M12780
NOVA SCOTIA ENERGY BOARD

NON-CONFIDENTIAL RESPONSES OF H. GIL PEACH & ASSOCIATES LLC TO SMALL BUSINESS ADVOCATE INFORMATION REQUESTS

IN THE MATTER OF: *The Public Utilities Act, as amended.*

-and-

IN THE MATTER OF: An Application by EfficiencyOne for Approval of the 2027–2031 Demand-Side Management (DSM) Purchase Agreement between EfficiencyOne and Nova Scotia Power Incorporated, the establishment of a final agreement between the parties, and approval of a 2027–2031 Demand Side Management (DSM) Resource Plan.

(NON-CONFIDENTIAL)

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Prefatory Statement

These responses are provided from the perspective of the Verification Team. The Verification Team's role is limited to independent review and verification of evaluation results as reported by the evaluation contractor (Econoler). The Verification Team does not administer DSM programs or make program design decisions. Where questions seek program design or operational details, those matters are more appropriately addressed by EfficiencyOne. Responses are limited to information contained in, or reasonably inferred from, the Peach Report unless otherwise expressly stated.

Prefatory Statement (Addendum – Field Observations and Reporting of Unusual Activities)

During site visits and related inspection work, the Verification Team may encounter conditions described as "unusual activities." These observations are communicated to Board Staff and, where appropriate, EfficiencyOne. The Verification Team does not make legal determinations and does not characterize such matters as violations of law.

SBA IR-1

Question: Refer to M12780, Exhibit E-17, Savings Verification Report – H. Gil Peach, dated June 1, 2026 (the "Peach Report") which presents its independent savings verification review of Efficiency Nova Scotia's Demand-Side Management (DSM) program evaluations for Program Year 2025 as conducted by Econoler. Page "v" of the Peach Report includes a summary of Econoler's Verified Portfolio Results of Savings contributions distributed across sectors as follows:

Savings contributions are distributed across sectors as follows:

- Business, Non-Profit, and Institutional (BNI): approximately 63% First-Year, 54% Lifetime.
- Residential: approximately 36% First-Year, 45% Lifetime."

a) What reasons were provided to explain the decline in savings contributions between the first year and over the lifetime of the plan? Are these reasons different for BNI versus Residential? Do you agree with the explanations as provided?

Refer to M12780 Exhibit E-17... What explains differences between first-year and lifetime savings, and do you agree?

Response:

The Report presents the sector shares. Differences between first-year and lifetime savings reflect normal portfolio effects, including measure life and portfolio composition. The Verification Team did not independently decompose these drivers or perform attribution analysis. The explanation presented in the Report was reviewed at a high level and found reasonable for purposes of verification, but individual causal elements were not separately verified. The Report does not attribute differences between BNI and Residential sectors to distinct causal factors.

SBA IR-2

Question: Refer to Exhibit E-17, the Peach Report, page vii, which states:

Recommendations

The verification recommends that:

1. Evaluation results be accepted.
2. Evaluators explicitly identify programs with negligible practical savings, regardless of statistical significance.

3. Evaluation reports include enhanced transparency in statistical methods and, in particular, provide more focus on explanation of data limitations similar to that required for California NMEC evaluations.

Conclusion

The Program Year 2025 DSM evaluation portfolio reflects a high level of methodological rigor and general compliance with accepted evaluation standards. The reported savings are reasonable and appropriate for regulatory consideration.

However, targeted adjustments in evaluation practice and program review are warranted to ensure that reported impacts reflect not only statistically valid results, but also practically meaningful and policy-relevant outcomes.

a) What were the programs included in the Econoler report that showed “negligible practical savings”?
b) What does Peach recommend Econoler and E1 do to address programs with negligible practical savings and statistical significance? Is this a recommendation to exclude these programs from the E1 Plan?
c) What does Peach mean by “negligible” practical savings and where is it defined in this Report?
d) Despite the above referenced concerns, does the Peach Report still find the results found by Econoler in E1’s 2025 plan to be acceptable?
e) What are the thresholds for regulatory consideration referenced in the Conclusion?

