EfficiencyOne

IN THE MATTER OF *The Public Utilities Act*, RSNS 1989, c. 380, 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 Inc., the establishment of a final agreement between the parties, and approval of a 2027–2031 DSM Resource Plan

EfficiencyOne Opening Statement

M12780

FILED WITH THE NOVA SCOTIA ENERGY BOARD

July 29, 2026

Good morning, Chair, Board Members, and stakeholders,

Thank you for the opportunity to be here today as we begin the hearing for EfficiencyOne's proposed 2027–2031 Demand Side Management Resource Plan.

At EfficiencyOne, we see firsthand how energy efficiency helps families lower their energy bills, helps businesses invest and grow, and supports jobs across Nova Scotia.

To date our programs and services are helping Nova Scotians save more than $3.2 billion in electricity bill savings.

The proposed 2027-2031 DSM Plan has been informed by E1's experience delivering demand side management in Nova Scotia for over 15 years. Through this experience E1 has gained a deep understanding of how customers make decisions, where barriers exist, and what drives meaningful results.

The evidence demonstrates that investing in DSM first is in the best interest of Nova Scotians. Every dollar invested in DSM helps avoid more expensive investments in generation, transmission, and distribution, reconfirming that DSM continues to be the economical choice.

But we also recognize that this plan comes at a particularly turbulent moment. Nova Scotians, like people in other jurisdictions across the country, are facing a real affordability crisis, even as our electricity system undergoes significant and rapid change. Economic uncertainty, volatile energy markets, and mounting cost-of-living pressures have converged in a way that presents real challenges, and they demand a response that puts near-term affordability front and centre.

At its core, this plan is about helping Nova Scotians. It is about helping households manage rising energy costs, helping businesses remain competitive, and helping our province make steady progress toward a cleaner, more resilient energy future.

E1's evidence has addressed five central matters: the decision to hold investment flat at the 2026 approved level in response to affordability pressures; the relationship between this Plan and the Integrated Resource Plan, including our proposed savings target; the cost-effectiveness of the portfolio and the lifetime benefits it delivers; the refinements set out in Schedule "A" that emerged from our engagement with stakeholders; and the mechanisms - including a proposed mid-plan check-in - that keep this Plan responsive as circumstances change. Each reflects a deliberate choice, and we welcome the Board's review of all of them.

Against that backdrop, our objective was straightforward: to develop a plan that is responsible and responsive, one that makes shorter-term affordability a cornerstone of this application. That is why we have held annual investment flat at the 2026 approved level of $63.75 million for each year of the plan - recognizing the acute affordability pressures people are facing today, while continuing to deliver meaningful savings on energy bills both now and over the long term.

And we did not develop this plan in isolation.

This has been one of the most collaborative planning processes EfficiencyOne has undertaken. We engaged the Demand Side Management Advisory Group (DSMAG) throughout every phase of this plan's development - through multiple rounds of modelling materials, technical workshops, facilitated group sessions, and one-on-one meetings. DSMAG's membership spans a broad cross-section of Nova Scotia's energy community, - many of whom are interveners in this very proceeding. That collaboration included a structured process supported by an independent third-party facilitator, together with the further engagement that followed those facilitated sessions, gave stakeholders a meaningful opportunity to raise their issues and helped us test, challenge, and refine our thinking.

Those conversations were thoughtful, candid, and valuable, and we believe we have filed a better plan because of them.

But we do not see this collaboration as something that ends once a plan is filed.

Nova Scotia's electricity landscape will continue to evolve over the next five years, and that is why we have intentionally built continued engagement into our approach - proposing a mid-plan review. This new process is another important mechanism for thoughtful dialogue and shared problem-solving and an opportunity to assess what we are learning, consider external factors, and determine whether adjustments are appropriate.

The choices reflected in this plan were not always easy.

Strategic electrification is now part of our mandate, and to be included as a DSM resource a measure must satisfy the statutory test - it must both reduce greenhouse-gas emissions and reduce electricity costs for customers. We modelled a range of strategic electrification scenarios, and while they reduced emissions, none reduced electricity costs for customers under the Board-approved modified Program Administrator Cost test, even under optimistic assumptions. For that reason, strategic electrification is not included as a resource in this Plan. But our commitment to that work has not changed: we have allocated funding within Enabling Strategies for continued research, pilots, and coordination with NS Power and the system operator to explore future opportunities. We remain committed to working with all stakeholders to prepare for the future needs of Nova Scotia's electricity system.

