M12780

NOVA SCOTIA ENERGY BOARD

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

– 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 Demand-Side Management (DSM) Resource Plan**

OPENING STATEMENT OF THE CONSUMER ADVOCATE

July 29, 2026

This Application concerns EfficiencyOne's (E1) request for Board approval of its 2027-2031 Demand-Side Management (DSM) Plan.

According to E1, its preferred plan will deliver approximately 435.4 GWh of incremental cumulative net energy savings, thereby serving both the economic and environmental goals of DSM in Nova Scotia, for the benefit of NS Power ratepayers.

While acknowledging that the purpose of DSM is to reduce electricity costs for customers, E1's proposed DSM plan also took into account the significant cost-of-living pressures, rising interest rates, and electricity rate increases faced by NS Power customers. For this reason, in developing its plan, E1 prioritized near-term affordability in recognition of current economic circumstances, which E1 maintains are unique to this current Application. This resulted in E1 constraining investment to the approved 2026 level of $63.75 million, with no adjustment for inflation, resulting in a total investment of $318.7 million.

Many parties have filed IRs and evidence in this matter, including the Consumer Advocate. In a report authored by Theodore Love, of Green Energy Economics Group, Inc. (GEEG), Mr. Love raises several concerns regarding E1's Application as filed, including with regards to the Mid-Term Check-In and Mid-Course Adjustment processes; Plan Scenarios and Savings Targets; Low Income Savings Targets; Affordability; Unit Costs; Pre-Weatherization Barriers; Residential Heat Pumps; Demand Response; and Inclusion of Solar-PV.

We do not intend to address all of the issues raised in Mr. Love's report in this Opening Statement. However, it is important to highlight the debate around the issue of affordability, given the central importance attributed to it by E1 in developing its DSM Plan.

To be clear, affordability, including the impact on rates in the short-term, is an important consideration, and should be taken into account by the Board in deciding this matter. As E1 has indicated in its Opening Statement, there is a lot of economic uncertainty and mounting cost-of-living pressures facing ratepayers. It is primarily for this reason that E1 has put forward a plan that significantly under-delivers in terms of projected savings when compared to the expected levels set out in NS Power's current Integrated Resource Plan ("IRP"). The IRP included anticipated DSM energy savings of 683.1 GWh during the relevant period - a difference of 247.7 GWh compared to the savings projected by E1 in this current plan.

Maintaining short-term affordability in rates is clearly an important objective and should be given due weight by the Board. That being said, Mr. Love's report indicates that short-term affordability is not the only consideration. As Mr. Love states in his report, increased spending on DSM programs does not simply increase rates, it also results in cost savings for those who participate in E1's programs. According to Mr. Love, it is therefore short-sighted to only look at negative rate impacts (i.e. rate increases), without giving due consideration to positive bill impacts (i.e. savings generated by participating in E1's programs). DSM is also a least-cost resource compared to the cost of the generation supply it displaces. As Mr. Love points out, where this least-cost resource is under-utilized, any growth in peak load demand must be addressed by other means, namely generation. Curtailing spending on DSM programs may, therefore, not only mean less savings for customers through DSM, but also require customers to pay for higher cost supply-side resources.

Mr. Love's report raises serious questions regarding E1's approach to developing this DSM plan. The issue of affordability, and how affordability must ultimately be assessed in the context of DSM, is therefore a key issue requiring direction from the Board. We look forward to exploring this issue further in this hearing, along with other concerns raised in the evidence by the participants and their experts.

Finally, the Consumer Advocate has reviewed E1's Opening Statement, as well as the attached Appendix "A", which details various changes and clarifications to E1's Application. The Consumer Advocate is supportive of these changes.

The Consumer Advocate thanks the Board for the opportunity to provide this Opening Statement.