Refer to Exhibit E-17 page vii... Identify programs with negligible savings, define negligible, and confirm acceptability of results.

Response:

The Report recommends identifying negligible practical savings and states results are appropriate for regulatory consideration. The Report does not identify specific programs as having negligible practical savings. The term 'negligible' is not quantitatively defined in the Report and is used in a qualitative sense to indicate very small practical savings. Demand Response programs are noted as having relatively small impacts in this program year. The recommendation is not to exclude programs but to distinguish statistical and practical significance. The Report does not establish a numeric threshold for regulatory consideration but emphasizes that results should be both statistically valid and practically meaningful.

SBA IR-3

Question: Refer to Exhibit E-17, the Peach Report, pages 9-10, which references the term "normalized" but without providing definition of the term directly or in context in relation to the Econoler report or the E1 Plan, as shown in the following references:

> "7. Normalized Metered Energy Consumption Evaluation Framework
>
> The Normalized Metered Energy Consumption (California NMEC) Evaluation Framework is a preferred evaluation framework of the California Public Utilities Commission (CPUC) that combines elements of the Deep Retrofit Framework and the Load Research Evaluation Framework." (Peach Report, page 9.)
>
> "NMEC is a whole-building, meter-based approach that uses regression to normalize energy use (primarily for weather). For NMEC, energy savings is the difference between normalized baseline and normalized post-period energy consumption. It is like the IPMVP Option C (whole facility) approach but takes advantage of advances in metering technology (AMI data) and additional analytics. The evaluation logic of IVMVP is included in NMEC but having population or near-population data transforms analytic steps that follow IVMVP evaluation logic." (Peach Report p. 10.)

a) What is meant by the reference to "normalized" in the sections quoted above? Please provide details as to how it is calculated/determined.
b) Is the reference to normalized intended to address differences in weather over time and across geography and thus able to be helpful for evaluating DSM and EE plans used in different parts of North American?
c) Please provide a description of IPMVP Option C and explain the differences/benefits between it and the NMEC. Please provide examples how the use of NMEC assists E1 in improving its plan.
d) Are you recommending adoption of the NMEC approach immediately?

Refer to Exhibit E-17 NMEC and normalized energy use.

Response:

The Report defines normalization as regression-based adjustment of energy use, primarily for weather. NMEC is similar to IPMVP Option C but uses advanced metering and analytics. The Report does not evaluate applicability to this jurisdiction and does not recommend immediate adoption. In general, high-quality metered data can shift emphasis toward practical significance and data quality. The Verification Team suggests caution in adopting new approaches until their performance is demonstrated.

SBA IR-4

Question: Refer to Exhibit E-17, the Peach Report, page 11, 'Integrating Evaluation Frameworks' which discusses integrating a different evaluation framework into E1's DSM program with the Deep Retrofit and Load Research programs that are currently under consideration.

a) Did you consider the cost of E1 forsaking the resource acquisition approach in favor of connecting its plan to the other evaluation frameworks mentioned? If so, please explain the likely impact on customer classes and the dollar impact in percentage terms and the time frame. If not, please explain why not.
b) Why would it be acceptable to prioritize deep energy savings that may cost more over programs that produce low energy savings that are also cost effective? What time frame is being used to determine that these programs produce low energy savings vs the time frame for the alternatives proposed?
c) Have you confirmed the availability, accuracy, and cost effectiveness of AI assistance with its proposed modelling approach to evaluation? If so, which AI model will be used?
g) Will the alternative approach proposed above cost more to develop and implement than the current budget for E1's plan?

Refer to Exhibit E-17 integration of evaluation frameworks.

Response:

The Report discusses integration conceptually. No cost, customer impact, or AI evaluation was performed. The Report's discussion focuses on the importance of practical significance in evaluation results and does not assess cost, customer impacts, or implementation.

