

NOVA SCOTIA ENERGY BOARD

IN THE MATTER OF: *The Public Utilities Act*

– 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 Inc., 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 CONSUMER ADVOCATE

September 11, 2026

These are the closing submissions of the Consumer Advocate (CA) following the hearing of EfficiencyOne's (E1) application for approval of its 2027-2031 Demand Side Management (DSM) Plan.

Overview

This Application concerns E1's request for Board approval of its 2027-2031 DSM Plan.

According to E1, its "preferred plan" will deliver approximately 435.4 GWh of cumulative first-year net energy savings (at generation), thereby serving both the economic and environmental goals of DSM in Nova Scotia, for the benefit of NS Power ratepayers. Notably, E1's "preferred plan" significantly under-delivers in terms of projected savings when compared to the expected levels set out in NS Power's current Integrated Resource Plan ("IRP"). The IRP included anticipated DSM energy savings of 683.1 GWh during the relevant period - a difference of 247.7 GWh compared to the savings projected by E1 in this current plan.

While acknowledging that the purpose of DSM is to reduce electricity costs for customers, E1's proposed DSM plan also took into account the significant cost-of-living pressures, rising interest rates, and electricity rate increases faced by NS Power customers. For this reason, in developing its plan, E1 prioritized near-term affordability in recognition of current economic circumstances, which E1 maintains are unique to this current Application. This resulted in E1 constraining investment to the approved 2026 level of \$63.75 million, with no adjustment for inflation, resulting in a total investment of \$318.7 million over the 5-year plan period.

Maintaining short-term affordability in rates is clearly an important objective and should be given due weight by the Board. That being said, short-term affordability is not the only consideration. It is not disputed by any party that increased spending on DSM programs results in cost savings for those who participate in E1's programs. While DSM does incur modest additional cost to customer rates, DSM is also a least-cost resource compared to the cost of the generation supply it displaces. Where this least-cost resource is under-utilized, any growth in peak load demand must be addressed by other means, namely generation. Curtailing spending on DSM programs may, therefore, not only mean less savings for customers through DSM, but

1 also require customers to pay for higher cost supply-side resources. In other words, avoiding spending more
2 on DSM does not necessarily fulfill E1's goal of prioritizing short-term affordability over the next five
3 years; in fact, it may achieve the opposite effect.

4
5 Many parties have filed IRs and evidence in this matter, including the Consumer Advocate. In evidence
6 filed as Exhibit E-21, Theodore Love, of Green Energy Economics Group, Inc. (GEEG) raises raises several
7 concerns regarding E1's Application as filed, including with regards to the Mid-Term Check-In and Mid-
8 Course Adjustment processes; Plan Scenarios and Savings Targets; Low Income Savings Targets;
9 Affordability; Unit Costs; Pre-Weatherization Barriers; Residential Heat Pumps; Demand Response; and
10 Inclusion of Solar-PV.

11
12 Each of these issues is addressed in the CA's submissions below.

13 14 **Submissions**

15 16 **A. "Resolved" Issues**

17
18 First, the CA notes that its consultant, Mr. Love, expressed support for certain aspects of E1's Application,
19 including its position regarding Demand Response programs, and inclusion of Solar PV. The CA supports
20 Mr. Love's comments on each of these issues.

21
22 The CA also acknowledges and appreciates E1's willingness to consult and consider opposing viewpoints,
23 as reflected in the process E1 engaged in prior to filing the Application, as well as throughout this
24 proceeding. Notably, several of Mr. Love's criticisms of E1's DSM Plan have been resolved to the CA's
25 satisfaction, either by agreement between E1 and the CA, or by modifications E1 has made to its
26 Application after filing and in advance of the hearing.

27
28 Specifically, in Schedule A filed with E1's Opening Statement, E1 agreed to various changes concerning
29 (1) the Annual Adjustment Process; (2) the Mid-Term Check-In; (3) Demand Response; (4) Solar PV; (5)
30 Strategic Electrification; (6) Plan Investment Level: R&D; (7) Standardized Filing Framework; and (8)
31 Allocation of Interest Earned in the Balancing Account.

32
33 As stated in the CA's Opening Statement, the CA supports these proposed changes to E1's Application.
34 Specifically, with regards to the Mid-Term Check-In and Mid-Course Adjustment Process, the CA states
35 that E1's proposed changes are substantially responsive to the comments and recommendations made by
36 Mr. Love, and further that the consolidation of the dedicated low-income program components into a single
37 "Low Income Program" (for reporting purposes) is an important improvement that will help ensure the low-
38 income programs are more closely monitored.

39
40 Moreover, in a letter filed with the Board on August 3, 2026, E1 also filed an agreement between E1 and
41 CA addressing the importance of ensuring that customer incentive levels are set at the minimum necessary
42 to secure participation in energy efficiency programs. In particular, E1 and the CA agreed to jointly develop
43 the scope of a study to undertake primary market research for high-value measure (being those measures
44 representing the greatest incentive expenditure or savings potential, as mutually determined by E1 and the
45 CA). Other details of the development of this study are set out in Appendix "A" to E1's letter.

46
47 This agreement responds to the concerns raised by Mr. Love in his report, and specifically at pages 26 to
48 34, as well as Mr. Love's recommendation that the Board direct E1 to undertake measure-specific primary
49 research for high-value measures. At the hearing, counsel for the IG inquired into whether E1 would be
50 prepared to consult with the DSMAG on the scope of a potential study, once determined by E1 and the CA.
51 E1 indicated it was willing to do so, subject to the comments of the CA. The CA can confirm it would be

1 fully supportive of consulting the DSMAG on the scope of a potential study, once that has been developed
2 by E1 and the CA.

3
4 The Consumer Advocate states that it is fully supportive of these modifications and its agreement with E1,
5 and feels that they adequately address the concerns raised by Mr. Love in his report.

6
7 Finally, the CA acknowledges agreements reached between E1 and Eastward, concerning a study exploring
8 the new construction market for MURBs in Nova Scotia, and E1 and the Industrial Group, concerning a
9 study to assess the potential value that customers participating the Large Industrial Interruptible Rider
10 (LIIR) can provide to the electricity system outside of NSP-dispatched interruptible events. The CA takes
11 no issue with either agreement or study, but as with the E1-CA study, we would suggest that the parties
12 should also consult with the DSMAG once the parameters of each study have been agreed upon.

