

***BEFORE THE NOVA SCOTIA ENERGY BOARD***

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**IN THE MATTER OF:**     *The Public Utilities Act, as amended.*

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 Incorporated, the establishment of a final agreement between the parties, and approval of a 2027–2031 Demand Side Management (DSM) Resource Plan.

**CLOSING SUBMISSIONS OF  
THE SMALL BUSINESS ADVOCATE**

The Small Business Advocate (SBA) appreciates the opportunity to provide the following closing submissions with respect to EfficiencyOne’s (E1) application for approval of its 2027-2031 Demand-Side Management (DSM) Resource Plan and Purchase Agreement with Nova Scotia Power Inc. (NSPI)<sup>1</sup> (the “Application”).

**AFFORDABILITY AND INVESTMENT LEVEL**

There are many issues to consider when reviewing both the Application that was filed by E1 and the evidence filed by experts for Eastward Energy Inc; the Consumer Advocate; NSPI; the Nova Scotia Energy Board (Board); and Solar Nova Scotia, as well as the testimony that was heard at the hearing in August. One of the underlying and central issues to be considered is the balancing between short-term and long-terms savings and affordability.

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<sup>1</sup> M12780 – Exhibit E-1, EfficiencyOne 2027-2031 DSM Plan Application (the “Application”), March 31, 2026.

1 In the Application, E1 is proposing to maintain its investment level consistent with its legislated  
2 budget of \$63.75M from its 2026 DSM Plan extension<sup>2</sup>. The rationale for that approach, as set out  
3 by E1 in the Application, is that Nova Scotians are facing unprecedented financial stressors today  
4 and maintaining a consistent investment level for the next five years, based on the current amount  
5 being charged, will provide some relief as ratepayers' payments will remain constant. The basic  
6 concept being that if ratepayers can afford to pay it today, then paying it tomorrow is not a burden.

7 The SBA agrees that ratepayers, including those small businesses that the SBA represents, are  
8 under significant financial pressure, and those pressures are continuing to increase as a result of  
9 political actions in just the last few weeks. In addition to tariffs, labour, supplies, and other direct  
10 business costs, small business customers are also looking at additional expenses being added to  
11 their electricity costs. Notably, IESO-NS has recently filed an application for a fee-recovery  
12 mechanism, with those costs proposed to be collected through NSPI, and NSPML has filed an  
13 application for its revenue requirement for 2027-2028, which will also be collected from  
14 ratepayers. These increasing costs represent additional financial burdens that must be managed by  
15 businesses that are also looking at their customers who are equally stressed by increasing costs and  
16 less available money.

17 While both small business and residential customers must consider the impact of DSM spending  
18 on their finances, the SBA respectfully submits that the issue of affordability, and specifically the  
19 difference between short-term and long-term affordability, is viewed differently by ratepayers,  
20 often aligned by rate class. As noted by Alice Napoleon, Synapse Energy Economics, Inc.:

21 A. That's a good question. The — different rate classes tend to value efficiency differently,  
22 and they tend to consider affordability differently just by themselves. So the return on  
23 investment that you're looking for from a commercial or industrial customer, it tends to be  
24 a bit shorter than the return on investment duration for a residential customer<sup>3</sup>.

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<sup>2</sup> M12249 – EfficiencyOne 2026 DSM Extension Application, Board Decision, Page 4, Paragraph 1.

<sup>3</sup> M12780, - Transcripts August 6<sup>th</sup>, 2026 - Page 878, Lines 13-19.

1 It must also be noted that, for the first time, the cost allocation for DSM programming is based on  
2 100% class allocation, rather than the previous approach which saw a 75% class allocation/25%  
3 general allocation for DSM programming costs. As such, the increase in spending on Business,  
4 non-profit, and institutional (BNI) programs, which currently offer the best investment potential,  
5 will be allocated and paid for by BNI ratepayers, namely the commercial classes.

