

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****INFORMATION REQUESTS****To:** EfficiencyOne ("E1")**From:** The Industrial Group**Responses Due:** May 28, 2026**Contact Person** Nancy G. Rubin, K.C.
 Brianne Rudderham
 Stewart McKelvey
 Suite 600-1741 Lower Water Street
 P.O. Box 997
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 Telephone: (902) 420-3200 / Fax (902) 420-1417Issued at Halifax, Nova Scotia, this 7th day of May 2026.**Request IR-1:****References:** Exhibit E-1, Application, page 8/71, lines 23–24; and Table 15, pages 40–44/71.**Preamble:** E1 states that annual investment is constrained to the 2026 approved level of \$63.75M per year, with no inflationary increases applied.

- (a) Please provide a rate-class-by-rate-class comparison in tabular form of: (i) approved annual spending under the 2023–2025 Plan; (ii) 2026 approved annual spending (the baseline); (iii) proposed annual spending for each

year 2027–2031 under the Preferred Plan; and (iv) the dollar and percentage change from 2026 approved spending for each rate class.

(b) If Medium Industrial or Large Industrial spending increases in dollar or percentage terms relative to either the 2023–2025 Plan or 2026 approved spending, what are the drivers of that increase notwithstanding the flat overall budget envelope?

(c) Please reconcile how spending increases for some rate classes are funded within the flat \$63.75M/year envelope, identifying which rate classes bear reductions to accommodate those increases.

Request IR-2:

Reference: Exhibit E-1, Application, page 24/71, lines 4–5; and page 38/71, Section 4 (“Affordability”).

Consistent with the PUA and the NSEB’s regulatory framework, affordability is the primary consideration in the design of the 2027–2031 DSM Plan.

(a) How has E1 defined “affordability” for purposes of its analysis and DSM Plan?

(b) Does E1’s approach to “affordability” reconcile with that used by NSPI? Please explain.

(c) By keeping investment at the 2026 approved level of \$63.75 million, has E1 assumed that this is the acceptable/affordable investment level, or has E1 completed its own analysis of whether this amount is in fact an acceptable or affordable level of investment over 2027–2031? Please explain.

Request IR-3:

Reference: Exhibit E-1, Application, Section 3.2.1, pages 26–27/71.

Preamble: E1’s Preferred Plan proposes 435.4 GWh in cumulative energy savings over 2027–2031, representing approximately 64% of the 683.1 GWh savings target in NSPI’s

2022 Evergreen IRP, which E1 characterizes as a deliberate short-term affordability trade-off.

(a) Recognizing that the IESO-NS is currently undertaking a new IRP, what consultation or engagement has E1 had with the IESO-NS in preparing the current DSM Plan and/or in having DSM Plan assumptions incorporated into the new IRP?

(b) When does E1 anticipate receiving updated avoided cost estimates from the new IRP process?

(c) Depending on the timing of the updated avoided cost estimates and the IRP conclusions, does E1 anticipate a need to seek a mid-course adjustment to DSM targets or program spending if the new IRP results in materially different avoided cost or resource adequacy findings? Please explain.

Request IR-4:

Reference: Exhibit E-1, Application, page 28/71, lines 16–20.

Alignment with NS Power’s IRP also informed the demand response design. The IRP recognizes demand response as a valuable demand-side resource for managing peak demand and supporting system reliability. Its findings informed the scale and role of demand response within the broader DSM portfolio, ensuring that demand response contributes incremental system value without introducing undue delivery or affordability risk.

(a) What specific IRP “findings” are being relied upon, which informed the demand response “scale and role”?

(b) Please define the undue delivery and affordability risk identified, and provide the risk assessment framework used in reaching the above conclusion, including any assumptions, scoring, sensitivity testing, mitigation measures considered.

Request IR-5:

Reference: Exhibit E-1, Application, page 35/71, lines 5–8.

Modified-PAC results for all strategic electrification scenarios modelled during the 2027–2031 DSM Plan development process demonstrated that

1 ***these measures did not reduce electricity costs for customers when***
2 ***evaluated under the Energy Board-approved modified-PAC test that includes***
3 ***increased utility revenues.***

4 (a) Please provide all strategic electrification scenarios modelled during plan
5 development, including for each:

6 (i) The technologies or measures considered;

7 (ii) The modified-PAC inputs and outputs (both with and without
8 the effect of increased utility revenues);

9 (iii) The threshold at which each scenario was found to fail the
10 test; and

11 (iv) The sensitivity of the PAC result to changes in electricity
12 rates, avoided costs, and fuel prices.

13 (b) Please confirm the total amount allocated to Enabling Strategies in the
14 2027–2031 plan for strategic electrification research and development
15 activities, by year, and provide a workplan describing the specific research
16 activities E1 proposes to undertake.

17 (c) Please confirm whether Medium Industrial and Large Industrial customers
18 are allocated any portion of the Enabling Strategies budget for
19 electrification research. If so, please provide the dollar amounts allocated
20 to each class over the plan period.

21 (d) If, during the 2027–2031 plan period, circumstances change such that
22 strategic electrification becomes cost-effective under the modified-PAC
23 test, what process would E1 follow to introduce electrification measures,
24 and how would the associated costs be allocated across rate classes?

25 (e) Please address specifically whether customers would be consulted and
26 Board approval sought respecting cost allocation of new electrification
27 measures.

1 **Request IR-6:**

2 **Reference:** Exhibit E-1, Application, page 36/71; and Exhibit E-1, Appendix B, Section 9,
3 **"Enabling Strategies".**

4 **Preamble:** E1 has asserted that eliminating or materially reducing Enabling Strategies
5 investment would weaken E1's ability to deliver DSM programs effectively and responsibly
6 and provided three qualitative explanations in support of that conclusion.

7 (a) Has E1 completed any quantitative analysis regarding what amount of
8 investment would be "material" and result in these noted negative impacts?
9 If so, please provide it.

10 (i) If not, how has E1 defined what constitutes "materially
11 reducing" these investments? Please explain.

