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**

INFORMATION REQUESTS

To: Alice Napoleon, Synapse Energy Economics, Inc.

From: The Industrial Group

Responses Due: July 17, 2026

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Issued at Halifax, Nova Scotia, this 6th day of July, 2026.

Request IR-1:

Reference: E-23, Page 8, lines 6-11.

> ***E1 also:***
>
> ***• interpreted the NSEB's Order on E1's Application for Approval of a New Benefit-Cost Analysis Test for Evaluating Demand Side Management Plans and section 79A(iv) of the Public Utilities Act and applied its interpretation of these regulations to its screening of cost-effectiveness and of strategic electrification***

Preamble: Synapse's evidence goes on to provide alternative ways in which the Board decision can be interpreted, at page 23-24.

(a) Please confirm that Synapse is referring to section 79A(b)(iv), the definition of demand-side management.

(b) Does Synapse take the position that E1 has misinterpreted the Board's decision and corresponding Order from Matter M12282?

(c) What, if any, legal training and expertise does Ms. Napoleon have that she relies upon in making recommendations about legal interpretation of the Board Decision, Order, and governing statute?

(d) Please confirm that Courtney Lane, from Synapse, filed evidence on behalf of Board Counsel recommending that the Board approve E1's proposed broad Nova Scotia BCA test, including host customer non-energy benefits, which the Board did not accept, and outline whether Synapse's recommended approach in M12282 now differs within this proceeding, or whether it advances a similar interpretation of the cost-effectiveness framework.

(e) In reaching her conclusions regarding the Board Order and Decision from Matter M12282, has Ms. Napoleon reviewed the evidence of Courtney Lane at Synapse, or conferred or consulted with Ms. Lane in any way? If so, please describe the nature of those discussions.

Request IR-2:

Reference: E-23, Pages 11-13.

Preamble: Synapse concludes E1's Preferred Plan will deliver approximately 215 GWh less in annual energy efficiency savings than the IRP assumes by 2031, and approximately 9 MW less in peak demand savings by 2031. Synapse's Table 1 (page 14) shows a cumulative energy efficiency savings gap of 214.7 GWh between the combined E1 and NSPI DSM efforts and the 2022 Evergreen IRP over the 2027-2031 period.

(a) Does Synapse consider the IRP's DSM savings assumptions to be a binding target or a directional planning assumption for the purposes of evaluating E1's Preferred Plan? Please explain.

(b) Please confirm whether Synapse conducted a Rate and Bill Impact Analysis (**RBIA**) for any scenario in which the energy efficiency savings gap identified in Table 1 is closed. If so, please provide the results of that analysis, disaggregated by rate class.

(c) If no RBIA was conducted, please explain:

(i) what incremental investment level Synapse considers necessary to align E1's energy efficiency savings with the IRP assumptions; and

(ii) what rate class allocation methodology Synapse would apply to any such incremental investment.

(d) With respect to Table 1 on page 14, please confirm whether Synapse has included the combined DR comparison against the IRP and not included NSPI's energy efficiency contribution to the EE comparison. If correct, why are NSPI's EE contributions excluded, and would this change the reported 214.7 GWh gap?

(e) Where an updated IRP is currently underway by IESO-NS, please explain how Synapse proposes that any changes to the IRP's DSM savings assumptions during the 2027–2031 Plan period should be addressed, including whether those changes would warrant a Plan amendment, a mid-course adjustment, or no adjustment?

Request IR-3:

Reference: E-23, Page 17, lines 18-20.

Over time, lower spending on DSM will increase electricity costs for ratepayers—i.e., make electricity less affordable—because the cost of supply is higher than the cost of DSM.

(a) Please confirm the annual DSM investment level Synapse recommends for the 2027-2031 Plan, expressed in both nominal and inflation-adjusted terms.

(b) Has Synapse independently calculated the quantified impact on electricity costs for ratepayers attributable to E1's proposed spending level over the five-year Plan period? If so, please provide. If not, please explain the basis on which Synapse is confident in its conclusion that electricity costs for ratepayers will increase.