6 The SBA respectfully submits that, given the concerns expressed by all parties, it is clear that  
7 affordability is a serious issue in this Application. The SBA further submits that it is also well  
8 understood that DSM provides long-term savings for both participants and non-participants  
9 (although to a lower degree and on a longer time frame when compared with participants). There  
10 is no question that, absent the uncertainty of increasing short-term costs, investing heavily in DSM  
11 is the more financially prudent choice. We have seen that demonstrated in several ways, including  
12 through NS Power's most recent IRP plan and the Evergreen update that followed.

13 However, the SBA respectfully submits that investing today in the hopes of saving money  
14 tomorrow does not assist those ratepayers who cannot afford to invest in DSM now and continue  
15 to pay today's bills. A balance must be struck that enables current investment in DSM that creates  
16 tangible benefits, while also ensuring that ratepayers, including small businesses that must very  
17 carefully manage their bottom line, are not bankrupted because of higher costs today.

18 The SBA submits that maintaining the investment level over the next 5 years at the 2026 rate  
19 represents a reasonable balance between these two competing key principles. The SBA notes that  
20 when the next application is filed by E1, which is expected to cover 2032-2036, we will have  
21 passed the 2030 deadline for decarbonization and will have also had the benefit of at least one, if  
22 not two, IRPs, among other milestones in the changing electricity landscape in Nova Scotia. The  
23 SBA therefore respectfully submits that, at this point of the electricity transition, and considering  
24 the current pressures on ratepayers, E1's proposed investment level of \$318.75M<sup>4</sup> over 5 years  
25 should be approved.

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<sup>4</sup> M12780 – The Application, Section 3.1 Affordability – The Primary Design Consideration, Page 25 of 71, Line 2.

1    ANNUAL ADJUSTMENT PROCESS AND MID-TERM CHECK-IN

2    As this DSM Plan is for 5 years, it is important that stakeholders are kept informed as to how  
3    matters are proceeding under the plan on an annual basis, as has been E1's practice under previous  
4    plans; however, given the plan's duration, stakeholders must also have the opportunity to provide  
5    input to E1 as the plan progresses through the years. The SBA respectfully submits that the  
6    proposed Annual Adjustment Process is a reasonable approach, which allows for interactive  
7    feedback between E1 and stakeholders, while also providing E1 with the flexibility it requires to  
8    carry out its programs and plan.

9    It is understood that costs and benefits from these programs, especially with some of the longer-  
10    term measures available through the BNI programs, may not occur within the same year and it is  
11    important that E1 has the ability to achieve the greatest amount of benefits for its customers and  
12    the system as a whole, while also ensuring that ratepayers are not negatively impacted by  
13    significant changes in spending or savings. The Annual Adjustment Process would appear to  
14    provide the opportunity for E1 to provide insight into the numbers, including potential delayed  
15    spending or savings, and allowing stakeholders to question and comment. The intention is to  
16    ensure that all parties are aware of what is happening and why, and the proposed Annual  
17    Adjustment Process, as amended and clarified in Schedule "A" of E1's Opening Statement<sup>5</sup>,  
18    appears to accomplish that.

19    The Mid-Term Check-In is a new process, proposed due to the duration of the plan, and has been  
20    discussed at length with several of the stakeholders involved in this matter. The current proposal,  
21    as set out in Schedule "A" to E1's Opening Statement<sup>6</sup>, appears to be a reasonable approach to  
22    addressing any new issues arising during the plan period, described as an 'Events-based Trigger',  
23    and also making sure that even if no new issues arise, the "Calendar-based Trigger" will allow for  
24    stakeholder consultation during the plan period.

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<sup>5</sup> M12780 – Exhibit E-42, E1 Opening Statement, Schedule "A", pages 1-2 of 3.

<sup>6</sup> M12780 – Exhibit E-42, E1 Opening Statement, Schedule "A", page 2 of 3.

