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**

OPENING STATEMENT for SOLAR NOVA SCOTIA

Solar Nova Scotia strongly supports Nova Scotia's demand-side management framework and believes DSM will remain essential to the Province's energy future.

For the past 15 years, beginning with the creation of Canada's first dedicated DSM utility, Nova Scotia has been a national leader in DSM. That leadership, delivered through EfficiencyOne, has produced significant benefits for customers and for the electricity system.

However, DSM is now at a critical juncture. The technologies, economics, and electricity system that shaped DSM over the past 15 years are changing. The Province's approach must evolve if the model is to remain effective, affordable, and sustainable.

Lower-cost efficiency opportunities are becoming increasingly saturated, contributing to sharply rising unit costs. Between 2023 and 2031, the overall Residential Portfolio unit cost is projected to increase by 257 percent. In the Home Energy Assessment program, the increase could be as high as 2,114 percent.

At the same time, the key emerging demand-side resources behave differently from the lighting measures that drove many of the savings of the past. Electric vehicles, solar paired with battery storage, grid-interactive water heaters, hybrid heating systems, and other smart technologies can provide energy, capacity, flexibility, resilience, and customer benefits. The proposed Plan does not adequately accommodate these resources or capture their full value.

Nova Scotia's electricity system is also undergoing a major transformation. With a coal-free grid targeted for 2030 and more than three gigawatts of new wind and solar expected by 2035, the Province will require greater load flexibility, energy storage, and beneficial electricity demand. Without them, Nova Scotia risks increasing renewable-energy curtailment and failing to realize the full value of its clean-energy investments.

A growing share of the Province's remaining decarbonization opportunity will come from replacing fossil-fuel use in transportation, buildings, and industry with clean electricity, not simply from reducing electricity consumption.

Solar Nova Scotia believes the proposed Plan must be modernized in three principal areas: strategic electrification, demand response, and integrated program delivery.

First, strategic electrification should be included in this Plan.

The Board's Benefit-Cost Analysis Test decision confirmed that the Program Administrator Cost test applies at the portfolio level. Individual measures do not necessarily need to pass independently where the overall portfolio remains cost-effective. This creates a clear pathway for including strategic electrification.

Electric vehicles, hybrid heating systems, and smart electric water heaters are mature technologies already being adopted by Nova Scotians. They belong in the 2027-2031 Plan, not solely in research and development.

Waiting until 2032 risks missing an important stage in their adoption. The decisions customers make today about vehicles, heating systems, water heaters, and other major equipment will shape electricity demand for many years.

Second, demand response should play a substantially larger role.

The current approach to residential demand response relies heavily on fully subsidized thermostats and water-heater controllers installed in existing buildings. A more sustainable model would incorporate reasonable customer cost-sharing and focus on new construction and equipment replacement, when adding demand-response capability is easiest and least expensive.

The Plan shows no growth in EcoShift and only 8 MW through Smart Synergy, while major opportunities go largely unaddressed:

- **New housing:** approximately 8,000 starts in 2025 alone, each an opportunity for controllable heating and water heating.
- **Smart thermostats:** more than 120,000 expected under the Plan, with no requirement or target for demand-response enrolment.
- **Electric vehicles:** more than 30,000 expected, each a potential managed-charging resource.
- **Backup generators:** hundreds of megawatts installed and more than 40 MW added in 2025 alone, yet no forecasted demand-response growth.
- **Heat pumps:** more than 100,000 expected, each a controllable-load opportunity if properly equipped.
- **Electric water heaters:** 50,000 to 100,000 replacements expected, at approximately 3 kW each, creating a low-cost point to add demand-response capability.
- **Commercial construction:** approximately $1.3 billion in 2025 alone; the Plan encourages demand-response readiness but sets no funding or targets.
- **Battery storage:** eligible for major federal incentives and capable of significant demand-response and capacity value, but current program structures struggle to accommodate larger capital measures.

Third, program design and delivery must evolve.

Customer projects increasingly combine efficiency, electrification, distributed generation, storage, and controllable equipment. Siloed programs increase customer complexity and administrative costs and make it more difficult to capture the full value of these projects.

Remaining efficiency opportunities are also becoming more capital-intensive. As project costs rise, rebates cover a smaller share of the investment and become less effective at influencing decisions. The response cannot simply be progressively larger rebates funded by ratepayers.

Modern DSM must place greater emphasis on technical assistance, project development, financing, customer navigation, workforce development, and coordination with federal incentives. These services should be delivered through integrated models rather than separate programs that require customers to navigate multiple organizations and processes.

Finally, affordability should be considered in terms of the value delivered by each dollar invested, not simply the total amount invested.

These changes are critical to ensuring a sustainable future for demand-side management in Nova Scotia and can help pave the way for a bright energy future for the Province.

Thank you for the opportunity to make this Opening Statement.

David Brushett
Chair, Solar Nova Scotia
July 29, 2026