to more renewable sources of energy. The legislation enacted the Energy and Regulatory Board Act, which established the NSEB. The NSEB will regulate energy and utility entities in Nova Scotia, with a mandate of increased focus on meeting energy transition demands. The legislation also enacts the More Access to Energy Act, which provides for the establishment and phased transition to the Nova Scotia Independent Energy System Operator. NSPI is fully engaged in working with the Province on these initiatives.

On October 15, 2025, the IESO Nova Scotia announced that the organization will be phased in over two phases during an 18-month period. On December 1, 2025, the first phase was complete following the transfer of system planning and interconnection functions. The second phase is expected to be complete in 2027 as the IESO Nova Scotia assumes responsibility for system operations.

Air Quality Regulations:

NSPI is subject to emission cap requirements for mercury, SO₂ and nitrogen oxide ("NO_x") as prescribed in the Regulations. The Regulations limit net mercury emissions to 35 kg per year for the period of 2020 through 2029. NSPI is eligible to remit 10 kg of mercury credits per year to comply with the annual cap. Beginning in 2021, emissions compliance periods for NO_x came into effect, as outlined in the Regulations as follows:

Year	NO_x Caps (tonnes)
2021-2024 ¹	56,000
2025	11,500
2026-2029	44,000
2030	8,800

¹NO_x four-year cap for 2021-2024 is 56 tonnes, with no single year exceeding 14.995 tonnes.

Beginning in 2025, emissions compliance periods for SO₂ came into effect, as outlined in the Certificate of Variance as follows:

Year	SO₂ Caps (tonnes)
2025	45,000
2026	45,000
2027	40,000
2028	28,000
2030	9,000
2031	9,000
2032	9,000
2033	9,000
2034	9,000

NSPI is currently within, or forecasts the ability to meet, the prescribed limits for the current compliance periods. For the compliance periods ending in 2022, NSPI exceeded the prescribed limits for Mercury and SO₂. As per the Regulations, NSPI can compensate for the excess Mercury and SO₂ emissions within the three years following the year of exceedance, by reducing emissions equal to the amount of the excess emissions or can apply for an exemption by the Minister citing “unusual and unavoidable circumstances”. NSPI compensated for the excess mercury emissions within three years ending in 2025.

NSPI received a Certificate of Variance from NSECC on March 25, 2025, which provides flexibility on the timing of SO₂ emissions over the 2025 through 2034 period, including compensating for the excess 14,410 tonnes of SO₂ emissions in 2022. The flexibility lowers compliance costs for customers without increasing total emissions over the period.

These and new or revised environmental laws, regulations, policies, or interpretations of those laws, regulations or policies could result in a Material Adverse Effect by, among other things, preventing or delaying the development of energy infrastructure projects, restricting the use or output of certain facilities, requiring the early retirement of coal-fired generation, that could result in stranded costs, limiting the availability or use of certain fuels required for the production of electricity, requiring additional pollution control equipment, changing the nature and timing of capital investments, requiring significant capital investments, imposing operating or other costs associated with compliance including carbon taxes or emissions allowances, or by limiting or eliminating certain operations or rendering such operations uneconomical. Impacts could be more significant in the future as the result of new or revised laws or requirements or stricter or more expansive application of existing environmental laws, regulations and policies. Failure to recover environmental costs in a timely manner through rates may also result in a Material Adverse Effect.

In addition to imposing continuing compliance obligations, there are permit requirements, laws and regulations authorizing the imposition of penalties for non-compliance, exposing NSPI to legal or regulatory proceedings, disputes, civil fines, injunctive relief, criminal penalties and other sanctions, which could result in a Material Adverse Effect.

Weather Risk

A Material Adverse Effect may arise from weather seasonal variations impacting energy consumption, as well as severe weather events, changing air temperatures, wildfires and other severe weather conditions that are expected to become more frequent and intense in the future. Refer to “Climate Risk”.

The temperature, seasonal variations, and other weather conditions significantly influence the availability and demand for electricity, the price of energy commodities, such as fuel, and the production of electricity at power generation facilities. For example, NSPI could see lower sales in winter months if temperatures are warmer than expected.

Severe weather events or conditions such as hurricanes, floods, storm surge, tornadoes, droughts, fires, extreme temperatures, snow or ice storms, and other natural disasters create a risk of physical damage to the Company's assets and a risk of extended service outages or fuel supply disruptions. For example, high winds can cause widespread damage to transmission and distribution infrastructure, solar generation, and wind-powered generation. Substantially all of the Company's fossil fueled generation assets are located at or near coastal sites and, as such, are exposed to the separate and combined effects of rising sea levels and increasing storm intensity, including storm surges and flooding.

Severe weather events or conditions could reduce revenues and require the Company to incur additional costs, such as repair and replacement costs, costs of replacement power and fuel, increased insurance costs, impacting cash flows and resulting in the need to access additional financing sources. These could result in a Material Adverse Effect if not resolved or mitigated in a timely and efficient manner through insurance or regulatory cost recovery. This risk to transmission and distribution facilities is typically not insured, and as such the restoration cost is generally recovered through regulatory processes, either in advance through reserves, or after the fact through the establishment of regulatory assets. Recovery is not assured, is subject to prudence review, and may be subject to delay resulting in increased debt and debt servicing costs.

Severe weather events or other catastrophic natural disasters could also result in long-term reductions in demand for electricity or the slowing of customer growth in the Company's service territory, which could have a Material Adverse Effect.

High winds, lack of precipitation, and accumulation of fallen dead vegetation also increase the risk of wildfires resulting from the Company's infrastructure or for which the Company may otherwise have responsibility. If it is found to be responsible for such a fire, the Company could suffer material costs, losses and damages, all or some of which may not be recoverable through insurance, legal, regulatory cost recovery or other processes. If not recovered through these means or if recovery is delayed, they could result in a Material Adverse Effect. Resulting costs could include fire suppression costs, regeneration, timber value, increased insurance costs and costs arising from damages and losses incurred by third parties.

The Company purchases power from third-party owned hydroelectricity sources and operates hydroelectric generation in certain of its markets. Such generation depends on availability of water and the hydrological profile of water sources. Changes in precipitation patterns, water temperatures and air temperatures could adversely affect the availability of water and consequently the amount of electricity that may be produced from such facilities.

Climate Risk

Physical Risk:

Changes in climate may negatively impact the Company's operations as a result of increased frequency and intensity of weather events and related physical risks, any of which could result in a Material Adverse Effect (for more information refer to "Weather Risk" and "System Operating and Maintenance Risks"). An increase in physical risk associated with climate change can also adversely impact the cost and availability of insurance, insurance deductibles and self-retention, as well as credit ratings, which could affect credit risk spreads on new long-term debt and credit facilities, as well as their availability (refer to "Liquidity and Capital Markets Risk").

Transition Risk:

As government policy related to the environment, renewable energy, and decarbonization continues to shift, the Company is exposed to increased uncertainty and risk arising from policy, legal, regulatory, technology, and market changes, which could result in a Material Adverse Effect. The energy transition will require the Company to address changes to environmental policies, laws and regulations (refer to "Changes in Environmental Legislation"). The Company's ability to address transition risk for the long-term is impacted by this increased policy uncertainty and the need to balance stakeholder expectations for reliability and affordability of energy.

The Company will be required to manage the impacts of these ongoing changes on customer demand and rates, while maintaining and integrating intermittent renewable energy and new technologies, making investments required to meet new resiliency and security standards, and adapting the Company's infrastructure and generating capacity to meet load growth, changing customer demands and usage patterns. The energy transition and the ability of the Company to achieve government mandated environmental requirements will require significant capital investment and is dependent upon many factors which are outside of the Company's direct control, including the actions of governments, regulators, independent system operators, independent power producers, interconnected utilities, Indigenous communities, other stakeholders, the development and commercialization of new and emerging technologies, and the use of offsets. These external factors and legislative, policy, or regulatory changes may cause the pace of the energy transition (including emissions reductions and the addition of more renewable energy) to materially differ from some stakeholder expectations. Depending on the regulatory response to government legislation and regulations, the Company may be exposed to the risk of reduced recovery through rates in respect of the affected assets.

Given concerns regarding carbon-emitting generation, assets and businesses may, over time, become difficult or uneconomic to insure in commercial insurance markets. Some insurance companies have limited their exposure to coal-fired electricity generation and are evaluating the medium and long-term impacts of changes in climate which may result in less insurance capacity, more restrictive coverage and increased premiums in the future. The Company could also face litigation or regulatory action related to environmental harms from GHG emissions or failure to substantiate certain environmental claims.

The failure to effectively respond to risks associated with changes in climate could adversely affect the Company's ability to deliver safe, reliable, and cost-effective service, the Company's reputation with stakeholders, its ability to operate and grow, and the Company's access to, and cost of, capital, each of which could result in a Material Adverse Effect.

Cybersecurity Risk

NSPI is exposed to potential risks related to cyberattacks, data breaches, cyber-extortion, and unauthorized access that could result in a Material Adverse Effect. The Company increasingly relies on IT systems, networks and cloud infrastructure, and third-party service providers to effectively manage and safely operate its assets. This includes controls for interconnected systems of generation, distribution and transmission as well as financial, billing and other enterprise systems. As the Company operates critical energy infrastructure, it may be at greater risk of cyberattacks, which could include those from nation-state cyber threat actors. Major emerging and ongoing global conflicts may also elevate this risk, by increasing the sophistication, magnitude, and frequency of cyberattacks.

Cyberattacks can reach the Company's assets and information via their interfaces with third parties or the public internet and gain access to critical and non-critical infrastructures. Cyberattacks can also occur via personnel with access to critical assets or trusted networks. Methods used to attack critical assets could include generic or energy-sector-specific malware delivered via network transfer, removable media, attachments, links in e-mails or other communications, or social engineering. The methods used by attackers are continuously evolving and can be difficult to predict and detect and may become more sophisticated, frequent, severe, and difficult to stop to the extent that attackers are able to leverage evolving artificial intelligence ("AI") models or tools.

Despite security measures in place, the Company's systems, assets and information could experience security breaches that could cause system failures, disrupt energy supply and delivery, business operations, or adversely affect safety. Such breaches could compromise customer, employee-related or other information systems and could result in loss of service to customers, unavailability of critical assets, safety issues, compromise billing and customer-facing information, such as outage maps, disrupt internal control and financial and back office processes, or result in the release, loss, corruption, destruction, and/or misuse of critical, sensitive, confidential or proprietary information, intellectual property, or personal information of customers or employees. These breaches could also delay delivery or result in contamination or degradation of hydrocarbon products the Company transports, stores or distributes.

Cyberattacks or unauthorized access may cause lost revenues, costs, losses, regulatory penalties and third-party damages all, or some of which may not be recoverable through insurance, legal, regulatory cost recovery or other processes. To the extent that the Company maintains cybersecurity insurance coverage, such coverage is subject to aggregate limits that, depending on the scope and scale of impacts to the Company, are more likely to be exhausted as a result of a sophisticated single cyberattack or if multiple events were to occur within a single policy period. There is no guarantee that the Company will be able to renew such coverage on acceptable terms in the future. Resulting costs could include, amongst others, response, recovery and remediation costs, increased protection or insurance costs and costs arising from damages and losses incurred by third parties. This could result in a Material Adverse Effect and there is no assurance that cyberattacks, or other security breaches can be adequately addressed in a timely manner.

The Company seeks to manage these risks by aligning to a common set of cybersecurity standards and policies derived, in part, on the National Institute of Standards and Technology's Cyber Security Framework, by following program maturity objectives, through periodic security assessments, exercising and improving cybersecurity incident readiness and response programs, by hiring third-party cybersecurity experts, and employee communication and training. With respect to certain of its assets, the Company is required to comply with rules and standards relating to cybersecurity and IT including, but not limited to, those mandated by bodies such as the North American Electric Reliability Corporation and Northeast Power Coordinating Council that have been approved by the NSEB. The status of key elements of the Company's cybersecurity program is reported to the Board of Director on a quarterly basis. The recruitment and retention of qualified cybersecurity talent is a global issue, and difficulties in securing such resources may adversely impact the Company's ability to address these risks.

Energy Consumption Risk

NSPI is affected by demand for energy based on changing customer patterns due to fluctuations in a number of factors including general economic conditions, weather events, customers' focus on energy efficiency, changes in rates, and advancements in new technologies, such as rooftop solar, electric vehicles, data centers, and battery storage. Government policies promoting energy efficiency, distributed generation, and new technology developments that enable those policies, have the potential to impact how electricity enters the system and how it is bought and sold. In addition, increases in distributed generation may impact demand resulting in lower load and revenues. These changes could negatively impact NSPI's operations, rate base, net earnings and cash flows and result in a Material Adverse Effect.

Foreign Exchange Risk

The Company is exposed to foreign currency exchange rate changes. NSPI may enter foreign exchange forward and swap contracts to limit exposure on certain foreign currency transactions such as fuel purchases and capital investment. Currency forwards are used to fix the CAD cost to acquire USD, reducing exposure to currency rate fluctuations. NSPI's regulatory framework permits the recovery of prudently incurred costs, including foreign exchange. The Company does not utilize derivative financial instruments for foreign currency trading or speculative purposes.

The risk due to fluctuation of the CAD against the USD for fuel purchases is measured and managed. In 2026, NSPI expects approximately 41 per cent of its anticipated net fuel costs to be denominated in USD. Forward contracts to buy \$175 million USD were in place as at December 31, 2025, at a weighted average rate of \$1.3569, representing 64 per cent of 2026 anticipated USD requirements. Forward contracts to buy \$62 million USD in 2027 at a weighted average rate of \$1.3541 were in place as at December 31, 2025. These contracts cover 27 per cent of anticipated USD requirements in 2027. As at December 31, 2025, there were no fuel-related foreign exchange swaps outstanding. NSPI reassesses foreign exchange forecasts periodically and will enter into additional hedges or unwind existing hedges, as required.

Liquidity and Capital Market Risk

Liquidity risk relates to NSPI's ability to ensure sufficient funds are available to meet its financial obligations. NSPI's access to capital and cost of borrowing is subject to several risk factors, including financial market conditions, market disruptions and ratings assigned by credit rating agencies. Disruptions in capital markets could prevent NSPI from issuing new securities or cause the Company to issue securities with less than preferred terms and conditions. NSPI's operations require significant capital investments and the risk associated with changes in interest rates that could have an adverse effect on the cost of financing. Inability to access cost-effective capital could have a material impact on NSPI to fund its operations. The Company's future access to capital and cost of borrowing may be impacted by various market disruptions.

The Company is subject to financial risk associated with changes in its credit ratings. There are a number of factors that rating agencies evaluate to determine credit ratings, including the Company's business, its regulatory framework and legislative environment, political interference in the regulatory process, the ability to recover costs and earn returns, diversification, leverage, liquidity and increased exposure to impacts related to changes in climate, including increased frequency and severity of hurricanes, wildfires, and other severe weather events. A decrease in a credit rating could result in higher interest rates in future financings or increased borrowing costs under certain existing credit facilities. For certain derivative instruments, if the credit ratings of the Company were reduced below investment grade, the full value of the net liability of these positions could be required to be posted as collateral.

General Economic Risk

The Company has exposure to the macro-economic conditions in Nova Scotia. Like most utilities, economic factors such as consumer income, employment and housing affect demand for electricity, and in turn the Company's financial results. Adverse changes in general economic conditions and inflation may impact the ability of customers to afford rate increases arising from increases to fuel, operating, capital, environmental compliance, and other costs, and therefore could have a Material Adverse Effect. This may also result in higher credit and counterparty risk, adverse shifts in government policy and legislation, and/or increased risk to full and timely recovery of costs and regulatory assets.

Interest Rate Risk:

NSPI utilizes a combination of fixed and floating rate debt financing for operations and capital expenditures, resulting in an exposure to interest rate risk.

The allowed range of ROE will generally follow the direction of interest rates, such that it is likely to fall in times of reducing interest rates and raise in times of increasing interest rates, albeit not directly and generally with a lag period reflecting the regulatory process. The cost of debt is a component of rates and prudently incurred debt costs are recovered from customers.

Interest rates could also be impacted by changes in credit ratings. For more information, refer to "Liquidity and Capital Market Risk".

As at December 31, 2025, 75 per cent of NSPI's debt position is fixed rate in nature, with an average term to maturity of approximately 17 years.

Inflation Risk:

The Company may be exposed to changes in inflation that may result in increased operating and maintenance costs, capital investment, and fuel costs compared to the revenues provided by customer rates.

Public Health Crisis Risk

An outbreak of infectious disease, a pandemic or other public health threats, or a fear of any of the foregoing, could result in a Material Adverse Effect to NSPI. This could include causing operating, supply chain and project development delays and disruptions, labour shortages and shutdowns (including as a result of government regulation and prevention measures), which could have a negative impact on the Company's operations.

Any adverse changes in general economic and market conditions arising as a result of a public health threat could negatively impact demand for electricity, revenue, operating costs, timing and extent of capital investments, capital market activities, and counterparty risk; which could result in a Material Adverse Effect.

Health and Safety

The Company's operations inherently involve risk to the health and safety of employees, contractors and members of the public. Personal injury or loss of life could result from failure to implement or observe appropriate health and safety procedures or comply with health and safety laws and regulations could result in adverse operational, reputational, legal, regulatory, or financial impacts, any of which could have a Material Adverse Effect.

Project Development and Land Use Rights Risk

The Company's capital plan includes significant investment in generation, infrastructure modernization and customer-focused technologies. Any projects planned or currently in construction, particularly significant capital projects, may be subject to risks that could result in a Material Adverse Effect including, but not limited to, impact on costs from schedule delays, increased demand for renewable energy inputs, risk of cost overruns, ensuring compliance with operating and environmental requirements and other events within or beyond the Company's control. The Company's projects may also require approvals and permits at the federal, provincial and municipal levels. There is no assurance that NSPI will be able to obtain the necessary project approvals or applicable permits or receive regulatory approval to recover the costs in rates.

Some of the Company's assets are located on land owned by third parties, including Indigenous Peoples, and may be subject to land claims. Present or future assets may be located on lands that have been used for traditional purposes and therefore subject to specific consultations, consents, or conditions for development or operation. If the Company's rights to locate and operate its assets on any such lands are subject to expiry or become invalid, it may incur material costs to renew rights or obtain such rights. If reasonable terms for land-use rights cannot be negotiated, the Company may incur significant costs to remove and relocate its assets and restore the land. Additional costs incurred could cause projects to be uneconomical to proceed.

Counterparty Credit Risk

The Company is exposed to risk related to its reliance on certain key partners, suppliers, and customers any of which may endure financial challenges resulting from commodity price and market volatility, economic instability or adversity, adverse political or regulatory changes and other causes which may cause or contribute to such parties' insolvency, bankruptcy, restructuring or default on their contractual obligations to NSPI. The Company is also exposed to potential losses related to amounts receivable from customers, energy marketing collateral deposits and derivative assets due to a counterparty's non-performance under an agreement.

There is no assurance that management strategies will be effective, and significant counterparty defaults could result in a Material Adverse Effect.

Commercial Relationship Risk

The Company is exposed to commercial relationships risk in respect of its reliance on certain key partners, suppliers and customers. For the year ended December 31, 2025, NSPI's five largest customers contributed approximately 7 per cent (2024 – 9 per cent) of electric revenues. The loss of a large customer could have a material effect on NSPI's operating revenues and could have a Material Adverse Effect.

Supply Chain Risk

NSPI's ability to meet customer energy requirements, respond to storm-related disruptions and invest in capital in a cost-effective and timely manner are dependent on maintaining an efficient supply chain. Domestic and global supply chain issues may delay the delivery, increase the cost, or result in shortages of certain materials, fuel, equipment and other resources that are critical to the Company's operations. These disruptions may be further exacerbated by trade restrictions, inflationary pressures, labor shortages, more frequent and severe weather events, government incentives increasing demand for clean energy projects, changes in carbon-related costs, policies and regulations, and the impact of international conflicts. In addition, the imposition of custom duties or other tariffs, or an increase in trade restrictions in the future could have a Material Adverse Effect.

Fuel Supply Disruptions:

NSPI is also exposed to the risk of fuel supply chain disruptions, both within and outside NSPI's service territory. Fuel supply disruptions which may be caused by damage to, operational issues with, terrorist or cyberattacks on, impacts of severe weather or natural disasters on, third party fuel production, storage, pipeline, and distribution facilities. A significant unanticipated fuel supply disruption could result in increased exposure to commodity price risk for NSPI, disruption to utility operations, and adverse reputational impacts, any of which could have a Material Adverse Effect.

Commodity Price Risk

The Company's fuel supply is subject to commodity price risk.

The Company's fuel supply is exposed to broader global market conditions, which may include impacts on delivery reliability and price, despite contracted terms. Supply and demand dynamics in fuel markets can be affected by a wide range of factors which are difficult to predict and may change rapidly, including but not limited to, currency fluctuations, changes in global economic conditions, natural disasters, transportation or production disruptions, and geo-political risks, such as political instability, conflicts, changes to international trade agreements, tariffs, trade sanctions or embargos.

Prolonged and substantial increases in fuel prices could result in decreased rate affordability, increased risk of recovery of costs or regulatory assets, and/or negative impacts on customer consumption patterns and sales, any of which could result in a Material Adverse Effect.

Subject to available liquidity in suitable hedging products, NSPI targets to be 50-100 per cent hedged for 2026 and 50-90 per cent hedged for 2027. NSPI reassesses fuel consumption forecasts quarterly and will enter into additional hedges or unwind existing hedges, as required, to rebalance the portfolio and ensure the objective of fuel cost stability is maintained while minimizing transaction costs.

Coal:

A substantial portion of NSPI's coal supply comes from international suppliers, which was contracted at or near the market prices prevailing at the time of contract. The Company has entered into fixed-price and index price contractual arrangements for forecast quantities of coal with several suppliers, as part of the fuel procurement portfolio strategy. As at December 31, 2025, the approximate percentage of forecast coal requirements hedged is 81 per cent for 2026 and 8 per cent for 2027.

Petcoke:

As at December 31, 2025, the approximate percentage of forecast petcoke requirements for 2026 is 23 per cent.

Natural Gas:

NSPI periodically enters into physical and/or financial contracts based on forecast natural gas consumption to meet load and system security requirements. Volumes exposed to market prices are managed using financial instruments in accordance with NSPI's hedging program. As at December 31, 2025, the approximate percentage of forecast natural gas requirements hedged for 2026 is 99 per cent and 2027 is 55 per cent.

Heavy Fuel Oil:

NSPI periodically enters into physical and/or financial contracts based on forecast heavy fuel oil purchases to meet load and system security requirements. Volumes exposed to market prices are managed using financial instruments in accordance with NSPI's hedging program. As at December 31, 2025, forecast heavy fuel oil requirements are fully hedged for 2026.

Power Purchases:

NSPI has fixed price agreements relating to NLH's NS Block energy delivery obligations and power purchase agreements with IPPs. NSPI also periodically enters into additional physical and/or financial contracts based on forecast power purchases to meet load and system security requirements. Volumes exposed to market prices are managed using financial instruments in accordance with NSPI's hedging program. As at December 31, 2025, the approximate percentage of forecast power purchase requirements hedged is 84 per cent for 2026 and 48 per cent hedged for 2027.

Future Employee Benefit Plan Performance and Funding Risk

NSPI has both defined benefit and defined contribution employee benefit plans that cover both employees and retirees. The defined benefit plan is closed to new entrants. The cost of providing the defined benefit plan varies depending on the plan provisions, interest rates, inflation, investment performance and actuarial assumptions concerning the future. Actuarial assumptions include earnings on plan assets, discount rates (interest rates used to determine funding levels, contributions to the plans and the pension and post-retirement liabilities) and expectations around future salary growth, inflation and mortality. The three largest drivers of costs are investment performance, interest rates and inflation, which are affected by global financial and capital markets. Depending on future interest rates, future inflation and actual versus expected investment performance, NSPI could be required to make larger contributions in the future to fund these plans, which could have a Material Adverse Effect.

Labour Risk

NSPI's ability to deliver service to its customers depends on attracting, developing and retaining a skilled workforce. Utilities are faced with demographic challenges related to trades, technical staff and engineers with an increasing number of employees expected to retire over the next several years. Failure to attract, develop and retain an appropriately qualified workforce could have a Material Adverse Effect.

Approximately 42 per cent of the full-time and term employees within the NSPI labour force are represented by a union and subject to a collective labour agreement, which expires March 31, 2026. The inability to maintain or negotiate future agreements on acceptable terms could result in high labour costs and work disruptions, which could adversely affect service, which could adversely affect service to customers and have a Material Adverse Effect. There have been no labour disruptions since 1975.

Technology Risk

NSPI relies on various technology systems to manage operations, including increasing reliance on IT solutions operated by third parties, such as software as a service and third party cloud hosting. This subjects NSPI to inherent costs and risks associated with maintaining, upgrading, replacing and changing these systems. This includes impairment of its operations, potential disruption of internal control systems, substantial capital investment, demands on management time and other risks of delays, difficulties in upgrading existing systems, transitioning to new systems or integrating new systems into its current systems. Technological reliance may increase vulnerability to cyberattacks and data breaches and increase operational reliance on technology systems and third parties. The rapid evolution of AI has the potential to disrupt existing business models and markets and could result in a Material Adverse Effect. If the Company does not successfully integrate AI in a timely and cost-effective manner, it may not fully realize anticipated efficiencies, cost savings, or service improvements. If AI systems or tools do not operate as expected, it could result in adverse operational, safety, reputational, financial, legal, privacy, data security, or other outcomes. NSPI's digital transformation strategy, including investment in infrastructure modernization, emerging technologies such as Generative AI, and customer focused technologies, is driving increased investment in technology solutions, resulting in increased project risks associated with the implementation of these solutions.

Income Tax Risk

The computation of the Company's provision for income taxes is impacted by changes in tax legislation in Canada, and any such changes could have a Material Adverse Effect. The value of NSPI's existing deferred income tax assets and liabilities are determined by existing tax laws and could be negatively impacted by changes in laws.

System Operating and Maintenance Risks

The safe and reliable operation of electric generation transmission and distribution systems is critical to NSPI's operations. There are a variety of hazards and operational risks inherent in operating electric utilities. Electric generation, transmission and distribution operations can be impacted by risks such as mechanical failures, supply chain issues impacting timely access to critical equipment, activities of third parties, terrorism, cyberattacks, human error, damage to facilities and infrastructure caused by hurricanes, storms, falling trees, lightning strikes, floods, fires, other natural disasters. Electric utility transmission and distribution operation interruption could negatively affect customer and public confidence, and public safety, cause damage to our infrastructure or third-party property, and have a Material Adverse Effect.

Insurance, warranties, or recovery through regulatory mechanisms may not cover any or all of these losses, which could have a Material Adverse Effect. The regulatory framework for NSPI permits the recovery of prudently incurred costs.