12 (b) Please update Table 4 (Enabling Strategies investment) to include
13 comparable values dating back to 2012.

14 (c) In Table 10, E1 notes it has introduced "Market Transformation" as a new
15 category of Enabling Strategies, but later in Appendix B at pages 90 and
16 97-98, describes continuing Market Transformation activities. Please
17 reconcile.

18 (d) Please specify and describe all new Enabling Strategies being introduced
19 during 2027-2031, and the associated cost for each of these activities
20 which did not appear in prior Plans.

21 (e) With respect to "Other Enabling Strategies",

22 (i) please provide a table, for each year from 2012 to present,
23 showing budgeted costs and actual spend for each category
24 of expense listed in Appendix B, Table 57, along with the
25 variance (actual minus budget, and percentage).

26 (ii) please also provide a year-over-year comparison of actual
27 costs by category, identifying and explaining any material
28 variances.

1 **Request IR-7:**

2 **Reference:** Exhibit E-1, Application, page 40/71, lines 19–21.

3 ***Over the same time period in which the investment of \$318.75 million is***
4 ***made, the Preferred Plan will achieve \$682.5 million in avoided utility costs.***

5 Is the stated \$682.5 million in “avoided utility costs” the same as the “lifetime customer benefits”
6 reported elsewhere in the Application? If not, please provide a qualitative and quantitative
7 explanation of what is included in the \$682.5 million (including major components and any
8 exclusions). If so, please confirm whether carbon costs are included in these avoided utility costs
9 and, if included, identify the carbon price assumptions used.

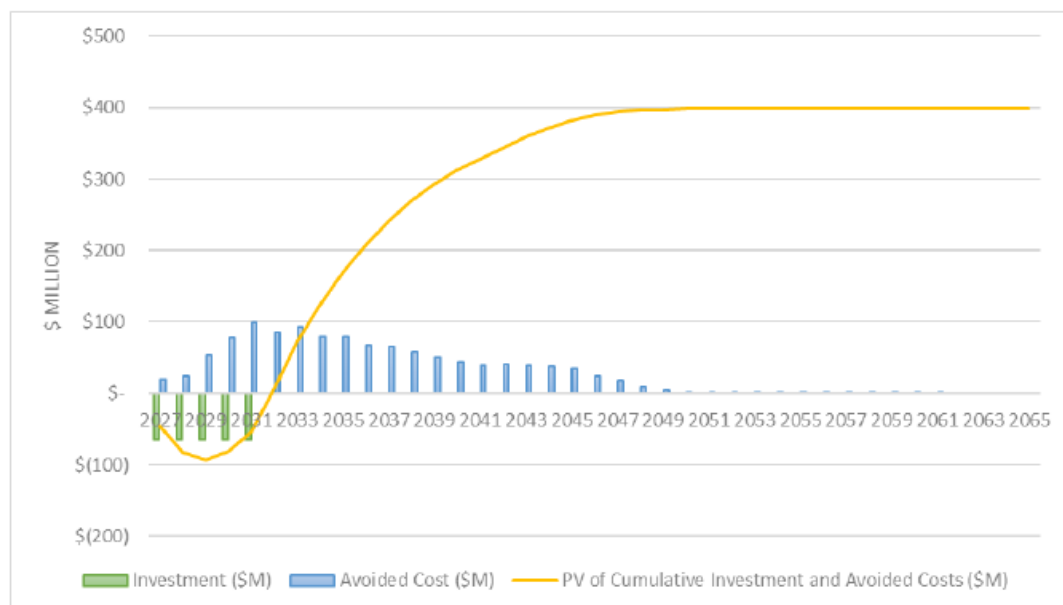
10 **Request IR-8:**

11 **Reference:** Exhibit E-1, Application, page 41/71; Exhibit E-1(ii), Excel File, Tab “Simple
12 **Payback Review”.**

13 **Preamble:** E1 as part of its DSM Resource Plan Filing content includes measure level
14 **payback information and justifications for measures with $\leq$ 3-year payback. This is as**
15 **directed by NSUAB following the M10473 E1 2023 – 2025 DSM Resource Plan.**

16 **E1 provides a summary of its Payback Analysis for the Preferred Plan, where DSM is fully**
17 **paid back no later than 2032, as shown in Figure 4:**

Figure 4: Payback Analysis – Preferred Plan



- 1 (a) Does this reflect current approved rates in the 2027-2028 GRA? If not,
2 please explain.
- 3 (b) Please provide a version of Exhibit E-1(ii) for the Alternate Scenario (in
4 excel format).
- 5 (c) Please provide the measure level payback analysis as per Exhibit E-1-(ii)
6 "Simple Payback Review" tab and an updated Figure 4 (reproduced above)
7 for the Alternate Scenario.
- 8 (d) Please confirm that the "Simple Payback Review" tab includes no
9 residential programs.
- 10 (i) If confirmed, is this because all participant costs for
11 residential programs are fully covered by incentives?
- 12 (ii) If not confirmed, please explain.
- 13 (e) Please provide the methodology for how the Simple Payback is calculated
14 for each year by measure. Please explain why the Simple Payback is
15 calculated "without incentive" (as titled in tab "Simple Payback Review").
- 16 (f) Please confirm that the Preferred Plan does not result in any DSM
17 measures in any year not providing full payback within three years. If not
18 confirmed, please provide supporting analysis.

19 **Request IR-9:**

20 **Reference: Exhibit E-1, Application, page 41/71, lines 19–20.**

21 ***Consequently, ratepayers have certainty during each term with respect to***
22 ***the cost they will bear in relation to DSM.***

23 **Reference: Exhibit E-1, Appendix A, Table 2, 2023-2026 Approved Rate Class**
24 **Expenditures and Results, page 11/112.**

- 25 (a) In determining the level of "certainty" referenced, how has E1 taken into
26 consideration the operation of the Demand Cost Recovery Rider (DCRR)
27 including the recovery of overspends and refunding of underspends that
28 occurred within the 2023-2026 Plan period, anticipated to be trued up over
29 the 2027-2030 period?