13 14 ***B. Remaining Issues***

15
16 As noted above, Mr. Love provided various recommendations to the Board, only some of which have been
17 resolved to the CA's satisfaction.

18
19 The remaining issues include:

- 20
21 (a) Plan Scenarios and Savings Targets, and the Issue of "Affordability";
22 (b) Low Income Savings Targets;
23 (c) Pre-Weatherization Barriers; and
24 (d) Residential Heat Pumps;

25
26 The CA will address each issue in that order, and will also address the topics of (e) Strategic Electrification
27 and (f) the DSM Potential Study.

28 29 a. Plan Scenarios and Savings Targets

30
31 As noted above, E1 has filed a DSM Plan that proposes to deliver approximately 435.4 GWh of cumulative
32 first-year net energy savings.

33
34 As is clear from the evidence filed in this matter, E1's proposed DSM Plan does not adhere to the energy
35 efficiency targets projected in NS Power's Integrated Resource Plan ("IRP"). Specifically, the current IRP
36 included anticipated DSM energy savings of 683.1 GWh during the relevant period - a difference of 247.7
37 GWh compared to the savings projected by E1 in this current plan.

38
39 Mr. Love addressed this discrepancy in his evidence, and opined that E1's proposed and "preferred" plan
40 significantly underdelivers compared to expectations. According to the IRP, E1's DSM programs were
41 expected to contribute 1.2% of load. However, in the first year, it will only deliver 0.8% of load, and by the
42 end of the five-year period, will deliver just 0.6% of load, which is half of E1's stated long-term IRP goal,
43 and also below even the benchmarking range provided by APEX Analytics. Combined with expected load
44 growth over the relevant period, this would indicate that ratepayers will, over time, ultimately spend more
45 on generation, and less on cost-saving and energy efficiency measures. Mr. Love opines that the "economics
46 clearly favour more DSM, not less," and recommends that the Board direct E1 to utilize an overall savings
47 target for the DSM portfolio that is aligned with the IRP-identified Base DSM level of approximately 683
48 GWh for 2027-2031, rather than the 435.4 GWh Preferred Plan.¹

49

1 Exhibit E-21, Evidence of Theodore Love, GEEG, pp. 8-19

1 The CA submits that Mr. Love's report raises serious concerns about E1's approach in developing the
2 proposed DSM Plan, and the potential negative impacts this could have on ratepayers.

3
4 Our submissions on these issues, as well as the issue of "affordability," are addressed below.

5
6 *i. General Principles*
7

8 First, the CA states that E1's mandate is to deliver demand side management programs, the primary aim of
9 which is to help ratepayers use less energy, and fundamentally save money while also conserving resources
10 and addressing the harmful effects of climate change. These goals are reflected in the definition of "demand-
11 side management" in s. 79A of the *Public Utilities Act* (the "PUA"), which states:

12
13 (b) "demand-side management" means activities, programs or plans relating to

14 (i) the efficient use of electricity,

15 (ii) the conservation of electricity,

16 (iii) the alteration of the consumption pattern of an end-user of electricity that has the effect
17 of reducing demand during Nova Scotia Power Incorporated's periods of highest demand,
18 (iv) strategic electrification of energy end uses currently powered by fossil fuels in a
19 manner that reduces overall greenhouse gas emissions and electricity costs,

20 (v) the delivery of a reduction in the amount of electrical energy or capacity that Nova
21 Scotia Power Incorporated would other-wise be required to supply to its customers, or

22 (vi) any other prescribed activities, plans or programs;
23

24 These goals are recognized throughout E1's Application, as well as in E1's Opening Statement, where E1
25 confirms that investing in DSM "is in the best interest of Nova Scotians. Every dollar invested in DSM
26 helps avoid more expensive investments in generation, transmission, and distribution, reconfirming that
27 DSM continues to be the economical choice."²

28
29 E1's mandate to help customers reduce electricity costs by offering various cost-saving programs was also
30 confirmed by E1 at the hearing, where E1 agreed that while E1's programs create an upfront cost for
31 customers, they overall provide savings for those who participate.³

32
33 It is within this context that E1's DSM Plan should be reviewed and considered.

34
35 *ii. E1's Reliance Upon Affordability as a "Primary" Consideration*
36

37 First, the CA notes that E1 has justified its preferred plan spending and savings targets by pointing to
38 concerns about short-term affordability, and the negative impact any increases in rates could have on NS
39 Power customers (and specifically those customers who do not participate in E1's programs). In raising
40 these concerns, E1 states that the PUA and the Board's regulatory framework provide a basis to treat
41 "affordability" as "the primary consideration in the design of the 2027-2031 DSM Plan." [E1 Plan, E-1, p.
42 24] Moreover, E1 acknowledges that the "main concern is for non-participants" [CA, E-7, IR-1(b)].
43

44 The CA acknowledges that short-term affordability concerns are a relevant, legislated factor in assessing
45 DSM Plans pursuant to s. 78L(9) of the *PUA*, and further that it is important to consider the potential
46 impacts on non-participants. However, the CA does not agree that the *PUA* or the regulatory framework
47 requires E1, or the Board, to make affordability a "primary consideration."
48

² Exhibit E-42, E1 Opening Statement, p. 1 of 4.

³ Hearing Transcript, August 4, 2026 at p. 130

1 The emphasis to be placed upon “affordability” was discussed in *EfficiencyOne (E1) (Re)*, 2022 NSUARB
2 137 (the “2023-2025 DSM Plan Decision”) as follows:

3
4 [102] The Board has previously noted that “affordability” is not defined in
5 the *Act*. In *Re EfficiencyOne*, [2015 NSUARB 204](#), the Board discussed the concept of affordability
6 in s. 78L(9) of the *Act* in the context of balancing short-term rate impacts and long-term costs:

7
8 [77] Traditionally in determining a capital expenditure or a program such as DSM the
9 Board has applied the test of lowest long term cost. This is a principle that is examined in
10 the IRP and in every capital work order application the Board reviews. Issues of
11 affordability, although not explicitly stated in the *PUA* until 2014, were always relevant to
12 discussions under such topics as rate shock and affordability generally. Indeed, for
13 example, affordability has been on the Issues List in recent Annual Capital Expenditure
14 Plans and in several hearings for Halifax Water which also is regulated under the *PUA*.

