

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

CLOSING STATEMENT for the ECOLOGY ACTION CENTRE

As noted in our opening statement, the Ecology Action Centre is proud to have been a driving force in Efficiency Nova Scotia's origin story, and we steadfastly support its important and significant contribution to greenhouse gas reduction and energy justice through demand-side management strategies. We believe in the organization and believe its modelling to be undertaken in good faith towards those and other objectives, crafted in careful consultation with key stakeholders.

However, the EAC would like to raise some important areas of concern with the plan, and emerging from the hearing held the week of August 4, 2026.

The Proposed Overall Investment in DSM is Too Small

We confirmed at the hearing that the decision to cap spending at previous rates was based on limiting rate increases, making efficiency spending more palatable to the general public. E1's decision to keep the budget flat was arbitrary. It was not based on any economic or market analysis. It was not based on available resources. To our knowledge, no public opinion survey was conducted to support, confirm, or refute the assumption that the public would not support increased spending on energy efficiency.

Anecdotal, the Ecology Action Centre's outreach work, along with the experience of the many community organizations and energy efficiency professionals in our network, indicates the opposite: a strong and enthusiastic appetite for increased DSM investment. Nova Scotians with whom we have spoken in recent weeks, months and years consistently express a desire to reduce residential, institutional, and business costs, as well as their environmental impact, through energy efficiency programming, education and rebates. What we are hearing through these engagements makes clear that increased

spending on energy efficiency initiatives is not only more palatable than E1 assumes, but also actively sought and needed by Nova Scotians.

It is commonly understood, and confirmed by E1 during the hearing, that energy efficiency is a solution to energy poverty. In our view, it is the only long-term solution. The price per unit of energy only goes up. The magnitude and timing of those increases are difficult to predict, but the long-term trend is clear. The solution to the crippling burden of high energy bills for low-income Nova Scotians is to use less energy. That is done through efficiency, including fuel switching to more efficient sources and technologies, tightening building envelopes, and maximizing insulation. Achieving these outcomes requires increased investment in DSM.

Such increases are affordable and would not place undue burden on non-participating Nova Scotia Power ratepayers. In Undertaking U-3 in response to the Affordable Energy Coalition "To provide an estimate of the cost for a homeowner-style program only for landlords whose tenants pay 100 percent of their energy bills," E1 estimated a cost of \$7.5 million over five years "for a homeowner style program for landlords that would increase Affordable Multifamily Housing incentives to 100% of eligible project costs for those participants where tenants are responsible for both electricity and heating costs." An investment on this small scale would considerably reduce the energy burden for current and future renters, who represent about a third of Nova Scotians and who shoulder the cost of energy in addition to rent.

E1's testimony indicated a need to balance short-term and long-term affordability. We feel that they have overprioritized limiting short-term rate increases over the essential need to reduce our energy demand and energy poverty in a province where 2 in 5 households bear an unmanageable energy burden.

The Savings Fall Well Short of the IRP Goals

Due to the flat investment of \$63.75 million per year, the DSM plan's targeted 380 kt greenhouse gas (GHG) reduction due to electricity savings falls short of the targets in Nova Scotia Power's Integrated Resource Plan. Exhibit 42, read onto the record by Gina Thompson of E1, notes that the 5-year plan reaches only 64% of the GHG reductions of an IRP-aligned DSM plan. The EAC is unclear on how the remaining gap will be closed to meet Nova Scotia's legislated greenhouse gas reduction targets. Supply-side solutions are well understood to be more expensive to ratepayers and taxpayers. Secondly, it has become clear that there is significant and ongoing misalignment in the timing of the respective IRP and DSM planning cycles. We believe it would be more logical to time the development and duration of this and subsequent DSM plans so that they can be better and more urgently informed by the five-year development cycles of the IRP.

In his opening statement, Liam Cook of Navigate Energy noted that the cuts to education programming left the DSM plan \$50-150 million short of what the IRP requires. While rebates provide important financial incentives for building owners and operators, without educational tools, more users remain in the dark about rebates, how they work, how to apply, or their very existence. This is consistent with what we and our network are hearing from Nova Scotians through our outreach and engagement activities. People frequently arrive without the information or knowledge they need to take the next step toward their energy efficiency goals and are grateful to receive the guidance, support and resources that help them move forward.

Strategic Electrification is an Essential Component of DSM

The Energy Board's previous ruling on the benefit-cost analysis test ruled that the PAC test must apply at the portfolio level, so that it is "not a contravention of the statute if measures or programs themselves fail." The Board has the ability to "appropriately consider" environmental and social factors. Therefore, these factors should be considered in a full analysis of the impact of strategic electrification.

It is our position that the Energy Board should order E1 to include this fulsome analysis of strategic electrification in its proposed plan. E1 has a duty to Nova Scotians and ratepayers to provide this analysis of non-utility benefits, particularly for low-income households. As indicated in Undertaking U-5, it did not do so "as part of the development of the 2027–2031 DSM Plan."

According to a recent report from Efficiency Canada, *Aligning DSM Cost-Effectiveness Testing with Public Policy*, current cost-effectiveness tests can undervalue DSM because "they often fail to capture its full benefits, including affordability, energy security, reliability, resilience, reduced risk, equity, and emissions reductions. ... Measures like electrification ... are highly beneficial for affordability, but do not count as benefits under the PAC test. ... Cost-effectiveness testing is not merely a technical accounting exercise—it reflects policy choices about what society values. Updating these tests to recognize the full range of DSM benefits could allow Canada to capture more energy savings, reduce costs and risks, support electrification, and better achieve public-policy goals."

There is a Missed Opportunity for Demand Response with Batteries and Vehicle to Grid Charging

We have seen dramatic progress in recent years on Vehicle-to-Grid (V2G) charging as a demand response tool that is both a demand side management tool and a way to address peak-demand issues. In our ongoing conversations

with ratepayers and energy users, we have seen a high level of interest in these technologies.

The federal government recently renewed EV incentives and took steps to address supply concerns for these vehicles, which in addition to providing more energy efficient transportation can act as mobile storage units to address peak demand. We have worked with partners who have installed bidirectional vehicle chargers in locations across Eastern Canada. This can no longer be considered an unproven or future technology. To exclude V2G from E1's five-year DSM plan is a missed opportunity at a crucial moment of innovation within Canada's broader electrification strategy.

Thank you for the opportunity to make this closing statement.

Chris Benjamin
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Ecology Action Centre
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