(b) In Appendix A, Table 2, E1 provides a value for “% 2023-2025 Results to 2023-2026 Approved”. Please explain what this column is intended to represent and why it indicates a -18.1% result for the Large Industrial class, as compared to the +18.4% variance from the approved spending over the 2023-2026 spend.

(c) Please provide a table that disaggregates the anticipated DCRR by year into its component impacts, by customer class, including: (i) the percentage increase to the DSM base rate based on the proposed new spend, (ii) the true-up percentage required to address prior under-recovery spread out over the 2027-2030 period (acknowledging that 2026 will be a forecast and assuming no load variances), and (iii) the combined DSM rate impact inclusive of all applicable components.

(d) For the 2027–2031 Plan, what specific policy changes and limits will E1 implement to promote the stated “certainty” in costs for ratepayers and to prevent a significant DSM rate rider increase at the end of the term? Please explain the specific policies or limits in spending that will be implemented in real time, beyond that included in relation to E1’s approach to “midcourse adjustments”,

Request IR-10:

References: Exhibit E-1, Application, page 47/71; and Exhibit E-1, Appendix A, pages 38–39/112.

Preamble: E1 attributes changes in unit costs between 2026 and 2027–2031 to factors including the end of the Greener Homes top-up incentive, the transition away from low-cost lighting measures, inflation, and reduced evaluated heat pump savings, which E1 states is “largely beyond E1’s control”. The 2027–2031 plan first-year unit cost is stated to be \$0.66/kWh compared to \$0.49/kWh in 2026. E1 “submits”, however, that the lifetime unit cost of \$0.05/kWh reflects a more appropriate efficiency measure.

(a) Please provide a table explaining the increase in first-year unit cost from \$0.49/kWh (2026) to \$0.66/kWh (2027–2031), broken down by the following drivers:

- 1 (i) Change in measure mix (e.g., shift away from lighting);
- 2 (ii) Changes in evaluated savings algorithms or parameters
- 3 (including the ~50% reduction in residential heat pump
- 4 savings from the 2024 evaluation);
- 5 (iii) Changes in incentive levels (gross dollars per measure);
- 6 (iv) Changes in program administration and delivery costs;
- 7 (v) Changes in participation volumes or market assumptions;
- 8 and/or
- 9 (vi) Any other drivers that E1 views as relevant to the analysis
- 10 which have not yet been identified.
- 11 (b) Please provide the methodology and all assumptions underlying the
- 12 lifetime unit cost calculation, including assumed savings lifetimes, discount
- 13 rate, and realization rates by measure.
- 14 (c) Please provide the comparable first-year and lifetime unit cost data for each
- 15 of the 2023–2025 plan years (actual), the 2026 Extension (plan and actual),
- 16 and by rate class or sector (residential, BNI, low-income), so that trends
- 17 can be assessed.
- 18 (d) Please confirm whether E1 has benchmarked its projected unit costs
- 19 against comparable DSM programs in other Canadian or North American
- 20 jurisdictions, and if so please provide the analysis and data sources. If not,
- 21 why not?

22 **Request IR-11:**

23 **Reference:** Exhibit E-1, Application, pages 47–49/71; and Exhibit E-1(ii).

24 **Page 47 of 71, E1 states that:**

25 ***Notably, customer incentives account for 71 percent of total costs in the***

26 ***Preferred Plan, an increase from 66 percent in the 2026 DSM Plan, reflecting***

27 ***the fact that rising costs are directly attributable to the incentives that***

28 ***provide financial support to customers – either through direct rebates or***

1 ***fully funded upgrades – rather than to administrative or overhead cost***
2 ***growth.***

3 **Page 48/71 states that:**

4 ***E1 also worked with a third-party consultant to review the assumptions in***
5 ***E1's incentive setting methodology that was developed in 2017 to ensure***
6 ***these assumptions remained aligned with other DSM administrators.***

7 **Page 49 of 71, E1 states that:**

8 ***E1's investment in customer incentives continues to be the single largest***
9 ***category of spending, as expected in a resource acquisition model where***
10 ***incentives are the primary mechanism for driving customer participation and***
11 ***measure adoption. E1 has implemented a formal Incentive Setting Process,***
12 ***which was an outcome of the CLEAResult study conducted following the***
13 ***2016–2018 DSM Plan. The incentive setting methodology is used when***
14 ***adding new measures or changing incentive levels on existing measures to***
15 ***confirm incentive levels fall within an acceptable range.***

16 (a) Please provide a copy of or detailed explanation of the “formal Incentive
17 Setting Process” including how the incentive setting methodology is
18 currently utilized, and address whether any third-party reviews have been
19 completed since it was developed.

20 (b) Please identify the referenced consultant who reviewed the assumptions
21 and provide a copy of the retainer letter or verbatim scope of work tasked.

22 (c) Did the third-party consultant review lead to any assumption or
23 methodology changes?

24 (i) If so, please list the changes and provide the rationale for
25 the proposed change.

26 (ii) If not, please provide any changes that were recommended
27 but not adopted and explain the rationale for not adopting.

28 (d) Please provide a table (in excel format) that compares per unit incentive
29 levels (from Exhibit E-1-(ii)) for each DSM measure from 2023 – 2031.

30 (i) For this table, please include a column that specifies which
31 rate classes are eligible for each DSM measure.

(e) Please explain the rationale for any incentive level changes year-over-year from 2026 to 2031, explaining how the incentive setting methodology led to the decision to change the level of incentive.

(f) From part (d) above, please show the detailed calculation that supports the statement that customer incentive amounts have increased to 71% of the total plan costs from 66% in 2026.

Request IR-12:

Reference: Exhibit E-1, Application, pages 47 and 49/71.