SBA IR-5

Question: Refer to Exhibit E-17, the Peach Report, and the questions associated with the numbered pages listed below:

a) Page 18, please provide the missing Table number in the sentence following Figure 2.
b) Please provide missing references for the error message "**Error! Reference source not found**" at the top of page 22, in the 4th bullet on page 25, and below Figure 8 on page 29.

Refer to Exhibit E-17 errors and missing references.

Response:

These are editorial issues. On p. 22, replace with 'Exhibit 17'. On p. 25, replace with '(as shown in Table 5)'. On p. 29, replace with '(see Figure 9 and Figure 10)'.

SBA IR-6

Question: Refer to Exhibit E-17, the Peach Report, which presents Recommendation No. 2 on page 31 that includes several questions to be addressed.

a) Has E1, or Econoler, considered any of the questions set out in Recommendation No. 2?
b) Have you inquired whether profit-making vendors will cover the opportunities no longer served by E1? If so, please provide this analysis and how the cost of these services by profit making vendors will compare to the cost that E1 recovers through its Plan. If not, is there any plan for you or Econoler to complete such an analysis?
c) Do you have an information about the intelligent recycling of appliances after the end of ARet?
d) Is the recommendation at the bottom of Page 31, to include ‘values such environmental protection, service to low-income and moderate-income customers, and social inclusion *as well as benefit-cost analysis'* allowable under current legislation and Board orders? (*italics added.*)

Response:

The Verification Team has no information on whether EfficiencyOne or Econoler considered these items, and no independent analysis was performed. To the extent such issues are relevant, they are more appropriately addressed by EfficiencyOne or through broader regulatory or policy analysis.

Question: Refer to Exhibit E-17, the Peach Report, page 53, which states:

> **Inclusion in Portfolio Calculations**. Although there was some discussion of exclusion of results from the portfolio realization rate calculation, the result following regulatory review is to include results in portfolio energy savings for the year.

a) Please describe the name of the matter or nature of the regulatory review referenced.

SBA IR-7

Question: Refer to Exhibit E-17, the Peach Report, Recommendation No. 3, page 53, which states:

Recommendation No. 3: The 2025 Residential Behaviour results should be interpreted as partial-year findings based on limited data availability (as with the recorded energy savings for the Appliance Retirement program). As the program was paused in May due to a cybersecurity incident, the evaluation should not be understood as reflecting full-year program performance. Reported savings are correctly calculated and valid for the observed period.

a) What was the impact of the cybersecurity incident on the E1 Plan, the Econoler evaluation and the Peach Report evaluation other than data availability?
b) When did any interruptions due to impacts supplied in response to a) above occur and when did those interruptions resolve?

Response:

The Report states the program pause limits results to partial-year interpretation. The Verification Team did not independently assess additional impacts, timing, or operational effects beyond the Report.

SBA IR-8

Question: Refer to Exhibit E-17, the Peach Report, Key Findings, page 55, which states:

Key Findings

- BER surpassed its net energy savings target by 5% (40.244 GWh achieved vs. 38.451 GWh planned) but undershot its net peak demand target by 26% (5.332 MW vs. 7.241 MW).
- Application Rebates free-ridership levels declined relative to 2021, lifting NTGRs to 0.83 (HVAC), 0.94 (lighting), and 0.91 (other measures), versus the prior overall 0.74.
- Updated adjustment ratios applicable for 2025 range from 1.117 (lighting energy) to 0.514 (peak demand for non-lighting/non-HVAC). The latter carries a higher-than-expected margin of error and is not considered reliable for ongoing use without additional supporting data.

a) How did the authors of the Peach Report, or Econoler, confirm that Application Rebates free-ridership levels had declined? And is the change in NTGRs (assuming this refers to Net-to-Gross Ratio) supported by or at least consistent with comparable programs?
b) What is the reason for the higher-than-expected margin of error and why is it considered not reliable?

Response:

These findings are reported by the evaluator (Econoler) and were not independently estimated by the Verification Team.

Certification

DATED at Beaverton, Oregon this 12th day of June, 2026.

H. Gil Peach

H. Gil Peach & Associates LLC