Uninsured Risk

NSPI maintains insurance to cover accidental loss suffered to its facilities, and to provide indemnity in the event of liability to third parties. A significant portion of NSPI's transmission and distribution assets are not insured, as is customary in the industry, as the cost of coverage is prohibitive. In addition, NSPI accepts deductibles and self-insured retentions under its various insurance policies. Insurance is subject to coverage limits as well as time sensitive claims discovery and reporting provisions and there can be no assurance that the types of liabilities or losses that may be incurred will be covered by insurance.

The occurrence of significant uninsured claims, claims in excess of the insurance coverage limits, or claims that fall within a significant self-insured retention could have a Material Adverse Effect, if regulatory recovery is not available.

RISK MANAGEMENT INCLUDING FINANCIAL INSTRUMENTS

NSPI's risk management policies and procedures provide a framework through which management monitors various risk exposures. The risk management policies and practices are monitored by the Board of Directors. The Company has established a number of processes and practices to identify, monitor, report on and mitigate material risks to the Company, including the establishment of the Credit Risk Oversight Committee. Furthermore, a corporate team independent from operations is responsible for tracking and reporting on market and credit risks. Management reports quarterly on non-financial risks to the Board of Directors.

The Company manages its exposure to normal operating and market risks relating to commodity prices, and foreign exchange, through contractual protections with counterparties where practicable, and by using financial instruments consisting mainly of foreign exchange forwards and swaps, and coal, oil, natural gas and purchased power options, forwards and swaps. Collectively these contracts are considered derivatives.

The Company recognizes the fair value of all its derivatives on its balance sheet, except for non-financial derivatives that meet the normal purchases and normal sales ("NPNS") exception. A physical contract generally qualifies for the NPNS exception if the transaction is reasonable in relation to the Company's business needs, the counterparty owns or controls resources within the proximity to allow for physical delivery, the Company intends to receive physical delivery of the commodity, and the Company deems the counterparty creditworthy. The Company continually assesses contracts designated under the NPNS exception and will discontinue the treatment of these contracts under this exemption where the criteria are no longer met.

Derivatives entered into by NSPI, that are documented as economic hedges or that do not qualify for NPNS exception, are subject to regulatory accounting treatment, as approved by the NSEB. These derivatives are recorded at fair value on the balance sheet as derivative assets or liabilities. The change in fair value of the derivatives is deferred to a regulatory asset or liability. The realized gain or loss is recognized when the hedged item settles in fuel for generation and purchased power, inventory or PP&E, depending on the nature of the item being economically hedged. Management believes that any gains or losses resulting from settlement of these fuel related derivatives will be refunded or collected from customers in future rates through the FAM.

Regulatory Items Recognized on the Consolidated Balance Sheets

The Company has the following categories on the Consolidated Balance Sheets related to derivatives receiving regulatory deferral:

As at millions of dollars	December 31 2025	December 31 2024
Derivative instrument assets (current and other assets)	\$ 24	\$ 44
Regulatory assets (current and other assets)	27	40
Derivative instrument liabilities (current and long-term liabilities)	(26)	(38)
Regulatory liabilities (current and long-term liabilities)	(25)	(44)
Net asset	\$ -	\$ 2

Regulatory Impact Recognized in Net Income

The Company recognized the following net (losses) gains in income related to derivatives receiving regulatory deferral:

For the millions of dollars	Year ended December 31	
	2025	2024
Fuel for generation and purchased power (1)	\$ (12)	\$ (36)

(1) Realized (losses) gains on derivative instruments settled and consumed in the period; hedging relationships that have been terminated or the hedged transaction is no longer probable. Realized (losses) gains recorded in inventory will be recognized in "Fuel for generation and purchased power" when the hedged item is consumed.

Various valuation techniques are used to determine the fair value of derivative instruments at the reporting date. These may include quoted market prices or internal models using observable or non-observable market information.

DISCLOSURE AND INTERNAL CONTROLS

In accordance with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the Company's annual consolidated financial statements and annual MD&A. This Venture Issuer Basic Certificate is not required to include representations relating to the establishment and maintenance of:

- I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation ("DC&P"); and
- II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP ("ICFR").

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that limitations on the certifying officers' design and implementation on a cost effective basis of DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CHANGE IN ACCOUNTING POLICY

The new USGAAP accounting policy that is applicable to, and adopted by the Company in 2025, is described as follows:

Improvements to Income Tax Disclosures

The Company adopted Accounting Standard Update ("ASU") 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosures, effective December 31, 2025. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. Adoption of the standard resulted in additional disclosure provided in note 7.

SUMMARY OF QUARTERLY RESULTS

For the quarter ended millions of dollars	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Operating revenues	\$ 504	\$ 405	\$ 436	\$ 599	\$ 479	\$ 399	\$ 423	\$ 554
Net income	\$ 22	\$ 3	\$ 6	\$ 110	\$ 71	\$ 14	\$ 18	\$ 57

Quarterly operating revenues and net income are affected by seasonality. The first quarter is the strongest period, reflecting colder weather and fewer daylight hours. Seasonality and other weather patterns, including the number and severity of storms, can affect demand for energy and the cost of service.

Q4 2025 compared to Q4 2024

Q4 2025 net income decreased by \$49 million compared to Q4 2024. The decrease is due to decreased income tax recovery and increased OM&G expenses. Income tax recovery decreased due to the utilization of tax loss carryforwards recognized as a deferred income tax regulatory liability in 2024 and decreased tax deductions in excess of accounting depreciation related to PP&E. OM&G expenses increased due to higher storm costs and costs related to the Cybersecurity Incident.

Q3 2025 compared to Q3 2024

Q3 2025 net income decreased by \$11 million compared to Q3 2024. The decrease is due to increased OM&G expenses, and increased depreciation and amortization due to increased PP&E in service. OM&G expenses increased due to higher costs for transmission and distribution operations, and power generation operations, partially offset by higher administrative overhead allocated to PP&E.

Q2 2025 compared to Q2 2024

Q2 2025 net income decreased by \$12 million compared to Q2 2024. The decrease is due to increased OM&G expenses, and increased depreciation and amortization due to increased PP&E in service. OM&G expenses increased due to higher costs for power generation operations and costs related to the Cybersecurity Incident (for further details on the Cybersecurity Incident refer to the "Developments" section), partially offset by higher administrative overhead allocated to PP&E.

Q1 2025 compared to Q1 2024

Q1 2025 net income increased by \$53 million compared to Q1 2024. The increase is due to decreased income tax expense due to recognition of clean technology investment tax credits in 2025 and increased operating revenues due to increased sales volumes primarily driven by favourable weather.

SUMMARY OF SELECTED ANNUAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected annual consolidated financial information of the Company for the three years ended December 31:

millions of dollars	2025	2024	2023
Operating revenues	\$ 1,944	\$ 1,855	\$ 1,671
Net income	\$ 141	\$ 160	\$ 141
Total assets	\$ 8,084	\$ 7,117	\$ 7,221
Total long-term debt	\$ 3,615	\$ 3,217	\$ 3,868



Management's Discussion & Analysis

As at May 8, 2026

Management's Discussion & Analysis ("MD&A") provides a review of the results of operations of Nova Scotia Power Inc. during the first quarter of 2026 relative to the same quarter in 2025; and its financial position as at March 31, 2026 relative to December 31, 2025. Throughout this discussion, "NSPI" and "Company" refer to Nova Scotia Power Inc. and its consolidated subsidiary NS Power Energy Marketing Incorporated ("NSPEMI").

This discussion and analysis should be read in conjunction with the NSPI unaudited condensed consolidated interim financial statements and supporting notes as at and for the three months ended March 31, 2026; and the NSPI annual MD&A and audited consolidated financial statements and supporting notes as at and for the year ended December 31, 2025. NSPI follows United States Generally Accepted Accounting Principles ("USGAAP" or "GAAP"). Additional information related to NSPI, including the Company's Annual Information Form, can be found on SEDAR+ at www.sedarplus.ca.

NSPI's accounting policies are subject to examination and approval by the Nova Scotia Energy Board ("NSEB"). The rate-regulated accounting policies of NSPI may differ from those used by non-rate-regulated businesses with respect to the timing of recognition of certain assets, liabilities, revenues, and expenses.

All amounts are in Canadian dollars ("CAD"), unless otherwise stated.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information and statements which reflect the current view with respect to the Company's expectations regarding future growth, results of operations, performance, earnings, capital investment, sales volumes, recovery of costs, timing of regulatory decisions, the expected impact of the Cybersecurity Incident (as defined herein) on the Company's financial position and results of operations, information technology ("IT") systems restoration, insurance recoveries, and business continuity processes as well as other matters relating to the Cybersecurity Incident, including business prospects and opportunities, and may not be appropriate for other purposes within the meaning of applicable Canadian securities laws. All such information and statements are made pursuant to safe harbour provisions contained in applicable securities legislation. The words "anticipates", "believes", "budget", "could", "estimates", "expects", "forecast", "intends", "may", "might", "plans", "projects", "schedule", "should", "targets", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on information currently available to NSPI's management and should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the time at which, such events, performance or results will be achieved.

The forward-looking information is based on reasonable assumptions and is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors that could cause results or events to differ from current expectations include, without limitation: regulatory and political risk; change in law risk; operating and maintenance risks; changes in economic conditions; commodity price and availability risk; liquidity and capital market risk; changes in credit ratings; rate base growth; timing and costs associated with certain capital investments; expected impacts on NSPI of challenges in the global economy; potential impacts of trade disputes and tariffs; estimated energy consumption rates; maintenance of adequate insurance coverage and receipt of proceeds; changes in customer energy usage patterns; developments in technology that could impact demand for electricity; climate risk; weather risk, including higher frequency and severity of weather events; risk of wildfires; unanticipated maintenance and other expenditures; derivative financial instruments and hedging; interest rate risk; inflation risk; counterparty risk; disruption of fuel supply; supply chain risk; environmental risks; foreign exchange; regulatory and government decisions, including changes to environmental legislation, financial reporting and tax legislation; risks associated with pension plan performance and funding requirements; loss of service area; risks and costs associated with failure of IT infrastructure and cybersecurity incidents; including IT system restoration and business continuity processes; uncertainties associated with infectious diseases, pandemics and similar public health threats; risks associated with health and safety; market energy sales prices; labour relations; and availability of labour and management resources.

Readers are cautioned not to place undue reliance on forward-looking information, as actual results could differ materially from the plans, expectations, estimates or intentions and statements expressed in the forward-looking information. All forward-looking information in this MD&A is qualified in its entirety by the above cautionary statements and, except as required by law, NSPI undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

INTRODUCTION AND STRATEGIC OVERVIEW

NSPI is a regulated electric utility in Nova Scotia, Canada, providing electricity generation, transmission and distribution services to approximately 566,000 customers. NSPI's approved regulated return on equity ("ROE") range is 8.75 per cent to 9.25 per cent, based on an actual five-quarter average regulated common equity component of up to 40 per cent.

NSPI is working closely with the Nova Scotia Provincial Government (the "Province") as the Province aims to transition off coal and reach 80 per cent renewable electricity sales by 2030. These are ambitious goals set by the federal and provincial governments to address climate change. NSPI is working with the Province as it pursues these goals, while continuing to provide safe and reliable electricity to customers. For further details on the renewable energy transition, developments related to provincial and federal environmental laws and regulations, and risks around achieving climate-related and environmental legislative requirements refer to the "Outlook" section below as well as the "Outlook" and "Enterprise Risk and Risk Management" sections of the 2025 annual MD&A.

NSPI is a wholly-owned subsidiary of Emera Incorporated ("Emera"). NSPI holds a 100 per cent investment in NSPEMI, an energy business that purchases and sells electricity and natural gas in the United States of America's energy commodity market.

The energy industry is seasonal in nature. Seasonal patterns and other weather events, including the number and severity of storms, can affect the demand for energy and cost of service. Results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

OUTLOOK

Operations

NSPI's earnings are most directly impacted by the range of ROE and capital structure approved by the NSEB, the prudent management and approved recovery of operating costs, electric sales volumes, weather, the approved recovery of regulatory deferrals and the timing and amount of capital investment.

NSPI expects earnings in 2026 to be higher than 2025 as a result of new base rates effective May 1, 2026, as discussed below, but also anticipates earning below its allowed ROE range in 2026. Sales volumes are expected to be higher in 2026 than in 2025. Capital investment for 2026, including allowance for funds used during construction ("AFUDC"), is expected to be approximately \$700 million (2025 – \$712 million). NSPI is primarily investing in capital projects required to support power system reliability and reliable service for customers.

Environmental Legislation and Climate Change

NSPI is subject to environmental laws and regulations as set by both the Government of Canada and the Province. For further discussion on environmental legislation and regulations and associated risks, refer to the "Outlook – Environmental Legislation and Climate Change" and "Enterprise Risk and Risk Management" sections of NSPI's 2025 annual MD&A.

Tax Legislation

On March 26, 2026, Bill C-15, an Act to implement certain provisions of the 2025 Budget tabled in Parliament on November 4, 2025, was enacted. Bill C-15, among other measures, reinstates the Accelerated Investment Incentive ("AII") and introduces the Clean Electricity Investment Tax Credit ("CEITC"). The AII provides enhanced first-year capital cost allowance deductions, while the CEITC is a refundable tax credit of 15 per cent (reduced to 5 per cent if prescribed labour requirements are not met), on eligible property, including interprovincial and territorial transmission assets and qualifying refurbishments on eligible property. The enactment of Bill C-15 did not have a material impact on the Company for the three months ended March 31, 2026. The Company continues to assess the potential future impacts of the legislation.

DEVELOPMENTS

Significant updates from those disclosed in the 2025 annual MD&A are included below.

General Rate Application ("GRA"):

On April 30, 2026, the NSEB approved the GRA with changes effective on May 1, 2026. This results in an average annual customer rate increase of 1.2 per cent, and a further average annual increase of 2.5 per cent on January 1, 2027. The approved rates are expected to result in annual revenue (fuel and non-fuel) increases of \$31 million in 2026 and \$97 million in 2027. Any under or over-recovery of fuel costs is addressed through the NSEB's established fuel adjustment mechanism ("FAM") process. NSPI's ROE range will continue to be 8.75 per cent to 9.25 per cent, based on a common equity component of up to 40 per cent. The NSEB also approved the depreciation study completed in 2025 and continuation of the storm rider for each of 2026 and 2027. Additionally, the NSEB approved deferral of depreciation and financing costs for assets within the scope of NSPI's Decarbonization Deferral Account as of December 31, 2025. NSPI has proposed to recover these costs through a securitization transaction, the timing of which requires final support from the Province.

Nova Scotia Energy Reform Act:

On February 25, 2026, NSPI was directed by the NSEB to pay a monthly assessment of \$1 million to the Independent Energy System Operator Nova Scotia ("IESO Nova Scotia"), effective from February 1, 2026, to the earlier of March 31, 2027, or the establishment of an NSEB approved permanent fee recovery mechanism. The NSEB directed NSPI to defer these costs as a "Regulatory asset" on the Condensed Consolidated Balance Sheets and accrue interest at NSPI's weighted average cost of capital.

Cybersecurity Incident:

On April 25, 2025, NSPI discovered a cybersecurity incident involving unauthorized access into certain parts of its IT network and servers supporting portions of its business applications (the "Cybersecurity Incident"). There was no disruption to any of NSPI's physical operations.

The Company implemented business continuity processes for certain impacted business and administrative functions. The systematic restoration of affected IT systems and corresponding transition away from business continuity processes continues to progress in a planned, controlled and phased approach. The Company maintains cyber insurance coverage and is working with its insurer on the claims process. For information on the risks associated with cybersecurity incidents generally, refer to the 'Enterprise Risk and Risk Management' section of NSPI's 2025 annual MD&A.

On May 14, 2025, the NSEB initiated an inquiry into the Cybersecurity Incident. On February 6, 2026, NSEB announced that the inquiry would proceed through two separate regulatory matters. The hearing for the matter related to customer, billing, operational, and regulatory impacts is scheduled for July 2026. The hearing for the matter related to the technical aspects of the Cybersecurity Incident has not yet been set.

Class Action Lawsuit:

NSPI was named as a defendant in a claim for a class action lawsuit filed with the Supreme Court of Nova Scotia, seeking damages arising from the Cybersecurity Incident. The amount of damages has not been specified. Due to the preliminary stage of legal proceedings, an estimate of a possible loss related to this claim cannot be made.

Appointments

Effective March 1, 2026, Vivek Sood became President and CEO of NSPI, succeeding Peter Gregg. Most recently, Mr. Sood retired as Executive Vice President, Related Businesses from Sobeys Inc in 2024, and has served as a member of the NSPI Board of Directors since June 2024.

FINANCIAL REVIEW OF 2026

Consolidated Statements of Income

For the millions of dollars	Three months ended March 31	
	2026	2025
Operating revenues	\$ 612	\$ 599
Fuel for generation and purchased power	317	359
FAM and other deferrals	(20)	(67)
Operating, maintenance and general ("OM&G")	109	92
Demand-side management ("DSM")	16	16
Provincial grants and taxes	12	12
Depreciation and amortization	79	73
Total operating expenses	513	485
Income from operations	99	114
Other income, net	(6)	(7)
Interest expense, net	44	41
Income before provision for income taxes	61	80
Income tax recovery	(13)	(30)
Net income	\$ 74	\$ 110

Highlights of the changes are summarized in the following table:

For the millions of dollars	Three months ended March 31	
Net income – 2025	\$	110
Increased operating revenues (refer to "Operating Revenues" section for explanation)		13
Decreased fuel for generation and purchased power (refer to "Fuel for Generation and Purchased Power" section for explanation)		42
Decreased FAM and other deferrals (refer to note 4 of NSPI's unaudited condensed consolidated interim financial statements as at March 31, 2026 for explanation)		(47)
Increased OM&G expenses due to higher storm restoration costs and higher costs for power generation operations		(17)
Increased depreciation and amortization due to increased property, plant and equipment ("PP&E") in service		(6)
Decreased income tax recovery due to decreased clean technology investment tax credits		(17)
Other		(4)
Net income – 2026	\$	74

Operating Revenues

NSPI's operating revenues include sales of electricity and other services as summarized in the following table:

For the millions of dollars	Three months ended March 31	
	2026	2025
Electric revenues	\$ 604	\$ 589
Other revenues	8	10
Operating revenues	\$ 612	\$ 599

Electric Sales Volume

For the	Three months ended March 31	
Gigawatt hours ("GWh")	2026	2025
Residential	1,921	1,857
Commercial	920	894
Industrial	525	511
Other	61	71
Total	3,427	3,333

Electric Revenues

For the	Three months ended March 31	
millions of dollars	2026	2025
Residential	\$ 370	\$ 361
Commercial	154	148
Industrial	65	68
Other	15	12
Total	\$ 604	\$ 589

Highlights of the changes in electric revenues are summarized in the following table:

For the	Three months ended	
millions of dollars	March 31	
Electric revenues – 2025	\$	589
Excluding the impact of weather, increased residential and commercial sales volume		16
Increased sales volume due to weather		3
Changes in electricity pricing effective January 1, 2026		(6)
Other		2
Electric revenues – 2026	\$	604

Fuel for Generation and Purchased Power

Production volumes by fuel type and average fuel cost are summarized in the following table:

For the	Three months ended March 31	
GWh (except as indicated)	2026	2025
Coal	1,472	1,427
Natural gas	368	349
Petroleum coke ("petcoke")	259	126
Oil	177	191
Purchased power	60	117
Total non-renewables	2,336	2,210
Independent Power Producers ("IPP"), Community Feed-in Tariff ("COMFIT") and imports	728	647
NS Block	360	364
Wind, hydro and solar	257	321
Biomass	37	47
Total renewables	1,382	1,379
Total production volumes	3,718	3,589
Average fuel cost in dollars per Megawatt hour ("MWh")	\$ 85	\$ 100

Average fuel costs per MWh decreased in Q1 2026 compared to Q1 2025 due to lower commodity prices reflecting decreases in the cost of solid fuel, purchased power and oil, and lower costs related to the Nova Scotia output-based pricing system ("OBPS") carbon tax program.

Highlights of the changes in fuel for generation and purchased power are summarized in the following table:

For the millions of dollars	Three months ended March 31
Fuel for generation and purchased power – 2025	\$ 359
Decreased commodity prices	(35)
Decreased Nova Scotia OBPS carbon tax	(16)
Change in generation mix	(4)
Increased sales volumes	13
Fuel for generation and purchased power – 2026	\$ 317

FAM and FAM Regulatory Deferral

NSPI has a NSEB approved FAM, allowing NSPI to recover fluctuating fuel and certain fuel-related costs from customers through annual fuel rate adjustments. Differences between prudently incurred fuel costs and amounts recovered from customers through electricity rates in a given year are deferred to a FAM regulatory asset or liability and recovered from or returned to customers in subsequent periods.

Refer to note 4 of NSPI's unaudited condensed consolidated interim financial statements as at March 31, 2026, for further details on the FAM regulatory asset and associated regulatory matters.

Consolidated Balance Sheet Highlights

Significant changes in the Condensed Consolidated Balance Sheets between March 31, 2026 and December 31, 2025 include:

millions of dollars	Increase (Decrease)	Explanation
Assets		
Receivables, net	\$ 84	Increased due to seasonality of sales volumes and timing of billings and receipts
Inventory	16	Increased due to higher volumes of materials inventory
Derivative instruments (current and long-term)	15	Increased due to higher commodity prices
Regulatory assets (current and long-term)	82	Increased deferred income tax regulatory asset and deferrals related to FAM
Prepaid expenses	19	Increased due to timing of provincial grants in lieu of taxes
Property, plant and equipment, net of accumulated depreciation	19	Increased due to capital investment, partially offset by depreciation
Liabilities and Equity		
Short-term debt and long-term debt (current and long-term)	\$ 94	Increased debt levels for general corporate purposes
Accounts payable	(66)	Decreased due to timing of activity and related payments
Due to related parties (current and long-term)	31	Increased due to timing of payments
Regulatory liabilities (current and long-term)	19	Increased deferrals related to derivative instruments
Deferred income taxes	21	Increased due to tax deductions in excess of accounting depreciation related to PP&E and an increase in FAM regulatory asset, partially offset by an increase in tax loss carryforwards
Common stock	100	Increased due to issuance of common stock
Retained earnings	74	Increased due to net income

LIQUIDITY AND CAPITAL RESOURCES

The Company generates internally sourced cash primarily through the generation, transmission and distribution of electricity. NSPI's customer base is diversified by both sales volumes and rates among customer classes. Circumstances that could affect the Company's ability to generate cash include changes to global macroeconomic conditions, downturns in NSPI's markets, impact of fuel commodity price changes on collateral requirements and timely recoveries of fuel costs from customers, the loss of one or more large customers, regulatory decisions affecting customer rates, the recovery of regulatory assets, the accelerated payment of regulatory liabilities, changes in environmental legislation, political interference in the regulatory process, continued access to an investment grade credit rating and changes in weather patterns.

NSPI's future liquidity and capital needs will be predominantly for working capital requirements, ongoing rate base investment and debt servicing. In 2026, NSPI expects to invest approximately \$700 million, including AFUDC, primarily in capital projects required to support power system reliability and reliable service for customers.

NSPI has access to a \$800 million syndicated revolving bank line of credit and a \$500 million non-revolving term facility with a combined \$133 million available as at March 31, 2026. For further details, refer to the "Debt Management" section below.

Consolidated Cash Flow Highlights

Significant changes in the Condensed Consolidated Statements of Cash Flows between the three months ended March 31, 2026 and 2025 include:

millions of dollars	2026	2025	Change
Cash, beginning of period	\$ -	\$ -	\$ -
Provided by (used in):			
Operating cash flow before change in working capital	100	127	(27)
Change in working capital	(140)	(54)	(86)
Operating activities	(40)	73	(113)
Investing activities	(143)	(103)	(40)
Financing activities	183	53	130
Cash, end of period	\$ -	\$ 23	\$ (23)

Cash Flow from Operating Activities

Net cash used in operating activities increased \$113 million to \$40 million in 2026 compared to net cash provided by operating activities of \$73 million in 2025.

Operating cash flow before change in working capital decreased \$27 million primarily due to decreased current income tax recovery due to higher clean technology investment tax credits in 2025 (offset in working capital), increased OM&G expenses, timing of when fuel costs from NSPML can be recognized, deposits from third parties received in 2025 for work to be performed on their behalf, and recovery of storm rider deferral in 2025, partially offset by decreased fuel for generation and purchased power, and increased electric revenues due to increased residential and commercial sales.

Changes in working capital decreased cash flows by \$86 million primarily due to changes in accounts payable, accounts receivable, fuel inventory, carbon tax accrual, and cash collateral position on derivative instruments, partially offset by changes in income taxes receivable/payable (offset in operating cash flow).

Cash Flow used in Investing Activities

Net cash used in investing activities increased \$40 million to \$143 million in 2026 compared to \$103 million in 2025 due to higher capital investment.

Cash Flow from Financing Activities

Net cash provided by financing activities increased \$130 million to \$183 million in 2026 compared to \$53 million in 2025 primarily due to return of capital to Emera in 2025 and issuance of common stock in 2026, partially offset by lower net borrowings under revolving credit facility in 2026 compared to 2025, and lower proceeds from long-term debt.

Contractual Obligations

As at March 31, 2026, contractual commitments for each of the next five years and in aggregate thereafter consisted of the following:

millions of dollars	2026	2027	2028	2029	2030	Thereafter	Total
Purchased power (1)	\$ 252	\$ 360	\$ 347	\$ 395	\$ 388	\$ 5,176	\$ 6,918
Long-term debt (2)	40	500	-	691	-	3,037	4,268
Interest payment obligations (3)	142	176	169	158	147	1,785	2,577
Asset retirement obligations	2	-	-	-	-	302	304
Transportation (4)	47	43	36	36	19	113	294
Solid fuel supply	155	32	-	-	-	-	187
Maritime Link assessment	159	-	-	-	-	-	159
Capital projects	78	23	7	1	-	-	109
Pension and post-retirement obligations (5)	9	11	11	10	7	43	91
Long-term service agreements (6)	33	17	14	13	8	6	91
DSM	48	-	-	-	-	-	48
Leases (7)	1	2	1	1	1	42	48
IESO Nova Scotia assessment (8)	9	3	-	-	-	-	12
	\$ 975	\$ 1,167	\$ 585	\$ 1,305	\$ 570	\$ 10,504	\$ 15,106

(1) Represents NSPI's annual requirement to purchase 100 per cent of electricity production from IPPs and COMFIT participants over varying contract lengths up to 25 years based on estimated production volumes as well as agreements for the purchase of import power.

(2) NSPI's discount notes are backed by a revolving credit facility which matures in 2029.

(3) Future interest payments are calculated based on the assumption that all debt is outstanding until maturity. For debt instruments with variable rates, interest is calculated for all future periods using the rates in effect as at March 31, 2026.