(a) Please provide a table comparing the 2026 DSM Extension to each year of the 2027–2031 Preferred Plan, and to the 2027–2031 five-year total, showing the following information:

(i) Total planned expenditures, broken out by major cost category, including at minimum: customer incentives, labour/FTE staffing costs, third-party delivery costs, enabling strategies, evaluation/EM&V, marketing, administration/overhead, and any other material cost category used by E1;

(ii) The dollar increase or decrease and percentage increase or decrease in each cost category relative to the 2026 DSM Extension;

(iii) The amount of each cost category allocated to each customer class;

(iv) The basis/allocator used to allocate each cost category to DSM measures and by extension customer classes, including whether costs are allocated based on forecast participation, forecast savings, direct assignment, rate-class spending, etc.; and

(v) Where customer incentive spending increases while FTE staffing or enabling strategy spending decreases, please

1 explain whether and how E1 assessed the impact of those
2 changes on program delivery, customer participation,
3 measure uptake, and realized savings for each affected
4 customer class.

- 5 (b) Please explain the allocation methodology used to allocate each category
6 of expenditure to each customer class (and/or program/measure).

7 **Request IR-13:**

8 **Reference: Exhibit E-1, Application, Table 9 (Program Budgets), page 58/71; and**
9 **Appendix B, Attachment 2.**

10 **Preamble: Table 9 of the Application presents Enabling Strategies (ES) spending of**
11 **\$29.1M over 2027–2031 without benefits or savings attributed to any specific rate class.**

12 Please provide:

- 13 (a) The specific allocator(s) used to apportion each category of Enabling
14 Strategies spending (Education & Outreach; Development & Research;
15 Other Enabling Strategies; Market Transformation) across rate classes,
16 and confirmation of whether the same allocator is used for all ES sub-
17 categories;
- 18 (b) A quantified mapping of each ES activity or sub-category to the expected
19 direct or indirect benefits for Medium Industrial and Large Industrial
20 customers specifically;
- 21 (c) Any metrics or key performance indicators E1 uses or proposes to use to
22 track and report on the benefits delivered by Enabling Strategies to each
23 rate class;
- 24 (d) E1's position on whether the allocation of Enabling Strategies costs is
25 consistent with the "beneficiary pays" principle that is stated to govern the
26 allocation of program costs, and, if E1 considers ES to be an exception, a
27 full justification; and
- 28 (e) The dollar amounts allocated to Medium Industrial and Large Industrial for
29 each ES sub-category for each year of the Plan period.

1 **Request IR-14:**

2 **Reference: Exhibit E-1, Application, pages 61–64/71.**

3 **Preamble: E1 acknowledges Board concerns, including those raised by the Industrial**
4 **Group, that unrestrained mid-course adjustments could prejudice the rate classes funding**
5 **DSM activities, and proposes to add rate-class spending tracking to the MCA process. E1**
6 **also proposes a 15% rate-class spending change threshold requiring explanations to the**
7 **Board, and a 20% threshold for program-level changes, with DSMAG review of proposed**
8 **draft MCAs before filing.**

9 (a) Please provide the working draft of the MCA text, including identifying any
10 amendments to the Standardized Filing Framework that E1 proposes to
11 incorporate to give effect to the enhanced rate-class reporting and
12 thresholds. If this text is not yet finalized, please provide the most current
13 draft.

14 (b) Please elaborate on the rationale for selecting 20% (program level) and
15 15% (rate-class level) as thresholds, including any analysis or modelling
16 supporting those figures.

17 (c) Regarding the proposed 15% rate-class spending change threshold:

18 (i) What is the baseline against which the 15% change is
19 measured (e.g., Board-approved plan, prior year actual, or
20 rolling average), and over what time period?

21 (ii) Is the threshold measured annually, cumulatively over the
22 plan period, or both?

23 (iii) Does the threshold apply to each rate class independently,
24 or only to the aggregate rate-class allocation and how will
25 that spending be tracked in real time; and

26 (iv) What obligation, if any, does E1 have to seek prior Board
27 approval (rather than merely provide explanation after the
28 fact) where the threshold is forecasted to be exceeded?

29

- 1 (d) Please provide E1's anticipated timeline for the DSMAG review and
2 engagement process outlined.

3 **Request IR-15:**

4 **Reference:** Exhibit E-1, Application page 65/71, lines 4-10.

5 *The mid-term check-in proposed below is intended to enhance transparency*
6 *and stakeholder engagement during plan implementation, but does not*
7 *constitute a full plan reopening or amendment process, nor does it alter E1's*
8 *approved performance targets or total spending authority. To treat the mid-*
9 *term check-in as a vehicle for reopening the approved Plan would frustrate*
10 *the Legislature's express purpose in extending the DSM plan term from three*
11 *to five years, which, as noted in Section 2.1.1 of this Evidence, was*
12 *specifically intended to save time, money, and resources by reducing the*
13 *frequency of full regulatory proceedings.*

14 **And Reference:** Exhibit E-1, Application page 66/71 lines 10-16.

15 *Should circumstances arise during plan implementation that, in E1's*
16 *reasonable assessment, may necessitate changes to approved investment*
17 *levels, performance targets, or other material plan elements requiring NSEB*
18 *approval, E1 will provide advance notice to the DSMAG and file an*
19 *appropriate application with the NSEB in accordance with the PUA. Such*
20 *circumstances might include, for example, significant and unforeseen*
21 *changes in avoided costs, material shifts in market conditions or technology*
22 *availability, legislative or regulatory changes affecting DSM delivery, or other*
23 *extraordinary events materially impacting plan feasibility or ratepayer value.*

- 24 (a) Please explain how the proposed mid-term check-in provides meaningful
25 regulatory or stakeholder value beyond information-sharing if it cannot,
26 itself, inform, recommend, or support changes to improve the effectiveness,
27 efficiency, or cost-effectiveness of the DSM Plan.

- 28 (b) Given E1's statement that some changes to investment levels or
29 performance targets would be addressed through a separate application to
30 the NSEB, please explain how insights or issues identified during the mid-
31 term check-in would be distinguished from, or inform the need for, such an
32 application.

1 (c) Does E1 agree that identifying evidence during the mid-term check-in that
2 supports reductions, reallocation, or reprioritization of DSM investments—
3 where such changes would benefit ratepayers—would be consistent with,
4 and not contrary to, the Legislature's intent in approving a five-year DSM
5 Plan term? Please explain.

