2026 **M12780**

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: ***The Public Utilities Act***

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**

COUNSEL OPENING STATEMENT for THE INDUSTRIAL GROUP

EfficiencyOne has applied to the Board for approval of its five-year DSM Plan for the years 2027 to 2031. E1 proposes to set annual spending at the legislated 2026 level of $63.75 million, for a total Plan budget of $318.75 million. The Preferred Plan is designed to deliver 435.4 GWh of cumulative net energy savings, 85.0 MW of peak demand savings, and 29.3 MW of available demand response capacity over the five years.

The Industrial Group supports E1's focus on balancing short-term affordability with the goal of promoting energy efficiency and reducing electricity costs. Members of the Industrial Group fund a material share of E1's DSM expenditures and they have a direct interest in a Plan that is cost-effective, properly governed, and equitably allocated among customer classes. The use of the Program Administrator Cost test to design the 2027-2031 Plan, as directed by the Board in Matter M12282, 2025 NSEB 18, is an important step toward ensuring DSM programming is appropriately focused on reducing electricity costs for NSPI customers.

E1 confirms that the Preferred Plan results in a portfolio PAC ratio of 2.4, demonstrating that the overall $318.75 million budget is cost-effective. The cost-effectiveness of programs, components and measures also merit consideration.

A longstanding concern of the Industrial Group has been E1's approach to mid-course adjustments and the resulting customer rate impacts. In its decision approving the 2026 DSM Extension Application, 2025 NSEB 21, the Board found the existing MCA process to be "unbalanced" and directed E1 to revise its approach for the upcoming five-year Plan period.

The concern has been moderated, in part, by the Board’s approval in NSPI’s General Rate Application, Matter M12451, 2026 NSEB 8, to align the DSM Plan adjustment recovery period with the accrual period, thereby smoothing out customer class rate impacts. In this application, E1 proposed a revised MCA process with variance thresholds that trigger informational reporting. E1 has proposed further changes in its Opening Statement, Schedule “A” which enhance the Board’s regulatory oversight of the MCA process (now renamed Annual Adjustment process) by requiring explicit approval of variances exceeding program and class variance thresholds. The Industrial Group supports these changes.

Due to the length of the Plan period, E1 had also proposed in its Application what it describes as a mid-term check-in with the DSMAG during Q1 2029, timed to coincide with engagement on the next five-year plan. In Schedule “A” of its opening statement, E1 now proposes a second events-based check-in triggered by a list that includes, but is not limited to, certain items. The Industrial Group agrees in concept with a check-in during the five-year Plan period, but the proposed approach lacks clarity regarding the scope of the check-in, what would trigger a change to the Plan or Programs and how this would be brought before the Board.

In addition to the above, several important issues warrant further testing and cross-examination or may give rise to legal arguments. These include:

- The interpretation and application of the Board-approved cost-effectiveness testing;
- BNI demand response program eligibility and cost responsibility;
- E1’s rising unit costs and approach to incentive setting, including the adequacy of E1’s primary research into incentive levels; and
- Integrated Resource Plan alignment and its implications for avoided costs and DSM targets.

The Industrial Group looks forward to exploring these issues and may raise additional issues as the evidence develops during the hearing.

Thank you for the opportunity to make this Opening Statement.

Nancy G. Rubin, K.C.
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July 29, 2026