(4) Purchasing commitments for transportation of solid fuel and natural gas.

(5) The estimated contractual obligation is calculated as the current legislatively required contributions to the registered funded pension plans, plus the estimated costs of further benefit accruals contracted under the Company's Collective Bargaining Agreement only and estimated benefit payments related to other unfunded benefit plans.

(6) Outsourced management of the Company's computer and communication infrastructure, software maintenance and support, shared service agreements at a co-generation facility, transmission and distribution line construction and maintenance services related to a generation facility and wind operating agreements.

(7) Operating leases for office space, land, telecommunications services, and rail cars.

(8) Effective from February 1, 2026, NSPI was directed by the NSEB to pay a monthly assessment of \$1 million to the IESO Nova Scotia, until the earlier of March 31, 2027, or the establishment of an NSEB approved permanent fee recovery mechanism.

NSPI has a contractual obligation to pay NSPML, a related party, for the use of the Maritime Link over approximately 38 years from its January 15, 2018, in-service date.

On December 23, 2025, NSPML received an Interim Order from the NSEB to collect up to \$199 million from NSPI for the recovery of costs associated with the Maritime Link in 2026, subject to a monthly holdback of up to \$4 million.

Debt Management

NSPI has access to a syndicated revolving bank line of credit and a non-revolving term facility. NSPI also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by the Company's operating credit facility. The amount of commercial paper issued results in an equal amount of its operating credit facility being considered drawn and unavailable. As at March 31, 2026, the Company's total credit facility, outstanding borrowings and available capacity were as follows:

millions of dollars	Maturity	Credit Facility	Utilized	Available Capacity
Revolving credit facility	June 2029	\$ 800	\$ 667	\$ 133
Non-revolving term facility	May 2027	500	500	-

NSPI has debt covenants associated with its credit facilities. Covenants are tested regularly, and the Company is in compliance with covenant requirements as at March 31, 2026.

Financing Activity

On April 17, 2026, NSPI issued \$300 million in unsecured notes that bear interest at 3.947 per cent with a maturity date of April 17, 2031. Proceeds from this issuance will be used for general corporate purposes, including repayment of existing debt.

On May 1, 2026, NSPI amended its \$500 million non-revolving facility to extend the maturity date from May 21, 2026, to May 21, 2027. There were no other material changes in commercial terms from the prior agreement.

OFF-BALANCE SHEET ARRANGEMENTS

Guarantees and Letters of Credit

NSPI's guarantees and letters of credit are consistent with those disclosed in the Company's 2025 annual audited consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with Emera Inc. and other subsidiaries or investments of Emera Inc. in the normal course of operations. NSPI's related parties include investments accounted for using the equity method. As at March 31, 2026 related parties include Emera Inc., Brooklyn Power Corporation, Emera Energy Inc., Emera Energy Services, Inc., NSPML and the WTI equity investments. All related party transactions entered into by NSPI with its affiliates are governed by an Affiliate Code of Conduct approved by the NSEB.

Transactions between the Company and its related parties reported in the Condensed Consolidated Statements of Income and Condensed Consolidated Balance Sheets are as follows:

For the millions of dollars		Three months ended March 31	
Nature of Service	Presentation	2026	2025
Sales:			
Management and administrative, and other services	OM&G	\$ 8	\$ 4
Purchases:			
Maritime Link assessment	Fuel for generation and purchased power	40	49
Net purchase of electricity and natural gas	Fuel for generation and purchased power	12	13
Management and administrative, and other services	OM&G	4	3

For the three months ended March 31, 2026, NSPI issued 10 million common shares (2025 – nil) to Emera for total consideration of \$100 million (2025 – nil) and did not return capital to Emera (2025 – \$340 million without a reduction in the amount of common shares outstanding).

Equity earnings earned by NSPI in relation to its investment in WTI for the three months ended March 31, 2026, were \$0.2 millions (2025 – nil).

As at March 31, 2026, NSPI had \$20 million due from WTI for services associated with the development of the Wasoqonatl transmission line project (December 31, 2025 - \$7 million).

As at March 31, 2026, NSPI had \$216 million due to Emera and affiliates (December 31, 2025 – \$185 million).

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

There have been no material changes in NSPI's risk management profile and practices from those disclosed in the Company's 2025 annual MD&A.

Regulatory Items Recognized on the Consolidated Balance Sheets

The Company has the following categories on the Condensed Consolidated Balance Sheets related to derivatives receiving regulatory deferral:

As at millions of dollars	March 31 2026	December 31 2025
Derivative instrument assets (current and other assets)	\$ 39	\$ 24
Regulatory assets (current and other assets)	24	27
Derivative instrument liabilities (current and long-term liabilities)	(23)	(26)
Regulatory liabilities (current and long-term liabilities)	(40)	(25)
Net asset	\$ -	\$ -

Regulatory Impact Recognized in Net Income

The Company recognized the following net (losses) gains in income related to derivatives receiving regulatory deferral:

For the millions of dollars	Three months ended March	
	2026	2025
Fuel for generation and purchased power (1)	\$ 7	\$ 2

(1) Realized (losses) gains on derivative instruments settled and consumed in the period; hedging relationships that have been terminated or the hedged transaction is no longer probable. Realized (losses) gains recorded in inventory will be recognized in "Fuel for generation and purchased power" when the hedged item is consumed.

DISCLOSURE AND INTERNAL CONTROLS

In accordance with National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the Company's unaudited condensed consolidated interim financial statements and interim MD&A. This Venture Issuer Basic Certificate is not required to include representations relating to the establishment and maintenance of:

- I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation ("DC&P"); and
- II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP ("ICFR").

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that limitations on the certifying officers' design and implementation on a cost effective basis of DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SUMMARY OF QUARTERLY RESULTS

For the quarter ended millions of dollars	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Operating revenues	\$ 612	\$ 504	\$ 405	\$ 436	\$ 599	\$ 479	\$ 399	\$ 423
Net income	\$ 74	\$ 22	\$ 3	\$ 6	\$ 110	\$ 71	\$ 14	\$ 18

Quarterly operating revenues and net income are affected by seasonality. The first quarter is the strongest period, reflecting colder weather and fewer daylight hours. Seasonality and other weather patterns, including the number and severity of storms, can affect demand for energy and the cost of service.

Q1 2026 compared to Q1 2025

Q1 2026 net income decreased by \$36 million compared to Q1 2025. The decrease is due to lower income tax recovery due to decreased clean technology investment tax credits and higher OM&G expenses due to higher storm restoration costs and higher costs for power generation operations.

Q4 2025 compared to Q4 2024

Q4 2025 net income decreased by \$49 million compared to Q4 2024. The decrease is due to lower income tax recovery and increased OM&G expenses. Income tax recovery decreased due to the utilization of tax loss carryforwards recognized as a deferred income tax regulatory liability in 2024 and decreased tax deductions in excess of accounting depreciation related to PP&E. OM&G expenses increased due to higher storm restoration costs and costs related to the Cybersecurity Incident.

Q3 2025 compared to Q3 2024

Q3 2025 net income decreased by \$11 million compared to Q3 2024. The decrease is due to higher OM&G expenses, and higher depreciation and amortization due to increased PP&E in service. OM&G expenses increased due to higher costs for transmission and distribution operations, and power generation operations, partially offset by higher administrative overhead allocated to PP&E.

Q2 2025 compared to Q2 2024

Q2 2025 net income decreased by \$12 million compared to Q2 2024. The decrease is due to higher OM&G expenses, and higher depreciation and amortization due to increased PP&E in service. OM&G expenses increased due to higher costs for power generation operations and costs related to the Cybersecurity Incident (for further details on the Cybersecurity Incident refer to the "Developments" section), partially offset by higher administrative overhead allocated to PP&E.

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Request IR-21:

Page 47 of the Evidence states, “Several factors have contributed to changes in unit delivery costs between the 2023–2026 and 2027–2031 Plan periods: (b) The transition away from low-cost, high-volume lighting measures (LEDs), which historically provided significant savings at very low unit costs, has shifted the portfolio toward deeper, more complex measures such as building envelope upgrades, heat pump installations, and custom commercial projects. These measures deliver greater long-term savings and higher lifetime value per dollar invested, but at a higher first-year unit cost.”

(a) Please provide the Number of Measures, Investment, First Year Energy Savings (GWh), Lifetime Energy Savings (GWh), Peak EE Demand Savings (MW), TRC Costs, TRC Lifetime Benefits, TRC Ratio, PAC Costs, PAC Lifetime Benefits, and PAC Ratio for lighting measures in the Instant Savings program component, in total and by measure. Please add a column to categorize each measure by its type (fixture, lamp, control, LED-relamping, roadway lighting, etc.). Please include the data by plan year (2027, 2028, 2029, 2030, 2031) and in total across the plan years (2027-2031).

(b) Please provide the Number of Measures, Investment, First Year Energy Savings (GWh), Lifetime Energy Savings (GWh), Peak EE Demand Savings (MW), TRC Costs, TRC Lifetime Benefits, TRC Ratio, PAC Costs, PAC Lifetime Benefits, and PAC Ratio for lighting measures in the Efficiency Product Installation program component, in total and by measure. Please add a column to categorize each measure by its type (fixture, lamp, control, LED-relamping, roadway lighting, etc.). Please include the data by plan year (2027, 2028, 2029, 2030, 2031) and in total across the plan years (2027-2031).

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1 **(c) Please identify other program components affected by the phase out of lighting measures**
2 **and provide the Number of Measures, Investment, First Year Energy Savings (GWh),**
3 **Lifetime Energy Savings (GWh), Peak EE Demand Savings (MW), TRC Costs, TRC Lifetime**
4 **Benefits, TRC Ratio, PAC Costs, PAC Lifetime Benefits, and PAC Ratio for lighting**
5 **measures, in total for each program component and by measure within each program**
6 **component. Please add a column to categorize each measure by its type (fixture, lamp,**
7 **control, LED-relamping, roadway lighting, etc.). Please include the data by plan year**
8 **(2027, 2028, 2029, 2030, 2031) and in total across the plan years (2027-2031).**

9
10 **(d) Please provide a complete list of key dates in the transition of the Residential lighting**
11 **market and adoption of baselines for various measure types in building codes. Please**
12 **discuss how E1's investments in lighting measures in 2027-2031 complies with these**
13 **dates.**

14
15 **(e) Please provide a complete list of key dates in the transition of the BNI lighting market**
16 **and adoption of baselines for various measure types in building codes. Please discuss how**
17 **E1's investments in lighting measures in 2027-2031 complies with these dates.**

18
19 Response IR-21:
20

21 (a) Please refer to Attachment 1 of this IR response.
22

23 (b) Please refer to Attachment 1 of this IR response.
24

25 (c) Please refer to Attachment 1 of this IR response.
26

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- (d) Please see below for a list of key dates in the transition of the Residential lighting market. EfficiencyOne (E1) discontinued all residential lighting support in 2025. E1 is unaware of any associated building code implications.

Date	Events
January 1, 2019	Evaluation baseline change occurred that eliminated E1's ability to claim savings for A-series LED lamps. Applied to cases where E1 could not confirm that incandescent lighting was being replaced. This product category was removed from the Instant Savings program component.
January 1, 2025	Evaluation baseline change occurred that eliminated E1's ability to claim savings for remaining LED lamp types and fixtures where E1 could not confirm that incandescent lighting was being replaced. Savings could still be claimed in direct installation applications or where E1 could otherwise document that incandescent lighting was being replaced; however, the effective useful life of such products was reduced to one year and lifetime savings were greatly diminished. LED lighting products were completely removed from the Instant Savings program component. Note that there was some spillover in savings claims for products sold by retailers in 2024 but not invoiced to E1 until early 2025.
July 1, 2025	All LED lamps and fixtures were removed from the Efficient Product Installation program component due to diminishing savings related to the baseline changes that took effect on January 1, 2025. E1 no longer offered any residential lamp or fixture incentives or direct installations of these products. E1 continues to offer direct installation of lighting controls via Efficient Product Installation, as these measures still offer energy savings.

- (e) Please see below for a list of key dates in the transition of the Business, Non-profit and Institutional (BNI) lighting market. E1 has established future baseline adjustment timelines in collaboration with its independent third-party Evaluator to ensure compliance over the 2027–2031 Plan. E1 is unaware of any associated building code implications.

Date	Events
January 1, 2019	Evaluation baseline change occurred that eliminated E1's ability to claim savings for residential-focused/general purpose LED products, including Decorative, General purpose (A-Series) and Reflector lamps and Recessed/downlight luminaires. This change applied to cases where E1 could not confirm that less efficient lighting was being replaced. This product category was removed from the Business Energy Rebates program component.
June 15, 2025	E1 stopped providing incentives for T8 LED lamps (linear replacement lamps) in both Business Energy Rebates and Small Business Energy Solutions program components to encourage customers to replace entire fixtures, which provide

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Date	Events
	greater lifetime savings. An evaluation baseline change also occurred that eliminated E1's ability to claim savings from LED lighting in all new construction projects.
July 1, 2026	Evaluation baseline change is planned that will eliminate E1's ability to claim savings for LED fixtures when point-of-sale incentives are provided by distributors in the Business Energy Rebates program component since E1 cannot confirm that less efficient lighting is being replaced. The program component will continue to accept applications for retrofit lighting projects until December 31, 2027 where it can be established that less efficient lighting is being replaced with more efficient lighting. Savings are expected to remain available in direct installation applications or where E1 can otherwise document that less efficient lighting is being replaced. However, the effective useful life of remaining fixture products is anticipated to be reduced by roughly 66% annually, which will significantly diminish lifetime savings potential.
January 1, 2028	The effective useful life of remaining lamp products is anticipated to be reduced by roughly 66%, which will diminish lifetime savings potential.
January 1, 2029	Evaluation baseline change is planned that will eliminate E1's ability to claim savings for remaining LED lamp types and fixtures. Business Energy Rebates, Small Business Energy Solutions, and Affordable Multifamily Housing program components will be affected. E1 will no longer offer any BNI LED lamp or LED fixture incentives or direct installations of these products. E1 anticipates it will continue to offer incentives for both stand alone and integrated lighting controls.

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Request IR-22:

Page 48 of the Evidence states, “E1 commits to controlling costs on an ongoing basis with the continuation of its cost management strategies, which consist of: Benchmarking – E1 ensures its costs are aligned with those of other similar industries, organizations, and DSM administrators, where appropriate, through market research and market comparisons prepared by independent third parties. E1 worked closely with subject matter experts to examine current market conditions when considering annual employee compensation changes. E1 also worked with a third-party consultant to review the assumptions in E1’s incentive setting methodology that was developed in 2017 to ensure these assumptions remained aligned with other DSM administrators.”

(a) Please provide the results of E1’s benchmarking analyses performed by third-parties that informed the 2027-2031 DSM Plan.

(b) Please describe how these results informed the 2027-2031 DSM Plan.

Response IR-22:

(a) EfficiencyOne’s (E1) reports from third party subject matter experts that provided support for the 2027–2031 DSM Plan by topic were:

- Compensation – Please refer to Attachment 1 and Attachment 2 of E1’s response to NSEB IR-17 (NSEB IR-17, Attachment 2 is provided as Board-only confidential). E1 relied on the reports to inform the compensation adjustments assumed in the salary and benefit costs.

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- 1 • Incentive setting – Please refer to Attachment 1 of E1’s response to IG IR-11. E1
2 updated the thresholds within the incentive setting methodology to align with the
3 APEX recommendation.
- 4 • First year unit cost analysis – Please refer to Attachment 1 of E1’s response to IG IR-
5 10. The jurisdictional scan confirmed that E1’s first year unit costs are aligned with
6 other similar jurisdictions where first year unit costs are also increasing particularly
7 for those jurisdictions that have been a transitioning away from lighting and where
8 low-income programs are offered.
- 9 • Determining the level of energy savings for energy efficiency – Please refer to
10 Attachment 1 of E1’s response to NSEB IR-08. E1 applied the recommendation of
11 energy savings as a percentage of load at 0.8 percent and the recommendation of
12 the energy savings split between residential and business programs.
- 13
- 14 (b) Please refer to part (a) of this IR response.

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Request IR-23:

Page 48 of the Evidence states, “E1 commits to controlling costs on an ongoing basis with the continuation of its cost management strategies, which consist of: Competitive Procurement – E1 follows rigorous procurement practices to achieve best value by acquiring goods and services through competitive processes. All material contracts for program delivery services, evaluation services, and enabling activities are subject to competitive procurement requirements. E1's procurement framework includes clear evaluation criteria, cost benefit analysis, and periodic contract reviews to ensure ongoing value. E1 has also leveraged multi-year procurement arrangements where appropriate to secure favourable pricing and reduce transaction costs.

(a) Please identify all contracts that will be up for competitive procurement during the plan, the program(s) associated with each of these contracts, and timing of the competitive procurements.

(b) Please identify all the existing multi-year procurement arrangements that E1 leveraged in its 2027-2031 DSM Plan to secure favourable pricing and reduce transaction costs.

(c) Please identify all the new multi-year procurement arrangements that E1 will leverage in its 2027-2031 DSM Plan to secure favourable pricing and reduce transaction costs.

Response IR-23:

(a) Several of EfficiencyOne’s (E1) programs utilize a third-party contractor delivery model, have multi-year agreements that align with a DSM Plan and are subject to a procurement process. Please refer to Table 1 of this IR response for the list of programs components.

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1 Table 1: E1's Programs Delivered by Third Parties

Affordable Multifamily Housing	✓
Efficient Product Installation	✓
Home Energy Assessment	✓
HomeWarming	✓
Instant Savings	✓
Mi'kmaw Home Energy Efficiency Project	✓
Strategic Energy Management	✓
Residential Demand Response (Eco Shift)	✓
BNI Demand Response (Smart Synergy)	✓

2
3 E1's procurement activities are governed by a procurement policy that is reviewed on a
4 biennial basis and subject to approval by E1's Board of Directors. This policy extends to all
5 procurement activities of E1.

6
7 E1's procurement decisions are based on a Best Value Principle that considers the overall
8 value not just price. Other considerations include quality, supplier experience, and
9 sustainability (e.g., environmental impact, social responsibility). E1 has developed
10 standardized procedures for staff that align with the E1 Board of Directors approved policy.
11 To ensure E1's procurements are competitive and have demonstrated appropriate due
12 diligence, dollar thresholds have been developed to determine the procurement process.
13 Processes range from solicitation of quotes or responses through a targeted invitational
14 procurement process to a more formal process with public notification. The procurement
15 policy also establishes what the appropriate criteria are for an alternative procurement. E1
16 has also formalized procurement approval limits within the policy.

17
18 (b) Please refer to part (a) of this IR response.

19
20 (c) Please refer to part (a) of this IR response.

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Request IR-24:

Please refer to Table 8: 2027–2031 DSM Preferred Plan Portfolio Savings and Investment on page 57 of the Evidence.

(a) Please provide a version of this table with investments and benefits by year and in total, in 2027 dollars.

(b) Please provide the assumed rate of inflation by year.

(c) The last footnote states “PAC is a benefit/cost ratio comparing lifetime benefits to DSM investment. For Demand Response, upfront costs are levelized over ten years.” Please explain why upfront costs of Demand Response were levelized over ten years.

Response IR-24:

(a)

DSM Investment restated in 2027 Dollars using 2 Percent Inflation Rate - Millions of Dollars						
	2027	2028	2029	2030	2031	
DSM Plan	\$ 63.75	\$ 63.75	\$ 63.75	\$ 63.75	\$ 63.75	
2027 Dollars	\$ 63.75	\$ 62.50	\$ 61.27	\$ 60.07	\$ 58.90	
DSM Benefits Restated in 2027 Dollars Using 2 Percent Inflation Rate - Millions of Dollars						
	2027	2028	2029	2030	2031	
DSM Plan	\$ 175.90	\$ 160.30	\$ 150.50	\$ 144.80	\$ 135.40	
2027 Dollars	\$ 175.90	\$ 172.45	\$ 169.07	\$ 165.75	\$ 162.50	

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1 (b) Please refer to part (a) of this IR response.

2
3 (c) Upfront Demand Response (DR) costs are levelized over ten years to ensure a consistent
4 and accurate representation of cost-effectiveness within the Program Administrator Cost
5 (PAC) framework. This approach aligns costs with the timing of benefits and ensures that
6 costs are spread out over the period the benefits from accruing those costs are realized,
7 reflects the expected program duration (based on commonly observed program contract
8 periods), and improves the comparability and clarity of results. It was recommended by
9 Guidehouse as part of best practice DR modelling.

10
11 **Aligns costs with multi-year benefits**

12 Upfront DR costs (e.g., program development, technology enablement, enrollment
13 incentives) are incurred in a single year, but the benefits they enable accrue over future
14 years. Levelizing these costs allocates these upfront costs over the period in which benefits
15 are realized, avoiding a mismatch that would otherwise bias results.

16
17 **Reflects program duration**

18 A ten-year horizon aligns with the typical assumed life of DR programs, during which
19 ongoing system benefits are expected to be delivered, and reflects commonly observed
20 program contract periods with third-party DR providers. Given demand response's
21 inclusion in long-term planning, it's reasonable to expect demand response to continue
22 over the long-term.

23
24 **Improves comparability and clarity of results**

25 For the 2023–2025 DSM Plan and 2026 DSM Extension, Guidehouse applied a 10-year cost
26 effectiveness framework to reflect the full expected duration of DR programs and capture
27 all associated costs and benefits. However, this approach introduced several challenges:

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- Results depended on modelling program performance over a 10-year horizon, requiring assumptions that extended well beyond the immediate Plan period.
- Isolating the share of costs and benefits attributable to the specific Plan periods (2023–2025 and 2026)—for metrics such as lifetime benefits, net benefits, and portfolio level cost-effectiveness—required additional post modelling adjustments, which added complexity and reduced transparency.

Levelization of upfront costs mitigates these challenges and results in more stable and comparable benefit-cost ratios no matter what the evaluation timeframe.

Overall, levelizing upfront costs over ten years provides a clearer and more accurate representation of the long-term economic performance of DR within the PAC test.

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Request IR-25:

Pages 63-64 of the Evidence state, “E1 is also proposing further enhancements including: Reducing the threshold from 25 percent to 20 percent for program changes both spending and savings that require explanations.”

(a) Please confirm if this should read: Reducing the threshold from 25 percent to 20 percent for changes to *either program-level budgets or program-level savings* that requires explanations.

(b) Please provide the list of programs that are subject to this requirement.

(c) Please confirm if the term ‘savings’ can be described in a more detailed way as follows. If not, please provide corrections and explain the corrections.

i) Annual energy savings and peak demand savings for energy efficiency, in GWh and MW respectively

ii) Available capacity for demand response, in MW

iii) Annual generation for solar, in GWh

(d) Please provide a calculation of:

i) a 20 percent increase/decrease to annual budgets by program.

ii) a 20 percent increase/decrease to annual savings (including all relevant savings metrics) by program.

Response IR-25:

(a) Please refer to EfficiencyOne’s response to part (b) of NSEB IR-30.

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1 (b) Please refer to part (a) of this IR response.

2

3 (c)

4 i) Please refer to part (a) of this IR response.

5 ii) Please refer to part (a) of this IR response.

6 iii) Please refer to part (a) of this IR response.

7

8 (d)

9 i) Please refer to Attachment 1 of this IR response.

10 ii) Please refer to Attachment 1 of this IR response.

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Request IR-26:

Page 66 of the Evidence states, “The mid-term check-in process described above is designed to enhance transparency and stakeholder engagement but does not constitute a plan amendment proceeding or create any obligation for E1 to seek plan amendments. Should circumstances arise during plan implementation that, in E1's reasonable assessment, may necessitate changes to approved investment levels, performance targets, or other material plan elements requiring NSEB approval, E1 will provide advance notice to the DSMAG and file an appropriate application with the NSEB in accordance with the PUA. Such circumstances might include, for example, significant and unforeseen changes in avoided costs, material shifts in market conditions or technology availability, legislative or regulatory changes affecting DSM delivery, or other extraordinary events materially impacting plan feasibility or ratepayer value. E1 does not anticipate the need for such amendments. Nothing in this section limits the NSEB's existing statutory authority under the PUA to review E1's activities, to establish or modify performance requirements under section 79M, or to initiate modifications to approved plans where circumstances warrant such action in the public interest.”

(a) When is the potential for a plan amendment assessed? Is it on an annual basis? If so, when during each year?

(b) How many times, from 2020 to present, did E1 experience significant and unforeseen changes in avoided costs? Please describe each instance identified and its impacts on investments and/or E1’s ability to achieve one or more of the performance targets.

(c) How many times, from 2020 to present, did E1 experience material shifts in market conditions or technology availability? Please describe each instance identified and its

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1 **impacts on investments and/or E1's ability to achieve one or more of the performance**
2 **targets.**

3
4 **(d) How many times, from 2020 to present, did E1 experience legislative or regulatory**
5 **changes affecting DSM delivery? Please describe each instance identified and its impacts**
6 **on investments and/or E1's ability to achieve one or more of the performance targets.**

7
8 **(e) How many times, from 2020 to present, did E1 experience other extraordinary events**
9 **materially impacting plan feasibility or ratepayer value? Please describe each instance**
10 **identified and its impacts on investments and/or E1's ability to achieve one or more of**
11 **the performance targets.**

12
13 **(f) Would E1 file a plan amendment if:**

14 **i) it anticipated an increase or decrease of 20 percent or more to the annual budget**
15 **for one or more programs? If not, please explain the circumstances relevant to this**
16 **situation under which E1 would file a plan amendment.**

17 **ii) it anticipated an increase or decrease of 20 percent or more to the annual savings**
18 **(including all relevant savings metrics) for one or more programs? If not, please**
19 **explain the circumstances relevant to this situation under which E1 would file a plan**
20 **amendment.**

21
22 **Response IR-26:**

23
24 **(a) Please refer to EfficiencyOne's (E1) response to Synapse IR-72 for details on the mid-term**
25 **check in process.**

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1 (b) Historically, updated avoided costs are developed as an outcome of Integrated Resource
2 Planning (IRP) activities by NS Power and provided to E1 for DSM Plan development. This
3 requirement which has historically been the responsibility of NS Power will be transferred
4 to the Nova Scotia Independent Energy System Operator (NSIESO) for the next DSM Plan.
5 Updated avoided costs were an outcome of NS Power’s 2020 IRP and their 2022 Evergreen
6 IRP Update. The avoided costs for a DSM Plan are shared with the Demand Side
7 Management Advisory Group as part of the development of a DSM Plan and E1 has
8 encouraged feedback and discussions on these prior to finalizing the modelling. Avoided
9 cost updates do not impact the investment level or the performance targets during E1’s
10 implementation of DSM Plans and E1 does not expect these to impact the 2027–2031 DSM
11 Plan.