1 In its opening statement, the Industrial Group noted that it had some concerns about the clarity  
2 around the Events-based triggers, including what the scope of the Mid-Term Check-In will be and  
3 how the Board would be involved with the process. Under cross-examination by Counsel for the  
4 Industrial Group, E1 confirmed that it intended to develop a process with respect to the Mid-Term  
5 Check-In<sup>7</sup> but could not confirm a timeline for having the process incorporated into the  
6 Standardized Filing Framework.<sup>8</sup>

7 As the start of the 2027-2031 Plan is quickly approaching, as is the proposed timeline for both the  
8 Annual Adjustment Process and the Mid-Term Check-In processes to begin, the SBA respectfully  
9 submits that E1 should be required to provide regular updates as to the progress of the development  
10 of these processes. In addition, the SBA further submits that the Board should require that both of  
11 those processes be developed and approved no later than the end of Q2 2027, to ensure that they  
12 are in place in sufficient time for when they are to be engaged.

#### 13 STAKEHOLDER AGREEMENTS

14 Prior to the start of the hearing, E1 filed individual agreements with the Consumer Advocate  
15 (CA)<sup>9</sup>, the Industrial Group<sup>10</sup> and Eastward Energy<sup>11</sup> (the “Agreements”). Each Agreement  
16 proposes a study to be completed on a specific issue – market research into high-value measures<sup>12</sup>;  
17 research into “the potential value that customers participating in the Large Industrial Interruptible  
18 Rider (LIIR), can provide to the electricity system outside of Nova Scotia Power (NSP)-dispatched  
19 interruptible events<sup>13</sup>”, and a study of a “Custom New Construction program related to hybrid  
20 heating measures in new construction Multi-Unit Residential Buildings (“MURBs”) in areas where

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<sup>7</sup> M12780, Transcripts August 4<sup>th</sup>, 2026 - Page 262, Lines 12-18.

<sup>8</sup> M12780, Transcripts August 4<sup>th</sup>, 2026 - Page 262, Line 19 and Page 263, Lines 1-11.

<sup>9</sup> M12780 – Exhibit E-57, Agreement between E1 and the CA, August 3, 2026.

<sup>10</sup> M12780 – Exhibit E-56, Agreement between E1 and Industrial Group, July 31, 2026.

<sup>11</sup> M12780 – Exhibit E-54, Agreement between E1 and Eastward Energy, July 30, 2026.

<sup>12</sup> M12780 – Exhibit E-57, Agreement between E1 and the CA, August 3, 2026, Appendix “A”, PDF Page 2 of 2.

<sup>13</sup> M12780 – Exhibit E-56, Agreement between E1 and Industrial Group, July 31, 2026, Appendix “A” PDF Page 2 of 2.

1 natural gas is available<sup>14</sup>, respectively. The Agreements state that the costs of these studies, and  
2 any potential pilots that may come out of the studies, will be borne solely by E1.

3 At the hearing, E1 was asked about how those costs for the studies and pilots would be allocated  
4 within the E1 budget and amongst rate classes. With respect to the Agreement with Eastward  
5 Energy, E1 stated:

6 Q. And what part of E1's budget would cover those costs?

7 A. (Pereira) So there are several areas, and my colleague might add to my answer here, but  
8 we would be looking at, depending on the scope, the innovation budget within enabling  
9 strategies, as well as evaluation and regulatory.

10 Q. And so how would the allocation work with respect to rate classes for those costs?

11 A. (McDonald) I think ultimately, it depends on where the costs end up, and then it would  
12 be subject to the application for that cost category.

13 Q. And so how would you -- I guess appreciating you're saying, you know, it would depend  
14 on how it was -- what cost category it would fall into, how would you determine that?

15 A. (McDonald) Again, it would kind of depend on the scope, if it ends up being part of an  
16 evaluation activity or whether it ends up being -- it's scoped to be part of the innovation  
17 framework.

18 Q. And so that would be the scope of the study, or the scope of the pilot, or both?

19 A. (McDonald) Both would have to be considered. So the study first, and then if there was  
20 -- if it did end up being -- leading to a pilot afterwards, then the same considerations would  
21 have to take place for the pilot, in terms of where those costs are appropriately allocated<sup>15</sup>.