6 (d) Please elaborate on why allowing the mid-term check-in to substantively
7 inform potential adjustments through a subsequent NSEB filing would
8 undermine legislative intent, taking into consideration that E1 already
9 contemplates the possibility of filing applications during the five-year term
10 when circumstances warrant.

11 (e) If E1 does not anticipate that the mid-term check-in will influence decisions
12 regarding program design, funding levels, or performance expectations in
13 any material way, please explain the purpose of the check-in from a
14 regulatory perspective (especially considering the enhanced reporting
15 proposed annually).

16 (f) Please outline the threshold at which E1 views "significant and unforeseen
17 changes in avoided costs, material shifts in market conditions or technology
18 availability, legislative or regulatory changes affecting DSM delivery, or
19 other extraordinary events materially impacting plan feasibility or ratepayer
20 value" as warranting an application to the NSEB, what input stakeholders
21 may have in making that determination, and identify the source(s) or
22 reasoning for that threshold.

23 **Request IR-16:**

24 **Reference:** Exhibit E-1, Application, Appendix A, Section 4.7, pages 40–42/112; Exhibit
25 **E-1, Appendix B, Attachment 2.**

26 **Preamble:** E1 states that the rate-class allocation of expenditures was developed using
27 **three years of historical data (2022–2024), customer commitments for projects, and**
28 **assumptions for program changes impacting specific rate classes.**

29 (a) Please provide:
30

- (i) The complete rate-class allocation methodology, step by step, including all allocators, weighting factors, and normalization steps applied to derive the percentage share of total annual spending allocated to each rate class;
 - (ii) The underlying annual datasets for 2022, 2023, and 2024 used to generate the historical allocators, showing spending by program and by rate class for each year;
 - (iii) A reconciliation from the historical average allocators to the year-by-year spending percentages applied in the 2027–2031 Preferred Plan, with explanations for any year-over-year variation within the Plan period; and
 - (iv) Confirmation of which programs or measures required bespoke assumptions (i.e., were not derived from the three-year historical average), and the rationale for each such assumption.
- (b) Where a mid-course adjustment shifts spending to a program for which 100% of allocation is assigned to classes that directly benefit from that program (i.e., classes that are eligible participants), please confirm:
- (i) How that allocation shift affects the non-participating or non-eligible classes (such as Medium and Large Industrials where they do not benefit from a residential program receiving increased allocation); and
 - (ii) What limits, if any, apply to such reallocations that would increase the cost burden on non-eligible rate classes.

Request IR-17:

Reference: Exhibit E-1, Appendix A, Table 57, page 96 of 112, “Other Regulatory Matters”.

1. Update E1’s 2026 potential study: Together with its consultants, E1 will complete an update of its 2026 potential study during the 2027–2031 Plan period, both to inform its 2032-2036 DSM Plan and to contribute to an

expected Integrated Resource Plan Evergreen process by the Nova Scotia Independent Energy System Operator during the 2027–2031 Plan period.

(a) Please provide the current iteration of the DSM Potential Study that E1 references it plans to update.

(b) Please outline any planned updates to its 2026 DSM Potential Study that would relate to or impact Industrial customer alternative program designs, enhanced incentives, dedicated technical assistance, pay-for-performance structures, industrial energy-manager models, or process-specific offerings.

(c) Do the objectives of E1's DSM Potential Study include improving participant rate benefits for Medium and Industrial customer participants? Please explain.

Request IR-18:

Reference: Exhibit E-1, Appendix A, Table 46, page 81-82/112.

Preamble: E1 describes BNI Demand Response (marketed as "Smart Synergy") as targeting commercial and industrial curtailment. In 2025, Medium Industrial achieved 3.3 MW of available DR capacity and incurred \$0.9M in Smart Synergy expenditure, while Large Industrial achieved 0.0 MW of available DR capacity with participation from one customer and \$0.0M recorded in expenditures.

(a) Please confirm which rate classes (and rate class codes) are eligible to participate in and receive incentives through Smart Synergy (BNI Demand Response) in the 2027–2031 plan.

(b) Please explain both why "interruptible customers have not been eligible to participate in the past", and who determined that ineligibility?

(c) Does E1 anticipate that Large Industrial Interruptible customers may be eligible for this program during the 2027-2031 DSM Plan period, where incentives would be limited to incremental voluntary curtailments that are separate from, and additional to, the customer's interruptible tariff obligation in priority?

- 1 (d) Would E1 object to exploring eligibility for Large Industrial Interruptible
2 customers during this 2027-2031 Plan period?
- 3 (e) Are there written eligibility criteria (e.g., minimum demand, metering
4 requirements, curtailment capability), and if so, please provide.
- 5 (f) Please provide a table that compares E1 Smart Synergy provisions for BNI
6 participants versus NSPI's Large Industrial Interruptible program (and
7 separately provide for telemetry vs. non-telemetry customers) that
8 compares the following:
- 9 (i) Notice period for interruptions;
- 10 (ii) Maximum number and length of interruptions allowable;
- 11 (iii) Dollar value of credit (including any capacity and variable
12 credits);
- 13 (iv) Notice period to exit program;
- 14 (v) Timeframes and constraints for interruptible periods;
- 15 (vi) Requirement vs. optional interruption ability;
- 16 (vii) Penalties for non-compliance;
- 17 (viii) Minimum load to participate; and
- 18 (ix) How participating load reduction is quantified and if there
19 are any load factor adjustments applied in the credit
20 calculation (i.e. how the credit is calculated for each
21 interruption).
- 22 (g) Please provide, for 2027–2031 by year, the projected Smart Synergy
23 program costs (incentives, administration, delivery, metering) allocated to
24 Medium Industrial, and Large Industrial rate classes (separately).
- 25 (h) As the subclass of Large Industrial Interruptible customers are not eligible
26 to participate presently in the Smart Synergy program and do not receive
27 the benefit of participation, what is E1 justification for allocating the cost of

this program to this subclass?

- (i) Does E1 have any data on whether this program impacts or influences any calls for interruptions for the Large Industrial Interruptible class in prior years of the program? If so, how?