12
13 (c) The most significant event that impacted E1’s implementation since 2020 was the COVID-
14 19 pandemic. At that time E1 implemented several mitigation strategies such as added
15 personal protection for delivery agents and customers, shifted program delivery methods
16 and increased incentives where appropriate. This did not impact the 2020–2022 DSM Plan
17 feasibility and E1 demonstrated that there continued to be value to ratepayers. E1 provided
18 fulsome updates on progress towards performance targets in each of its Quarterly Reports
19 and its Annual Progress Reports. E1 also provided regular updates to the Board during this
20 period. In relation to significant technology changes, the baseline change to LED lighting for
21 the residential sector has ended that low unit-cost, widely available point-of-sale rebate
22 option. While it did not impact E1’s ability to achieve its performance targets, it has
23 required E1 to rely on other measures within the residential sector to achieve its targets.

24
25 (d) There were no legislative changes that impacted E1’s implementation of a DSM Plan since
26 2020; however; legislative changes have influenced the 2026 DSM Extension and the
27 present Preferred Plan. Specifically, the Public Utilities Act was amended through Bill 228

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1 which received Royal Assent on November 9, 2022, introducing the broader DSM mandates
2 and extending the plan term from three to five years.¹ Further amendments came into
3 force March 26, 2025 to extend the term of the current DSM Plan to 2026.²
4

5 (e) Please refer to E1's response to part (c) of this IR response.
6

7 (f)

8 i) Please refer to E1's response to part (a) of this IR response.

9 ii) Please refer to E1's response to part (a) of this IR response.

¹ Bill No. 228, An Act to Amend Chapter 380 of the Revised Statutes, 1989, the Public Utilities Act, Respecting Efficiency Nova Scotia, Royal Assent, November 9, 2022,

² Bill 6 - An Act Respecting Agriculture, Energy and Natural Resources Chapter 4 Acts of 2025, s. 20, Part IV Public Utilities Act, Chapter 380 Amendments, Royal Assent, March 26, 2025.

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Request IR-27:

Page 6 of Appendix A – Preferred Plan states, “In the 2026 DSM Extension Decision, the NSEB directed E1 to determine whether the program could be improved as a marketing or promotional program. E1 has determined that the program faces several challenges in that role, including vendor and platform constraints and reporting limitations. As a result, E1 has removed Residential Behaviour as an energy savings program and will not be continuing it as a marketing or promotional program in the proposed 2027–2031 DSM Preferred Plan.”

(a) Did E1 assume in its 2027-2031 DSM Plan that the absence of a Residential Behavioral Program would reduce the energy savings achieved by other programs? If so, which programs and how? If not, why not?

(b) Did E1 make any effort to offset any lost opportunity for energy savings due to the termination of the Residential Behavioral Program? If so, how much of the lost opportunity for energy savings does E1 estimate it offset and how did it offset these energy savings? Please explain in detail how E1 estimated the offset of energy savings. For example, what year of historical Residential Behavioral Program performance did E1 use as a baseline for achievable annual savings reductions?

(c) Were any other marketing and promotional efforts emphasized, given the limitations of the Residential Behavioral Program in contributing to marketing or promotional efforts? If so, which ones and how?

Response IR-27:

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1 (a) EfficiencyOne (E1) did not assume in its proposed 2027–2031 DSM Plan that the absence
2 of a Residential Behavioral Program would reduce the energy savings achieved by other
3 programs. Having only been operational for a year the absence of this program is not
4 considered to be a risk to achieving the savings targets that are proposed.

5
6 (b) E1 increased investment in its Existing Residential and Residential Efficient Product Rebates
7 programs to reduce savings lost by terminating the Residential Behaviour program
8 component (these are savings directly tied to participation in the Residential Behaviour
9 program component and not within other program components). This was challenging
10 given the relatively low unit cost of the Residential Behaviour program component. E1
11 estimates that it was able to offset 50 percent of those losses (29 GWh of 56 GWh) through
12 increased investments of varying degrees in the Instant Savings, Home Energy Assessment,
13 Affordable Single-family Homes, Affordable Multifamily Housing, and Efficient Product
14 Installation program components. Each of those program components were assessed
15 individually to gauge the level of incremental participation and savings that could be
16 achieved by adjusting incentive levels, direct installation budgets, and marketing support
17 for applicable program components while holding investment levels to the 2026 approved
18 amount with no inflationary increases.

19
20 (c) E1 did not increase marketing or promotional efforts in other residential programs because
21 of the removal of the Residential Behavioral program component.

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Request IR-28:

Please refer to page 9 of Appendix A – Preferred Plan, where E1 describes the “program design and delivery changes [implemented] ahead of the 2026 season” including “ensuring installed devices were event-ready” and “enhanced customer engagement strategies including improved advance notice of events from NS Power (48 hours versus 16 hours).”

(a) Please indicate the share of residential devices deemed “event-ready” in both the 2025 and 2026 seasons.

(b) Please discuss the efficacy of giving BNI customers additional advance notice (48 hours) and indicate whether E1 plans to continue this practice in the 2027 season.

Response IR-28:

(a) Table 1 of this IR response provides the number of residential devices deemed ‘event-ready’ in both the 2025 and 2026 seasons. 2025 values are obtained from the 2025 Demand Response Evaluation¹ and 2026 values are internal tracked data.

Table 1: 2025 and 2026 Event-Ready Devices

Year	Smart Thermostats	Domestic Hot Water Controllers (DHWC)	Electric Vehicle (EV) Telematics	Batteries
2025	10,200	1,002	191	12
2026	22,244	4,038	453	48

¹ M12780, Exhibit 3, E1 2025 DSM Programs Evaluation Reports, Overall Executive Summary, March 24, 2026, page 23.

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1 (b) EfficiencyOne (E1) supports providing Business, Non-profit, and Institutional (BNI) Demand
2 Response (DR) customers with additional advance notice, where feasible, because it
3 improves the likelihood of full participation during events. The largest share of BNI DR
4 capacity is from industrial and large commercial customers. Additional notice allows them
5 to review production schedules, staffing, process requirements, equipment operation, and
6 other site-specific constraints before an event.

7
8 A 48-hour notice period is expected to improve event readiness and reduce the risk that
9 otherwise available customers are unable to participate due to short-notice operational
10 conflicts. E1 plans to continue pursuing additional advance notice for BNI DR events in the
11 2027 season where feasible, while recognizing that final event timing remains dependent
12 on system needs and direction from NS Power.

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Request IR-29:

Please refer to the statement on page 9 of Appendix A – Preferred Plan which states: “Throughout 2023–2025, several pathways modelled in the 2023–2026 DSM Plan were not pursued, including behavioural demand response in the Residential Demand Response program component, and direct load control smart thermostats, domestic hot water direct load control, battery control, and dynamic pricing with enabling technologies within the BNI Demand Response program component, as E1 focused on the pathways with the most available capacity potential.” Please explain in detail why each of the following demand response pathways was not pursued during the 2023–2026 period:

- (a) Behavioural demand response in the Residential Demand Response program component;**
- (b) Direct load control smart thermostats;**
- (c) Domestic hot water direct load control;**
- (d) Battery control; and**
- (e) Dynamic pricing with enabling technologies within the BNI Demand Response program component.**

Response IR-29:

- (a) Behavioural demand response was not pursued by EfficiencyOne (E1) in the Residential Demand Response program component as the pathways with the highest available capacity potential – direct load control smart thermostats, direct load domestic hot water**

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1 controllers, battery control, and electric vehicle (EV) telematics and chargers – were
2 prioritized in the first three demand response seasons, with a goal of optimizing those four
3 pathways first, before introducing additional pathways. Also of note, the behavioural
4 program component (Residential Behaviour) in E1’s energy efficiency programming was
5 only being introduced in the 2023–2025 DSM Plan, so the roll-out of that behavioural
6 program was pursued first.

7
8 (b) In the BNI Demand Response program component, direct load control smart thermostats,
9 domestic hot water direct load controllers, battery control, and dynamic pricing with
10 enabling technologies were considered and explored to some extent by E1 for Business,
11 Non-profit, and Institutional (BNI) customers, but were ultimately not pursued in this Plan
12 period as both E1 and participating BNI customers chose to focus on the pathway with the
13 highest available capacity potential – the commercial and industrial curtailment pathway,
14 which is marketed as Smart Synergy. Combined, the four pathways not pursued during this
15 Plan period represented a very small percentage of the available capacity that BNI Demand
16 Response was targeted to achieve during the 2023–2025 DSM Plan.

17
18 (c) Please refer to part (b) of this IR response.

19
20 (d) Please refer to part (b) of this IR response.

21
22 (e) Please refer to part (b) of this IR response.

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Request IR-30:

Please refer to Table 2: 2023–2026 Approved Rate Class Expenditures and Results on Page 11 of Appendix A – Preferred Plan.

(a) Please provide a calculation of the % Results to 2023-2026 Approved Plan for 2023, 2024, and 2025.

(b) Please identify all instances where the % Results to 2023-2026 Approved Plan for 2023, 2024, and 2025 exceed 15 percent.

(c) Please identify if E1 would request a Mid Course Adjustment for each instance identified in (b).

Response IR-30:

(a) The requested calculations are provided in Table 1 below.

Table 1: 2023–2026 Approved Rate Class Expenditures and Results, with variance calculations

Rate class	Plan as Approved (\$ million)					Results (\$ million)						Variance of annual results to that year's Plan as Approved (%)			% Results to 2023-2026 Approved Plan	
	2023	2024	2025	2026	2023- 2026	2023	2024	2025	2023- 2025	2026 Extension	2023-2025 Results + 2026	2023 results to 2023 Plan as Approved	2024 results to 2024 Plan as Approved	2025 results to 2025 Plan as Approved	% 2023-2025 Results to 2023-2026 Approved	% 2023-2025 Results + 2026 to 2023-2026 Approved
Residential/Charitable (2,3,4)	28.2	31.7	34.5	33.9	128.3	24.1	37.5	34.8	96.4	33.9	130.3	-14.6%	18.3%	1.0%	-24.9%	1.6%
Small General (10)	2.7	2.8	3.0	3.1	11.6	2.7	3.8	3.5	10.0	3.1	13.1	-1.6%	34.2%	18.6%	-13.9%	12.7%
General (11)	13.8	14.3	15.4	17.0	60.4	10.2	17.4	14.2	41.8	17.0	58.7	-26.2%	21.3%	-7.4%	-30.8%	-2.8%
Large General (12)	2.4	2.4	3.1	1.6	9.5	1.1	0.8	0.9	2.9	1.6	4.5	-52.5%	-65.8%	-70.3%	-69.5%	-53.1%
Small Industrial (21)	1.8	1.8	1.9	1.4	6.9	0.7	1.3	1.1	3.1	1.4	4.5	-62.0%	-29.9%	-41.7%	-55.4%	-35.5%
Medium Industrial (22)	1.0	1.1	1.1	2.4	5.6	2.0	1.9	1.9	5.7	2.4	8.1	96.5%	76.3%	68.8%	3.3%	46.0%
Large Industrial (23, 25)	2.2	2.3	2.4	3.9	10.8	4.1	2.3	2.5	8.9	3.9	12.8	82.9%	0.9%	5.4%	-18.1%	18.4%
Municipal (24)	1.0	1.0	1.1	0.5	3.6	0.5	0.8	1.4	2.6	0.5	3.2	-49.5%	-21.1%	24.8%	-26.8%	-11.9%
Unmetered (999)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-100.0%	-100.0%	-100.0%	-100.0%	-71.0%
Total	53.1	57.5	62.5	63.75	236.8	45.3	65.7	60.4	171.4	63.75	235.1	-14.7%	14.4%	-3.4%	-27.6%	-0.7%

(b) The variances of 15 percent or more are identified in yellow in Table 1 in part (a).

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1 It is important to note that as part of efforts to enhance rate class spending reporting and
2 monitoring, EfficiencyOne (E1) introduced a new rate class allocation methodology in 2025
3 for forecasts in its Quarterly and Annual Progress (where applicable) Reports to both better
4 reflect expected results and to better track and manage rate class results throughout the
5 year. This new methodology was also used to calculate the rate class allocations for the
6 2026 DSM Extension and the 2027–2031 DSM Resource Plan application. The rate class
7 allocations in the 2023–2025 DSM Plan were based on rate class percentages from one year
8 of historical data; while the rate class allocations in the 2026 DSM Extension, the 2027–
9 2031 DSM Plan application, and E1 forecasts in 2025 and 2026, are based on rate class
10 percentages from three years of historical data.

11
12 (c) Please refer to E1’s response to part (c) of IG IR-14.

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Request IR-31:

Pages 16-17 of Appendix A – Preferred Plan state, “In developing the Plan’s design approach, E1 considered feedback from the DSMAG indicating limited support for the three design objectives historically used to guide recent DSM Plans: a 50/50 investment split between the residential and BNI sectors; a 40/60 energy savings split between the residential and BNI sectors; and 15–20 percent investment in low-income and equity as a percentage of total investment.”

(a) Please provide estimates of low-income customers as a percent of all customers and as a percent of Residential customers in 2027, 2028, 2029, 2030, and 2031.

(b) Please clarify if any DSMAG stakeholder indicated a lack of support for the 15–20 percent investment in low-income and equity as a percentage of total investment.

(c) Please estimate the percentage of spending on low-income and equity in each year of the proposed Plan, included dedicated and incidental efforts.

Response IR-31:

(a) Please refer to Table 1 through Table 2 of this IR response.

Within E1’s response the following terminology is used:

- **Participants** are defined as customers who took part in at least one DSM program during the specified year.
- **Customers** refer to all NS Power customers (NS Power accounts), including both participants and non-participants.

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- **Low-income and equity participants** are defined as the total of dedicated and incidental low-income and equity participants

Table 1: 2027-2031 Low-income & Equity Participants as a % of All Participants by Plan Year

2027	2028	2029	2030	2031
9.0%	8.5%	7.9%	8.1%	8.2%

Calculation: number of low-income & equity DSM participants divided by all participants in DSM. One participant represents one NS Power customer.

Table 2: 2027-2031 Low-income & Equity DSM Participants as a % of Residential DSM Participants by Plan Year

2027	2028	2029	2030	2031
9.7%	9.1%	8.4%	8.5%	8.6%

Calculation: number of low-income & equity DSM participants divided by residential participants in DSM. One participant represents one NS Power customer.

- Assumptions for Tables 1 and 2: Participation eligibility assumptions reflect those of EfficiencyOne's (E1) rate and bill impact analysis (RBIA), found in E1's 2027–2031 DSM Plan Application, Appendix B, Attachment 5.
- Each participant is defined as a single NS Power customer account. In certain programs (e.g., Affordable Multifamily Housing), one account may represent multiple households.
- E1 assumes there are no low-income and equity participants in demand response programs.
- All Solar-PV participants are assumed to also participate in the Mi'kmaw New Home Construction energy efficiency program and are therefore counted only once under energy efficiency.

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- Unmetered participants and customers are excluded from the analysis
- Municipal Electric Utilities (MEUs) are counted as a single participant (i.e., one NS Power customer account).

(b) Please refer to E1’s response to part (a) (i) of NSEB IR-16.

(c) Please refer to Table 3, below for a percentage of total Plan spending on low-income and equity by Plan year and in total, including dedicated and incidental efforts.

Table 3: Low-Income and Equity Investment as a Percentage of Total Investment

Year	Energy Efficiency Residential Low-income & Equity (Incidental + Dedicated) (\$ million)	Energy Efficiency BNI Low-income & Equity (Incidental + Dedicated) (\$ million)	Solar-PV Residential Low-Income & Equity (Dedicated) (\$ million)	Total Low-Income & Equity (Energy Efficiency + Solar-PV) (\$ million)	DSM Portfolio Total Investment (\$ million)	Low-income & Equity Investment of Total Plan (%)
2027	14.1	0.2	0.0	14.3	63.75	22.4%
2028	14.9	0.1	0.8	15.7	63.75	24.7%
2029	15.1	0.1	0.8	16.0	63.75	25.1%
2030	14.9	0.1	0.7	15.8	63.75	24.7%
2031	14.8	0.1	0.6	15.6	63.75	24.4%
2027-2031	73.9	0.6	2.8	77.4	318.75	24.3%

Numbers may not add correctly due to rounding.

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Request IR-32:

Page 17 of Appendix A – Preferred Plan states, “the residential solar-PV program is linked to Mi’kmaw New Home Construction energy efficiency program through aligned launch timing and participation assumptions.” Does the proposed plan assume that all Mi’kmaw New Home Construction energy efficiency program participants receive solar PV? If not, please clarify the participation assumptions for the residential solar-PV program as it relates to Mi’kmaw New Home Construction energy efficiency program participation.

Response IR-32:

The proposed 2027–2031 DSM Preferred Plan and alternate scenario, assumes that all Mi’kmaw New Home Construction projects access solar-PV incentives. Specifically, the Preferred Plan models a 100 percent participation rate for the residential solar-PV program among Mi’kmaw New Home Construction participants. To the extent there are individual Mi’kmaw New Home Construction participants who do not proceed with solar-PV installation, such cases would be treated as exceptions and would not materially affect the program’s overall savings projections.

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Request IR-33:

Page 19 of Appendix A – Preferred Plan states, “For new measures, measure level inputs were developed, with support from Guidehouse, using a combination of engineering assumptions, evaluation results from comparable programs, and data from other jurisdictions.” What new measures (i.e., measures that do not appear in any previous DSM Plan) are included in this plan and what program(s) offer these measures?

Response IR-33:

Please refer to Table 1 of this IR response for the full list of new measures as noted in EfficiencyOne’s 2027–2031 DSM Resource Plan Application, Appendix A: Preferred Plan, Section 4.3.

Table 1: 2027-2031 Preferred Plan New Measures by Program Component

New Measure (Measure Name)	Program Component
HW - Heat Pump Cleanings	Affordable Single-family Homes
MHEEP – Heat Pump Cleanings	Affordable Single-family Homes
Mi’kmaw New Home Construction – Tier 1	Mi’kmaw New Home Construction
Mi’kmaw New Home Construction – Tier 2	Mi’kmaw New Home Construction
Solar-PV Residential System	Mi’kmaw New Home Construction

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Request IR-34:

Please refer to Table 6: Summary of Changes and Enhancements in the 2027–2031 DSM Preferred Plan on page 25 of Appendix A – Preferred Plan which states, “Incentive Level Changes: Increased incentives across residential and BNI energy efficiency programs, for example:

- **Increased incentives for Affordable Multifamily Housing**
- **Increased incentives for Home Energy Assessment and elimination of the customer co-pay for ‘D’ audits**
- **Increased incentives for Small Business Energy Solutions.”**

Please answer the following questions regarding the quote above:

(a) Please provide the total increase in incentives associated with each of these proposed changes in dollars, by year and across all years of the plan.

(b) Please provide the total increase in incentives associated with each of these proposed changes as a percent of the total incentives, by year and across all years of the plan.

Response IR-34:

(a) Please refer to Attachment 2 of EfficiencyOne’s response to part (a) of IG IR-12.

(b) Please refer to part (a) of this IR response.

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Request IR-35:

Please refer to Tables 9, 10, 11, 12, and 13: DSM Preferred Plan Savings and Investment by Program Component for 2027, 2028, 2029, 2030, and 2031 respectively starting on page 29 of Appendix A – Preferred Plan.

(a) The Residential Demand Response PAC is 0.9 for 2027, 0.5 for 2028, 0.8 for 2029, 0.7 for 2030, and 0.6 for 2031. Please explain the change in these PAC values over time.

(b) The BNI Demand Response PAC is 2.9 for 2027, 1.6 for 2028, 2.7 for 2029, 2.3 for 2030, and 2.4 for 2031. Please explain the change in these PAC values over time.

(c) From 2027 to 2031, two of the only programs that are growing in terms of investment and lifetime benefits are the Residential Instant Savings and Residential Home Energy Assessment programs. Please explain E1's rationale for shifting investments from other programs to these programs.

Response IR-35:

(a) Please refer to EfficiencyOne's (E1) response to Synapse IR-62, part (a).

(b) Please refer to E1's response to Synapse IR-62, part (a).

(c) E1's proposed 2027–2031 DSM Preferred Plan is focused on affordability, achievability, and demonstrating a balanced plan. The Instant Savings program component has the highest cost-effectiveness results of the residential programs with a Program Administrator Cost (PAC) test ratio of 6.3 over the duration of the Plan. This program component is also

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1 available to all residential Nova Scotians and gives participants access to a large number of
2 product types.
3
4 The Home Energy Assessment program component has experienced an 80 percent decline
5 in monthly participant enrollments since the federal Canada Greener Homes Grant
6 program concluded. Increased investment is expected to boost enrollments, conversions,
7 and savings. E1 is proposing higher incentives for customers to reduce participation barriers
8 and cover a larger portion of total upgrade costs, as explained further in E1’s response to
9 Synapse IR-37.

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Request IR-36:

Page 37 of Appendix A – Preferred Plan states, “Additionally, the Preferred Plan includes a reduction in total full time equivalent employees from 114.3 in the 2026 DSM Extension to an average of 106.7 for the 2027–2031 period.” Please explain which positions are being eliminated and/or are no longer needed and provide the job title and descriptions of those positions.

Response IR-36:

In the proposed 2027–2031 DSM Preferred Plan, EfficiencyOne (E1) projected the number of full-time equivalent employees it expects will be required during implementation. E1 will assess the staffing complement at that time to determine the specific operational requirements and the workforce required to deliver on the Plan.

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Request IR-37:

Page 39 of Appendix A – Preferred Plan states, “The conclusion of the federal government’s Canada Greener Homes Grant program in 2025 which provided incentive top ups and subsidized energy audit costs directly impacted costs for the Home Energy Assessment program component. Customers have signaled that greater financial support is required to influence their decision making in whether to invest in efficiency measures and providing this support through modest increases in residential customer rebates is increasingly important in the current economic context.”

(a) How have customers signaled that greater financial support is required?

(b) What incentives is E1 proposing, per unit and in total dollars per year? Please indicate the units.

(c) How do these incentive levels compare to the incentive top ups that were provided previously, per unit and in total dollars per year? Please indicate the units.

(d) Why is E1 proposing this level of incentive?

(e) Were other incentive levels considered? If so, why didn’t E1 propose those incentive levels?

Response IR-37:

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1 (a) Since Canada Greener Homes Grant enrollment ceased in February 2024, the number of
2 monthly new energy evaluation requests under the Home Energy Assessment program
3 component has declined by roughly 80 percent.

4
5 (b) EfficiencyOne’s (E1) proposed incentives are listed in “Appendix A – Attachment 3 – 2027-
6 2031 Energy Efficiency & Solar-PV Technical Tables” of E1’s 2027–2031 DSM Resource Plan
7 Application. Please refer to column I under Home Energy Assessment for the requested
8 information by year. Note that heat pump incentives are based on the installed capacity
9 while all other incentives are on a per project/unit basis.

10
11 (c) Canada Greener Homes Grant eligibility and incentive structures were different as
12 compared to the proposed DSM incentives included for Home Energy Assessment in the
13 proposed 2027–2031 DSM Plan. The Canada Greener Homes Grant offered up to \$5,000
14 per building envelope project or heat pump project. Heat pump water heater incentives
15 were set at \$1,000/unit and wood/pellet stoves were ineligible.

16
17 (d) E1 is proposing incentives between current Home Energy Assessment levels and what was
18 offered federally through Canada Greener Homes Grant to increase enrollments,
19 conversions, and savings. E1 did not propose incentives that match the Canada Greener
20 Homes Grant incentives as E1 considered these to be cost prohibitive given the focus of the
21 proposed 2027–2031 DSM Plan on current short-term affordability considerations.

22
23 E1 estimates that current DSM incentives only cover around five to ten percent of total
24 upgrade costs for most measures installed through the Home Energy Assessment program
25 component. By increasing incentives as proposed, that coverage is projected to rise to 15-
26 20 percent of total upgrade costs in most cases. This is lower than the 40 percent or greater

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1 coverage that Apex Analytics suggested is typical in other jurisdictions during the
2 development of the Preferred Plan.

3
4 (e) E1 considered different incentive levels and how those changes would likely impact
5 participant uptake, free-ridership, energy savings, and cost effectiveness results. E1
6 proposed incentives that are expected to resonate with participants, are more closely
7 aligned with Apex Analytics' recommendations, and do not overextend demand side
8 management resources.

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1 **Request IR-38:**

2
3 **Page 39 of Appendix A – Preferred Plan states, “Additionally, incentive top ups for the**
4 **Affordable Multifamily Housing program component are no longer provided by the Province,**
5 **as this provincial funding has been fully allocated as of May 2025. E1 has increased incentive**
6 **levels to maintain participation following the end of this funding, directly increasing per-unit**
7 **delivery costs attributable to the DSM Plan.” Please also refer to footnote 14 on the bottom of**
8 **the same page which states, “The supplemental provincial funding utilized the Green Fund to**
9 **top up DSM rebates to lower project costs for participants. This supplemental provincial**
10 **funding was in place from 2021 to 2025.”**

11
12 **(a) What incentives is E1 proposing, per unit and in total dollars per year? Please indicate**
13 **the units.**

14
15 **(b) How do these incentive levels compare to the incentive top ups that were provided**
16 **previously, per unit and in total dollars per year. Please indicate the units.**

17
18 **(c) Why is E1 proposing this level of incentive?**

19
20 **(d) Were other incentive levels considered? If so, why didn’t E1 propose those incentive**
21 **levels?**

22
23 **Response IR-38:**

24
25 **(a) The Affordable Multifamily Housing program component offers a range of prescriptive and**
26 **performance-based incentives. The estimated average incentive payments per project type**
27 **are listed in Appendix A – Attachment 3 – 2027–2031 Energy Efficiency and Solar-PV**

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1 Technical Tables of E1’s 2027–2031 DSM Plan Resource Application. Please refer to column
2 I under Affordable Multifamily Housing for the requested information by year.

3
4 (b) The proposed incentive levels are higher than what was offered through DSM investments
5 in the 2023-2025 Plan period, yet 60 percent lower than what customers were receiving
6 when provincial government top up funding was available for DSM projects. For example,
7 a single ton heat pump would have previously received about \$500 in DSM funding and
8 nearly \$3,500 in provincial top ups, while the proposed DSM increase should provide
9 customers with an incentive closer to \$1,600. E1 looked at different incentive thresholds
10 during Plan development and how those changes would likely impact participant uptake,
11 free-ridership, energy savings, and cost effectiveness results. E1 proposed what it considers
12 to be reasonable and sustainable incentives that will increase customer applications,
13 conversions, and energy savings. Since the provincial top up incentives have ended,
14 monthly customer pre-approval applications have dipped by over 50 percent.

15
16 (c) Please refer to part (b) of this IR response.

17
18 (d) Please refer to part (b) of this IR response.