15
16 ...

17
18 [82] The Board finds that the inclusion of Section 79L(9) of the *PUA* directs the Board to
19 take into account an increased focus on short term rate impacts. Having said that, the Board
20 notes that there will be a review of the DSM program every three years. There will always
21 be rate pressures to be taken into account in both determining rates and in determining the
22 DSM program. A focus exclusively on short term affordability means that the Board would
23 never get to consider long term costs. That would be to the detriment of ratepayers. The
24 Board does not believe that ratepayers are well served, or that it is in their best interests to
25 focus only on short term costs and thereby deny customers the real long term cost savings
26 that are possible from a balanced and properly implemented DSM program. Accordingly,
27 while the Board finds that there has been a change in focus mandated by the Legislature,
28 and an increased emphasis on short term rate impacts, the overarching consideration
29 continues to be “the best interests of Nova Scotia Power Incorporated’s customers” as
30 stated in Section 79L(8) of the PUA.

31
32 It is apparent from the Board’s prior decisions on this issue that short-term affordability is a factor to
33 consider – it is not determinative, and nor is it considered the primary factor by the Board.

34
35 Indeed, the Board’s discussion indicates that development of a DSM Plan requires E1 and NSP, and
36 ultimately the Board, to balance the relevant considerations, and specifically the need to minimize short
37 term costs while also ensuring the Plan maximizes long term cost savings. A key indicator of whether the
38 Plan provides long term costs savings is whether the Plan complies with the IRP.

39
40 As the Board notes in the *2023-2025 DSM Plan Decision*:

41
42 [17] NS Power’s 2020 IRP is the key planning document upon which E1 relies in its
43 DSM planning. However, much has changed in Nova Scotia’s electricity landscape since the
44 development of the 2020 IRP. The need to meet more aggressive environmental goals and
45 emissions reductions than anticipated by the IRP, including earlier retirement of Nova Scotia’s coal
46 fired generating plants, means that E1 needs to aggressively pursue alignment with the IRP to avoid
47 falling behind and being unable to achieve future requirements. ... [emphasis added]

48
49 The Board’s comments above would suggest that while affordability is an important consideration, so too
50 is the need for E1 to “aggressively pursue alignment with the IRP to avoid falling behind and being unable

1 to achieve future requirements.” Notably, in the prior plan, E1’s energy savings reflected approximately
2 1.2% of NS Power’s load.

3
4 Unfortunately, it would appear that E1 did not give adherence to the IRP sufficient weight, and appears to
5 have first made a subjective decision to hold funding at current levels, without adjusting for inflation, and
6 then compared that to the IRP (rather than using the IRP as a guide or benchmark against which to then
7 determine what its funding levels should be).⁴

8
9 The CA submits that to the extent E1 placed primary importance or undue emphasis on short-term
10 affordability or maintaining the current budget in developing the DSM Plan, E1 has misdirected itself, and
11 produced a plan that does not comply with the requirements of the PUA. It remains with the Board to
12 determine how any such shortfall should be addressed.

13
14 *iii. E1’s Reliance Upon Non-specific Affordability Concerns Raised by Stakeholders*

15
16 Even if the Board finds that, from time to time, it may be appropriate to place primary importance on
17 concerns about short-term affordability, the CA submits that E1 should be able to support such concerns
18 with objective and persuasive evidence.

19
20 In the Plan, E1 indicates that it made the decision to prioritize short-term affordability due to concerns
21 raised by stakeholders in the DSMAG. E1 does not, in its Application, and in subsequent IRs, provide any
22 substantive information to indicate exactly who expressed those concerns, or what their reasoning was. E1
23 also confirmed in questioning at the hearing that there was no consensus at the DSMAG on this issue.⁵

24
25 E1 also did not conduct any kind of formal analysis with respect to validating concerns about affordability,
26 and specifically acknowledged that E1 conducted “no economic analysis” to guide its decision.⁶ In response
27 to IRs, E1 does point to various potential metrics that may support the conclusion that concerns about
28 affordability are especially weighty now. For example, in response to Board IR-3(a), E1 stated:

29
30 E1 understands that affordability balances both short term and long-term considerations.
31 In the current economic environment, E1 has prioritized near-term affordability while
32 maintaining long-term value in recognition of the unique current economic circumstances.
33 Nova Scotians face significant cost-of-living pressures, rising unemployment, rising
34 interest rates, electricity rate increases and other adverse effects from the expansion of U.S.
35 tariffs on Canada and most recently increases in oil prices resulting from the war in Iran.
36 E1 does not consider this situation to be reflective of past challenges faced by Nova
37 Scotians and cannot speculate on how long the lingering effects will continue. E1 has
38 constrained the annual DSM investment to the 2026 approved level of \$63.75 million, with
39 no annual inflationary increases to the investment, for each year of the 2027–2031 Plan
40 period, resulting in a total investment of \$318.75 million. Given these affordability
41 pressures, E1 concluded that maintaining current investment levels - rather than seeking
42 growth - was the appropriate and responsible approach at this time.

43
44 The CA acknowledges that these concerns are real. However, without objective data and analysis to support
45 these concerns, E1’s position remains entirely speculative and anecdotal. It also remains difficult to
46 compare present day affordability concerns with the kinds of affordability concerns that may have existed
47 at the time of filing for prior plans – at least in terms of the various factors cited by E1 as contributing to

⁴ Hearing Transcript, August 5, 2026, p. 530-536

⁵ Hearing Transcript, August 5, 2026, p. 535

⁶ Hearing Transcript, August 4, 2026, p. 130-131; 540-542

concerns about short-term affordability, i.e. cost-of-living pressures, rising unemployment, rising interest rates, electricity rate increases, and other adverse effects. In that regard, it is difficult to objectively assess whether these concerns are truly unique to the present time and present Application, or whether similar concerns may have existed at the time of prior applications being filed (and, by extension, may exist again in the future when E1 files its next DSM plan).

