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Our File: 238984

July 31, 2026

Nova Scotia Energy Board
1601 Lower Water St., 3rd Floor
Halifax, NS B3J 3P6

Attention: Crystal Henwood, Clerk of the Board

Dear Ms. Henwood:

Re: M12780 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 DSM Resource Plan – Agreement between EfficiencyOne and Industrial Group

This letter is filed on behalf of EfficiencyOne ("**E1**") and the Industrial Group ("**IG**") to advise of an agreement between E1 and the IG, dated July 31, 2026.

E1 and the IG have had discussions with respect to the potential value that customers participating in the Large Industrial Interruptible Rider can provide to the electricity system outside of Nova Scotia Power-dispatched interruptible events.

Appendix "A" sets out E1 and the IG's agreement in this regard. E1's hearing panel will be prepared to address any questions in relation to this agreement.

E1 understands that counsel for the IG will confirm its acknowledgement of this agreement prior to or at the commencement of the oral hearing in this matter.

Respectfully,

James R. Gogan

cc. M2781 Participants

Appendix "A"

DR Participation Study

1. In recognition of the potential value that customers participating in the Large Industrial Interruptible Rider (LIIR), can provide to the electricity system outside of Nova Scotia Power (NSP)-dispatched interruptible events, EfficiencyOne (E1) and the Industrial Group agree to jointly develop the scope of a study (the "Study") to assess these opportunities.

2. The Study scope will be finalized within three (3) months following the date on which the Nova Scotia Energy Board renders its decision in relation to this matter, and the Study will be executed within twelve (12) months following the date on which the Study scope is finalized. The Study scope is contemplated to include:

    - assessing customer interest and potential;
    - assessing customer historical participation in interruptible events;
    - incorporating findings from the Integrated Resource Plan (IRP) review conducted with the Independent Energy System Operator (IESO);
    - reviewing comparable jurisdictions to identify relevant precedents and best practices;
    - assessing opportunities for locational targeting; and
    - if supported by the Study findings, developing the design of a DR pilot, including a proposed implementation timeline and budget.

3. The Study will determine whether a pilot is feasible and provides meaningful system value beyond customers' existing obligations under the LIIR tariff. Both E1 and the Industrial Group recognize the importance of the LIIR obligations to the system operator in maintaining reliability standards, and agree that any pilot shall be designed so as not to diminish those obligations.

4. If the Study supports proceeding with a pilot, E1 and the Industrial Group will collaborate on the pilot objectives, evaluation criteria, and measures of success.

5. E1 will report on the progress of the Study and any subsequent pilot in its Quarterly and Annual Progress Reports to the Nova Scotia Energy Board and the Demand Side Management Advisory Group (DSMAG).

6. E1 and its third-party consultant will lead technical engagement and data requests with the Independent Energy System Operator (IESO) and Nova Scotia Power (NSP), to the extent reasonably necessary to support the Study and any subsequent pilot design. This work would include:

    - Defining participation requirements based on customer data currently held by NSP and IESO;

    - Solicit input relevant to E1's responsibility of performing measure, verification and evaluation of available DR capacity;

    - Ensuring coordination with the LIIR tariff to prevent duplicate compensation;

    - gathering data needed for E1's cost-effectiveness evaluation; and

    - establishing operational go/no-go criteria for demand response (DR) events to inform the design of any Pilot and ensure that any Pilot complementary to LIIR does not compromise system reliability or conflict with applicable system operator reliability requirements.

7. Following review and evaluation of the Study/Pilot, E1 will, in collaboration with the Industrial Group,

    A) if cost-effective and feasible within the Energy Board approved plan, assess the findings through the Mid-Plan Check-In. For greater certainty, the parties do not commit to any particular change to the current BNI DR program, the LIIR, or any other program or tariff. Any potential adjustments – which could include amending eligibility rules and participant criteria for the existing BNI DR program, proposing a new DR program for which interruptible customers are eligible – will depend on the results of the Study/Pilot, without any presumption as to outcome;

    or

    B) if not operationally feasible and/or cost effective, as part of its regular reporting and for purposes of the allocation and recovery of rate class spending, E1 shall provide a breakdown of rate class spending of the current BNI DR program to separate rate codes 23 and 25.

In the event there is no agreement regarding the recommendations or outcomes arising from the Study/Pilot, each party shall have the right to refer the matter to the Nova Scotia Energy Board for final determination.

8. The Industrial Group and E1 will collaborate on the customer engagement which could include gathering customer data and operational insights, as reasonably requested by E1's third-party consultant.

9. E1 will be solely responsible for all costs associated with engaging the mutually agreed third-party consultant to conduct the Study, as well as any costs associated with the implementation of a pilot.