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Request IR-39:

Page 40 of Appendix A – Preferred Plan states, “E1 has committed to improve the accuracy of the estimates used for the rate class allocation of expenditures in the DSM Plan. For the 2027–2031 DSM Preferred Plan, E1 largely followed its approach taken for the 2026 DSM Extension, and established the rate class allocation of expenditures by considering the following factors: reliance on three years of historical data to inform the rate class allocations for both energy efficiency and demand response (i.e., reflective of 2022, 2023, 2024 allocators); completed a review of customer commitments for projects within programs; and incorporated assumptions for any program changes that may impact specific rate classes. 2027–2031 rate class estimates are based on the methodology of using the past three years of available data (2022, 2023, and 2024) to determine the spending by rate class percentages and applying those to the 2027–2031 years.”

(a) Why did E1 decide to use three years of historical data to inform these improved allocations, and the three years that were selected? Why is three years the right amount of historical data to reference and why are these years most appropriate?

(b) What changes may impact specific rate classes in the proposal plan and how were these changes accounted for in the improved allocations?

Response IR-39:

(a) As part of efforts to address concerns raised about variances in rate class spending and to enhance rate class reporting, EfficiencyOne (E1) has used three-years of historical data to inform quarterly and annual (where applicable) rate class spending forecasts in 2025. This methodology was also used to calculate the 2026 DSM Extension rate class allocations, and

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1 the proposed 2027–2031 DSM Plan rate class allocations. E1 considered using the three
2 most recent years of data to be an appropriate and improved method of calculating rate
3 class allocations, as it incorporated additional years of data than had been used in the
4 2023–2025 DSM Plan rate class allocations (where one year of historical data was used,
5 with the exception of the Custom program component where four years of historical data
6 was used because of high variations in that program component at that time).

7
8 (b) Future customer commitments for projects and assumptions for program changes
9 impacting specific rate classes were reviewed and considered alongside the rate class
10 allocations that were calculated using three-year historical averages, and E1 determined
11 that they were generally aligned with those rate class allocations.

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1 **Request IR-40:**

2
3 **Page 43 Appendix A – Preferred Plan states, “Data Analytics and Insights: Leveraging data**
4 **analytic tools including segmentation data, website user behaviour insights, and advanced**
5 **metering infrastructure (AMI) data. Marketing tactics that leverage data analytic tools include**
6 **personalized email messaging, customized website offers, geo-targeting emails based on**
7 **customer proximity to retailers, automated co-program marketing techniques (e.g., when**
8 **customers complete Efficient Product Installation, eligible customers will be presented**
9 **information on Home Energy Assessment and HomeWarming to continue their journey), and**
10 **targeted Residential and BNI email campaigns based on electricity use patterns;”**

11
12 **(a) How is E1 using segmentation data in its DSM Plan?**

13
14 **(b) How is E1 using website user behavior insights in its DSM Plan?**

15
16 **(c) How is E1 using AMI data in its DSM Plan?**

17
18 **(d) Can E1 identify a home with faulty or failing equipment based on electricity use patterns?**

19
20 **(e) If so, does E1 use this data to target its DSM programs and measures to customers?**

21
22 **(f) If not, how does E1 reach customers with faulty or failing equipment to ensure they**
23 **replace that equipment with the most efficient equipment available?**

24
25 **(g) With the shift to deeper savings measures, does E1 see that customers benefit from more**
26 **advance notice of equipment failure and the ability to prepare for a larger weatherization**
27 **or heating system replacement project?**

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1 **(h) Does E1 see any opportunity to improve its outreach to customers with faulty or failing**
2 **heating or water heating systems to ensure they have sufficient time to prepare for**
3 **replacement of these systems?**

4
5 Response IR-40:
6

7 (a) EfficiencyOne (E1) uses segmentation for insights to improve planning and executing
8 targeted marketing campaigns and tactics. For example, ratepayers with specific dwelling
9 characteristics (e.g., age, size of home, heating type), and energy usage patterns can be
10 directed to DSM programs and services most likely to be relevant for their situation.
11

12 (b) E1 uses website user behavior data to personalize the content and programs displayed
13 during a customer visit. For example, by answering specific questions via the online quiz,
14 the program recommendations and associated content are displayed that tie directly to the
15 visitor's answers (e.g., if you declare you are a business owner in a specific sector, the
16 content and programs change to display the appropriate information). E1 also tracks
17 several engagement metrics to help refine page designs and content displayed to increase
18 the likelihood of participation.
19

20 (c) Advanced metering infrastructure (AMI) data will be used to segment customers based on
21 energy usage patterns for promotion of relevant DSM programs and services, and for
22 measuring customers' energy savings associated with participation in certain DSM
23 programs (e.g., customers who participate in demand response programs). Please refer to
24 part (a) of this IR response.
25

26 (d) E1 has not explored that specific use case for AMI data for homes.
27

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- 1 (e) E1 has not used usage patterns to promote DSM programs and measures to customers
2 suspected of having faulty or failing equipment, specifically. However, E1 does plan on
3 leveraging usage patterns to identify customers who exhibit significant potential for DSM
4 opportunities, be it equipment-related or behavioural.
5
- 6 (f) E1 currently uses energy managers to identify faulty or failing equipment for customers
7 who use E1 Energy Management Services.
8
- 9 (g) Yes, E1 agrees there could be value in this.
10
- 11 (h) Yes, E1 sees opportunity in this.

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Request IR-41:

Pages 44-45 of Appendix A – Preferred Plan state, “Enhancements to E1’s energy-efficiency offerings for the 2027–2031 Plan period include: introduction of a new program component, Mi’kmaw New Home Construction, supporting the construction of close to net-zero new homes in Mi’kmaw communities and integrated delivery of the Solar-PV program (also new in 2027–2031).” Why aren’t the Mi’kmaw New Home Construction new homes being constructed to net-zero performance standards? What does close to net-zero mean?

Response IR-41:

EfficiencyOne’s (E1) Mi’kmaw New Home Construction program component is designed to support high-performance new home construction in Mi’kmaw communities, consistent with the program component description in Appendix A of the Preferred Plan. The program encourages projects to achieve net-zero annual energy consumption - meaning that the home's annual purchased electricity is fully offset by on-site renewable generation - through a combination of education and a performance-tiered incentive structure.

The phrase "close to net-zero" is used to describe the energy performance threshold that all incentive-eligible homes must meet as a condition of receiving an incentive. This threshold represents high performance approaching, but not always reaching, full net-zero annual energy consumption. E1 does not expect every participating home to achieve the net-zero standard in all cases, for several reasons primarily related to barriers to participation facing Mi’kmaw communities:

- Home size and occupancy needs may make it more challenging for some homes to reach net-zero, as larger or higher-occupancy homes may consume more electricity than a modestly-sized Solar-PV system can offset on an annual basis;

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- Home site conditions may limit Solar-PV generation potential (e.g., shading, roof orientation, or structural constraints), reducing the ability to fully offset annual electricity consumption; and
- Communities may choose to forego certain recommended upgrades due to financial constraints, other community priorities, or capital limitations - barriers to participation that the program is specifically designed to address.

The performance tiers are structured to ensure that all incentive-eligible homes achieve high energy performance, approaching net-zero annual energy consumption, while accommodating this range of site-specific and community-specific circumstances. E1 intends to pro-rate incentives based on a pre-determined performance floor that is set below the net-zero standard, ensuring that homes achieving meaningful but less than full offset of annual electricity consumption remain eligible for an incentive, scaled to their level of performance. This approach advances the program's core objective of supporting energy autonomy and reducing electricity costs for Mi'kmaw residents, consistent with the principle of equitable access and dedicated low-income and equity programming.

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Request IR-42:

Page 45 of Appendix A – Preferred Plan states, “updates and expansion of program measures to reflect evolving market conditions and customer needs, such as: elimination of customer co-pay for “D” audits in Home Energy Assessment to help address the rising cost of home retrofits.”

Please answer the following questions regarding the quote above:

(a) What are “D” audits?

(b) Why is E1 proposing to eliminate the customer co-pay for these audits?

(c) Please provide a list of all of the audit types offered in the plan, a definition of these audit types, the total cost of each of these audits, and the customer co-pay associated with each of these audits.

Response IR-42:

(a) “D” audits refer to the initial home energy evaluations used to determine the current state of a home and develop an upgrade plan.

(b) To participate in the Home Energy Assessment program component, customers currently pay \$199.00 plus tax to an EfficiencyOne (E1) contracted Service Organization. This fee covers both the “D” and “E” audits required (please refer to Table 1 in this IR response for details). E1 is proposing to eliminate the customer co-pay to remove this upfront financial barrier to participants to grow program participation, which has been in significant decline since the federal government’s Canada Greener Homes Grant ended in early 2024.

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- (c) There are two types of audits offered under the Home Energy Assessment program component. Please refer to Table 1 in this IR response for details.

Table 1: Home Energy Assessment Audit Details

Audit Name	Description	2027 Cost per Audit	Proposed Customer Co-pay
D audit	Initial home energy evaluation used to determine the current state of a home and develop an upgrade plan.	\$665.27	\$0.00
E audit	Final home energy evaluation used to validate energy efficiency improvements made since the D audit.	\$348.47	\$0.00

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Request IR-43:

Please refer to the Target Market section of Table 17: 2027–2031 Instant Savings Program Component starting on Page 47 of Appendix A – Preferred Plan which includes, “mini-split and centrally ducted heat-pumps (new for 2027–2031, starting in 2028) and electric thermal storage units (new for 2027–2031, starting in 2028).”

(a) Why do offerings for these measures start in 2028?

(b) Could E1 offer these measures in 2027? If not, why not?

(c) What are electric thermal storage units?

Response IR-43:

(a) EfficiencyOne (E1) does not anticipate receiving a decision on this DSM Plan application until late 2026. Although E1 is undertaking preparations for implementation of DSM programs for the 2027–2031 period, certain activities cannot reasonably proceed until approval of the Plan has been obtained, including the establishment of industry partnerships, the development of related program processes, and partner training. In light of these timing constraints, E1 has assumed a 2028 implementation date for mini-split heat pumps, centrally ducted heat pumps, and electric thermal storage, each of which is proposed as a new measure under Instant Savings.

(b) Please refer to part (a) of this IR response.

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- 1 (c) Electric thermal storage units are a technology that stores electricity in the form of thermal
- 2 energy during off-peak hours when electricity is less expensive. The stored heat is gradually
- 3 released to the room where it is installed or exchanged to water in hydronic heating
- 4 systems to provide less expensive heating and support grid load shifting.

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Request IR-44:

Please refer to the Target Market section of Table 19: Existing Residential - Overview, Objectives, Opportunity starting on Page 49 of Appendix A – Preferred Plan which includes, “property owners that provide affordable housing or non-profit organizations that provide support services (e.g., shelters, transition houses, community hubs).”

(a) How many property owners provide affordable housing?

(b) Has this number changed over time? If so, in what way?

(c) What proportion of these property owners have been served to date?

(d) What proportion of these property owners does the DSM Plan propose to serve by year and in total across all years of the plan?

(e) How many non-profit organizations provide the types of support services that enable a non-profit organization to be eligible for these incentives?

(f) Has this number changed over time? If so, in what way?

(g) What proportion of these non-profit organizations have been served to date?

(h) What proportion of these non-profit organizations does the DSM Plan propose to serve by year and in total across all years of the plan?

Response IR-44:

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1 (a) As reported in the 2025 Existing Residential Program DSM Evaluation Report, 359 projects
2 completed the Affordable Multifamily Housing program component between 2018–2025.¹
3 This is a mix of smaller prescriptive and larger comprehensive projects. E1 has not
4 performed a broader market assessment to estimate how many property owners currently
5 provide affordable housing in Nova Scotia or how many of these are non-profit
6 organizations. Between 2023–2026, approximately 36 percent of DSM projects came from
7 non-profit customers.

8
9 (b) Please refer to part (a) of this IR response.

10
11 (c) Please refer to part (a) of this IR response.

12
13 (d) Please refer to part (a) of this IR response. Please refer to Appendix A – Attachment 3 –
14 2027–2031 Energy Efficiency and Solar-PV Technical Tables of E1’s 2027–2031 DSM
15 Resource Plan Application for an annual breakdown of proposed participation.

16
17 (e) Please refer to part (a) of this IR response.

18
19 (f) Please refer to part (a) of this IR response.

20
21 (g) Please refer to part (a) of this IR response.

22
23 (h) Please refer to part (a) of this IR response. Please refer to Appendix A – Attachment 3 –
24 2027-2031 Energy Efficiency & Solar-PV Technical Tables for an annual breakdown of
25 proposed participation.

¹ M12780, Exhibit 3, E1 2025 DSM Programs Evaluation Report, Existing Residential Program, March 13, 2026, Figure 2, page 4.

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Request IR-45:

Please refer to the first section of Table 20: 2027–2031 Affordable Multifamily Housing on Page 51 of Appendix A – Preferred Plan which shows participation declining over time from a high of 155 in 2028 to a low of 90 in 2031.

(a) Why is 2028 the year of highest participation?

(b) Why does forecasted participation decline between 2028 and 2031?

(c) Do these customers face pre-weatherization barriers? Please explain.

(d) If so, please provide data on the proportion of customers that could not proceed in past years due to pre-weatherization barriers. If the data is not available, please explain why not.

(e) Is funding available to assist these customers to address pre-weatherization barriers in this DSM Plan? If so, please provide the funding, the source of the funding, and the measures and incentives provided. If not, why not?

Response IR-45:

(a) The baseline for BNI lighting projects is anticipated to shift to LED technology on January 1, 2029, based on recent market assessments conducted by EfficiencyOne’s (E1) independent third-party Evaluator. As such, 2028 is likely to be the final year that E1 can incentivize such projects and claim savings before this measure category will be retired.

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- 1 (b) As noted in the response to part (a), the lighting baseline change is the primary reason for
2 the participation decline from 2028–2031.
3
- 4 (c) Customers in the Affordable Multifamily Housing program component could face pre-
5 weatherization barriers, particularly in older buildings where mold, asbestos, leaking roofs,
6 or extensive electrical upgrades may be required to complete recommended energy
7 efficiency improvements.
8
- 9 (d) Data is not collected on the proportion of customers that could not proceed due to pre-
10 weatherization barriers. Customers who decide not to proceed in the program do so for a
11 variety of reasons.
12
- 13 (e) There is no funding in the proposed 2027–2031 DSM Plan included for pre-weatherization
14 barriers.

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Request IR-46:

Please refer to the first section of Table 21: 2027–2031 Affordable Single-family Homes Program Component on Page 52 of Appendix A – Preferred Plan which shows participation declining over time from a high of 600 in 2027 to a low of 475 in 2031.

(a) Why is 2027 the year of highest participation?

(b) Why does participation decline between 2027 and 2031?

(c) How many affordable single-family homes exist today?

(d) Has this number changed over time? If so, in what way?

(e) What proportion of these homes have been served to date?

(f) What proportion of these homes does the DSM Plan propose to serve by year and in total across all years of the plan?

(g) Do these customers face pre-weatherization barriers?

(h) If so, please provide data on the proportion of customers that could not proceed in past years due to pre-weatherization barriers. If the data is not available, please explain why not.

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1 **(i) Is funding available to assist these customers to address pre-weatherization barriers in**
2 **this DSM Plan? If so, please provide the funding, the source of the funding, and the**
3 **measures and incentives provided. If not, why not?**
4

5 Response IR-46:
6

7 (a) The federally funded Oil to Heat Pump Affordability (OHPA) program has driven significant
8 interest in the Affordable Single-family Homes program component in recent years by
9 offering free whole home heat pump systems. These projects are geared toward customers
10 with non-electric heating but also benefit many customers who use electric supplementary
11 heating. With OHPA ending in 2027, participation in the DSM funded program component
12 is expected to decline.
13

14 (b) As noted in the response to part (a), program participation is projected to decline because
15 of the OHPA program concluding. EfficiencyOne (E1) has not assumed government funding
16 for homes that are primarily non-electrically heated and as a result, the proposed 2027–
17 2031 Preferred Plan assumes a scenario where financial support is only available to
18 customers with 80 percent or more electric space heating.
19

20 (c) According to 2021 Canada Census data, more than 44,000 Nova Scotian households met
21 the low-income cut off criteria that is the basis of eligibility for the Affordable Single-family
22 Homes program component. E1 estimates that 11,000 of those homes (25 percent) are
23 primarily electrically heated based on program participation data.
24

25 E1 does not have a more recent or precise estimate of the number of homes eligible for the
26 program component today. Eligibility is currently set at 35 percent above the before-tax
27 low-income cut offs, which are updated annually by Statistics Canada.

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1 (d) Please refer to part (c) of this IR response. Where E1 does not have any recent statistics on
2 the number of homes eligible for the program, we are unable to comment on current
3 trends.

4
5 (e) At the end of 2025, E1 had served roughly 9,500 electrically heated homes through the
6 program, as tracked in the annual independent third-party program evaluation reports E1
7 has submitted to the Nova Scotia Utility and Review Board and Nova Scotia Energy Board.
8 The proportion of eligible customers served is more challenging to quantify, as the number
9 of eligible participants is fluid, so E1 is unable to provide a direct comparison.

10
11 (f) Please see the response to part (e).

12
13 (g) Some program participants face pre-weatherization barriers, such as unsafe home
14 conditions, leaky roofs or foundations, or the presence of asbestos containing materials. E1
15 Service Providers assess homes for upgrade readiness during site visits and identify
16 potential remediation solutions for E1 and customer consideration. In some instances, E1
17 can address pre-weatherization barriers like minor leaks or where homeowners are willing
18 and able to do so. In more severe cases, customers are directed to provincial housing
19 authorities or other resources that are better equipped to support them.

20
21 (h) Approximately 17 percent of program participants do not complete because upgrades are
22 not possible, upgrades are not necessary, or the homeowner cannot be contacted. E1 does
23 not have this data broken down further as to the portion that could not proceed due to
24 pre-weatherization barriers.

25
26 (i) There is no funding in the proposed 2027–2031 DSM Plan identified specifically for pre-
27 weatherization barriers. As noted in part (g), E1 may use DSM funds to address such issues

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1 as part of building envelope upgrades where costs and risk are minimal. However, in many
2 cases, it is cost prohibitive, or the issues require the support and expertise of government
3 agencies and other organizations who are in a better position to address these types of
4 customer barriers.

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Request IR-47:

Please refer to the Program Component History section of Table 21: 2027–2031 Affordable Single-family Homes Program Component on Page 53 of Appendix A – Preferred Plan which states, “2023 – E1 re-introduced Affordable Single-family Homes. Heat pump installations were added as an eligible space heating upgrade. Natural Resources Canada (NRCan) also launched the Oil to Heat Pump Affordability grant, with E1 co-delivery through the Affordable Single-family Homes program component, which is targeted at converting whole home oil heating systems to heat pumps. Although the Oil to Heat Pump Affordability grant is primarily targeted at non-electrically heated homes, electric savings are realized in cases where homes have both electric and non-electric heating systems.”

(a) Please provide a count of the number of eligible customers for each program that have both electric and non-electric heating systems.

(b) Are customers with both electric and non-electric heating systems in these programs eligible for heat pump incentives to replace their electric heating system in the DSM Plan?

Response IR-47:

(a) All participants of the Affordable Single-family Homes program component are considered for Oil to Heat Pump Affordability incentives during the intake process, as the various funding streams are integrated to deliver maximum benefits to customers. In 2025, roughly 1,300 participants (68 percent) who completed the Affordable Single-family Homes program component had both electric and non-electric heating systems.

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- 1 (b) Participants with a combination of electric and non-electric heating systems are eligible for
2 heat pump DSM incentives to replace their electric heating systems. Energy Advisors
3 estimate the portion of electric to non-electric space heating during their initial site visits.
4 EfficiencyOne (E1) uses that information to determine the portion of DSM and non-DSM
5 funding attributed to the project. Please refer to E1’s response to Synapse IR-46 part (b).

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Request IR-48:

Please refer to the Program Component History section of Table 21: 2027–2031 Affordable Single-family Homes Program Component on Page 53 of Appendix A – Preferred Plan which states, “2026 – Oil to Heat Pump Affordability funding was fully allocated in Q1 and is expected to be completely disbursed in Q1 2027.”

(a) Has E1 engaged in any discussions regarding the impact of the war in Iran on home heating oil costs and potential solutions for the 2026/2027 heating season? If so, when, with whom, and about what?

(b) Has E1 engaged in any discussions regarding the impact of the war in Iran on home heating gas costs and potential solutions for the 2026/2027 heating season? If so, when, with whom, and about what?

Response IR-48:

(a) EfficiencyOne (E1) has not engaged in discussions regarding the impact of the war in Iran on home heating oil costs and potential solutions for the 2026/2027 heating season.

(b) Please refer to part (a) of this IR response.

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1 **Request IR-49:**

2
3 **Please refer to Table 36: 2027–2031 Custom Program Component on Page 69 of Appendix A –**
4 **Preferred Plan which states, “Enhancements in 2027-2031: Better support for E1’s BNI Demand**
5 **Response program component by encouraging customers to install demand response event**
6 **compatible equipment and participate in events.”**

7
8 **(a) What equipment types are currently demand response event compatible?**

9
10 **(b) Will the compatible equipment change over the five years of this plan? If so, how does**
11 **the plan account for this evolution? If not, why not?**

12
13 **(c) What proportion of customers install demand response event compatible equipment?**

14
15 **(d) Is E1 encouraging Residential customers to install demand response event compatible**
16 **equipment over the five years of this plan? If so, what equipment and how is the plan**
17 **encouraging the installations? If not, why not?**

18
19 **(e) What share of BNI curtailable load is subject to manual versus automatic control?**

20
21 **(f) Of the automatically controllable BNI curtailable load, what is the percentage breakdown**
22 **by end-use category (e.g., HVAC, process load, and other)?**

23
24 **(g) How does BNI participant opt-out vary by curtailment mode (automatic vs manual)?**

25
26 **Response IR-49:**

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- 1 (a) Smart Synergy (BNI demand response program component) is technology agnostic and is
2 focused on curtailable electric load regardless of technology type.
3
- 4 (b) Please refer to part (a) of this IR response.
5
- 6 (c) Please refer to part (a) of this IR response.
7
- 8 (d) E1 plans to continue to support residential customers in installing demand response
9 compatible smart thermostats and heat pump water heaters over the duration of this plan
10 as part of its energy efficiency programs. Customers would be incentivized to purchase
11 these devices or offered no-cost installations. These measures deliver energy savings and
12 would be supported by the Existing Residential, Residential Efficient Product Rebates, and
13 New Residential programs.
14
- 15 (e) Approximately 500kW, accounting for part of one customer's curtailment, of the BNI
16 portfolio was dispatched automatically in program year 2025–2026. E1 is expecting to
17 review opportunities for automatic curtailment for upcoming program seasons.
18
- 19 (f) The load from subpart (e) was curtailed by automatically dispatching a generator through
20 the Building Automation System. The curtailed load was HVAC related.
21
- 22 (g) E1 does not currently have sufficient data to compare BNI participant opt-outs by
23 curtailment mode. The BNI DR portfolio is almost entirely manual curtailment, with only
24 approximately 500 kW from part of one customer under automatic control.
25

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- 1 As a result, the automatically controlled portion is too small to support a meaningful
- 2 comparison with manual curtailment. E1 will continue to monitor participation as the BNI
- 3 DR portfolio develops.

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Request IR-50:

Please refer to Table 39: 2027–2031 Custom Incentives Low-income and Equity Performance Indicators on page 71 of Appendix A – Preferred Plan which shows Participation (projects) of 1 for 2027, 0.4 for 2028, 0.3 for 2029, 0.3 for 2030, and 0.2 for 2031.

(a) Please describe how E1 can invest in and claim savings for a portion (e.g., 0.4) of a project in most years of this plan.

(b) Who are these low-income/equity participants?

Response IR-50:

(a) E1 claims savings for a portion of a project because the low-income and equity impacts for Custom are treated as incidental impacts. As described in Appendix A, Attachment 1 (2027–2031 Modelling Assumptions, Low-income & Equity Assumptions), savings and investment estimates were scaled using reported 2023 and 2024 incidental low-income and equity results.

Low-income and equity project participation for Custom within the proposed 2027–2031 DSM plan was then estimated by applying the ratio of net at generator energy savings from Custom projects reported in the 2024 Annual Progress Report (APR) to the number of Custom projects reported. This was used to scale the low-income and equity first year energy savings to produce an estimate of the number of low-income and equity projects for 2027–2031. This produced fractional participation estimates of 1 for 2027, 0.4 for 2028, 0.3 for 2029, 0.3 for 2030, and 0.2 projects, respectively.

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- 1 (b) The participants are apartment building owners. The associated avoided energy benefits
2 and low-income and equity impacts are assumed to flow-through to tenants either directly,
3 where tenants pay power bills, or indirectly through deferred increases in rent.¹

¹ M12249, E1 2026 DSM Extension, April 30, 2025, Appendix A, Attachment 2: Estimation of DSM Low-income and Equity Impacts, section 3.2: DSM Reporting Assumptions: Incidental Impacts, page 5.

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Request IR-51:

Please refer to Table 41: 2027–2031 Small Business Energy Solutions Program Component on page 73 of Appendix A – Preferred Plan which states, “Overview: Provides small business customers with access to technical assistance and financial incentives for the installation of energy efficient and system-peak demand reduction equipment.”

(a) Please define “small businesses.”

(b) Does the BNI demand response effort include small businesses?

(c) If so, please identify the portion of the BNI demand response effort participants who are projected to be small business customers by year and in total across years.

(d) If not, why not?

(e) If not, why are small business customers provided with system-peak demand reduction equipment in this program?

Response IR-51:

(a) For Demand Response, there is no official definition for small business. The Small Business Energy Solutions program defines small businesses as follows:

- i) Small businesses with an annual electrical energy consumption under 600,000 kWh (approx. \$6,000/month in electricity costs).**

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1 (b) Yes. The Business, Non-profit and Institutional (BNI) demand response effort may include
2 small businesses where customers can provide cost-effective curtailment. However, small
3 businesses are not the primary target for recruitment during the proposed 2027–2031 DSM
4 Plan period. Recruitment is focused on achieving the greatest amount of cost-effective
5 curtailment which is expected to come from General, Large General, Small Industrial and
6 Medium Industrial customers.

7
8 (c) E1 has not projected the portion of BNI demand response effort participants that are
9 expected to be small business customers by year or in total across years. In Appendix A –
10 Attachment 2: Program Savings and Investment by Rate Class, Table 7: Demand Response,
11 E1 has projected the Available Demand Response Capacity (MW) and Expenditures (\$
12 million) by rate class for each year of the proposed 2027–2031 DSM Plan.

13
14 (d) Please refer to part (c) of this IR response.

15
16 (e) The Small Business Energy Solutions program component provides support to small
17 business customers for energy efficiency equipment that also achieves system-peak
18 demand savings as a result of lower consumption during the utility peak period. Small
19 businesses are not being provided with separate or additional system-peak demand
20 reduction equipment through the Small Business Energy Solutions program component for
21 participation in the BNI demand response offer. If a small business customer participates
22 in BNI demand response, the customer would receive the standard equipment or controls
23 applicable to that demand response offering.