As noted on the Government of Nova Scotia website, one common indicator of affordability is the Consumer Price Index:

The Consumer Price Index (CPI) is an indicator of changes in consumer prices experienced by Canadians. It is obtained by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers. Since the basket contains goods and services of unchanging or equivalent quantity and quality, the index reflects only pure price change.

The CPI is widely used as an indicator of the change in the general level of consumer prices or the rate of inflation. Since the purchasing power of money is affected by changes in prices, the CPI is useful to virtually all Canadians. Consumers can compare movements in the CPI to changes in their personal income to monitor and evaluate changes in their financial situation.⁷

As a point of reference, the CA would refer the Board to the Consumer Price Index (CPI) as of July 2026, which indicates a national increase of 3.0% in CPI over the prior 12 months.⁸ This adheres very closely to the 10-year national CPI average for all items at 2.96%.⁹ It also compares reasonably to annual rates of inflation over the past 10 years, as reflected in the table below:

Year	CPI
2025	2.1% ¹⁰
2024	2.4% ¹¹
2023	3.9% ¹²
2022	6.8% ¹³
2021	3.4% ¹⁴
2020	0.7% ¹⁵
2019	1.9% ¹⁶
2018	2.3% ¹⁷
2017	1.6% ¹⁸
2016	1.4% ¹⁹
2015	1.1% ²⁰

⁷ [Nova Scotia Department of Finance - Statistics](#)

⁸ [The Daily — Consumer Price Index, June 2026](#)

⁹ [Consumer Price Index, annual average, not seasonally adjusted](#)

¹⁰ [The Daily — Consumer Price Index: Annual review, 2025](#)

¹¹ [The Daily — Consumer Price Index: Annual review, 2024](#)

¹² [The Daily — Consumer Price Index: Annual review, 2023](#)

¹³ [The Daily — Consumer Price Index: Annual review, 2022](#)

¹⁴ [The Daily — Consumer Price Index: Annual review, 2021](#)

¹⁵ [The Daily — Consumer Price Index: Annual review, 2020](#)

¹⁶ [The Daily — Consumer Price Index: Annual review, 2019](#)

¹⁷ [The Daily — Consumer Price Index: Annual review, 2018](#)

¹⁸ [The Daily — Consumer Price Index: Annual review, 2017](#)

¹⁹ [The Daily — Consumer Price Index: Annual review, 2016](#)

²⁰ [The Daily — Consumer Price Index: Annual review, 2015](#)

1 Notably, the data also indicates that energy costs have been in decline since 2025:

2
3 On an annual average basis, prices for energy declined 5.7% in 2025, following a 0.6% decrease
4 in 2024. The largest contributor to the 2025 decline was an 8.6% decrease in prices for gasoline,
5 mainly driven by the [removal of the consumer carbon price](#) in April. The removal of the consumer
6 carbon price also impacted prices for natural gas, which fell 8.4% in 2025, compared with a 7.4%
7 decrease in 2024.²¹

8
9 The CA acknowledges these are national averages. However, the ten-year average CPI in Nova Scotia is
10 identical to the national average, at 2.96%,²² while the current annual rate of inflation (from July 2025 to
11 July 2026) for all items is around 5.0%.²³ While CPI in 2026 is currently higher than the 10-year average,
12 the current CPI for 2026 compares favourably to CPI in 2022, the year in which E1's last DSM Plan was
13 filed – a plan that “aggressively” adhered to the IRP. In that case, the Board found that the DSM Plan met
14 the requirement of being affordable:

15
16 [43] As set out in [s. 79L \(8\)](#) and [\(9\)](#) of the [Act](#), to approve a DSM supply agreement,
17 the Board must be satisfied that the proposed plan is in the best interests of NS Power customers,
18 taking into account affordability, as well as any other matters the Board considers appropriate. The
19 Board is satisfied that the budgeted spending and savings targets are in the best interests of NS
20 Power's customers and are affordable. The Board agrees that increased spending on programs that
21 focus on low income and Mi'kmaw communities is an important step in providing underserved
22 communities with access to DSM programs. Further, the Board finds that, given the history of E1's
23 targets, the plan is achievable. Therefore, the Board approves the spending levels contained in the
24 Settlement Plan.

25
26 In 2022, CPI in Nova Scotia was above the national average at 7.5%²⁴, which is 2.5 percentage point higher
27 than CPI over the past twelve months. This significant increase in CPI also followed a significant increase
28 in 2021 of 4.06%.²⁵ These figures would suggest that the kinds of affordability concerns E1 has raised
29 clearly existed at the time of the prior Plan being filed and considered – but even still the Plan was found
30 to be affordable, and was approved by the Board.

31
32 E1 also refers to rising electricity rates. The CA agrees that this is an important consideration. NS Power's
33 recent GRA resulted in average rate increases of 1.2% and 2.5% in 2026 and 2027.²⁶ Notably, rate increases
34 for the residential class were higher than average, at 3.1% and 3.9% in 2026 and 2027.

35
36 As a point of comparison, at the time the Board approved E1's last DSM Plan in 2022, NS Power had also
37 filed a GRA, which proposed average rate increases of 3.6% over three years. The application was
38 eventually subject to a settlement agreement, which was approved by the Board, and resulted in average
39 rate increases of 6.9% (including fuel and non-fuel costs) over two years (and particularly in 2023 and
40 2024).²⁷ For the residential class, rate increases were 6.8% and 6.9%, respectively.

41
42 This information would indicate that rate pressures, while not to be discounted, are not unique to the current
43 economic landscape, and would not justify E1's overemphasis on rising electricity rates to justify curtailing

²¹ [The Daily — Consumer Price Index: Annual review, 2025](#)

²² [Consumer Price Index, annual average, not seasonally adjusted](#)

²³ [Nova Scotia Department of Finance - Statistics](#)

²⁴ [Consumer Price Index, annual average, not seasonally adjusted](#)

²⁵ [Consumer Price Index, annual average, not seasonally adjusted](#)

²⁶ *Nova Scotia Power Incorporated (Re)*, 2026 NSEB 8

²⁷ *Nova Scotia Power Inc. (Re)*, 2023 NSUARB 12

energy efficiency programs (which, again, are intended to actually lower electricity costs resulting in savings for participants, not increase them).