(c) Please provide Synapse's estimate of the RBIA to each rate class of any investment level Synapse recommends above E1's proposed $63.75 million per year.

Request IR-4:

Reference: E-23, Pages 23–26.

Preamble: Synapse provides its proposed interpretation of the Board decision in Matter M12282, and suggests that the inclusion of strategic electrification programming within the 2027-2031 DSM Plan is in compliance with the governing statute, stating specifically that:

> ***I conclude that it would be reasonable for E1 to pursue an amount of electrification in its 2027-2031 Plan that does not increase electricity costs at the portfolio level. … E1 could include all the strategic electrification it included in its Round 2 modeling without causing electricity costs to increase at the portfolio level as the modified PAC remains substantially higher than 1.0.***

(a) Please confirm that s. 79A(b)(iv) of the *Public Utilities Act* requires that strategic electrification be pursued in a manner that reduces overall GHG and electricity costs, not merely that it "not increase electricity costs" at the portfolio level and explain the basis on which Synapse considers those two standards to be equivalent.

(b) Please confirm that the Board Decision in M12282 states explicitly that "both requirements for strategic electrification must be met", that is, strategic electrification must reduce both GHG emissions and electricity costs for customers and this is grounded in the statutory language of s.79A(b)(iv) of the *Public Utilities Act.* If not, please explain.

(c) Does Synapse take the position that this conjunctive requirement does not apply at the resource level?

(d) Synapse's evidence presents Table 3 at page 26, which shows that including the Round 2 SE scenario in the portfolio produces a combined modified-PAC of 2.3. Please confirm that this result does not mean that the SE resource itself satisfies the statutory requirement to reduce electricity costs for customers; it means only that the portfolio, which is dominated by cost-effective EE and BNI DR, absorbs the SE deficit. If not, please explain.

(e) Does Synapse agree that including SE at the portfolio level on this basis would, in effect, use ratepayer-funded EE and BNI DR surpluses to cross-subsidize a resource that fails the applicable statutory test on its own?

(f) The Board Decision in M12282 noted that the IG's consultant's recommended methodology, the modified PAC, should be used to assess SE specifically to incorporate the statutory requirement that SE reduce electricity costs. Does Synapse agree that using the portfolio-level PAC to absorb a failed modified-PAC result would render the modified PAC test effectively meaningless as a screening tool for SE? If not, please explain.

Request IR-5:

(a) Did Synapse conduct a RBIA for the Round 2 SE results? If so, please provide the disaggregated rate class impacts. If not, please explain why not.

(b) Please confirm whether the Round 2 SE modelling used hourly load-shape data or annual averages when estimating peak-hour capacity costs and explain how any reliance on annual averages affects the modified PAC calculation for SE.

Request IR-6:

Reference: E-23, Pages 27–28.

As an alternative to including the strategic electrification from the Round 2 modeling, E1 could develop strategic electrification offerings for low- and moderate-income customers who heat with oil. … I estimate that 17,600 low-income homes heat with oil in Nova Scotia.

(a) Please confirm whether Synapse's recommended SE offerings would be structured as a dedicated residential program component (residential-only allocation) or as part of the broader Enabling Strategies envelope (all-class allocation).

(b) Please provide Synapse's estimate of the total program investment required to offer meaningful SE to low- and moderate-income oil-heated customers over the 2027-2031 Plan period and the expected rate class allocation of those costs.

(c) Synapse's evidence identifies five rationales for targeting electrification at low-income customers who heat with oil, including energy poverty, affordability, and the lapse of federal Oil to Heat Pump Affordability (**OHPA**) funding. Please confirm whether any of these rationales, individually or collectively, constitutes a basis for including SE in a DSM Plan that does not satisfy the statutory requirement to reduce electricity costs for customers. If yes, please identify the statutory or regulatory provision that permits the Board to include SE on equity or poverty grounds without satisfying the conjunctive cost test.

(d) Please explain why DSM electricity ratepayer funding is the appropriate mechanism to address the gap left by the expiry of the federal OHPA program in 2027, rather than a provincial or federal replacement program.