Request IR-19:

Reference: Exhibit E-1, Appendix A, pages 66–68/112, Table 35.

Preamble: Custom incentives are available to non-profit, institutional, commercial and industrial customers, consisting of two programs: custom and strategic energy management.

E1 states that the objectives of these programs include reducing barriers to implementing complex, customer energy efficiency projects by providing technical and financial support. The barriers these programs help overcome include upfront costs, internal competition for capital, payback requirements, limited internal capacity, lack of internal commitment and technical expertise, and third-party consultants being unfamiliar with customer offerings and processes.

Table 36 provides the total custom program components:

Table 36: 2027–2031 Custom Program Component

Custom				
Annual Plan	Investment (\$M)	Energy Savings (GWh)	Demand Savings (MW)	Participation (projects)
2027 Total	17.1	73.2	10.7	191
2028 Total	13.3	50.7	7.1	132
2029 Total	11.1	35.0	4.6	91
2030 Total	10.6	32.1	4.1	84
2031 Total	10.0	27.7	3.6	72
2027–2031 Total	62.1	218.7	30.1	570

Comparatively, the table below pulls some figures from Exhibit E-1-(ii) (Appendix A, Attachment 3 from the 2026 DSM Plan) on the custom program components:

Measure Name	2026 Proposed					2027 Preferred Plan					2028 Preferred Plan				
	First Year Savings (MWh)	Per Unit Incentive	Participation Units	Total Incentive	PAC Ratio	First Year Savings (MWh)	Per Unit Incentive	Participation Units	Total Incentive	PAC Ratio	First Year Savings (MWh)	Per Unit Incentive	Participation Units	Total Incentive	PAC Ratio
Custom	4,141.85	\$150,000	5	\$681,000	6.81	975.95	\$150,000	1	\$150,000	9.10	975.95	\$150,000	1	\$150,000	9.21
Custom - Pay for Performance	13,176.34	\$150,000	18	\$2,700,000	8.66	39,579.07	\$150,000	46	\$6,825,000	11.15	23,138.53	\$150,000	27	\$3,990,000	10.40
Custom - New Construction	10,888.81	\$130,000	13	\$1,690,000	5.25	22,446.88	\$170,000	23	\$3,910,000	4.87	15,859.21	\$170,000	16	\$2,762,500	5.35
Custom - Industrial Retrofit	4,188.00	\$150,000	5	\$750,000	4.55	6,343.68	\$150,000	7	\$975,000	5.55	5,855.71	\$150,000	6	\$900,000	6.09
Custom - Commercial Retrofit	1,621.78	\$120,000	2	\$201,600	6.74	1,930.69	\$120,000	2	\$240,000	0.25	1,930.69	\$120,000	2	\$240,000	0.58
Equity Deserving Retrofits						1,951.90	\$180,000	2	\$360,000	4.60	2,927.85	\$180,000	3	\$540,000	5.31
Total Custom	34,015.78		42.22	\$6,022,600		71,276.27		78.00	\$12,100,000		47,760.09		51.85	\$8,042,500	
SEM															
Custom - Strategic Energy Management	3,976.47	\$160,000	4.0	\$640,000	4.61	4,188.79	\$60,000	4	\$240,000	9.39	4,188.79	\$60,000	4.0	\$240,000	11.90

Measure Name	2029 Preferred Plan					2030 Preferred Plan					2031 Preferred Plan				
	First Year Savings (MWh)	Per Unit Incentive	Participation Units	Total Incentive	PAC Ratio	First Year Savings (MWh)	Per Unit Incentive	Participation Units	Total Incentive	PAC Ratio	First Year Savings (MWh)	Per Unit Incentive	Participation Units	Total Incentive	PAC Ratio
Custom	975.95	\$170,000	1	\$170,000	9.29	975.95	\$170,000	1	\$170,000	9.60	10,929.03	\$170,000	1.0	\$170,000	9.65
Custom - Pay for Performance	13,048.04	\$170,000	15	\$2,550,000	11.00	11,134.33	\$170,000	13	\$2,176,000	11.26	183,503.78	\$170,000	11.1	\$1,887,000	11.31
Custom - New Construction	10,247.49	\$170,000	11	\$1,785,000	6.19	9,271.54	\$170,000	10	\$1,615,000	6.61	71,002.41	\$170,000	8.0	\$1,360,000	6.75
Custom - Industrial Retrofit	4,879.76	\$170,000	5	\$850,000	6.22	4,879.76	\$170,000	5	\$850,000	6.64	31,063.55	\$170,000	3.5	\$595,000	6.78
Custom - Commercial Retrofit	2,896.03	\$130,000	3	\$390,000	1.11	2,896.03	\$130,000	3	\$390,000	1.62	5,085.43	\$130,000	3.0	\$390,000	1.76
Equity Deserving Retrofits	2,927.85	\$200,000	3	\$600,000	5.26	2,927.85	\$200,000	3	\$600,000	5.62	26,625.90	\$200,000	3.0	\$600,000	5.74
Total Custom	32,047.27		34.50	\$5,745,000		29,157.61		31.30	\$5,201,000		301,584.20		26.60	\$4,402,000	
SEM															
Custom - Strategic Energy Management	4,188.79	\$60,000	4	\$240,000	13.64	3,141.59	\$60,000	3	\$180,000	14.81	18,252.65	\$60,000	3.0	\$180,000	15.03

- (a) Please confirm Table 36 values are consolidated from Exhibit E-1-(ii) for 2026 values, and if not please update.
- (b) Please explain the decrease in Strategic Energy Management per unit incentive from \$160,000 in 2026 to \$60,000 in the 2027-2031 Plan. Specify how and why the incentive setting methodology led to the decision.
- (c) Comparing 2026 to 2027+, please explain the rationale behind increasing Industrial Retrofit and Pay for Performance participation levels so substantially.
- (i) Please provide any consultations, surveys or due diligence E1 has undertaken to ensure this level of participant increase is achievable.
- (d) Please reconcile Table 36 values, specifically investment, energy savings and participation with the values in Exhibit E-1-(ii).
- (e) Please confirm that Strategic Energy Management is not included in the "Custom" Table 36. If not confirmed, please explain why it is separated in the Exhibit E-1-(ii) tables.
- (f) Please explain the decrease in Strategic Energy Management participation from 4 participants to 3 in 2030 (considering this program is usually provided on an annual ongoing basis).