To be clear, the CA does not dispute that affordability is an important consideration for all Nova Scotians, and more specifically for NS Power ratepayers, particularly following the most recent GRA filed by NS Power and approved by the Board. However, the above data does not support E1's contention that concerns about affordability are somehow unique or more notable than they would have been in prior years. In fact, if the Board were only to rely upon CPI, it would seem that concerns about affordability are less serious now than when E1 filed its last full DSM Plan in 2022.

Again, the CA does not intend to downplay valid concerns about affordability, but only to point out that E1 has not validated these concerns, or demonstrated why these concerns should be given more weight than in prior filings, or should be relied upon to justify failing to develop a DSM Plan that adheres to the IRP.

As acknowledged at the hearing, E1 has a history of filing Plans that are not consistent with the IRP, suggesting that failure to adhere is less a "unique" circumstance based on current circumstances (as E1 has argued), and appears to be becoming something of a standard practice.²⁸ Unfortunately, E1's planned shortfall compared to the IRP appears to be very much "par for the course" for the franchise.

iv. The Viability of a DSM Plan that Follows the IRP

Throughout its Application, E1 indicates that its Preferred Plan sufficiently takes into account long-term cost savings, and points to the fact that its Plan is cost-effective (i.e. will create benefits that exceed costs), and also demonstrates favourable outcomes through the Rate and Bill Impact Analysis E1 has conducted.

The CA submits that this can also be said about the IRP Scenario that E1 modelled for this proceeding. Specifically, as stated in Mr. Love's report, as part of the plan development process, "E1 modeled a full IRP-aligned energy efficiency scenario at 683.1 GWh and 123.9 MW of peak demand savings. This scenario was found to be cost-effective, with a total investment of \$464 million and net benefits under the PAC test of approximately \$600 million."²⁹

Moreover, the Rate and Bill Impact Analysis (RBIA) completed by E1 for an IRP-aligned plan indicates that such a plan would create costs for customers, but would be outweighed by cost savings, resulting in lower bills overall:

DSM (ALL RESOURCES)								
Average Results Over the Study Period								
Impact Type	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
Rates	1.14%	1.65%	1.46%	0.78%	1.45%	0.02%	1.14%	0.58%
Participant Bills	-6.26%	-26.59%	-7.65%	-3.84%	-20.55%	-2.55%	-4.08%	0.12%
Non-Participant Bills	1.01%	1.49%	1.46%	0.78%	1.45%	0.02%	1.14%	0.58%
Total Customer Bills	-1.03%	-1.95%	-3.57%	-3.88%	-3.54%	-2.53%	-3.69%	0.12%

This compares with E1's Preferred Plan as follows:

²⁸ Hearing Transcript, August 5, 2026, p. 539-540

²⁹ Exhibit E-21, Evidence of Theodore Love, p. 15

³⁰ E1 RIR (Synapse), E-16, IR-2, Attachment 2, Appendix K

DSM (All Resources)

Average Results Over the Study Period								
Impact Type	Residential	Small General	General	Large General	Small Industrial	Medium Industrial	Large Industrial	Municipal
Rates	0.58%	0.88%	0.74%	0.33%	0.76%	-0.12%	0.59%	0.26%
Participant Bills	-16.34%	-37.30%	-11.64%	-3.48%	-27.51%	-4.30%	-3.96%	-0.04%
Non-Participant Bills	0.50%	0.79%	0.74%	0.33%	0.76%	-0.12%	0.59%	0.26%
Total Customer Bills	-0.72%	-1.99%	-3.12%	-3.30%	-3.09%	-2.19%	-3.42%	-0.04%

31

With respect to the residential class specifically, these options compare as follows:

Impact Type	IRP-Aligned DSM Plan	E1's Preferred Plan
Rates	1.14%	0.58%
Participant Bills	-6.26%	-16.34%
Non-Participant Bills	1.01%	0.50%
Total Customer Bills	-1.03%	-0.72%

Based on the above, it is apparent that a DSM Plan that adheres to the IRP would not only be cost-effective, and result in benefits of approximately \$600 million, but would also result in overall cost savings that exceed the cost savings projected for E1's Preferred Plan. Indeed, the impact on total customer bills is -1.03%, which represents a 43% improvement compared to the Preferred Plan, which provided for -0.72%.

At the hearing, Mr. Love testified that the current IRP targets for energy efficiency are set at the base-level, and also that E1's preferred plan would fall below even that baseline of savings projected in the IRP.³² Mr. Love also testified that the IRP targets were achievable.³³

The CA acknowledges that adherence to the IRP would increase customer rates, and particularly for non-participants who would not receive the benefit of savings. However, the overall impact is minimal. As noted in Mr. Love's report, if the Board assumes a counter-factual of "no change in bills for customers due to continued DSM at the Preferred Plan level, the IRP scenario would represent an average increase in non-participant bills of between 0.08% to 0.66%, depending on rate class."³⁴ For the residential class, the increase in bills would average at 0.46% over the RBIA study period (i.e. 2027 to 2041). This is clearly minimal. Even if limited to the 2027 to 2031 program years, an IRP-aligned plan would "represent an average increase in non-participant bills of between 1.17% and 3.09% depending on rate class," and specifically 1.89% for the residential class.³⁵ While any increase in rates should be approached with caution, the CA agrees with Mr. Love that such an increase would not constitute "rate shock," and in any event "more customers would have the opportunity to mitigate this increase in bills by participation in the DSM Portfolio."³⁶ Negative bill impacts are therefore not a foregone conclusion; customers would ultimately have opportunities to address these impacts, assuming the portfolio is properly managed and implemented by E1.