Request IR-7:

Reference: E-23, page 43.

Preamble: Synapse's evidence identifies that E1's performance measurement for DR events is weighted toward the first two hours, even though events consistently run four hours and residential curtailment degrades by roughly half between the first and fourth hours.

(a) Please confirm whether BNI DR curtailment performance data by event-hour is available for the Plan period, and whether Synapse recommends that equal-hour weighting be applied to BNI DR performance measurement as well as residential.

(b) If equal weighting were applied to BNI DR, please explain whether Synapse has assessed whether BNI PAC BCRs would improve or deteriorate.

Request IR-8:

Reference: E-23, Page 45, lines 2-5.

To address these local air-quality impacts and to fill a gap in E1's offerings (E1 has no BNI pathway dedicated to batteries) I recommend that E1 develop a higher incentive for battery-based BNI standby resources than for fossil-fueled generators.

(a) Please provide Synapse's recommended incentive level for battery-based BNI standby resources, expressed in $/kW of available seasonal capacity, and the analytical basis for that figure.

(b) Please provide Synapse's estimate of the additional cost to the portfolio over the 2027-2031 Plan period arising from a differentiated BNI Back Up Generator ("**BUG**") incentive structure, and the expected rate class allocation of those costs.

(c) Does Synapse propose that this recommended increased incentive be available to all medium and large industrial customers who participate in the BNI DR programming? If not, please explain who would be eligible for these increased incentives, and the basis for any customer exclusions.

(d) E1 projects 11 BUG participants providing approximately 6.6 MW of BNI DR capacity in 2027. Please explain how a higher battery incentive would affect the achievability of E1's overall DR capacity targets, given the small number of current BUG participants and provide the resulting BNI DR targets or savings results if the recommended incentive were applied.

Request IR-9:

Reference: E-23, Page 46, lines 15-16.

> ***Five years is a long DSM planning period relative to other provinces.***[83]

Please provide a copy of the table of comparable DSM plans, as referred to in Footnote 83, and summarize any additional information contained in that report that Synapse considers relevant for the Board to consider in rendering a decision in this matter.

Request IR-10:

Reference: E-23, Page 47.

> ***I recommend that the NSEB establish several thresholds that would trigger a requirement for E1 to propose and file a mid-cycle adjustment:***
>
> - ***If spending is anticipated to decrease or increase by more than a specified percent of plan, such as 10 or 15 percent.***
> - ***if E1 seeks to terminate any program or implement a new program.***

(a) When Synapse refers to a "mid-cycle adjustment", is that used synonymously with the "mid-course adjustments" referred to in E1's DSM Plan Evidence filed? If not, what is the difference?

(b) Please confirm whether Synapse's recommended mandatory filing threshold is 10 percent or 15 percent and explain the basis for that specific figure as distinct from E1's proposed 20 percent explanation threshold. Please also confirm whether the threshold would apply on an annual or a cumulative basis over the Plan period.

(c) Please confirm whether Synapse's threshold would apply at the portfolio level, program level, the sector level, and/or the rate class level.

(d) Does Synapse agree that to be effective as a rate-class protection mechanism, an MCA trigger should be defined at the rate-class level regardless of whether the portfolio-level variance remains within bounds? If not, please explain.

(e) Please define what constitutes a "program addition" for the purposes of Synapse's mandatory mid-cycle adjustment trigger, including whether:

(i) adding a new measure category within an existing program component would qualify; and

(ii) phasing out an existing pathway within a program component (such as the EV or battery pathways within Eco Shift) would constitute a program termination requiring a mandatory MCA.

(f) Please describe the Board approval process Synapse recommends for mid-cycle adjustments filed under the mandatory trigger, including the expected timeframe from filing to decision, and whether written submissions or an oral process is contemplated.

(g) Please confirm whether Synapse's recommended mid-cycle adjustment process would allow E1 to introduce SE programming during the Plan period via that process if SE became cost-effective, without a full Plan amendment proceeding and identify the regulatory basis for that position.