Holding the investment level flat means we are not pursuing every cost-effective opportunity that DSM could deliver in this Plan period. But given the affordability pressures Nova Scotians continue to face, we believe it is the responsible course and reflects current economic conditions - and that reality has shaped our approach to this plan. Let me be clear, however: this is in no way a walk-back from the essential, long-term role of demand side management in Nova Scotia's energy future.

DSM plays a critical role in helping Nova Scotians manage costs and supporting the province's long-term energy transition. This plan remains aligned with the direction of the Integrated Resource Plan and its recognition of the value of demand side management, including demand response. Our proposed savings of 435.4 GWh represent approximately 64 per cent of the IRP target and keep us on a trajectory toward those longer-term goals - an approach that is consistent with IRP direction. The difference between our proposed savings and the full IRP target is a direct and deliberate consequence of holding investment flat to prioritize near-term affordability; it is not a retreat from the IRP, and the proposed mid-plan check-in provides a structured opportunity to revisit that balance as conditions evolve. DSM, and energy efficiency in particular, remains a least-cost resource: this portfolio is cost-effective, with lifetime savings delivered well below the cost of supply-side alternatives, and it forms a critical component of the lowest long-term cost portfolio for meeting Nova Scotia's electricity requirements.

But it is important to note that even within this more modest investment the plan is expected to deliver measurable benefits, generating more than $680 million in lifetime benefits through our proposed five-year investment.

In this plan we challenged ourselves to direct as much funding as possible toward customers, reducing our administrative expenditures. In this plan, 71 per cent of expenditures flow directly to customers, compared with 66 per cent in the current plan - because every dollar that reaches Nova Scotians helps households and businesses manage their energy costs.

This is the first Demand Side Management Plan developed under the Public Utilities Act amendments that extended DSM planning cycles from three years to five. We recognize and support the intent behind those amendments. A five-year plan provides greater certainty for Nova Scotia businesses that deliver energy efficiency programs, allows for a longer-term focus on program design and implementation, and creates a more focused and efficient regulatory process. Ultimately, those benefits will result in lower costs for ratepayers while allowing us to focus more of our effort on delivering results.

We believe regulatory oversight should remain rigorous, and it should also be proportionate - not because we seek less accountability, but because every additional dollar spent on administration is a dollar that cannot be invested in helping customers save energy and reduce their bills. Right-sized oversight and strong accountability are complementary, and we are committed to both.

In closing, this Plan provides a stable framework for the next five years, stability that benefits customers, industry partners, and the regulatory process itself. But stability should not be mistaken for rigidity.

We recognize that circumstances can and will change. As they do, we remain open to new information and opportunities, constructive dialogue, and working collaboratively to ensure programs continue delivering value for Nova Scotians.

Ultimately, this plan reflects the choices we believe are right for this moment.

It responds to today's affordability realities without losing sight of tomorrow's opportunities.

It reflects the many voices that helped shape it, and it leaves room to continue to adapt as circumstances change. That is the commitment we bring to this hearing, and it is the commitment we will bring to implementing this plan.

We appreciate the opportunity to present the plan, and we look forward to the discussions ahead.

Thank you.

IN THE MATTER OF THE PUBLIC UTILITIES ACT

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Schedule "A"

1. Annual Adjustment Process

(a) **Renaming.** The process previously described in the Application as a "mid-course adjustment" (MCA) process is renamed the "Annual Adjustment Process", for purposes of clarity, and in particular to distinguish it from the Mid-Term Check-In described in Section 2.

(b) **Changes.** The design of the Annual Adjustment Process (formerly the MCA process) as set out in E1's Application and in E1's IR-30 to the NSEB, is to be altered as follows:

(i) **Dedicated low-income/equity program.** E1 will carve out a dedicated low-income and equity program from the existing residential and new construction program, comprised of the Affordable Single-Family Home, Affordable Multi-Family Home, Mi'kmaw New Home Construction, and Mi'kmaw Home Energy Efficiency Project components, with variance thresholds applied to the aggregate spending and performance targets of those components. This carve-out is for reporting, threshold measurement, and performance-tracking purposes and does not itself modify the design of the underlying program components.