Given the minimal impact on rates, and the potential for greater overall benefits through expansion of E1's program offerings and implementation, it is apparent that a DSM Plan that adheres to the IRP is viable, and

³¹ E1 Plan, E-1, Appendix B, Attachment 1

³² Hearing Transcript, August 6, 2026, p. 731

³³ Hearing Transcript, August 6, 2026, p. 762

³⁴ Exhibit E-21, Evidence of Theodore Love, p. 24

³⁵ Exhibit E-21, Evidence of Theodore Love, p. 25

³⁶ Exhibit E-21, Evidence of Theodore Love, p. 25

1 adequately takes into account short-term affordability concerns, while also properly balancing the need to
2 provide long-term cost savings.

3
4 *v. The Negative Impacts of Failing to Adhere to the IRP*

5
6 As noted in Mr. Love's evidence, E1's decision not to follow the IRP will have negative impacts on
7 ratepayers. Specifically, Mr. Love opines that failure to adhere to the IRP, or at least attempt to do so, will
8 not only result in energy needs being met with supply-side resources, but also could impact E1's ability to
9 adequately ramp up DSM activity to an appropriate level once the spending freeze has ended. These
10 problems were also recognized by E1 in testimony at the hearing.³⁷

11
12 APEX has also cautioned that "substantial reductions in savings goals could cause market participants to
13 exit the energy efficiency sector" and rebuilding program infrastructure can require "significant time and
14 resources and could result in extended periods of reduced program effectiveness."³⁸ These problems were
15 also discussed in E1's response to an IR from Synapse as follows:

16
17 E1 acknowledges that deferring DSM savings carries a cost risk, as savings achieved later in the
18 planning horizon may cost more due to program cost escalation, lost economies of scale, and
19 increased reliance on supply-side alternatives. E1 has weighed this risk against near-term rate
20 impacts and determined that the Preferred Plan represents the best available balance of short-term
21 affordability and long-term system efficiency under the current circumstances. E1 intends to
22 reassess the pace of DSM investment in the next planning cycle, including whether the cumulative
23 gap in Table 2 can be materially reduced without undue rate impact.³⁹

24
25 Given the evidence as summarized above, it appears likely that approval of E1's plan as designed will result
26 not only in customers incurring costs to cover the "gap" left by E1, but also in E1 falling behind in its
27 energy efficiency measures. Inevitably, E1 will have to play catch-up. While E1 may be confident this is
28 achievable, it also seems apparent that doing so will come at a cost, which will have to be paid by future
29 ratepayers, and likely at a higher price than if E1 adhered to the IRP now.

30
31 All things considered, if we are to rely on the IRP as our guide, then the takeaway from E1 not meeting the
32 energy efficiency target is that (1) customers will not pay as much to E1, but (2) customers will still end up
33 paying to fill the gap – just with a more expensive resources.

34
35 *vi. Conclusion*

36
37 The CA submits that E1's DSM Plan is problematic for a number of reasons, including (a) overemphasis
38 on concerns relating to short-term affordability; (b) failure to objective measure and support its concerns
39 relating to short-term affordability; and (c) failure to sufficiently balance concerns of short-term
40 affordability against the need to achieve long-term savings and continue to adhere to the IRP.

41
42 The CA also acknowledges that requiring E1 to develop an entirely new Plan based on the IRP may be
43 difficult and impractical to implement, at least in advance of January 1, 2027. With that in mind, the CA
44 submits that the appropriate remedy is not to reject the Plan but to approve it subject to direction that
45 corrects its trajectory. Both the IESO's Integrated Resource Plan and E1's updated DSM potential study
46 are expected to be completed by the end of 2026, The CA submits that the Board should: (i) confirm that

³⁷ Hearing Transcript, August 4, 2026, p. 148-154

³⁸ Exhibit E-21, Evidence of Theodore Love, p. 15

³⁹ Exhibit E-16, E1 (Synapse) RIR-10(g)

1 the level of cost-effective DSM identified through the IRP process is the benchmark against which E1's
2 savings targets are to be assessed; (ii) approve the 2027 investment and savings levels as filed, so that
3 program delivery is not disrupted on January 1, 2027; (iii) direct E1 to file, within 90 days of completion
4 of the updated IRP and potential study, a mid-course adjustment setting out revised savings and investment
5 levels for 2028-2031 that align the Plan with the level of cost-effective DSM those studies identify, together
6 with an updated rate and bill impact analysis; and (iv) adopt Mr. Love's recommendation that the
7 Standardized Filing Framework include a mid-course adjustment trigger where the Evergreen IRP process
8 identifies optimal DSM acquisition levels more than 20% away from the approved Plan over its remaining
9 term.

10
11 b. Low Income Savings Targets
12

13 As noted his report, Mr. Love is concerned about E1's decision to set the savings targets for low-income
14 programs at 11% based on its own "past performance rather than the need in the population." He reasons
15 as follows:
16

17 E1 should anchor the savings target to the need of the community. In this case 14.9% of Nova
18 Scotians are Low-Income, yet the Low-Income dedicated programs represent only an 11% share of
19 residential savings, below their share of the residential population. E1's responses confirm that the
20 Low-Income savings target is not grounded in needs. In response to CA IR-16(b), E1 stated that it
21 "has not, to date, defined equity for residential low-income customers by reference to their
22 proportionate share of residential load," and that it "is not aware that disaggregated residential load
23 data attributable specifically to low-income customers exists." That is a data gap E1 should close;
24 it is not a reason to default to a low, self-referential target.⁴⁰
25

26 Based on the above, Mr. Love recommends that the target for low income savings should be set at 14.9%.
27 The CA agrees with and supports Mr. Love's recommendation.
28

29 c. Pre-Weatherization Barriers
30

31 Mr. Love raised concerns in his report regarding the impact of pre-weatherization barriers on participation
32 in DSM programs, particularly with respect to low income customers.⁴¹ He recommends that E1 should
33 record and report, by program component, the number and proportion of customers who cannot proceed
34 because of pre-weatherization barriers and the nature of those barriers, and also that E1 establish a carve-
35 out to spend up to 10% of dedicated low-income retrofit program funding on pre-weatherization barriers
36 with a cap of \$10,000 per home.
37