(g) Please break down Table 36 and Exhibit E-1-(ii) custom programs (including Strategic Energy Management) split by all rate classes included in the BNI programming.

(h) Please explain how the incentive levels were established for custom programs, particularly for Medium and Large Industrial customers.

Request IR-20:

Reference: Exhibit E-1, Appendix B, pages 11–12 of 23.

Preamble: Table 1 shows rate and bill impact as a result of the 2027 – 2031 Preferred Plan, which shows markedly lower participant bill impact benefits for Medium Industrial and Large Industrial classes compared to most other rate classes.

On pages 11-12, E1 states that participant savings vary by class because simple lighting, heating, and hot water measures have a larger bill impact for lower-consumption classes, while for higher-consumption classes, “particularly medium and large industrial,” the same measures lower bills by a smaller proportion because a significant portion of consumption is tied to more complex industrial processes.

(a) Provide a similar Table 1 analysing Rate and Bill Impacts for the Alternate Scenario.

(b) Please provide the analysis, assumptions, or workpapers that support E1’s conclusion that the lower participant bill impacts for Medium Industrial and Large Industrial customers are attributable to the proportion of consumption tied to “complex industrial processes”.

(c) Please explain whether E1 considers participant average bill impacts of approximately 4% to represent a sufficient participant value proposition for Medium Industrial and Large Industrial customers, and identify any benchmarks, customer feedback, or prior program experience relied on to support that conclusion.

(i) Does E1 view this level of participant payback as a barrier for participation? Please explain.

(d) For the Medium Industrial and Large Industrial rate classes, please provide the assumed average participant load profile (including load factor), average annual consumption, average savings per participant, and average bill reduction used to calculate the participant average bill impacts.

(i) Please similarly provide non-participant average bill impact.

(e) Approximately how much (in customer numbers and overall load) of each rate class are participants vs. non-participants.

(f) For Medium Industrial customers, please explain (qualitatively and with supporting calculations) how non-participants are anticipated to see bill savings of 0.1%.

Request IR-21:

Reference: Exhibit E-1, Application, Appendix B, Attachment 2, Tables 7 and 15.

Preamble: Table 15 of Appendix B, Attachment 2 provides planned rate-class savings and expenditures at the portfolio level for the 2027–2031 Preferred Plan.

Please provide:

(a) A version of Table 15 disaggregated by individual program component (e.g., Custom Incentives, BNI Efficient Product Rebates, BNI Demand Response including Smart Synergy, Enabling Strategies sub-categories, Solar PV, etc.) for each rate class and each year of the Plan period; and

(b) The equivalent program-level, rate-class-level breakdown for 2023, 2024, 2025 (actual), and 2026 (forecast/approved).

Request IR-22:

Reference: Exhibit E-1, Appendix D, Schedule B (Compensation).

(a) Please explain the rationale for changing the language in the compensation schedule from “surplus” to “underspend”. What are the practical and legal implications arising from this change?

(b) Footnote 1 notes that the amount refunded to NSPI will include interest earned by E1. Please provide: (i) the interest earned during the 2023–2026 Plan period; (ii) the rate(s) used to calculate/apply interest; and (iii) the interest rate E1 anticipates accruing on any “underspend” during the 2027–2031 DSM Plan period.

(i) Does E1 anticipate providing any reporting on the interest accrued, and if not, is E1 opposed to this reporting?

(c) Please explain why the contract no longer includes confirmation that any “surplus” or “underspend” will be refunded to NSPI in the first year of the new Plan and applied to the payment amounts planned for E1?

(d) Does E1 take the position that any “underspend” is only owed to NSPI on a cumulative basis over the full five-year period, or will it be paid/refunded once the amount is confirmed within the first year of the plan? Please explain.

(e) Please provide the anticipated payment schedule from NSPI to E1 throughout the duration of the Plan.

Request IR-23:

Reference: Exhibit E-1, Appendix D, Schedule C (Performance Requirements).

(a) The contract appears to remove the “trigger” for a regulatory process previously outlined in section (a)(ii), where performance dips below the target by 10%. Please confirm.

(b) If the trigger is removed, please explain the significance of this change, including E1’s understanding of how the Board may exercise its discretion in such circumstances?

(c) Please provide the rationale for this change and describe the circumstances in which E1 must apply to the Board in relation to performance variances.

Request IR-24:

Reference: Exhibit E-1(iv), “Preferred Plan” tab and “Alternate Scenario” tab.

1 **Preamble: The following tables have been copied from the “Preferred Plan” tab:**

DSM (All Resources)								
Rate Impacts								
	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
2027	3.73%	5.13%	5.14%	4.09%	4.35%	2.60%	6.26%	2.62%
2028	4.30%	5.27%	5.07%	3.91%	4.54%	2.66%	6.02%	3.13%
2029	4.33%	4.48%	4.14%	3.25%	3.81%	2.09%	5.18%	2.89%
2030	3.27%	3.32%	2.91%	1.92%	2.60%	0.67%	3.45%	1.82%
2031	2.79%	2.73%	2.33%	1.26%	2.05%	-0.02%	2.62%	1.36%

2

Demand Response								
Rate Impacts								
	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
2027	-0.02%	-0.10%	-0.11%	-0.08%	-0.15%	-0.26%	0.04%	-0.14%
2028	-0.04%	-0.11%	-0.14%	-0.14%	-0.18%	-0.37%	0.04%	-0.15%
2029	-0.05%	-0.11%	-0.15%	-0.20%	-0.20%	-0.49%	0.04%	-0.15%
2030	-0.06%	-0.12%	-0.17%	-0.26%	-0.23%	-0.60%	0.04%	-0.16%
2031	-0.06%	-0.12%	-0.19%	-0.31%	-0.25%	-0.71%	0.03%	-0.17%