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Request IR-52:

Please refer to the statement on pages 76–77 of Appendix A – Preferred Plan which states: “Residential Demand Response (Eco Shift pathway) will remain constant at the 2026 DSM Extension levels with no new installations. E1 does not intend to enroll new customers in 2027–2031 for Residential Demand Response but will continue to leverage existing equipment assets by encouraging participants to continue to participate in demand response events, with the expectation that the residential program will be cost effective in the future.” Please explain in detail why E1 does not intend to enroll new customers in the Residential Demand Response program during the 2027–2031 period.

Response IR-52:

EfficiencyOne (E1) does not intend to enroll new Residential Demand Response customers during the 2027–2031 period because the program's current cost-effectiveness metrics do not support the incremental cost of new customer acquisition and device installation at this time. Accordingly, the program component is being held at the 2026 DSM Extension level while E1 focuses on optimizing the performance of the existing installed base.

Rather than adding new customers during the 2027–2031 period, E1 will continue to leverage existing equipment assets by encouraging continued participation in demand response events, improving device performance, and managing program costs. E1's expectation is that advances in smart device technology, increased grid flexibility needs, and improvements in participant engagement will improve the program's cost-effectiveness over the planning period, positioning the Residential Demand Response program for renewed enrollment beyond 2031. This phased approach reflects a prudent and cost-conscious management strategy that preserves the value

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- 1 of existing ratepayer investments while avoiding additional enrollment expenditures until the
- 2 program can demonstrably satisfy applicable cost-effectiveness tests.

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Request IR-53:

Page 76 of Appendix A – Preferred Plan states, “The level of available demand response capacity proposed for 2027–2031 remains within, not exceeding, the optimal level identified in NS Power’s 2022 IRP.”

(a) Please provide the optimal level of demand response capacity identified in NS Power’s 2022 IRP, by year and in total across the plan years.

(b) Please illustrate how the available demand response capacity proposed in the plan “remains within, not exceeding, the optimal level”.

Response IR-53:

(a) Please refer to EfficiencyOne’s (E1) response to part (c) of Synapse IR-10.

(b) Please refer to E1’s response to part (g) of Synapse IR-10.

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Request IR-54:

Pages 77-78 of Appendix A – Preferred Plan states, “E1 understands that NS Power is currently developing a Distributed Energy Resource (DER) Integration Roadmap, expected to be filed in early 2026, which will outline locational planning strategies for the 2027–2031 period. E1 has been engaged as a stakeholder in this work, contributing demand response program experience and customer program design expertise to support alignment between distributed resources and system planning. E1 understands the DER Integration Roadmap is expected to provide timing of initiatives, including those related to customer programs and include ongoing coordination across planning, program design and system capabilities. E1 is expected to remain a key stakeholder as the roadmap evolves. Access to more granular locational data will allow for further or expanded assessment of E1’s demand response program’s value and for E1 to fully support the deployment of demand response resources to the specific constrained areas during peak events. E1 has requested that the AMI data feeds provided to E1 by NS Power be expanded to include the feeder ID fields and that NS Power also provide the list of feeder IDs that should be prioritized. Having this data is critical for E1 to target enrollment of E1’s demand response programs for these constrained areas. E1 expects that assessment of the data and appropriate solutions for priority constrained areas will be further explored with NS Power and through their work with stakeholders on the DER Integration Roadmap.”

(a) Please provide the current status of the DER Integration Roadmap.

(b) Please provide the anticipated schedule and key milestones for development of the DER Integration Roadmap.

(c) Please provide the anticipated schedule and process for stakeholder engagement related to development of the DER Integration Roadmap.

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1 **(d) When does E1 currently expect this roadmap to be filed?**

2
3 **(e) Please summarize any input E1 has provided to NS Power on its roadmap.**

4
5 **(f) When does E1 currently expect to receive AMI data feeds including the feeder ID field**
6 **and list of priority feeder IDs?**

7
8 **(g) If the roadmap is filed and E1 receives AMI data feeds including the feeder ID field and**
9 **list of priority feeder IDs, does E1 recommend any modifications to its plan to incorporate**
10 **this information? If so, what modifications does E1 recommend? If not, why not?**

11
12 Response IR-54:

13
14 (a) Although EfficiencyOne (E1) has participated as a stakeholder in the Distributed Energy
15 Resource (DER) Integration Roadmap process, the Roadmap is being led by NS Power. As a
16 result, E1 is not in a position to comment on the Roadmap's current status, development
17 schedule, or anticipated filing date.

18
19 (b) Please refer to part (a) of this IR response.

20
21 (c) Please refer to part (a) of this IR response.

22
23 (d) Please refer to part (a) of this IR response.

24
25 (e) E1 provided the following general input on the latest DER Integration Roadmap material
26 made available to E1 in January 2026:

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- 1 i) **Phasing and Practical Timing:** Several initiatives NS Power and their consultant
2 identified to pursue in the near-term, particularly those related to customer
3 programs, orchestration readiness, and data integration, will require coordination
4 across planning, program design, and system capabilities. E1 encourages a phased
5 approach that recognizes interdependencies between foundational planning work,
6 system tool deployment, and customer-facing program expansion. Early clarity on
7 sequencing will help ensure that programs are designed with a realistic view of
8 system readiness.
- 9 ii) **Regular Roadmap Review and Refresh:** Given the pace of change in distributed
10 energy resources (DER) technologies, regulatory frameworks, and system needs, E1
11 suggests that the DER Integration Roadmap be treated as a living document. A regular
12 review cycle (for example, annually or aligned with major planning milestones such
13 as IRP updates) would allow priorities, timelines, and initiative classifications (Pursue,
14 Prepare, Nurture) to be revisited as new information becomes available. This will
15 provide transparency on the progress parties are making and highlight where
16 opportunities for further collaboration are needed.
- 17 iii) **Ongoing Information Sharing:** As the roadmap evolves, timely sharing of updates,
18 revised priorities, and implementation learnings will be important to ensure
19 alignment between NS Power system initiatives and E1’s program planning. Regular
20 updates and structured information exchange can help ensure that both
21 organizations adapt in a coordinated manner and that opportunities for collaboration
22 are identified early. E1 would suggest establishing a DER working group with
23 representatives from E1, NS Power and the Nova Scotia Independent Energy System
24 Operator ensuring initiatives noted under “Prepare” and “Pursue” can be both
25 coordinated and expedited.
- 26
27

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- 1 (f) The disruption to NS Power’s customer advanced metering infrastructure (AMI) data feed
2 to E1 has not yet been resolved, and E1 does not have a definitive date as to when access
3 will be restored. NS Power has confirmed that an enhancement is planned for its regular
4 customer billing data transfer to E1 to include Feeder ID in order to tie specific customers
5 to specific locations, enabling locational targeting. E1 expects to receive this data following
6 the restoration of the AMI data transfer.
7
- 8 (g) Depending on the outcomes of the DER Integration Roadmap and AMI feeder ID
9 information, E1 would expect to assess the appropriate next steps.

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Request IR-55:

Please refer to the discussion of the TVA pilot on page 78 of Appendix A – Preferred Plan.

(a) Please provide any additional information E1 is aware of regarding the TVA pilot referenced in Appendix A – Preferred Plan.

(b) Please explain E1’s understanding of the expected timeline and process for resolving cybersecurity and AMI data issues associated with the pilot.

Response IR-55:

(a) EfficiencyOne (E1) understands that NS Power will be filing its TVP 2024/25 (Year Four) Evaluation, Measurement and Verification (EM&V) report on June 30, 2026, pursuant to the Nova Scotia Energy Board’s approval of this requested extension in matter M12499, Nova Scotia Power Inc. – Application for Approval of 2025/26 Time Varying Pricing (TVP) Tariffs.

(b) E1 understands that the timing and process for resolving cybersecurity and AMI data issues associated with NS Power's TVP pilot is ongoing. E1 does not have further detail on NS Power’s expected timeline and process for resolving these issues; however, E1 would note that NS Power filed Monthly Update 8 in matter M12273, Board Inquiry into Nova Scotia Power’s Cybersecurity Incident, on May 14, 2026.

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1 **Request IR-56:**

2
3 **Please refer to Table 44: Demand Response - Overview, Objectives, Opportunity on page 79 of**
4 **Appendix A – Preferred Plan which states, “Target market: Enrolled residential and BNI**
5 **customers for the Eco Shift pathway and larger BNI energy users for the BNI Smart Synergy**
6 **pathway. E1 notes that interruptible customers have not been eligible to participate in the**
7 **past. The potential for them to be eligible in the 2027–2031 DSM Plan period was raised**
8 **through DSMAG discussions and E1 is committed to further discussions to fully assess**
9 **incremental value and appropriateness with the members.”**

10
11 **(a) Please explain how NSPI currently interrupts or reduces electricity service for existing**
12 **interruptible customers.**

13
14 **(b) Please explain whether, and if so how, the frequency and duration of service**
15 **interruptions for interruptible customers differ from those applicable to BNI customers**
16 **participating in E1’s BNI Demand Response program. If there are differences, please**
17 **explain the reasons for those differences.**

18
19 **(c) Please explain the primary issues or barriers associated with allowing interruptible**
20 **customers to become eligible participants in the BNI Demand Response program.**

21
22 **(d) When will E1 engage in further discussions with the DSMAG members on this topic?**

23
24 **(e) What actions could E1 take during the plan period as a result of the engagement with**
25 **DSMAG members on this topic? Would E1 need to modify the plan to take these actions?**

26
27 **Response IR-56:**

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1 (a) Part (a) of the following IR response has been provided by NS Power.

2
3 NS Power manages the interruption of interruptible customers through its Capacity and
4 Energy Emergency operating guidelines. If a capacity shortfall occurs on the power system,
5 the Nova Scotia Power System Operator will take real-time actions to alleviate the
6 situation. The System Operator will attempt to address the shortfall by maximizing the
7 output of existing resources and requesting the purchase of firm energy from external
8 entities through NS Power Marketing before postponing planned system maintenance and
9 issuing Advisories and Alerts to interruptible customers to provide notification that the
10 system is tight for capacity and there is the possibility of load interruption.

11
12 If the situation continues to worsen to the point where load relief is required, the System
13 Operator will initiate interruption of interruptible customers in the prescribed order and to
14 the depth required using automated technology systems while requesting energy
15 assistance from neighbouring entities. These actions help to ensure the continued reliable
16 operation of the bulk power system and the continued provision of service for firm load
17 customers.

18
19 (b) Please refer to IG IR-18, part (f) for a comparison.

20
21 (c) The primary issue is avoiding double counting or overstatement of capacity value.
22 Interruptible customers may already provide system value through an existing NS Power
23 rate or service arrangement. If those customers were also eligible for Business, Non-profit
24 and Institutional (BNI) Demand Response (DR), E1 and NS Power would need to confirm
25 that participation provides incremental value to ratepayers and does not compensate the
26 same curtailable load twice.

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- 1 (d) E1 expects to continue discussions with DSM Advisory Group (DSMAG) members during the
2 2027–2031 Plan period.
3
- 4 (e) Depending on the outcome of DSMAG engagement, E1 could further assess whether
5 interruptible customers can provide incremental curtailable capacity through BNI DR.
6 Potential actions could include developing eligibility criteria, clarifying baseline and
7 Measurement and Verification (M&V) treatment, coordinating dispatch protocols with NS
8 Power, or allowing participation only for load that is incremental to existing interruptible
9 commitments. Additionally, depending on the outcome E1 would expect to assess the
10 appropriate next steps.

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Request IR-57:

Please refer to Table 45 on page 80 of Appendix A – Preferred Plan regarding the measures promoted for the demand response programs.

(a) Please explain why the list of measures does not include batteries, EV telematics, or EV charger devices.

(b) Please address the apparent inconsistency with (i) Page 34 of the 2025 DSM Annual Progress Report; and (ii) Slide 11 of the DSMAG presentation entitled “DR Overview” dated November 19, 2025, both of which indicate that such technologies had previously been supported.

Response IR-57:

(a) Batteries, Electric Vehicle (EV) telematics, and EV charger devices are not included in Table 45 because EfficiencyOne (E1) has not included those Eco Shift pathways in the proposed 2027–2031 Plan. For additional detail please refer to E1’s response to Synapse IR-16.

(b) There is no inconsistency. The 2025 DSM Annual Progress Report and Demand Side Management Advisory Group (DSMAG) presentation described technologies supported at that time (EV and battery pathways were included in the 2025 and 2026 demand response seasons). Table 45 reflects the measures included in the proposed 2027–2031 Preferred DSM Plan (EV and battery pathways have not been included in the 2027–2031 proposed DSM Plan).

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Request IR-58:

Please refer to the available demand response capacity (MW) estimates presented in Table 45 on page 80 and Table 46 on page 81 of Appendix A – Preferred Plan. Please explain whether the available demand response capacity estimates account for any impacts associated with effective load carrying capability (“ELCC”) as estimated by NSPI.

Response IR-58:

The available demand response capacity estimates in Tables 45 and 46 do not include an adjustment for effective load carrying capability (“ELCC”) as estimated by NS Power.

EfficiencyOne (E1) understands that ELCC treatment for demand response is being assessed through ongoing Nova Scotia Independent Energy System Operator (NSIESO)/NS Power work. E1 is awaiting the results of that work and will review the findings to understand how program design, dispatch parameters, event timing, duration, and resource mix can be optimized to increase the capacity value of demand response for ratepayers.

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Request IR-59:

Please refer to page 82 of Attachment A – Preferred Plan, where E1 projects 21.1 MW of available Demand Response capacity in the 2026/2027 season, and to page 9 of Appendix A – Preferred Plan, where E1 states it expects to meet its approved Performance Target of 16.3 MW. Please refer also to Appendix A, Attachment 4, sheet 4a, where Guidehouse estimates 2027 achievable potential at 21 MW, comprised of C&I Curtailment (10.3 MW), C&I Loadshift to Back-Up Generators (6.6 MW), DLC-Thermostat (3.1 MW), and DLC-Water Heating (1.1 MW).

(a) Please describe how past-season performance is factored into projected achievable capacity, including any adjustments to enrollment, retention, or per-device response rates based on observed results.

(b) Attachment 4, sheet 4a indicates that C&I Curtailment achievable potential nearly doubles from approximately 5.7 MW in 2026 to 10.3 MW in 2027, despite sheet 8 indicating declining C&I curtailment participation. Please explain what operational, contractual, or load-side changes are expected to drive this improvement – over that observed between 2025 and 2026 – among existing C&I participants, and what steps E1 has taken or plans to take to ensure that this substantial projected performance improvement is realized.

Response IR-59:

(a) Past-season performance was reflected through the participation and unitary capacity assumptions used in the proposed 2027–2031 DSM Plan. These assumptions were informed by evaluation results, observed program performance, and EfficiencyOne (E1)

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1 program experience. The attrition assumption remained constant at 2 percent per year.
2 Please refer to Attachment 4 of E1’s response to NSEB IR-38 for demand response inputs.
3

4 (b) The increase in Commercial and Industrial (C&I) Curtailment achievable potential from
5 2026 to 2027 is not driven by a proportional increase in participant count. Smart Synergy is
6 a “bring your own load” program, so achievable capacity depends on the specific loads and
7 curtailment strategies of participating customers, not only the number of participants.
8

9 E1 was purposeful in recruitment and focused on customers that could provide meaningful
10 load reductions rather than broadly recruiting small customers with limited curtailable
11 capacity. The improvement reflects this targeted recruitment approach, updated
12 participation and unitary capacity assumptions, customer-specific curtailment
13 opportunities, and E1’s experience from prior seasons.
14

15 E1 is also taking steps to improve event performance, including stronger customer
16 coordination, improved event readiness, and continued efforts to secure additional
17 advance notice from NS Power where feasible. These steps are intended to improve
18 participation and reduce the likelihood that customers are unable to respond due to
19 operational constraints.

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Request IR-60:

Please refer to Table 45: 2027–2031 Residential Demand Response Program Component on page 80 of Appendix A – Preferred Plan which states, “Overview: Provides incentives to customers to shift or curtail loads during peak events when there is value to the utility (Eco Shift pathway).”

(a) Please provide the Eco Shift incentives for Residential customers.

(b) Did E1 consider reducing the incentives for new participants to make the program more cost effective?

i) If so, what changes to incentives did E1 consider?

ii) If not, why not?

(c) Has E1 considered adding new Residential customers to its Eco Shift demand response program in constrained area once NS Power files its DER Integration Roadmap and provides E1 with the AMI data feeds?

i) If so, why didn’t E1 propose this in its plan?

ii) If not, why not

Response IR-60:

(a) The current Eco Shift participation incentives are:

Device Type	Incentive
Smart Thermostat	\$30/participant/year
Water heater controller	\$20/participant/year

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1 (b) Yes. E1 considered incentive changes to improve cost-effectiveness. E1 has removed
2 enrollment incentives and is retaining only participation incentives for devices remaining
3 in the program to focus on performance of devices rather than enrolment.

4 i) Please refer to part (b) of this IR response.

5 ii) Please refer to part (b) of this IR response.
6

7 (c) No, E1 has not included any new enrollments in the proposed Eco Shift demand response
8 program component during the 2027–2031 DSM Plan period. Once this information
9 becomes available E1 understands that time will be needed to review the data and
10 determine next steps, including consideration for new enrollments under a future demand
11 response offer if appropriate.

12 i) Please refer to part (c) of this IR response.

13 ii) Please refer to part (c) of this IR response.

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Request IR-61:

Please refer to Table 46: 2027–2031 BNI Demand Response Program Component on page 81 of Appendix A – Preferred Plan which states, “Program Component History: 2024 to 2025 – participation grew from 9 participants in 2023 to 76 in 2024 to 143 in 2025.”

(a) Please explain the primary reasons for the increase in participation in 2025 as compared to 2024.

(b) If participation nearly doubled from 2024 to 2025, why is participation only expected to grow from 169 to 175 from 2027-2031?

(c) Please provide the demand response incentives for BNI customers.

(d) Has E1 considered adding new BNI customers to its demand response program in constrained area once NS Power files its DER Integration Roadmap and provides E1 with the AMI data feeds?

i) If so, why didn’t E1 propose this in its plan?

ii) If not, why not?

Response IR-61:

(a) The increase in participation from 2024 to 2025 was driven by continued Smart Synergy recruitment and program maturation. In 2024, EfficiencyOne (E1) increased recruitment to build the program and support the higher capacity target, including recruiting customers with lower available capacity where appropriate. This helped increase participation from 2024 to 2025.

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1 After the 2025 season, E1 refined its approach based on operational experience. E1 is now
2 focusing recruitment on customers that can provide meaningful curtailable capacity and
3 reliable event participation, rather than continuing to broadly recruit customers with
4 limited contribution to overall capacity.

5
6 (b) Participation is expected to grow more slowly from 2027 to 2031 because E1 is shifting
7 from broad recruitment to a more targeted delivery approach. The focus is on fewer
8 customers with higher curtailable load per customer, supported by stronger customer
9 coordination and event readiness. This approach is intended to increase curtailment per
10 participant and improve reliability, rather than mass recruiting customers and relying on
11 broad participation.

12
13 (c) BNI DR incentives include a \$100/kW performance incentive and an additional \$15–
14 \$20/kW incentive, depending on the hardware package required for participation.

15
16 (d) Depending on the outcomes of the DER Integration Roadmap and AMI feeder ID
17 information, E1 would expect to assess potential implications including locational demand
18 response opportunities. E1 remains open to working with NS Power, as needed, to help
19 alleviate grid congestion where BNI DR can provide value and where customers with
20 curtailable load are within those areas.

21 i) Please refer to part (d) of this IR response.

22 ii) Please refer to part (d) of this IR response.

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Request IR-62:

Please refer to Table 47: 2027–2031 Demand Response Performance Indicators on page 82 of Appendix A – Preferred Plan which shows a PAC of 1.2 for 2028 and PACs for all other plan years of 1.7 to 2.0.”

(a) Why is the PAC for 2028 substantially lower than for all other plan years?

(b) Please break out the data into two tables, one for Residential and one for BNI.

(c) Please provide two new tables, one for Residential and one for BNI, showing the PAC test results assuming that all participants reside in constrained areas. Please use the most recent avoided costs for constrained areas provided by NS Power. Please provide a comparison of the avoided cost values for constrained areas used in this analysis to the avoided cost values used in the plan.

Response IR-62:

(a) The demand response Program Administrator Cost (PAC) results for 2028 are substantially lower because of the annual avoided costs provided by NS Power, which indicate significantly lower avoided costs in 2028 relative to other years. In particular, the avoided cost of Generation Capacity in 2028 (\$250/kW-yr) is less than half of the 2027 value (\$513/kW-yr). Avoided cost of capacity is the primary driver of PAC results for demand response programs. Avoided costs used in DSM Plan modelling of demand response are provided in Table 1, below.

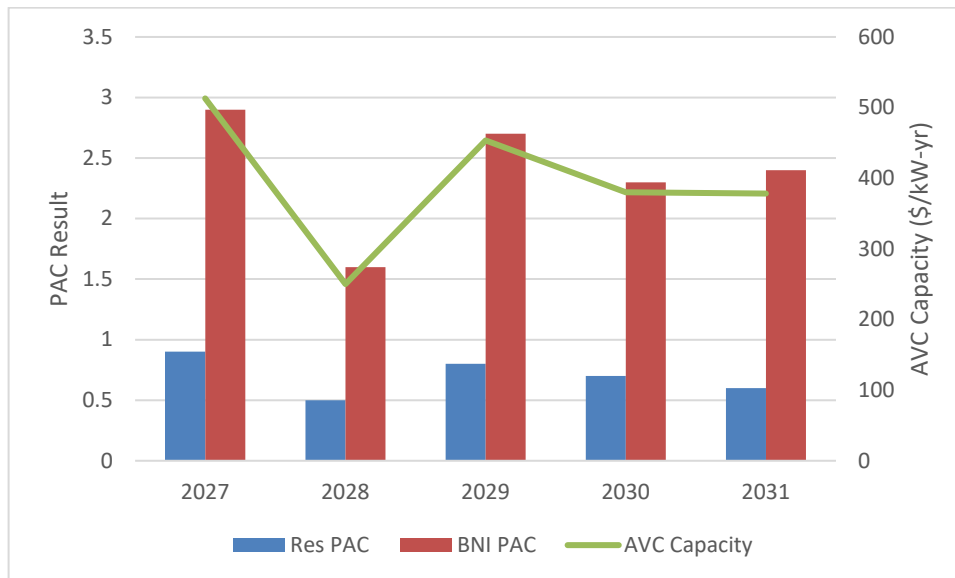
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Table 1: Avoided costs used in demand response modelling (2027–2031)

Avoided Cost Category	2027	2028	2029	2030	2031
T&D Capacity (\$/kW-yr)	64	65	66	68	69
Generation Capacity (\$/kW-yr)	513	250	453	380	378
Energy Purchase On Peak (\$/kWh)	155	40	84	105	151
Energy Purchase Off Peak (\$/kWh)	-2	-56	13	66	117

Figure 1 shows how the annual variation in Residential Demand Response and BNI Demand Response PAC results corresponds to the annual variation in the avoided cost of capacity.

Figure 1: Residential Demand Response and BNI Demand Response Annual PAC Results Compared to Avoided Cost (AVC) of Capacity



- (b) Refer to Table 2 for Residential Demand Response and Table 3 for BNI Demand Response for a breakout of Demand Response program performance indicators by program component.

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Table 2: 2027–2031 Residential Demand Response

Year	Investment (\$ million)	Available Capacity (MW)	Participation (devices)	Participation (participants)	Levelized Cost (\$/kW-year)	Program Administrator Cost Test (PAC)
2027	2.2	4.2	22,940	0	-	0.9
2028	2.0	4.1	22,483	0	-	0.5
2029	2.0	4.0	22,034	0	-	0.8
2030	2.0	3.9	21,593	0	-	0.7
2031	2.0	3.8	21,160	0	-	0.6
Total	10.3	3.8	21,160	0	617.6	0.7

Table 3: 2027–2031 BNI Demand Response

Year	Investment (\$ million)	Available Capacity (MW)	Participation (devices)	Participation (participants)	Levelized Cost (\$/kW-year)	Program Administrator Cost Test (PAC)
2027	3.1	17.0	0	169	-	2.9
2028	3.5	19.1	0	173	-	1.6
2029	3.8	21.2	0	173	-	2.7
2030	4.1	23.3	0	175	-	2.3
2031	4.4	25.5	0	175	-	2.4
Total	18.8	25.5	0	175	188.7	2.4

- (c) Table 4 provides an estimate of the Residential and BNI Demand Response PAC results if all demand response participants were located in a constrained area. These results were not generated by the Guidehouse DRSim model; rather, they were produced through a manual calculation performed by E1 outside the model, using the same underlying program cost and participation data as the DSM Plan, but substituting the constrained area avoided costs set out in Table 5 in place of the avoided costs used in the DSM Plan (Table 1). While this approach provides a reasonable estimate, it should be understood as an approximation.

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Table 4: Residential and BNI Demand Response PAC Results – Constrained Area Analysis

Year	PAC Residential DR	PAC BNI DR
2027	1.1	3.5
2028	0.7	2.2
2029	1.0	3.3
2030	0.8	3.0
2031	0.8	3.1
Total	0.9	3.0

Avoided costs used in the constrained area analysis are provided in Table 5. This can be compared to the DSM Plan avoided costs in Table 1.

Table 5: Constrained Area Avoided Costs

Avoided Cost Category	2027	2028	2029	2030	2031
T&D Capacity - <i>Constrained</i> (\$/kW-yr)	186	190	194	198	202
Generation Capacity (\$/kW-yr)	513	250	453	380	378
Energy Purchase On Peak (\$/kWh)	155	40	84	105	151
Energy Purchase Off Peak (\$/kWh)	-2	-56	13	66	117

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Request IR-63:

Page 83 of Appendix A – Preferred Plan states, “E1’s proposed solar-PV program is focused on equity to deliver meaningful benefits to Mi’kmaq communities facing high energy burdens. The proposed delivery approach adopts a targeted, small-scale launch focused on residential new home construction in Mi’kmaq communities.”

(a) Has E1 ever met with the Mi’kmaq of Nova Scotia regarding any of its previous DSM Plans? If so, when and for what purpose? What did E1 learn from those discussions?

(b) If so, did those discussions affect the historical DSM Plan investments? In what way(s)?

(c) Did E1 meet with the Mi’kmaq of Nova Scotia regarding its proposed 2027-2031 DSM Plan? If so, when and for what purpose? What did E1 learn from those discussions?

(d) If so, did those discussions affect the proposed 2027-2031 DSM Plan investments? In what way(s)?