38 At the hearing, E1 acknowledged that providing the recommended carve-out would allow more low-income
39 customers to access low-income programs, and also did not dispute Mr. Love's evidence regarding similar
40 carve-outs being provided in other jurisdictions.⁴² With respect to the reporting requirement, E1 confirmed
41 that it already collects this data, and provided an undertaking in that regard. In the undertaking, E1 stated:
42

43 Over the 2023–2025 period, pre-weatherization barriers accounted for approximately 6 percent of
44 total discontinued projects, or 220 projects, in the Affordable Single-family Homes program
45 component. A single customer may face barriers on one upgrade while proceeding with others; for
46 example, a customer may have been able to proceed with attic insulation but not basement
47 insulation due to water infiltration. Of the 6 percent of upgrades that could not be completed, the

⁴⁰ Exhibit E-21, Evidence of Theodore Love,

⁴¹ Exhibit E-21, Evidence of Theodore Love, p. 34-39

⁴² Hearing Transcript, August 4, 2026, p. 156-157

majority (75 percent) were related to a lack of physical access to the space. Mold, ventilation and humidity issues accounted for 10 percent, asbestos for 7 percent, water infiltration for 6 percent, and unsafe conditions or repairs needed for 2 percent.⁴³

Given that E1 has indicated it presently collects sufficient data to provide the reporting requested by Mr. Love, the CA submits that there should be no reason why E1 cannot provide reporting on this issue. The CA therefore maintains that E1 record and report, by program component, the number and proportion of customers who cannot proceed because of pre-weatherization barriers and the nature of those barriers.

d. Residential Heat Pumps

Mr. Love's evidence also addresses E1's plans concerning rebates for mini-split and centrally ducted heat pumps, and takes issue with E1's decision (and justification) to wait until 2028 to start providing these benefits, given the importance of these measures to allow E1 to further explore both "future expansion of energy savings and as a source of net benefits."⁴⁴ Mr. Love also expresses concern over E1's plan to increase incentives by between 67% and 80%, given that the measure is yet to be launched, and given the absence of an updated potential study. As Mr. Love notes, given "the importance of affordability and the rising unit costs projected for the portfolio, this level of increase needs at least some justification."⁴⁵ He recommends that E1 offer incentives for these heat pumps "as soon as possible," and also for E1 to keep incentives at the same levels for the duration of the plan (though these measures can be reviewed further as part of the study into unit costs).

The CA supports Mr. Love's concerns and recommendations.

e. Strategic Electrification

The CA acknowledges that this Application raises an important question regarding the future of strategic electrification in Nova Scotia. Specifically, E1 has not proposed to include any measures specific to strategic electrification following the Board's decision in *EfficiencyOne (Re)*, 2025 NSEB 18 ("BCA Test Decision").

In that decision, E1 had proposed a benefits-cost analysis ("BCA") test that would allow for weighing of certain non-utility system impacts derived from strategic electrification, and this approach was supported by the CA. However, the Board determined that the PAC test was the appropriate test, based on the language in the *PUA*. In that Application, E1 had opposed applying the PAC test for various reasons, but in particular with regards to strategic electrification, since "no strategic electrification measure would ever pass the PAC test because electric utility impacts are the primary costs and non-utility impacts are the primary benefits." The Board acknowledged this was the case, and further found that the traditional PAC test could be modified to assess those benefits. The Board directed E1 to follow the approach recommended by the Industrial Group, where E1 was to apply the PAC test, but include the additional revenues received by NSP as a benefit. The Board further suggested that E1 could propose an alternative in filing this Application. The Board's direction on this issue is stated below:

[163] In the absence of an alternative, E1 should follow Mr. Bowman's recommendation for assessing strategic electrification using the PAC test. The Board notes, however, that both requirements for strategic electrification must be met. It must reduce GHG emissions and electricity costs for customers. However, the Board leaves it open to E1 to propose another approach when

⁴³ E-1 Undertaking U-1

⁴⁴ Exhibit E-21, Evidence of Theodore Love, p. 43

⁴⁵ Exhibit E-21, Evidence of Theodore Love, p. 44

1 filing its 2027-2031 DSM Plan for approval, if it addresses the statutory requirements for cost-
2 effectiveness for DSM as found by the Board in this decision. (emphasis added)
3

4 As noted in E1's present Application, E1 considered multiple strategic electrification scenarios, but
5 application of the modified PAC test "demonstrated that measures did not reduce electricity costs for
6 customers," even under "optimal assumptions." E1 stated:
7

8 As a result of these findings, E1 was unable to include Strategic Electrification as a resource in its
9 2027–2031 DSM Plan. E1's exclusion of strategic electrification from the 2027–2031 DSM Plan
10 as a resource is mandated by the statutory requirements of the PUA. Section 79A(b)(iv) defines
11 strategic electrification as activities relating to "strategic electrification of energy end uses currently
12 powered by fossil fuels in a manner that reduces overall greenhouse-gas emissions **and** electricity
13 costs" (emphasis added). This conjunctive requirement that strategic electrification must reduce
14 both GHG emissions and electricity costs-was confirmed by the NSEB in its 2025 BCA Decision,
15 which stated that "both requirements for strategic electrification must be met." Because all modeled
16 strategic electrification scenarios failed to reduce electricity costs for customers when evaluated
17 under the Board-approved modified-PAC test, their inclusion as a DSM resource would violate the
18 statutory definition. E1 understands from DSMAG members that strategic electrification remains
19 an important area for exploration to determine how it can cost-effectively be included in future
20 DSM Plans. To support this objective, E1 has allocated investment within its Enabling Strategies
21 budget specifically for strategic electrification development and research. This investment will
22 support: (1) market research and technology assessment to identify emerging strategic
23 electrification opportunities with improved economics; (2) pilot programs to test delivery
24 approaches and gather real-world performance data; (3) collaboration with the NSIESO on future
25 IRP development to better quantify system benefits; and (4) ongoing evaluation of how changes to
26 avoided costs, particularly capacity values, may improve the cost-effectiveness of strategic
27 electrification in future plan periods. E1 will report annually on strategic electrification research
28 activities and findings as part of its Annual Progress Reports.
29