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<sup>14</sup> M12780 – Exhibit E-54, Agreement between E1 and Eastward Energy, July 30, 2026, Appendix "A", PDF Page 2 of 2.

<sup>15</sup> M12780 - Transcripts, August 4<sup>th</sup>, 2026, Page 192, Lines 14-22 and Page 193, Lines 1-19.

1 The SBA does not object to the Agreements or the studies/pilots that are proposed to be  
2 undertaken. However, the SBA respectfully submits that it is important that the costs of those  
3 studies/pilots are allocated to the proper rate classes that benefit from that work. The SBA  
4 respectfully submits that E1 should be required to provide a fulsome outline of the scope of each  
5 study, the anticipated costs, and how those costs are to be allocated, either as a compliance filing  
6 to this matter, or as part of E1's future reporting obligations.

7 The SBA notes that the Agreement with the CA specifically references collaboration between the  
8 CA and E1<sup>16</sup>, seemingly to the exclusion of other intervenors or rate class representatives, and at  
9 the hearing, E1 confirmed that the intention was for the incentive review was to be focused on the  
10 residential class<sup>17</sup>. However, under cross-examination by counsel for the Industrial Group, E1  
11 appeared to clarify that the study had not been scoped and the focus of the study was intended to  
12 be on the most impactful or high value incentives<sup>18</sup>. E1 then stated that it was open to allowing  
13 other intervenors, other than just the CA, an opportunity to review and comment on the proposed  
14 scope of the study, pending a discussion with the CA<sup>19</sup>.

15 The SBA respectfully submits that, as the proposed study, as set out in the Agreement between E1  
16 and the CA, appears to involve, or potentially involve, incentives that are, or could be, accessed  
17 by BNI customers, the Board should require E1 to consult with all intervenors and rate class  
18 representatives, ideally through the Demand Side Management Advisory Group (DSMAG) with  
19 respect to this study and its scope, prior to the scope of the study being finalized. The SBA further  
20 submits that the DSMAG, which provides support through broad representation from various  
21 parties, should also have the opportunity to provide comments on the scope of the other  
22 Agreements as well, as the ultimate outcomes of those studies could have an impact outside of just  
23 the rate classes that they involve directly.

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<sup>16</sup> M12780 – Exhibit E-57, Agreement between E1 and the CA, August 3, 2026, Appendix “A”, PDF Page 2 of 2, Paragraphs 1 and 4.

<sup>17</sup> M12780 - Transcripts, August 4<sup>th</sup>, 2026, Page 195, Lines 9-15.

<sup>18</sup> M12780 - Transcripts, August 4<sup>th</sup>, 2026, Page 241, Lines 17-19 and Page 242, Lines 1-8.

<sup>19</sup> M12780 - Transcripts, August 4<sup>th</sup>, 2026, Page 243, Lines 12-19 and Page 244, Line 1.

1 SUMMARY

2 As stated in our opening statement<sup>20</sup>, the SBA supports a number of the proposed changes to the  
3 Application, as identified in E1's Opening Statement, Schedule "A"<sup>21</sup>. After hearing the additional  
4 evidence provided through cross-examination, and reviewing the undertakings provided by E1 and  
5 others, the SBA respectfully submits that the changes as set out, in Schedule "A", represent  
6 improvements to the Application and present the opportunity for significant benefits for ratepayers.

7 The SBA respectfully submits that the Application presents a plan that considers affordability,  
8 equity, long-term development, and flexibility, all of which are essential over the next few years  
9 as our electricity grid, and the way that customers interact with it, changes significantly.

10 The SBA appreciates the opportunity to provide these closing submissions.

11 Dated at Bedford, Nova Scotia, this 11<sup>th</sup> day of September 2026.

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14 Melissa P. MacAdam  
15 Small Business Advocate

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<sup>20</sup> M12780 – Exhibit E-47, Small Business Advocate Opening Statement, July 29, 2026.

<sup>21</sup> M12780 – Exhibit E-42, E1 Opening Statement.