(e) At any point in these discussions, did the Mi’kmaq of Nova Scotia discuss any concerns with electric system reliability or any other concerns that may or may not be directly relevant to DSM planning? If so, when and what did E1 learn?

(f) Does solar-PV offer reliability benefits for the Mi’kmaq of Nova Scotia if they are not paired with batteries? If so, were any of these reliability benefits captured in the DSM cost-effectiveness modeling?

(g) Did E1 consider including batteries in this offering? Why or why not?

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1 Response IR-63:

2
3 (a) EfficiencyOne (E1) has ongoing engagement with Mi'kmaw communities through E1's
4 Mi'kmaw Home Energy Efficiency Project service delivery team, Roving Mi'kmaw Energy
5 Manager, Community Engagement Lead for Mi'kmaw Communities, Community
6 Engagement Specialist and the Communities Business Development Manager as well as
7 through the Demand Side Management Advisory Group (DSMAG) about their interests in
8 various energy technologies and support. The 2027–2031 Preferred DSM Plan support for
9 Mi'kmaw communities was developed in response to feedback from these communities.
10 Additionally, E1 has met with Kwilmu'kw Maw-klusuaqn, the Assembly of Nova Scotia
11 Mi'kmaw Chiefs, and other leaders within community housing divisions regularly. E1
12 collaborated with Mi'kmaw communities and leadership to design and deliver the Mi'kmaw
13 Home Energy Efficiency Project that started in 2018.

14
15 (b) Please refer to response (a).

16
17 (c) Please refer to response (a).

18
19 (d) Please refer to response (a).

20
21 (e) Electricity system reliability and other related concerns were not expressed to E1 by
22 Mi'kmaw community representatives during the recent meetings noted above.

23
24 (f) Solar-PV provides reliability benefits even if not paired with batteries. The Mi'kmaw New
25 Home Construction program couples building envelope and solar-PV upgrades to minimize
26 household energy needs and bills, as well as contribute to energy security.

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1 Aligned with the Nova Scotia Energy Board’s Decision on E1’s Application for a New Benefit
2 Cost Analysis Test for Evaluating Demand Side Management Plans (M12282), E1 has used
3 the Program Administrator Cost test to assess the benefits of the proposed 2027–2031
4 DSM Plan. Non-energy benefits are not captured in this benefit cost analysis.

5
6 (g) While this specific scenario was not modelled for 2027–2031, E1 considered including
7 batteries in the Solar-PV program offering. E1 administered the provincially funded Home
8 Battery Pilot in recent years, which incentivized residential solar-PV tied batteries, and used
9 that cost and incentive data in its assessment. The Solar-PV program currently has a
10 Program Administrator Cost (PAC) test ratio of 1.1 and E1’s assessment indicated that the
11 inclusion of batteries would result in a PAC result below 1.0.

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Request IR-64:

Page 92 of Appendix A – Preferred Plan states, “The Roving Energy Manager facilitates Mi’kmaw participation in E1’s BNI programs throughout the 2027– 2031 DSM Plan period.”

(a) Please describe how the Roving Energy Manager facilitates participation.

(b) Please identify the types of Mi’kmaw BNI participants that the Roving Energy Manager is reaching out to.

Response IR-64:

(a) EfficiencyOne’s (E1) Roving Energy Manager conducts on-site energy audits of community-owned non-residential buildings to identify DSM opportunities and quantify potential energy and utility bill savings, as well as estimated project costs. The Roving Energy Manager also meets with Mi’kmaw community representatives to advance these opportunities by presenting audit findings and providing information on DSM and non-DSM funding sources that can strengthen project business cases.

(b) The types of BNI participants include Mi’kmaw band-owned commercial buildings (e.g., schools, daycares, administrative centers, recreation facilities, etc.).

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Request IR-65:

Page 93 of Appendix A – Preferred Plan states, “3. Complete program harmonization initiative: E1 will complete a program harmonization initiative to streamline and modernize E1 operations, aimed at improving the customer experience by simplifying the requirements and processes customers must navigate when participating in E1 programs. The initiative involves the use of technology, process engineering, and data integration (across customer touch points and channels).”

(a) When will this initiative be conducted and when will it be complete?

(b) Will E1 conduct an evaluation of the effects of this initiative? If so, when? If not, why not?

Response IR-65:

(a) Project planning, scope definition, and requirements for the initiative are underway, with a phased implementation to begin in Q3 2026. The first phase is expected to be completed at the end of Q1 2027. Current projections have the initiative fully completed in Q2 2028.

(b) Yes, E1 will evaluate the effects of the initiative after the completion of the first phase, allowing for sufficient time to pass after completion to provide meaningful results.

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Request IR-66:

Please refer to Table 57: 2027–2031 Other Enabling Strategies on page 95 of Appendix A – Preferred Plan. Please provide a detailed description of the activities that necessitate the budgets allocated to each of the Areas of Focus in each year.

Response IR-66:

Descriptions for 2027–2031 Other Enabling Strategies activities are provided in EfficiencyOne’s 2027–2031 DSM Resource Plan Application, Appendix A, Table 58 on page 96.

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Request IR-67:

Pages 97-98 of Appendix A – Preferred Plan state, “The Heat Pump Water Heater pilot will undergo at least one evaluation during the 2027–2031 Plan period to understand the evaluated savings potential as well as process improvements for intervention activities carried out to date. (Note: Market Transformation programs require a much longer planning horizon and it can take several years before results can be measured).”

(a) Please provide the anticipated timing of the impact and process evaluations during the 2027-2031 Plan period.

(b) Would E1 consider transitioning this effort from pilot to program implementation during the 2027-2031 Plan if the pilot is deemed successful? Why or why not? What criteria would E1 use to determine if the pilot should be implemented as a program?

Response IR-67:

(a) The first evaluation of the heat pump water heat market transformation pilot is planned for the fall of 2026 and is expected to include an impact and market evaluation. Subsequent evaluations are expected to occur every two years and include impact, market and process evaluations.

(b) The Heat Pump Water Heater (HPWH) Market Transformation (MT) pilot is intended to remain a pilot for the duration of the Plan period. The HPWH MT pilot establishes and tests each stage of the EfficiencyOne (E1) MT Framework. This includes technology screening and selection; MT Logic Model development; investment and intervention ramp up; evaluation; steady state; and finally, E1 investment and activity phase out as

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1 HPWHs become industry standard. At each stage, it is the first time being conducted by
2 E1.

3
4 As demonstrated in other jurisdictions that deliver MT initiatives, including those for
5 HPWHs such as Northwest Energy Efficiency Alliance (NEEA), they are long-term in nature.
6 Moving through these stages of MT takes years, from launching interventions to seeing
7 self-sustaining market transformation, at which point E1 can scale back investment.

8
9 In the future, if new technologies are deployed under the E1 Market Transformation
10 Framework, they would be implemented as a program, based on the results of MT
11 Evaluations and experience gained under the HPWH Pilot.

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Request IR-68:

Page 101 of Appendix A – Preferred Plan states” A condensed impact evaluation involves using key elements such as evaluation parameters, methodologies and related calculations referenced in previous comprehensive evaluation reports. Condensed impact evaluations are expected to consist of energy (annual and lifetime), system peak demand savings, and available capacity results. This means that for stable, mature program components, the Evaluator will use unitary savings values, realization rates, and/or installation rates previously determined.”

(a) Please identify the programs for which a condensed impact evaluation will be conducted and provide the rationale for this decision.

(b) Please clarify the new data, research, and/or analysis that will be part of each condensed impact evaluation.

Response IR-68:

(a) Please refer to EfficiencyOne’s (E1) response to Synapse IR-83. The Evaluation Framework to be developed with E1’s independent evaluation consultant will establish evaluation principles, provide explanations on the various types of evaluations, and outline prioritization criteria to be used when developing annual evaluation plans.

(b) Please refer to E1’s response to Synapse IR-83.

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Request IR-69:

Page 102 of Appendix A – Preferred Plan states, “E1 will work with the Evaluator to determine what program components should be evaluated based on the following criteria:

- newly created program components that have not yet been evaluated;**
- program components that have incurred major changes;**
- program components that received many recommendations from the evaluator; and**
- program components that have a variance of energy savings larger than 25 percent of Plan year target.”**

Please answer the following questions regarding the quote above:

(a) Did E1 consider aligning the ‘25 percent of Plan year target’ with the reduced MCA threshold of 20 percent for program changes for both spending and savings that require explanations?

(b) Would it make sense to align these two thresholds? Why or why not?

Response IR-69:

(a) No. EfficiencyOne (E1) had not previously considered aligning the evaluation variance threshold with the MCA spending and savings threshold. E1 will review this matter to assess whether there is valid rationale for such a change.

(b) Please refer to part (a) of this IR response.

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Request IR-70:

Page 103 of Appendix A – Preferred Plan states, “The Evaluator will present total available capacity, defined as the total demand response capacity that was available during the evaluated period. Available capacity from demand response differs from peak demand savings since the former considers the load reduction that was made available by participating devices during the events called for the demand response season instead of the load reduction that coincided with the utility peak period. This distinction was made since E1 does not control the calling of events and, thus, does not control how the resources made available to NS Power are used to reduce peak demand.”

(a) Is it possible for the Evaluator to reach out to NS Power for information regarding the coincidence of the load reduction with the utility peak period? If so, can this be added to the evaluation? If not, why not?

(b) Does the avoided capacity cost reflect the value of the load reduction that coincided with the utility peak period? If so, how can the benefits of the program be evaluated if the data regarding the coincidence of the load reduction with the utility peak period is not available? If not, what does the avoided capacity cost represent?

Response IR-70:

(a) The following IR response to part (a) has been provided by Econoler.

It is currently not in the Evaluator’s scope of work to collect and assess information regarding the coincidence of the load reduction with the utility peak period. This information is not required to evaluate the total available demand response capacity,

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1 which is EfficiencyOne’s (E1) performance target for demand response. The evaluation
2 analyzes the available demand response capacity across all events called by NS Power in
3 the evaluation period, independent of whether they are coincident with the utility peak
4 period defined for evaluating peak demand savings (i.e., between 5 p.m. and 7 p.m. from
5 December to February on non-holiday weekdays).

6
7 It is possible for the Evaluator to assess the load reduction coincident with the utility peak
8 period as additional information. This would not require further information from NS
9 Power.

10
11 (b) The avoided capacity cost provided by NS Power, reflects NS Power’s planning value for
12 avoided capacity, as provided for use in DSM planning and cost-effectiveness screening. It
13 is not developed by E1 through a retrospective assessment of whether each demand
14 response event coincided with the utility peak period.

15
16 E1’s Demand Response program provides capacity that is available to NS Power when
17 events are called. Because NS Power determines when events are required, E1 relies on NS
18 Power’s event dispatch and avoided cost inputs to reflect system need. E1 does not
19 independently re-model NS Power’s system after events to determine whether each event
20 coincided with the utility peak period.

21
22 The avoided capacity cost does not solely represent the value of load reductions that
23 coincide with the single system peak hour. Rather, it reflects the broader value of avoiding
24 or deferring investment in generation (or other capacity resources) as a result of demand-
25 side management (DSM) programs, including both energy efficiency and demand response.

- 26 • For energy efficiency, avoided capacity costs are realized through reductions in
27 overall system peak demand.

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- 1 • For demand response, avoided capacity costs are realized through reductions in
2 firm peak demand and depend on the extent to which load reductions are
3 available and reliable during periods of system need, not just at the absolute
4 peak hour.

5
6 The contribution of demand response to resource adequacy is currently being assessed
7 through an updated Effective Load Carrying Capability (ELCC) study led by the Nova Scotia
8 Independent Energy System Operator (NSIESO). This study evaluates the probability that
9 demand response resources are available during times of system need, with the intent of
10 providing a comprehensive measure of their capacity value. E1 expects the study to inform
11 future discussions on avoided capacity cost estimation and utility benefit calculations. For
12 additional detail, please refer to E1’s response to NSEB IR-43.

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Request IR-71:

Please refer to page 103 of the Attachment A – Preferred Plan, where E1 states that Demand Response events can be called for a four-hour duration during any time of day. Please also refer to page 35 of the 2025 Progress Report, where E1 states that “On average, BNI DR generated 6.8 MW in available capacity during morning events compared to 4.9 MW during evening events.”

(a) Please describe why BNI customers tend to show stronger morning performance.

(b) Please provide average morning and evening performance for the residential program and explain factors contributing to performance differences, if they exist.

(c) Please describe any projected changes to the distribution of morning vs winter events over the course of the 2027-2031 plan.

Response IR-71:

(a) Business, Non-Profit, and Institutional (BNI) customers tend to show stronger morning performance because there is generally more available load to curtail in the morning than in the evening. Industrial customer performance is generally more consistent across event periods; however, commercial facilities often have lower available load later in the day, which reduces evening curtailment potential.

(b) Residential performance varies by device type and event conditions. In general, residential heating loads are expected to be available during both morning and evening winter peaks, but performance can vary based on occupancy, weather, customer comfort settings, device

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connectivity, and whether the controlled load is actively operating during the event. Average morning and evening performance for the residential program based on available event results can be found at **2025 DSM Evaluation Report, Residential Demand Response Final Report, Table 21, page 42** for morning/evening values; **Table 24, page 47** for DHW evaluated unitary value.¹

(c) EfficiencyOne (E1) does not directly control the distribution of morning versus evening winter events. Events are called by NS Power based on system needs. E1’s role is to maintain resource availability so the portfolio can respond when called, whether events occur in the morning or evening.

E1 is also collecting customer event preferences, morning versus evening, to better understand participant availability across event periods and support confidence that the portfolio can respond to both morning and evening winter events.

¹ M12780, E1 2027-2031 DSM Plan Application, Exhibit-2, 2025 DSM Evaluation Reports, Demand Response Program, March 20, 2026.

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Request IR-72:

Page 106 of Appendix A – Preferred Plan states, “The purpose of this session is to provide stakeholders with a comprehensive review of:

- cumulative progress toward approved performance targets;**
- rate class spending trends and variances;**
- evaluation findings and lessons learned;**
- market conditions affecting plan delivery; and**
- any implementation challenges or opportunities.”**

Can E1 also use this session to provide updates on:

- (a) progress/performance of new programs or initiatives;**
- (b) progress/performance of pilots;**
- (c) progress/performance of market transformation efforts;**
- (d) progress/performance of the Innovation Plan to date and the proposed Innovation Plan for the upcoming year;**
- (e) status of data on constrained areas and NS Power’s DER Integration Roadmap and outcomes of discussions regarding further demand response coordination with NS Power;**
- (f) updates on work with NSIESO on IRPs and avoided costs;**

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1 **(g) recommended changes to respond to implementation challenges or opportunities;**

2
3 **(h) the potential for additions and/or terminations of programs; and**

4
5 **(i) the potential for a plan amendment and the cause(s), including but not limited to:**
6 **significant and unforeseen changes in avoided costs, material shifts in market conditions**
7 **or technology availability, legislative or regulatory changes affecting DSM delivery, or**
8 **other extraordinary events materially impacting plan feasibility or ratepayer value?**

9
10 Response IR-72:

11
12 (a) The mid-term check-in process is designed to enhance transparency and stakeholder
13 engagement with respect to the DSM Plan results, trends and the planning landscape
14 during implementation.

15
16 E1 is proposing the following process for the mid-term check-in:

- 17 • In advance of the Demand Side Management Advisory Group (DSMAG) session, E1
18 will provide notice and circulate the list of topics to be discussed, with DSMAG
19 members having an opportunity to provide input on the session.
- 20 • In addition to the bulleted items listed in the Preferred Plan, E1 would expect this
21 could include updates on the items listed in parts (a) to (i) of this IR. Written materials
22 will be circulated in advance of the session with a comment period offered following
23 the session.
- 24 • E1 will also offer one-on-one meetings with interested DSMAG members as part of
25 this mid-term process.
- 26 • E1 proposes to hold a mid-term session with the DSMAG at the mid-point of the Plan
27 implementation period, during the first quarter of 2029. This timeline coincides with

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1 the expected timeline of when engagement with the DSMAG on the development of
2 the next DSM Plan would be initiated.

3 E1 currently provides regular and ad-hoc reporting (as requested/required by the Nova
4 Scotia Energy Board (NSEB)) throughout Plan implementation, and is not proposing any
5 changes to this reporting outside of the enhancements described below:

- 6 • Quarterly Progress Reports;
- 7 • Annual Progress Reports;
- 8 • Annual Evaluation Reports; and
- 9 • Annual Financial Statements.

10
11 E1 has proposed the following enhancements to its current annual reporting:

- 12 • Annual DSMAG sessions: Each year, following the filing of the Annual Progress
13 Report (APR) and Evaluation Report, E1 will hold an annual session with the
14 DSMAG to review and discuss progress towards Plan implementation, mid-course
15 adjustments (if applicable), rate class spending and related matters. These
16 sessions will occur in Q2 of each year and may include opportunities for the
17 DSMAG to provide written feedback. E1 will proactively convene these sessions
18 recognizing that the NSEB may also initiate a DSMAG consideration process for
19 these reports at its discretion.
- 20 • Annual one-on-one stakeholder meetings: After filing the APR and Evaluation
21 Report each year, E1 will provide the opportunity to meet with stakeholders
22 individually to address questions and discuss results. These meetings will be held
23 in Q2 of each Plan year.
- 24 • Expanded content in E1's reporting: To support stakeholder understanding of
25 annual and cumulative performance against the five-year Plan targets, E1 intends
26 to include year-to-date and cumulative progress towards the approved five-year

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performance targets in its Quarterly reports (E1 provides this currently in its Annual Progress Reports).

- E1 would also provide within its Quarterly and Annual Progress Reports information on the mid-term check in process.

E1's proposed mid-term check in process is intended to meet the following objectives:

- 1) To provide an opportunity for a comprehensive review of E1's progress on a DSM Plan's implementation; and
- 2) To discuss mitigating circumstances that may require an amendment to the current DSM Plan.

Review of E1's progress on a DSM Plan's implementation

The objective is to provide DSMAG members with a comprehensive review of:

- cumulative progress toward approved performance targets;
- rate class spending trends and variances;
- evaluation findings and lessons learned;
- market conditions affecting plan delivery;
- any implementation challenges or opportunities; and
- other topics suggested by DSMAG members, for example updates on E1's Innovation Plan and updates on locational Demand Response.

Potential DSM Plan amendment

If circumstances arise during Plan implementation that, in E1's reasonable assessment, necessitate changes to approved investment levels, performance targets, or other material plan changes, E1 understands it has the ability, at any time during plan implementation, to file an application with the NSEB seeking approval of changes to the Plan as approved.

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1 E1 would expect that several questions should be considered before determining whether
2 an amendment to a DSM Plan is reasonable and appropriate. The decision must be
3 thoughtful and is not merely preparing a checklist of triggers that may or may not warrant
4 an amendment. For example:

- 5
- 6 • *Would an amendment to the DSM Plan be in the best interest of ratepayers?*

7 Consistent with a DSM Plan application, E1 would expect any amendment would
8 require fulsome DSMAG member engagement prior to E1 filing an application
9 seeking NSEB approval of the amended DSM Plan. The amendment would be subject
10 to a NSEB determined regulatory proceeding. E1 must consider whether the costs
11 associated with an amendment would be prudent and in the best interests of
12 ratepayers. Additionally, the timelines associated with an amendment could
13 coincide with the development of the next DSM Plan and as such may create
14 additional regulatory burden unnecessarily.

- 15
- 16 • *How has achievability of the amended DSM Plan been considered?*

17 E1 would carefully consider whether there would be a NSEB decision in time for E1
18 to implement the changes contemplated in an amendment and whether
19 achievement of E1's performance targets would be at risk if the amendments were
20 approved.

- 21
- 22 • *Does the outcome of a new Integrated Resource Plan (IRP) warrant an amendment?*

23 In DSM planning, the IRP has been one of many factors considered, and while it
24 informs a DSM Plan directionally, the DSM Plan is developed based on other
25 considerations such as affordability and achievability as well. Changes in IRP
26 outcomes - including updated avoided costs or revised resource adequacy findings
27 – have not automatically triggered amendments to a DSM Plan in the past. E1 does

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acknowledge that materially different avoided cost or resource adequacy findings from a new IRP are important findings, however, due to the timing of IRPs, E1 would consider whether these outcomes may be more useful in informing the next DSM Plan. E1 is engaged as a stakeholder in the Nova Scotia Independent Energy System Operator's IRP process.

- *Are the specific changes or events material enough to seek changes?*

E1 has not defined what a material change or event may be. Rather, E1 would need to assess each situation as unique to determine whether the change or event creates a risk to E1 achieving its NSEB approved performance targets within the approved DSM investment or a mis-alignment between the Plan as approved and the planning landscape, for example significant changes to system resource needs, legislative changes or an event such as a pandemic.

- *Do DSMAG members support the amendment?*

Having input and support from DSMAG members regarding a DSM Plan amendment is one of several considerations for E1, and may provide useful context in determining whether and how to proceed with an amendment application.

As the franchise holder, E1 retains full discretion to determine whether to propose and seek NSEB approval of an amendment to a DSM Plan and as such retains full discretion to determine whether amendments to a DSM Plan are warranted.

(b) Please refer to part (a) of this IR response.

(c) Please refer to part (a) of this IR response.

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- 1 (d) Please refer to part (a) of this IR response.
2
3 (e) Please refer to part (a) of this IR response.
4
5 (f) Please refer to part (a) of this IR response.
6
7 (g) Please refer to part (a) of this IR response.
8
9 (h) Please refer to part (a) of this IR response.
10
11 (i) Please refer to part (a) of this IR response.

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Request IR-73:

Pages 109-110 of Appendix A – Preferred Plan make multiple references to variances including:

- **“10 percent or greater variances in incentive levels at the measure level);**
- **discussion on variances to the approved Plan (YTD results to the approved Plan, 15 percent**
- **or greater variances);**
- **year-end forecast by rate class to provide insight on the expected rate class expenditures by year-end, along with discussion on variances to the approved Plan (forecast and/or YTD results to the approved Plan, 15 percent or greater variances).”**

Did E1 consider aligning the ‘15 percent or greater variances’ associated with the discussion on variances to the approved Plan (bullet #2) with the MCA threshold of 20 percent for program changes for both spending and savings that require explanations? Would it make sense to align these two thresholds? Why or why not?

Response IR-73:

Please refer to EfficiencyOne’s response to NSEB IR-30 that explains how E1 determined these thresholds.

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Request IR-74:

Page 2 of Appendix A – Attachment 5 states, “The Executive Leadership Team oversees E1’s innovation activities, providing strategic direction, approvals, and compliance oversight.” How many people are part of the Executive Leadership Team? Who are they and what are their qualifications? Is there anyone on the Executive Leadership Team who is not from E1?

Response IR-74:

EfficiencyOne’s (E1) is committed to providing leadership development programs and to focusing on succession planning for all management roles. For the Executive Leadership Team (ELT) roles, where all members are employees of E1, these positions are predominantly filled by a competitive recruitment process. This process may be conducted by a third-party recruiting service or by E1’s human resource team. In some cases, ELT roles may be filled by a senior manager who has been mentored through E1’s succession planning efforts. The ELT is supported by E1’s Board of Directors.

Please see the link below for roles and biographies of the ELT and Board of Directors.

[Leadership – EfficiencyOne](#).

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Request IR-75:

Page 8 of Appendix A – Attachment 5 states, “Identify and develop hybrid-heating solutions for households with high retrofit costs or structural barriers.” Please define the term ‘hybrid-heating solutions’ and provide a list of eligible measures.

Response IR-75:

A hybrid-heating solution, for the purposes of Appendix A – Attachment 5, is defined as a combination of an efficient electric heating system (e.g., a heat pump) and a non-electric fuel heating system (e.g., a natural gas furnace) where, the operation of the efficient electric heating system can be dynamically shifted or limited during utility peak periods. This dynamic control approach is intended to maximize consumer benefits while minimizing impacts on the electricity grid during periods of peak demand. The following hybrid-heating measures could be considered as part of EfficiencyOne’s (E1) innovation technology assessment activities. The focus will be on measures that have both been un-tested by E1 in the Nova Scotia market but have the following markers for success, customer value proposition, the ability for electrical demand to be dynamically controlled, and the potential to reduce overall greenhouse gas emissions relative to their respective non-electric baseline heating systems, including:

- Centrally Ducted Heat Pump with non-electric forced air furnace
- Mini Split heat pumps with non-electric hydronic boiler
- Air to water heat pumps with non-electric hydronic boiler
- Roof top units with non-electric back up coil
- Dual fuel systems (hybrid heat pumps with non-electric backup in a single unit)

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Request IR-76:

Page 9 of Appendix A – Attachment 5 states, “Based on stakeholder engagement in NS Power’s Distributed Energy Resource Integration Roadmap project, E1 anticipates customer engagement and education around Time Varying Pricing Rates. Should this proceed, E1 will coordinate with NS Power to ensure rate design and E1 programs reinforce (not conflict with) each other, including supporting customer education and aligning program participation with evolving rate signals.” Should this be considered as part of the Demand Flexibility area of focus, as it does not appear to be related to Locational DSM?

Response IR-76:

EfficiencyOne’s (E1) use of the term demand flexibility in Appendix A – Attachment 5, refers broadly to alterations in a customer’s electricity consumption in response to electricity system or distribution system needs and/or price signals. This includes both general locational demand-side management (DSM) initiatives and, more specifically, locational demand-response projects undertaken by the Innovation team.

E1 anticipates that coordination with NS Power will help ensure that rate design and E1 programming reinforce, rather than conflict with, one another. This coordination is expected to support broader capacity-resource programming under the umbrella of demand flexibility, as well as more targeted locational demand-response initiatives. Aligning rate-based and incentive-based programming may help limit market confusion and improve the likelihood of success for these innovation projects.

E1 understands that NS Power’s Time-Varying Pricing program is an opt-in offer that provides the same universal price signals to all participating customers. Customers are encouraged to select

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- 1 the rate option that best suits their needs. E1 further understands that rate-based programming
- 2 alone does not account for locational factors.

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Request IR-77:

Please refer to Figure 3: Average Rate Impacts (2027-2046) as a Result of 2027-2031 DSM Preferred Plan Activities on page 8 of Appendix B - Rate and Bill Impact Analysis of the 2027–2031 DSM Plan and 2026 Historical. Why are the rate impacts negative for the medium industrial rate class?

Response IR-77:

The following IR response has been provided by Elenchus.

The Medium Industrial energy efficiency rate impacts are lower than other classes due to the changes in rate class loads. The extent that the programs reduce peak loads relative to the extent that they reduce energy requirement is greater for the Medium Industrial class than any other rate class. This is primarily due to high participation in the Demand Response program. There is a decrease in Medium Industrial peak demands, and the class's share of the system peak, which reduces the allocation of costs to the rate class. While there is a decrease in NS Power-supplied energy, there is an overall increase in energy when Renewable to Retail loads are included. The DSM rider applies to Renewable to Retail loads so the impact of program costs are spread among more kWh. Overall, the rate impact of avoided costs is greater than the rate impact of the DSM rider so there are negative rate impacts for the Medium Industrial rate class.