3

4 **The following tables have been copied from the “Alternate Scenario” tab:**

DSM (All Resources)								
Rate Impacts								
	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
2027	3.63%	5.13%	5.14%	4.09%	4.35%	2.60%	6.23%	2.63%
2028	4.21%	5.27%	5.07%	3.91%	4.54%	2.66%	5.99%	3.14%
2029	4.25%	4.48%	4.14%	3.25%	3.81%	2.09%	5.15%	2.90%
2030	3.18%	3.32%	2.91%	1.92%	2.60%	0.67%	3.43%	1.82%
2031	2.70%	2.73%	2.33%	1.25%	2.05%	-0.02%	2.59%	1.36%

5

Demand Response								
Rate Impacts								
	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
2027	-0.12%	-0.10%	-0.11%	-0.08%	-0.15%	-0.27%	0.02%	-0.13%
2028	-0.13%	-0.11%	-0.14%	-0.14%	-0.18%	-0.37%	0.01%	-0.14%
2029	-0.14%	-0.11%	-0.15%	-0.20%	-0.21%	-0.49%	0.01%	-0.15%
2030	-0.14%	-0.12%	-0.17%	-0.26%	-0.23%	-0.60%	0.01%	-0.16%
2031	-0.15%	-0.13%	-0.19%	-0.31%	-0.25%	-0.71%	0.01%	-0.16%

6

7 (a) Please confirm that Large Industrial customers under the Preferred Plan
8 will see a rate impact of 6.26% in 2027 and 6.02% in 2028.

9 (i) If not confirmed, please explain how to interpret this table.

(b) Please provide a table showing the annual impact of the Preferred Plan on the DSM rate rider for each year from 2026 through 2032, inclusive. State all assumptions.

(i) Please provide the same table for the Alternate Scenario.

(c) Please provide a version of these Rate Impact tables (in excel format) for both the Preferred and Alternate Plan that combines historical RBIA with forecasts such that combined annual rate impacts from 2011 to 2046 include all DSM plan years from 2011 to 2031 (i.e. include 2023 – 2026 years).

(i) From these tables, please calculate the cumulative rate impacts for each rate class as a result of actual and forecast DSM rate impacts from 2011 to 2046.

(d) Please explain why under both the Preferred and Alternate Plans, Large Industrial customers will see rate increases over the DSM plan period for Demand Response when every other customer class will see rate decreases?

Request IR-25:

Reference: Exhibit E-1(i), Excel File, Tab “Key Model Assumptions”.

Preamble: Energy and Demand line loss factors are used as an input. E1 states:

Line loss factors were developed by E1 using rate-class level line loss data provided by NSPI as part of its 2014 Cost of Service Study (COSS) and applied in the modelling of DSM resources.

In NSPI’s Cost of Service Study, filed and approved as part of the 2026/27 GRA, Matter M12451, energy and demand line losses were updated via a study performed by externally hired consultant BBA.

(a) Please explain all calculations for which line losses are included as an input.

(i) Please include the formula used in each of these calculations.

- 1 (b) Please update the values in question (a) for the updated 2024 line loss
2 study results.

3 **Request IR-26:**

4 **Reference: E-2, 2025 Annual Progress Report, Table 7, at page 6; and page 9**

- 5 (a) Please update Table 7 in E-2, and provide the 2025 Smart Synergy
6 participation and results broken out by individual rate class showing also:

7 (i) Enrolled capacity (MW) by rate class;

8 (ii) Available capacity achieved (MW), by event and on
9 average;

10 (iii) Incentives paid; and

11 (iv) Event non-participation rate.

- 12 (b) When and how is an event called in relation to the Smart Synergy program;
13 and does E1 anticipate any changes to the practices from 2025?

- 14 (c) E1 identifies an enhancement of 48-hour notice for events (page 9/112).
15 Has the move to 48-hour notice been implemented, and what impact does
16 E1 project this will have on participation rates in 2027–2031? Please
17 provide supporting analysis.

- 18 (d) Where E1 reports that Medium Industrial participants represented more
19 than half of both incentives paid and available capacity achieved in BNI
20 Demand Response in 2025, please explain:

21 (i) how the Smart Synergy program and its associated costs
22 serve the interests of the broader BNI rate classes funding
23 it; and

24 (ii) what steps E1 is taking to diversify Smart Synergy
25 participation.

1 **Request IR-27:**

2 **Reference: Exhibit E-2, 2025 Report; and Exhibit E-1(ii).**

3 (a) Please provide a version of Exhibit E-1-(ii), in excel format, for the 2025
4 actual results (reported in Exhibit E-2) by measure.

5 (b) Please split BNI custom programs by customer class (Large General, Small
6 Industrial, Medium Industrial, Large Industrial, etc.), including for measure
7 level PAC results (as provided in Exhibit E-1-(ii).

8 **Request IR-28:**

9 **Reference: N-3, DSM Evaluation Report.**

10 (a) With respect to the Custom Incentives and SEM, please explain the drivers
11 for the change in net-to-gross ratios (NTGRs) compared to earlier
12 evaluations.

13 (b) Please confirm that these changes to the NTGR affect credited savings and
14 the calculation of customer incentives? If not, please explain.

15 (c) In practice, when are customer incentives paid in relation to the Evaluation
16 and is there a mechanism to account for differences? Please explain.

17 **Request IR-29:**

18 **Reference: N-3, DSM Evaluation Report.**

19 (a) Please confirm that the Econoler Evaluation of demand response capacity
20 revealed that in 2025, per participant capacity collapsed from
21 approximately 106kW to approximately 42 kW and non-participant rates
22 rose to approximately 60%.

23 (b) Has E1 addressed all the structural barriers identified by Econoler (short
24 notice windows, morning events performed better than evening and AMI
25 data unavailability required costly independent metering)? Please explain.

26

1 (c) Does E1 collect customer surveys after the DR season regarding the
2 expectations and performance of the Smart Synergy program? If so,
3 please provide.

4