(ii) **Variance thresholds.** E1's proposed variance thresholds of plus or minus twenty percent (±20%) for spending and savings at the program level and plus or minus fifteen percent (±15%) for spendings at the rate-class level are acceptable. However, these thresholds will be measured on a five-year cumulative basis (actual-to-date, plus projected over the full plan period). Annual figures will remain informational. For clarity, the ±20% and ±15% thresholds referenced above are measured on a five-year cumulative basis (actual-to-date plus projected over the balance of the plan period), and annual figures are informational only.

(iii) **Approval pathway.** Where the five-year cumulative spending or savings exceed the thresholds in paragraph (ii), above (i.e., fall outside the 85%–115% band), E1 will seek Board approval of the resulting adjustment, following DSMAG consultation. Such approval is intended to be forward-looking and not retroactive. Where the cumulative variance remains within the band, the results remain informational and no approval is required.

(iv) **Enhanced reporting.** E1 will provide enhanced reporting in support of the Annual Adjustment Process, including mid-year reporting and a forward outlook, filed with the Q3 report, showing projected variance over the full plan period relative to the thresholds in paragraph (ii), above, together with red/yellow/green (stop-light) signaling of variances. The forward outlook will be reviewed with the DSMAG and, where the projected variance exceeds the thresholds in paragraph (ii), above, will be accompanied with E1 proposed measures to address the variance.

2. Mid-Term Check-In

(a) **Changes.** The Mid-Term Check-In, as set out in E1's Application and in E1's IR-72 to Synapse, will be initiated by two triggers, each of which will give rise to a Mid-Plan Check-In:

(i) **Events-based trigger.** Events-based triggers may include but are not limited to: (A) an updated DSM potential study that differs materially from the assumptions underlying the Board-approved Plan; (B) an updated IESO-NS Integrated Resource Plan that differs materially from the assumptions underlying the Board-approved Plan; (C) Board direction requiring reconsideration of the Plan; and / or (D) changes to legislation relating to the consideration of what constitutes an appropriate demand-side management purchase agreement.

(ii) **Calendar-based trigger.** The mid-point of the Plan (Q1 2029).

3. Demand Response

(a) For clarity, with respect to the design of the Residential Demand Response (EcoShift) program, enrolment in the EcoShift program will continue during the plan period, alongside E1's continued efforts to improve the cost-effectiveness of the program.

(b) Hybrid heating systems will be a standing topic for consideration through DSMAG, the Annual Adjustment Process, and the Mid-Term Check-In.

4. Solar PV

(a) E1 confirms that its Solar PV proposal as outlined in E1's Application is limited to Mi'kmaw communities; it does not intend to expand Solar PV to other customer segments during the 2027-2031 DSM Plan period.

5. Strategic Electrification

(a) Strategic Electrification may be introduced during the Plan period following Board approval, where innovation activities demonstrate a model that meets the applicable cost-effectiveness and regulatory (PUA) requirements.

(b) Strategic Electrification will be a standing topic for both the Annual Adjustment Process and the Mid-Term Check-In.

6. Plan Investment Level: R&D

(a) With respect to the innovation framework, as outlined in E1's Application, E1 will provide enhanced reporting on innovation-framework activities, focus areas, expenditures, and learnings through its quarterly and annual reports.

(b) E1 commits to continue the enhanced reporting of the allocation of Enabling Strategies costs by rate class as implemented in Q1 2026, in its quarterly and annual reporting including small general, general, and small industrial rate classes.

7. Standardized Filing Framework

(a) Further refinements to the Proposed Updated Standardized Filing Framework, as submitted in Appendix F to E1's Application, may be identified through DSMAG consultation and, where appropriate, addressed through the Annual Adjustment Process.

8. Allocation of Interest Earned in the Balancing Account

(a) E1 will provide additional detail on interest earned during the DSM Plan implementation in its quarterly and annual reports.

END