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Request IR-78:

Page 19 of Appendix B - Rate and Bill Impact Analysis of the 2027–2031 DSM Plan and 2026 Historical states "A Renewable to Retail adjustment was applied to the NS Power rate model." Please describe what the "Renewable to Retail" adjustment is.

Response IR-78:

Please refer to Appendix B page 19, line 27 to page 20, line 23 for explanation of the Renewable to Retail adjustment.

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Request IR-79:

Please refer to Table 1: Rate and Bill Impacts by Rate Class as a Result of 2027-2031 DSM Preferred Plan Activities Preferred Plan DSM Activities on page 12 of Appendix B - Rate and Bill Impact Analysis of the 2027–2031 DSM Plan and 2026 Historical. Please add and populate the following two columns: Active Participants (# of NSPI accounts, thousands) and Non-Active Participants (# of NSPI accounts, thousands). Please determine the optimal way to present participant counts over five-year periods and explain the approach taken.

Response IR-79:

Please refer to Table 1 and Table 2.

Table 1: Rate and Bill Impacts by Rate Class as a Result of 2027–2031 DSM Preferred Plan Activities with Participation

Rate Class	Rate Codes	Average Rate Impact (%)	Average Rate Impact (cents/kWh)	Participant Average Bill Impact	Non-Participant Average Bill Impact	Total Class Average Bill Impact	Active Participants (2031) (thousands)	Non-Active Participants (2031) (thousands)
Residential	2, 3, 6,	0.6%	0.09	-16.3%	0.5%	-0.7%	131	416
	9, 16 (Domestic)							
Small General	10	0.9%	0.14	-37.3%	0.8%	-2.0%	3	26
General	11	0.7%	0.11	-11.6%	0.7%	-3.1%	5	7
Large General	12	0.3%	0.04	-3.5%	0.3%	-3.3%	0.02	0
Small Industrial	21	0.8%	0.11	-27.5%	0.8%	-3.1%	0.4	1.7
Medium Industrial	22	-0.1%	-0.03	-4.3%	-0.1%	-2.2%	0.13	0.06
Large Industrial	23, 25, one-part high voltage real time pricing tariff	0.6%	0.05	-4.0%	0.6%	-3.4%	0.032	0
Municipal	24	0.3%	0.03	0.0%	0.3%	0.0%	0.005	0

In preparing this response, an error was identified in the referenced table from Appendix B. The Average Rate Impact (cents/kWh) for the Municipal rate class has been revised from 0.05 to 0.03 in Table 1 of this response.

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1 Table 2: 2027–2031 DSM Preferred Plan Active and Non-Active Participants (2031, 2036, 2041, 2046)

Rate Class	2031		2036		2041		2046	
	Active Participants	Non-Active Participants	Active Participants	Non-Active Participants	Active Participants	Non-Active Participants	Active Participants	Non-Active Participants
Residential	130,768	416,163	130,768	433,494	61,674	514,757	200	585,990
Small General	2,987	25,654	2,987	27,115	2,789	28,848	310	32,941
General	4,658	6,632	4,658	6,684	4,658	6,734	174	11,284
Large General	20	0	20	0	10	10	0	20
Small Industrial	374	1,710	374	1,689	299	1,742	0	2,018
Medium Industrial	132	56	132	61	0	198	0	204
Large Industrial	32	0	14	18	0	32	0	32
Municipal	5	0	5	0	5	0	0	5

4 Approach:

- 5 • Active Participants represents participants who experience savings in the specified year
- 6 as a result of participation in DSM at any time over the 2027–2031 DSM Plan.
- 7 • Non-Active Participants represents customers who do not experience savings in the
- 8 specified year – either as a result of having not participated in any 2027–2031 DSM
- 9 programs, or as a result of all savings having expired. Calculated by subtracting active
- 10 participants from total NS Power customers.
- 11 • The Municipal participant count represents the number of Municipal Electric Utilities
- 12 (each is counted as one participant).
- 13 • Table 2 uses a snap-shot approach and provides the number of remaining active
- 14 participants and non-active participants for every fifth year. The number of active
- 15 participants decreases as energy savings (and active participants) expire over time.

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Request IR-80:

Please refer to Table 2: Rate and Bill Impacts by Rate Class over the study period (2011–2041) from 2011–2026 Historical DSM Activities on pages 17-18 of Appendix B - Rate and Bill Impact Analysis of the 2027–2031 DSM Plan and 2026 Historical. Please add and populate the following two columns: Active Participants (# of NSPI accounts, thousands) and Non-Active Participants (# of NSPI accounts, thousands). Please determine the optimal way to present participant counts over five-year periods and explain the approach taken.

Response IR-80:

Please refer to Table 1 and Table 2.

Table 1: Rate and Bill Impacts by Rate Class over the study period (2011–2041) from 2011–2026 Historical DSM Activities with Participation Added

Rate Class	Rate Codes	Average Rate Impact (%)	Average Rate Impact (cents/kWh)	Participant Average Bill Impact	Non-Participant Average Bill Impact	Total Class Average Bill Impact	Active Participants (2026) (thousands)	Non-Active Participants (2026) (thousands)
Residential	2, 3, 6,	2.0%	0.3	-8.5%	1.8%	-4.2%	518	0
	9, 16 (Domestic)							
Small General	10	3.2%	0.45	-12.7%	2.9%	-7.8%	27	0
General	11	1.9%	0.23	-12.4%	1.9%	-8.2%	11	0
Large General	12	1.2%	0.11	-7.7%	1.2%	-7.4%	0	0
Small Industrial	21	1.9%	0.24	-12.2%	1.9%	-7.9%	2	0
Medium Industrial	22	0.5%	0.03	-5.2%	0.5%	-4.0%	0	0
Large Industrial	23, 25, one-part high voltage real time pricing tariff	0.7%	0.06	-5.1%	0.7%	-4.6%	0	0
Municipal	24	2.5%	0.32	-2.8%	2.5%	-2.8%	0	0

In preparing this response, an error was identified in the referenced table from Appendix B. The Average Rate Impact (cents/kWh) for the Municipal rate class has been revised from 0.34 to 0.32 in Table 1 of this IR response.

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Table 2: Historical DSM Activities (2011–2026) – Active and Non-Active Participants (2011, 2016, 2021, 2026, 2031, 2036, 2041)

Year	Participant Type	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
2011	Active Participants	31,582	6,337	6,260	18	713	192	34	6
	Non-Active Participants	418,092	17,241	5,351	0	1,555	0	0	0
2016	Active Participants	270,679	17,269	11,020	20	1,554	177	35	6
	Non-Active Participants	189,196	7,487	0	0	613	0	0	0
2021	Active Participants	374,802	25,943	11,067	20	2,143	178	35	5
	Non-Active Participants	107,969	0	0	0	0	0	0	0
2026	Active Participants	517,883	27,251	11,245	20	2,097	184	32	5
	Non-Active Participants	0	0	0	0	0	0	0	0
2031	Active Participants	487,973	21,311	7,604	20	1,479	127	32	5
	Non-Active Participants	58,958	7,330	3,686	0	605	61	0	0
2036	Active Participants	168,398	14,930	4,400	15	707	8	1	5
	Non-Active Participants	395,864	15,172	6,942	5	1,356	185	31	0
2041	Active Participants	0	1,933	106	0	0	0	0	0
	Non-Active Participants	576,431	29,704	11,286	20	2,041	198	32	5

Approach:

- Active Participants represents participants who experience savings in the specified year as a result of participation in DSM at any time from 2011–2026.
- Non-Active Participants represents customers who do not experience savings in the specified year – either as a result of having not participated in any 2011–2026 DSM programs, or as a result of all savings having expired. Calculated by subtracting active participants from total NS Power customers.
- The Municipal participant count represents the number of Municipal Electric Utilities (each is counted as one participant).
- Table 2 uses a snap-shot approach and provides the number of remaining active participants and non-active participants for every fifth year. The number of active participants decreases as energy savings (and active participants) expire over time.

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Request IR-81:

Please refer to the table titled Rate and Bill Impacts of DSM on the Large General Class on page 4 of Appendix B - Attachment 2: Results by Rate Class (2027 - 2031 Preferred Plan), which shows Active Participants and Annual Number of Participants.

(a) Please explain the relationship between these two rows.

(b) Is the Active Participants an annual or cumulative count?

(c) Why is the Annual Number of Participants declining over time and less than the Active Participants?

Response IR-81:

(a) Annual Participants refers to the number of unique participants in an individual year. Active Participants refers to the number of unique participants who are currently experiencing lifetime savings from DSM in a given year. It is similar to a cumulative count, but participants are removed once all of their savings have expired, based on the measure life.

Both Annual Participants and Active Participants are capped at the total number of NS Power counts by rate class.

(b) See response to part (a).

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- 1 (c) Annual participation declines over time based on the DSM Plan’s program design. Active
- 2 participation is higher than annual participation because it includes participants from prior
- 3 years who are still receiving savings.

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1 **Request IR-82:**

2

3 **What are the incentives for solar-PV, on a per unit basis and in total?**

4

5 Response IR-82:

6

7 The proposed solar PV incentive is \$1/Watt, up to \$10,000 for a 10 kW system. EfficiencyOne has
8 assumed 2,000 kW would be installed over the duration of the Plan at a total incentive cost of
9 \$2,000,000.

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Request IR-83:

Please provide an evaluation plan for the 2027-2031 time period, including studies other than impact and process evaluations (e.g., saturation/baseline, participation, benchmarking, potential), schedule for conducting it, focus (e.g., sector, program, end use), need for the study, and rationale for the proposed timing.

Response IR-83:

The annual evaluation plan, which will include studies other than impact and process evaluations, is informed each year by the previous year's DSM Evaluation Report, Savings Verification Report, and program changes. The 2027 and onward evaluation plans will be developed once DSM applications are approved and the portfolio of programs to be administered by EfficiencyOne (E1) is known, and an evaluation consultant for the 2027-2031 period is procured.

E1 and the evaluation consultant will develop an Overall Strategic Evaluation Plan for the 2027–2031 period prior to the end of 2027. E1 expects to remain consistent with the current evaluation approach, whereby annual evaluation plans for 2027, 2028, 2029, 2030 and 2031 will be developed and finalized each spring following the filing of the previous year's annual DSM Evaluation Reports and Savings Verification Report. This allows the subsequent annual evaluation plan to respond to findings and incorporate recommendations from these two reports, both of which are used to inform the annual evaluation plans. The specific evaluation activities to be carried out for each program will be determined during development of the annual evaluation plans. Typical evaluation activities can include billing analyses, file and model reviews, baseline studies, partner and participant surveys, Delivery Agent interviews, and market evolution analysis. Outside of the annual program evaluations, it is anticipated that E1 may conduct a DSM Potential Study during the 2027–2031 period subsequent to the 2026 Potential Study that is

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- 1 being conducted to inform the Nova Scotia Independent Energy System Operator's (NSIESO)
- 2 inaugural Integrated Resource Plan (IRP). The timing, scope and schedule of a Potential Study
- 3 during the 2027–2031 period is unknown at this time.

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Request IR-84:

Please refer to the table on page 24 of Appendix D – Purchase Agreement (Redline), Schedule A – Demand-Side Management Activities with blanks for Performance Targets. Is the ‘Available demand response capacity over the five-year plan’ cumulative as of the end of 2031? If not, please explain what this represents.

Response IR-84:

No. This refers to available demand response capacity over the five-year plan (or the last year of the DSM Plan), rather than a cumulative total as of the end of 2031.

All Performance Targets are further defined in Schedule C: Performance Requirements of the proposed form of the DSM Purchase Agreement in Appendix D (Redline). Please refer to page 27, line 86, item (iv), “Available demand response capacity over the five-year plan.”

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Request IR-85:

Please refer to the table on page 25 of Appendix D – Purchase Agreement (Redline), Schedule B – Compensation with blanks for NSEB Approved Investment Amount, 2023-2026 DSM Resource Plan Underspend, and Net Contract Amount to be Paid by NSPI. Please provide estimates of the NSEB Approved Investment Amount, 2023-2026 DSM Resource Plan Underspend, and Net Contract Amount to be Paid by NSPI based upon the proposed Plan and results to date.

Response IR-85:

Please refer to EfficiencyOne’s response to part (e) of IG IR-22.

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Request IR-86:

Please refer to page 3 of Appendix F – Proposed Updated Standardized Filing Framework which states, “The Framework was reviewed in the DSMAG as part of E1’s engagement on development of the five-year DSM Plan and updated in [Insert Date/year].”

(a) Did the DSMAG review this version of the Framework? If so, when?

(b) If not, please provide the version of the Framework that was last reviewed by the DSMAG redlined to indicate the changes between that version and the one that appears in the filing.

Response IR-86:

(a) Yes. EfficiencyOne (E1) provided this version of the Standardized Filing Framework (the “Framework”) to the DSM Advisory Group (DSMAG) on February 27, 2026, as part of the 2027–2031 Round 2 Model Input Assumptions and Results materials. Please refer to E1’s response to Synapse IR-02, Attachment 2, Appendix J.

Before filing the 2027–2031 DSM Plan Application filing on March 31, 2026, E1 made limited revisions to prepare the Framework for filing. This included formatting updates, glossary revisions, the addition of a placeholder section for the mid-course and mid-term check-in [“to be updated to reflect the Nova Scotia Energy Board’s Decision on the E1’s 2027–2031 DSM Plan Application”], and revisions to reporting requirements to align with the proposed application.

As stated in E1’s Evidence on page 21, lines 16-20:

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1 Following the Board’s decision on this matter, E1 intends to update the
2 Standardized Filing Framework to reflect the Board’s approved
3 recommendations and any directives issued. This will ensure that the
4 Framework remains current and aligned with regulatory requirements and
5 stakeholder feedback. E1 will provide an updated version of the Framework,
6 incorporating the approved changes, for future DSM Plan applications.

7

8 (b) Please refer to Synapse IR-02, Attachment 2, Appendix J which provides the version of the
9 Framework that was provided to the DSMAG on February 27, 2026.

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Request IR-87:

Please refer to the Table 1: Glossary of Terms starting on page 3 of Appendix F – Proposed Updated Standardized Filing Framework.

(a) Please provide definitions of the terms “energy efficiency”, “solar PV”, “electricity costs”, “GHG emissions reductions”, “program component”, and “program”.

(b) Does E1’s 2027-2031 include programs within each resource or do programs include components of multiple resources?

(c) Please provide a mapping of the relationship between 2027-2031 DSM Plan program components, programs, sectors, resources, and the portfolio as a whole.

Response IR-87:

(a) E1 has provided the following definitions:

- **Energy Efficiency:** Please refer to Appendix A of E1’s 2027–2031 DSM Resource Plan Application, page 44, lines 16-20;
- **Solar-PV:** Please refer to Appendix A of E1’s 2027–2031 DSM Resource Plan Application, page 83, lines 15-17;
- **Electricity Costs:** Costs incurred by customers for electricity service, including supply, delivery, and consumption. The term is tied to statutory use: "the purpose

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1 of the demand-side management provisions in the *Public Utilities Act* is to reduce
2 electricity costs for customers"¹;

- 3 • GHG emission reductions: Please refer to Appendix A of E1’s 2027–2031 DSM
4 Resource Plan Application, Glossary of Terms, page vi;
- 5 • Program Component: A program component represents distinct offerings or
6 pathways within a program and may be differentiated by target market, delivery
7 method or measures promoted. Program components roll up into programs; and
- 8 • Program: A program is a high-level structure within E1’s DSM portfolio that defines
9 the overall intent (objectives), target market, design, and program performance
10 indicators. Programs may include one or more program components.

11
12 (b) E1’s 2027-2031 DSM Resource Plan includes programs within each DSM resource. Please
13 refer to Appendix A of E1’s 2027–2031 DSM Resource Plan Application, section 5: 2027–
14 2031 DSM Programs, on page 42, lines 4-6 where E1 states that the “DSM programs
15 included in the 2027–2031 DSM Preferred Plan portfolio include Residential and BNI energy
16 efficiency programs, a demand response program, and a solar-PV program.” These
17 programs are categorized by DSM resource; however, E1 may cross-promote between
18 programs and resources.

19
20 (c) Table 1 below illustrates the relationship among the 2027–2031 DSM Plan’s program
21 components, programs, sectors, resources and the portfolio. Program components roll up
22 into programs; programs roll up into sectors and/or resources; and resources roll up into
23 the portfolio.

¹ M12282, NSEB Decision, E1 Application for approval of a New Benefit-Cost Analysis Test for Evaluating DSM Plans, December 10, 2025, page 53, para 128.

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1

Table 1: 2027-2031 - Relationship between Portfolio, Resource, Sector, Program and Program Components

2027-2031 Portfolio			
Resource	Sector	Program	Program Components
Energy Efficiency	Residential	Residential Efficient Product Rebates	Instant Savings
		Existing Residential	Affordable Multifamily Housing Affordable Single-family Homes Efficient Product Installation Home Energy Assessment Mi'kmaw Home Energy Efficiency Project
		New Residential	Mi'kmaw New Home Construction
	Business, Non-Profit, Institutional (BNI)	Efficient Product Rebates	Business Energy Rebates
		Custom Incentives	Custom Strategic Energy Management
		Direct Installation	Small Business Energy Solutions
Demand Response	—	Demand Response	Residential Demand Response BNI Demand Response
Solar-PV	—	Solar-PV	Residential Solar-PV

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Request IR-88:

Please refer to page 5 of Appendix F – Proposed Updated Standardized Filing Framework which states, “Provide portfolio-level metrics for each Plan year and in total, both in aggregate and by DSM resource. Metrics include E1 investment, first-year and lifetime energy savings, peak demand savings, available demand response capacity, weighted average measure life, lifetime benefits, PAC results, savings and investment by rate class. Provide program-level savings and investment, reference benchmarks of plans from other jurisdictions that are comparable as appropriate (e.g., depth of savings to load). Apply the same metrics provided at the portfolio level to each program.”

(a) Will E1 also provide these metrics for each year of the plan (annual) and across plan years (cumulative) as it is proposing to do under the ‘Previous Plan Results’ section?

(b) Please clarify which metrics will be provided by program, by resource, by rate class, and for the portfolio as a whole.

(c) Did E1 consider including the modified PAC? If so, why didn’t E1 include this metric?

(d) Did E1 consider including GHG emissions reductions as a metric? If so, why didn’t E1 include this metric?

(e) Did E1 consider including metrics such as the cost of saved energy and cost of GHG emissions reductions? If so, why didn’t E1 include these metrics?

(f) Is generation for solar PV missing from this list? If so, should it be added?

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1 **(g) Please clarify which of these metrics are also indicators and/or targets. Are all of the**
2 **indicators and targets included? If not, why not?**

3
4 Response IR-88:

5
6 (a) Yes. As stated in Appendix F, page 5, Table 2: DSM Resource Plan Filing Content, item 4,
7 EfficiencyOne (E1) will provide metrics for “each Plan year and in total, both in aggregate
8 and by DSM resource.” This refers to each Plan year (annual) and across plan years
9 (cumulative).

10
11 (b) All metrics listed above as outlined in Table 2, item 4, will be provided at both the portfolio
12 level and program levels, by resource, and by rate class (savings and investment). Appendix
13 F, page 5, line 3-4, states that E1 will “[p]rovide the same metrics across the filing content
14 (e.g., from the portfolio level to the program level...).” Table 2, item 4, further states that
15 E1 will provide “portfolio level metrics for each Plan year and in total, both in aggregate
16 and by DSM resource” and “[a]pply the same metrics provided at the portfolio level to each
17 program.”

18
19 (c) Yes. The modified Program Administrator Cost (PAC) test is included in the proposed
20 updated Standardized Filing Framework in Appendix F. Please refer to page 3, section 3.1,
21 line 24-25, where the proposed Standardized Filing Framework states that “[r]equirements
22 reflecting the Board’s decision on the Benefit-Cost Analysis test are drawn from M12282.”
23 Please also refer to Table 1: Glossary of Terms, for the definition of terms, including the
24 PAC test, as follows: “Primary cost-effectiveness screen at the portfolio level, discount
25 using NS Power’s WACC. Strategic electrification is assessed using a modified PAC that
26 includes the incremental utility revenues...”

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1 (d) E1 did include portfolio-level GHG savings (both first-year and lifetime) in the 2027–2031
2 DSM Plan Application as a supplementary reporting metric. However, E1 did not include
3 greenhouse gas emissions reductions as a standalone metric in the Standardized Filing
4 Framework because GHG reductions have not historically functioned as a primary metric
5 against which DSM Plans are assessed by the Board.

6
7 (e) The levelized cost of saved energy is included as a program performance indicator in Table
8 3: Program Description Template, on page 6, item 4.3. E1 did not consider including the
9 cost of greenhouse gas emissions reductions for the same reason as provided in part (d),
10 above.

11
12 (f) Solar-PV generation will be included as a metric following the Board’s decision on this
13 matter. As noted in E1’s Evidence at page 21:

14 E1 intends to update the Standardized Filing Framework to reflect the Board’s
15 approved recommendations and any directives issued. This will ensure that the
16 Framework remains current and aligned with regulatory requirements and
17 stakeholder feedback. E1 will provide an updated version of the Framework
18 incorporating the approved changes, for future DSM Plan applications.

19
20 (g) All metrics listed in section 3.2: DSM Resource Plan Filing Content in Tables 1 and 2 are
21 performance indicators and targets, except for weighted average measure life and the
22 levelized cost of saved energy (lifetime unit cost of energy \$/kWh). This follows the same
23 approach as the approved Framework since 2016.

24
25 Customer satisfaction (%) is a performance indicator, but it is not a required metric under
26 DSM Resource Plan filing content, following the same approach as the approved 2016

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1 Framework. This is because this performance metric does not directly measure the Plan’s
2 resource acquisition objectives, cost-effectiveness, savings outcomes, or other quantifiable
3 results against which a DSM Plan is assessed. Instead, it provides contextual information
4 regarding customer experience and service delivery. Accordingly, the metrics used for Plan
5 filing content to assess a DSM Plan application need not be identical to the broader set of
6 indicators used to assess E1’s overall performance.

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Request IR-89:

Please refer to 4.5 DSM Resource Plans (5-year cycle) of Appendix F – Proposed Updated Standardized Filing Framework on page 10. Please provide a draft schedule indicating when these activities would occur during the 5-year cycle.

Response IR-89:

In relation to section 4.5 DSM Resource Plans (5-year cycle) of Appendix F – Proposed Updated Standardized Filing Framework, EfficiencyOne (E1) has prepared the following draft schedule outlining when DSM Resource Plan activities would generally occur over the five-year cycle.

Process	Timeframe
4.6 Mid-Course Adjustments	Filed with E1's Q1 Report on May 25 each year, if applicable. Draft mid-course adjustments are provided to the DSMAG in advance for a two-week comment period and E1 responds to comments prior to E1 including the mid-course adjustment in the Q1 Report. Mid-course adjustments are also added as an agenda topic to the annual DSMAG session in Q2 each year.
4.7 Mid-Term Check-In	Occurs in Q1 of the third year of each five-year plan period.
4.8 Reporting	Reports filed in accordance with the timelines established by the Nova Scotia Energy Board. ¹
4.8.1 Annual Progress Report	Filed March 31 each year.
4.8.2 Quarterly Report (Q1, Q2, Q3)	Filed each year as follows: Q1 on May 25, Q2 on August 25, and Q3 on November 25.
4.8.3 Audited Financial Statements	Filed on April 28 each year.
4.8.4 Evaluation	Filed on March 31 each year.

¹ Nova Scotia Utility and Review Board, Revised Filing Dates letter, January 9, 2018.

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Process	Timeframe
4.8.5 Rate and Bill Impact Analysis	Filed with the next DSM Plan application, ² currently estimated for Q1 2030.
4.9 Demand Side Management Advisory Group (DSMAG)	Annual DSMAG sessions and one-on-one stakeholder meetings are held in Q2 following the filing of the Annual Progress Report and Evaluation Report. Additional meetings scheduled throughout the year as required.

² M10830, NSUARB letter to E1 2022 Rate and Bill Impact Analysis, February 24, 2023, page 5. “The Board accepts the proposal to file historical RBIA reports with future DSM Plan applications.”

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1 **Request IR-90:**

2
3 **Please refer to Appendix A - Attachment 4, Sheet 21 (Annual Cost Category).**

4
5 **(a) Please provide in Excel format demand response enrollments, program costs, and peak**
6 **energy savings for 2023 (actuals), 2024 (actuals), 2025 (actuals), 2026 (planned), 2027**
7 **(proposed), 2028 (proposed), 2029 (proposed), 2030 (proposed), and 2031 (proposed)**
8 **broken out by customer segment (Residential vs BNI), DR Option (battery, EV, hot water**
9 **heaters, thermostats, curtailment, loadshift to BUGs, other – please add), and existing vs.**
10 **new participants. Please break out the cost data by the cost categories (program delivery,**
11 **technology enablement, etc.) used in the 2027-2031 plan.**

12
13 **(b) Please describe the types of costs that are included in the categories “Program Delivery**
14 **Cost” and “Technology Enablement Cost.”**

15
16 **(c) Please provide a breakout of any costs incurred due to the cybersecurity incident**
17 **(including but not limited to secondary meter installations and new implementation**
18 **vendor costs) at the most granular level available.**

19
20 **(d) Please indicate whether E1 is still contracted with the original implementation vendor,**
21 **and if so, whether E1 plans to revert operations to the original vendor or fully transition**
22 **to the new vendor.**

23
24 **Response IR-90:**

25
26 **(a) Please refer to Attachment 1 of this IR response.**

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1 (b) Program Delivery Costs are costs paid to third parties (e.g., Demand Response
2 Management System providers, Commercial and Industrial Curtailment delivery agent).

3
4 Technology Enablement Costs are one-time variable costs for technology enablement (i.e.,
5 installation and hardware costs). This cost category only applies to water heater controls.

6
7 (c) Due to the unavailability of advanced metering infrastructure (AMI) data, E1 anticipates
8 that the Business, Non-profit, and Institutional (BNI) Demand Response (DR) program
9 component will incur additional metering costs. The full extent of these costs has not yet
10 been determined and E1 is continuing to assess the relative impact of this event on its DR
11 programming.

12
13 (d) E1 remains contracted with its existing Residential DR implementation vendors, including
14 the vendor supporting the thermostat pathways and the vendor supporting the domestic
15 hot water controller pathway.

16
17 For BNI DR, E1 is no longer using the original implementation vendor. E1 transitioned to a
18 new BNI delivery vendor and does not plan to revert BNI operations to the original vendor.

19
20 E1 will continue to use vendors as needed to support program delivery. E1 is also exploring
21 cost-effective delivery options for Residential DR, but no further vendor transition plan has
22 been finalized at this time.