30 At the hearing, E1 confirmed that in preparing the Application, they did not consider any alternatives to the
31 application of the modified PAC test, and are not aware of any alternatives.⁴⁶ NS Power's witness, Dr.
32 Sanem Sergici of The Brattle Group, confirmed that she held the same understanding as E1 with respect to
33 the dual, conjunctive requirements of the *PUA*, and that there was not currently a robust pathway for
34 comprehensive strategic electrification in Nova Scotia.⁴⁷
35

36 In a report filed by Alice Napoleon of Synapse Energy Economics, Inc. (Synapse) on behalf of the Board,
37 Ms. Napoleon notes that the modified PAC results for the strategic electrification resource scored 0.7, but
38 noted that this was at the resource level, and not at the portfolio level.⁴⁸ Ms. Napoleon further observed that
39 she has concerns with E1's interpretation of the BCA Test Decision, which she notes is "silent about how
40 to assess 'electricity costs.'" Ms. Napoleon suggests such costs should be assessed "at the portfolio level."⁴⁹
41

42 At this time, it would appear to the CA that E1's interpretation and understanding of the *PUA* and the
43 Board's BCA Test Decision is correct, subject to any further clarification the Board may provide in its
44 discretion.
45
46

⁴⁶ Hearing Transcript, August 4, 2026, p. 233-234

⁴⁷ Hearing Transcript, August 5, 2026, p. 642-647

⁴⁸ Exhibit E-23, Evidence of Alice Napoleon (Synapse), p. 19-20; 24

⁴⁹ Exhibit E-23, Evidence of Alice Napoleon (Synapse), p. 19-20; 24

1 f. DSM Potential Study

2
3 At the hearing, Mr. Love was questioned about E1's DSM potential study, and commented that the
4 "potential study is a way for stakeholders to get an idea of what the potential for DSM exists [sic] and at
5 what cost it might be to achieve it. And that can be used then as an input for identifying what the optimal
6 level would be, given the resource needs of a jurisdiction. And then, by basing the savings targets for DSM
7 portfolio on the needs of the jurisdiction, you can then develop a plan to meet those needs."⁵⁰ The usual
8 order of things would be for E1 to have prepared the DSM potential study, which would then inform the
9 IRP, and which would finally inform E1's DSM plan.

10
11 In response to NSP IR-10, E1 confirmed that due to the IRP's condensed timeline, E1 would not be
12 following the process or methodology used in 2019 and is working with a consultant to complete the study
13 on an accelerated timeline.⁵¹ On questioning from NS Power at the hearing, E1 further acknowledged that:

14
15 A. (Pereira) We have not consulted on the scope. So as mentioned, the IRP timelines are -- the
16 IESO has to -- has committed to completing their Integrated Resource Plan by the end of this year,
17 having modelling completed much earlier than that, so by end of August. So typically a DSM
18 potential study would take anywhere from 12 to 18 months. This is under a rapid timeline. So with
19 that context, E1 did not have the time to engage with the DSMAG, as we typically would, to have
20 a fulsome discussion around the scope. What we did do is, again, lean heavily on the DSM Plan
21 development and the updated market characterization as a way to carry this work out objectively.

22
23 We have been, however, working with the IESO through their existing stakeholder engagement to
24 share information on the DSM Potential Study. At this point in time, we haven't shared a full and
25 complete scope of work with them, but we have reviewed what's to come.⁵²

26
27 E1 further indicated its intention to provide an update to the DSMAG, likely in the fall.

28
29 Dr. Sergici, on questioning from the Board, confirmed that the Board should have concerns about the
30 process E1 is following with respect to the potential study, where the potential study is being informed by
31 the new IRP instead of the other way around. She stated:

32
33 A. I don't know how that would be helpful, is my answer. So in other words, I can clearly see the
34 information flow from the potential study because, again, you have to know how many widgets do
35 you have to be able to decide how many of those widgets you're targeting for a program, and then
36 that gives you the information that is necessary for a plan.

37
38 So I don't see how the plan would inform the potential study. And I'm sure there are some common
39 inputs. Maybe that's kind of reference to the common inputs for both studies, but like I personally
40 don't see how that would be helpful from a planning perspective.⁵³

41
42 In response to questioning from the Board, Mr. Love further confirmed that a "rushed" study may suffer
43 from various shortfalls, including the "possibility to underestimate what the potential is, overestimate what
44 costs might be and ignore what real resources might be available and not accounted for in just a refresh of
45 existing assumptions."⁵⁴

⁵⁰ Hearing Transcript, August 6, 2026, p. 828-829

⁵¹ Hearing Transcript, August 4, 2026, p. 301

⁵² Hearing Transcript, August 4, 2026, p. 310-311

⁵³ Hearing Transcript, August 5, 2026, p. 667

⁵⁴ Hearing Transcript, August 6, 2026, p. 834

1 The Consumer Advocate acknowledges that E1 is under certain time constraints, given the progress of the
2 IESO's IRP process. The CA further acknowledges that E1 typically engages with DSMAG members in a
3 proactive and transparent manner, and does not wish to question in any way E1's intent. That being said,
4 the CA has long advocated for E1 to update its DSM potential study. Unfortunately, it appears E1 has
5 waited too long to engage in that exercise, leading to a rushed and potentially problematic process. It
6 remains unclear as this stage how the process E1 has followed may ultimately impact the outcomes and
7 usefulness of the IRP.

8
9 For future matters, and consistent with Mr. Love's comments at the hearing,⁵⁵ the CA submits that E1
10 should commit to completing an updated DSM potential study in advance of the filing of their next DSM
11 Plan, given that potential frailties with the proposed DSM potential study, and the likelihood that such a
12 study will be out of date by the time the next DSM Plan application is filed.

13 14 **C. Conclusion**

15
16 The Consumer Advocate repeats the foregoing, and maintains its support for Mr. Love's recommendations,
17 as set out above.

18
19 The Consumer Advocate thanks the Board for the opportunity to participate in this proceeding and provide
20 these submissions.
21
22
23
24
25

⁵⁵ Hearing Transcript, August 6, 2026, p. 833